TRULY®

TRULY INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00732)

ANNOUNCEMENT OF 2015 ANNUAL RESULTS

FINANCIAL HIGHLIGHTS

	For the year ended 31 December		
	2015	2014	**Change**
	HK$'000	*HK$'000*	
Revenue	**19,427,118**	21,415,651	**–9.3%**
Gross profit	**2,121,657**	2,486,422	**–14.7%**
Profit for the year attributable to owners of the Company	**845,422**	1,118,369	**–24.4%**
EBITDA and before share of results of associates	**2,197,491**	2,492,346	**–11.8%**
EPS *(HK cents)*			
— Basic and diluted	**29.08**	38.41	**–24.3%**
DPS *(HK cents)*			
— Interim	**7**	10	**–30.0%**
— Final	**3**	5	**–40.0%**
— Full Year	**10**	15	**–33.3%**

The final dividend of 3 HK cents per share (2014: final dividend of 5 HK cents) has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

THE CHAIRMAN'S STATEMENT

Truly International Holdings Limited (the "Company" and, together with its subsidiaries, the "Group") has discontinued its consecutive six year revenue growth (2009 — 2014), the revenue in 2015 was dropped by around HK$2.0 billion or 9.3% when compared to 2014 (HK$21.4 billion).

The Group's gross profit margin and net profit margin attributable to owners of the Group in 2015 have been slightly decreased from 11.6% in 2014 to 10.9% in 2015 and 5.2% in 2014 to 4.4% in 2015 respectively. Both gross profit margin and net profit margin attributable to owners of the Group in 2015 were narrowed, which were mainly attributed by the decrease in average selling price of the Group's smartphone related products in 2015. This situation had been one of the major difficulties being encountered by the management team. The management team has reduced the negative impacts on the Group's revenue and profit from the decrease in average selling price of the Group's smartphone related products through optimizing production process, production automation, and enhancing the non-smartphone business development such as automotive and industrial products. Therefore, the management would continue to try their best to enhance the development of non-smartphone businesses and new products, including fingerprint recognition module being launched in late 2015.

Although the Group's key products' average selling price are continuing to drop, the management has confident that the Group's revenue can still grow in 2016 because of better products mix (increasing the revenue proportion by non-smartphone products) and strong market demand on smartphone being maintained.

Our main targets in 2016 are to regain growth in the Group's revenue, improving the profit margins, launching the production of Huizhou factory and raising enough funds to build the 5th generation TFT-LCD production line in Shanwei.

The Group would like to express its appreciation to all the staff and workers for their continuing contribution towards the Group's development. Besides, the Group wishes to extend its gratitude for the continuing support from its shareholders, customers, bankers and business partners.

Lam Wai Wah
Chairman

Hong Kong, 8 March 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2015

	Notes	2015 HK$'000	2014 HK$'000
Revenue	3	**19,427,118**	21,415,651
Cost of sales		**(17,305,461)**	(18,929,229)
Gross profit		**2,121,657**	2,486,422
Other income	5	**132,600**	124,494
Other gains and losses	6	**(107,923)**	(45,096)
Impairment loss on available-for-sale investments		**(29,821)**	(7,216)
Administrative expenses		**(410,454)**	(429,478)
Distribution and selling expenses		**(432,511)**	(395,733)
Finance costs	7	**(102,501)**	(93,890)
Share of results of associates		**(47,691)**	(17,502)
Profit before tax		**1,123,356**	1,622,001
Income tax expense	8	**(194,509)**	(372,725)
Profit for the year	9	**928,847**	1,249,276
Other comprehensive income for the year			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(456,641)**	(203,978)
Fair value loss on available-for-sale investments		**(52,296)**	(58,052)
Share of exchange differences arising on translation of an associate		**1,164**	1,745
		(507,773)	(260,285)
Reclassification to profit or loss on impairment loss of available-for-sale investments		**–**	2,743
Total comprehensive income for the year		**421,074**	991,734
Profit for the year attributable to:			
Owners of the Company		**845,422**	1,118,369
Non-controlling interests		**83,425**	130,907
		928,847	1,249,276
Total comprehensive income for the year attributable to:			
Owners of the Company		**357,463**	868,017
Non-controlling interests		**63,611**	123,717
		421,074	991,734
EARNINGS PER SHARE	11		
Basic (HK cents per share)		**29.08**	38.41

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2015

	Notes	2015 HK$'000	2014 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**6,968,996**	6,780,598
Prepaid lease payments		**181,788**	147,966
Intangible assets		**–**	49
Goodwill		**413**	413
Interests in associates		**1,223,727**	734,843
Available-for-sale investments		**76,648**	133,500
Deferred tax assets		**8,513**	8,867
Deposits paid for acquisition of property, plant and equipment		**44,111**	138,956
		8,504,196	7,945,192
CURRENT ASSETS			
Inventories		**1,775,706**	1,511,346
Prepaid lease payments		**4,850**	4,102
Trade and other receivables	*12*	**5,004,135**	5,578,212
Tax recoverable		**42,153**	26,442
Derivative financial instruments		**6,265**	–
Amount due from an associate		**768,600**	–
Restricted bank deposits		**72,656**	36,486
Bank balances and cash		**2,055,200**	3,627,224
		9,729,565	10,783,812
Non-current assets held for sale		**683**	2,524
		9,730,248	10,786,336
CURRENT LIABILITIES			
Trade and other payables	*13*	**5,652,125**	5,657,407
Tax liabilities		**1,490**	31,423
Bank and other borrowings, unsecured		**2,882,553**	4,568,555
Derivative financial instruments		**42,571**	33,462
		8,578,739	10,290,847
NET CURRENT ASSETS		**1,151,509**	495,489
TOTAL ASSETS LESS CURRENT LIABILITIES		**9,655,705**	8,440,681

	Notes	**2015**	2014
		HK$'000	*HK$'000*
NON-CURRENT LIABILITIES			
Bank and other borrowings, unsecured		**2,000,056**	868,739
Deferred tax liabilities		**60,068**	48,583
		2,060,124	917,322
		7,595,581	7,523,359
CAPITAL AND RESERVES			
Share capital		**58,142**	58,142
Share premium and reserves		**7,027,375**	7,018,764
Equity attributable to owners of the Company		**7,085,517**	7,076,906
Non-controlling interests		**510,064**	446,453
Total equity		**7,595,581**	7,523,359

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2015

1. GENERAL

The Company was incorporated in the Cayman Islands under the Companies Law of the Cayman Islands as an exempted company. The Company is a public limited company with its shares listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its ultimate controlling party is Mr. Lam Wai Wah, who is also the Chairman and Managing Director of the Company. The addresses of the registered office and principal place of business of the Company are P.O. Box 309, Grand Cayman, Cayman Islands and 2/F., Chung Shun Knitting Centre, 1–3 Wing Yip Street, Kwai Chung, N.T., Hong Kong respectively.

The functional currency of the Company is United States dollars. The consolidated financial statements are presented in Hong Kong dollars which is different from the functional currency of the Company, as the directors of the Company consider that Hong Kong dollars is the most appropriate presentation currency in view of its place of listing.

The Company acts as an investment holding company. Its subsidiaries are principally engaged in the business of manufacture and sale of liquid crystal display ("LCD") products including touch panel products and electronic consumer products including high resolution compact camera module ("CCM"), personal health care products and electrical devices.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Application of amendments to HKFRSs and a new Interpretation

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current year:

Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010–2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011–2013 Cycle

The application of the above amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and revised HKFRSs in issue but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial Instruments[2]
HKFRS 15	Revenue from Contracts with Customers[2]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[1]
Amendments to HKAS 1	Disclosure Initiative[1]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012–2014 Cycle[1]

1 Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
2 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition, and in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of HKFRS 9:

- all recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- in relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The directors anticipate that the adoption of HKFRS 9 in the future will have impact on amounts reported in respect of the Group's available-for-sale investments. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The directors of the Company anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

The directors of the Company anticipate that the application of the other new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

3. REVENUE

Revenue represents the gross proceeds received and receivable on the sale of goods during the year, net of sales tax, trade discounts and returns, and is analysed as follows:

	2015	2014
	HK$'000	*HK$'000*
Sales of LCD products	**16,067,993**	18,539,879
Sales of electronic consumer products	**3,359,125**	2,875,772
	19,427,118	21,415,651

4. SEGMENT INFORMATION

Information reported to the Board of Directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of performance focuses on the sales of different types of products. Inter-segment sales are charged at prevailing market rates. Thus the Group is currently organised into two operating segments which are sales of LCD products and electronic consumer products. The information for each operating segment is as follows:

LCD products	—	manufacture and distribution of LCD products and touch panel products
Electronic consumer products	—	manufacture and distribution of electronic consumer products such as CCM, personal health care products and electrical devices

Segment revenues and results

The following is an analysis of the Group's revenue and results by operating and reportable segments:

For the year ended 31 December 2015

	LCD products *HK$'000*	Electronic consumer products *HK$'000*	Segment total *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
REVENUE					
External sales	**16,067,993**	**3,359,125**	**19,427,118**	**–**	**19,427,118**
Inter-segment sales	**–**	**326,813**	**326,813**	**(326,813)**	**–**
	16,067,993	**3,685,938**	**19,753,931**	**(326,813)**	**19,427,118**
RESULT					
Segment result	**1,329,844**	**37,436**	**1,367,280**	**(5,450)**	**1,361,830**
Finance costs					**(102,501)**
Unallocated expenses					**(135,973)**
Profit before tax					**1,123,356**

For the year ended 31 December 2014

	LCD products *HK$'000*	Electronic consumer products *HK$'000*	Segment total *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
REVENUE					
External sales	18,539,879	2,875,772	21,415,651	–	21,415,651
Inter-segment sales	–	397,586	397,586	(397,586)	–
	18,539,879	3,273,358	21,813,237	(397,586)	21,415,651
RESULT					
Segment result	1,689,436	97,051	1,786,487	(14,588)	1,771,899
Finance costs					(93,890)
Unallocated expenses					(56,008)
Profit before tax					1,622,001

Segment profit represents the profit earned by each segment without allocation of central administration costs, directors' salaries, loss on fair value changes of derivative financial instruments, finance costs and share of results of associates. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

Other information

For the year ended 31 December 2015

	LCD products ***HK$'000***	**Electronic consumer products** ***HK$'000***	**Consolidated** ***HK$'000***
Amounts included in the measure of segment profits:			
Depreciation and amortisation	**801,206**	**122,737**	**923,943**
Loss on disposal/write off of property, plant and equipment	**57,328**	**5,741**	**63,069**
Allowance for doubtful debts	**15,927**	**–**	**15,927**

For the year ended 31 December 2014

	LCD products *HK$'000*	Electronic consumer products *HK$'000*	Consolidated *HK$'000*
Amounts included in the measure of segment profits:			
Depreciation and amortisation	635,456	123,497	758,953
Loss on disposal/write off of property, plant and equipment	23,905	7,309	31,214
Allowance for doubtful debts	1,551	–	1,551

Segment assets and liabilities are not disclosed as they are not regularly reviewed by chief operating decision maker.

Geographical information

The following table sets out information about (i) the Group's revenue from external customers by location of customers and (ii) the Group's non-current assets by location of assets.

	Revenue from external customers		**Non-current assets**	
	2015	2014	**31.12.2015**	31.12.2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
PRC	**14,634,342**	16,401,624	**8,357,052**	7,702,113
South Korea	**2,250,079**	2,720,132	**–**	–
Hong Kong	**539,864**	535,245	**61,983**	100,712
Japan	**369,929**	526,291	**–**	–
Europe	**1,013,792**	470,154	**–**	–
Others	**619,112**	762,205	**–**	–
	19,427,118	21,415,651	**8,419,035**	7,802,825

Notes:

(1) Regarding revenue arising from sales to external customers in Europe and others, no individual countries are material and hence separate disclosure is not required.

(2) Non-current assets exclude available-for-sale investments and deferred tax assets.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	2015	2014
	HK$'000	*HK$'000*
Customer A[1]	**3,053,724**	N/A[2]
Customer B[1]	**N/A[2]**	3,430,009

[1] Revenue from LCD products
[2] Revenue from the customer is less than 10% of the total sales of the Group

5. OTHER INCOME

	2015	2014
	HK$'000	*HK$'000*
Other income includes:		
Government grants	**53,674**	19,944
Interest income	**29,599**	39,932
Interest income from an associate	**10,701**	–
Rental income	**11,350**	10,291
Compensation income	**42**	8,023
Dividends from available-for-sale investments	**–**	19,628
Sundry income	**27,234**	26,676
	132,600	124,494

6. OTHER GAINS AND LOSSES

	2015	2014
	HK$'000	*HK$'000*
Loss on fair value change of foreign currency swaps	**13,989**	25,714
Foreign exchange gain on bank loan in Australian dollars	**(20,954)**	(23,576)
	(6,965)	2,138
Loss on fair value change of structured foreign currency options	**648**	8,257
Net foreign exchange loss	**37,211**	1,936
Loss on disposal/write-off of property, plant and equipment	**63,069**	31,214
Allowance for doubtful debts	**15,927**	1,551
Gain on disposal of non-current assets held for sale	**(1,967)**	–
	107,923	45,096

7. FINANCE COSTS

	2015	2014
	HK$'000	*HK$'000*
Interest on bank and other borrowings repayable within five years	**102,501**	93,890

8. INCOME TAX EXPENSE

	2015	2014
	HK$'000	*HK$'000*
Current tax:		
Hong Kong	**20,218**	67,709
PRC Enterprise Income Tax	**157,724**	247,466
Other jurisdictions	**434**	4,026
	178,376	319,201
Under (over)provision in prior years:		
Hong Kong	**(698)**	(6,358)
PRC	**4,992**	10,983
	4,294	4,625
Net withholding tax paid	**–**	57,443
Deferred tax	**11,839**	(8,544)
Income tax expense for the year	**194,509**	372,725

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Income tax arising in the PRC and other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

Pursuant to the relevant law and regulations in the PRC, two of the Company's PRC subsidiaries were approved as Hi-Tech Enterprise and entitled to 15% PRC enterprise income tax for three years from 2012 to 2014. The PRC subsidiaries were granted the status of Hi-Tech Enterprise in 2015 by the relevant government and is now in the process of applying an extention of the preferential tax treatment for further three years with effect from 1 January 2015. The Group expected that the preferential tax treatment would be granted and accordingly, PRC Enterprise Income tax is provided at 15% for the year ended 31 December 2015.

Pursuant to the PRC Enterprise Income Tax Law (the "EIT Law of PRC") and the Detailed Implementation Rules, distribution of the profits earned by the PRC subsidiaries since 1 January 2008 to holding companies incorporated in Hong Kong is subject to PRC withholding tax at the applicable tax rate of 5%.

9. PROFIT FOR THE YEAR

	2015	2014
	HK$'000	*HK$'000*
Profit for the year has been arrived at after charging:		
Auditor's remuneration	**3,480**	3,480
Cost of inventories recognised as expenses	**14,666,319**	16,172,905
Research and development costs recognised as an expense	**754,847**	803,121
Depreciation and amortisation on:		
Property, plant and equipment	**923,894**	758,811
Technical know-how	**49**	142
	923,943	758,953
Operating lease rental in respect of rented premises	**6,867**	8,998
Release of prepaid lease payments	**5,287**	4,688
Staff costs, inclusive of directors' remuneration:		
Salaries and other benefits	**1,843,699**	1,840,205
Retirement benefits scheme contributions	**190,773**	188,557
	2,034,472	2,028,762

10. DIVIDENDS

	2015	2014
	HK$'000	*HK$'000*
Dividend recognised as distribution during the year:		
2015 Interim dividends of 7 HK cents (2014 Interim dividends of 10 HK cents) per share	**203,497**	290,912
2014 Final dividend of 5 HK cents (2013 final dividend of 12 HK cent) per share	**145,355**	349,516
	348,852	640,428

The 2015 interim dividends in aggregate of 7 HK cents per share amounting to approximately HK$203,497,000 of which, HK$58,142,000 and HK$87,213,000 were paid in September and December 2015 and HK$58,142,000 were payable in 2016 to shareholders on the register of members of the Company at the close of business on 9 June 2015, 28 August 2015 and 8 December 2015, based on 2,907,099,398 ordinary shares in issue.

The final dividend of 3 HK cents per share based on 2,907,099,398 ordinary shares amounting to approximately HK$87,213,000, in respect of the year ended 31 December 2015 (2014: final dividend of 5 HK cents per share based on 2,907,099,398 ordinary shares, in respect of the year ended 31 December 2014) has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

11. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

Earnings

	2015	2014
	HK$'000	*HK$'000*
Earnings for the purposes of basic and diluted earnings per share (Profit for the year attributable to owners of the Company)	**845,422**	1,118,369

Number of shares

	2015	2014
	'000	*'000*
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	**2,907,099**	2,911,512

The weighted average number of ordinary shares for the purpose of basic earnings per share has been adjusted for the share repurchase during the year ended 31 December 2014.

No diluted earnings per share is presented as there was no significant potential ordinary shares outstanding at the end of the reporting date.

12. TRADE AND OTHER RECEIVABLES

	2015	2014
	HK$'000	*HK$'000*
Trade and bills receivables	**4,713,490**	5,056,572
Less: Allowance for doubtful debts	**(18,553)**	(8,212)
	4,694,937	5,048,360
Other receivables, deposits and prepayment	**309,198**	529,852
Total trade and other receivables	**5,004,135**	5,578,212

The following is an aged analysis of trade and bills receivables presented based on the invoice date at the end of the reporting period, net of the allowance for doubtful debts at the reporting date:

		2015			2014	
	Trade receivables	**Bills receivables**	**Total**	Trade receivables	Bills receivables	Total
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*
Within 60 days	**3,079,486**	**366,465**	**3,445,951**	3,268,464	422,552	3,691,016
61 to 90 days	**639,364**	**99,142**	**738,506**	813,008	39,400	852,408
More than 90 days	**445,526**	**64,954**	**510,480**	468,098	36,838	504,936
	4,164,376	**530,561**	**4,694,937**	4,549,570	498,790	5,048,360

13. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade and bills payables presented based on the invoice date at the end of the reporting period:

	2015			2014		
	Trade payables	**Bills payables**	**Total**	Trade payables	Bills payables	Total
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*
Within 60 days	**2,987,179**	**912,587**	**3,899,766**	3,071,867	741,485	3,813,352
61 to 90 days	**441,042**	**2,817**	**443,859**	512,939	112,123	625,062
More than 90 days	**437,304**	**–**	**437,304**	341,545	–	341,545
	3,865,525	**915,404**	**4,780,929**	3,926,351	853,608	4,779,959

The credit period on purchases of goods ranges from 60 to 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Award

Revenue for the year recorded a decrease by approximately 9.3% amounting to HK$19.4 billion (2014: HK$21.4 billion) after consecutive six years revenue growth (2009–2014), which was mainly due to average selling price of the Group's smartphone related products being decreased.

Profit for the year attributable to owners of the Company was approximately HK$845 million which was approximately 24.4% less than last corresponding year in 2014 (approximately HK$1,118 million). Basic earnings per share decreased to 29.08 HK cents from 38.41 HK cents for corresponding period of the previous year. The 2015 total interim dividends of 7 HK cents per ordinary share were paid and payable during the year 2015 (2014: 10 HK cents per ordinary share). In view of this, the Board of Directors has recommended the payment of a final dividend of 3 HK cents per ordinary share, representing a payout ratio of 34.4%.

The gross profit margin for the year decreased to around 10.9% (2014: 11.6%) and net profit margin for the year attributable to owners of the Company decreased to approximately 4.4% (2014: 5.2%). As stated in the Chairman Statement, decrease in net profit attributable to owners of the Company in 2015 were mainly attributed by the decrease in average selling price of the Group's smartphone related products, including display module and touch module during the year. The main reasons for decreasing in average selling price of smartphone related products were keen competition in the smartphone industry and growth slowdown in smartphone market. However, the negative impacts on the Group's revenue and profit from the decrease in average selling price of the Group's smartphone related products has been minimized through past few years optimizing production process, production automation, and enhancing the non-smartphone business development such as automotive and industrial products.

The Group's LCD business including touch panel products and automotive display business was about 82.7% of the Group's revenue for the year 2015. Other businesses of the Group including the sales of compact camera module and printed circuit board accounted were approximately 17.3% of the Group's revenue in year 2015. LCD business would continue to be the core business of the Group in next few years.

In order to satisfy continuously the new products specification requirements from the customers and improve the manufacturing processes, the Group continues to put resources in the Group's research and development, the Group spent around HK$755 million and HK$803 million in 2015 and 2014 respectively. During 2015, the Group has continued to register many patents related to manufacturing processes of Compact Camera Module, LCD Products and Touch Panel Products in China. Besides, the Group was obtained a few Best Partner Awards from business partners in 2015. Besides, the Group has started to supply the fingerprint recognition module to the customers in late 2015. The fingerprint recognition application will be an indispensable component of a smartphone and would be one of the main driver for revenue growth in 2016.

Outlook

The management expects that the group's revenue could regain the growth in 2016 by the gradually maturing of mobile 4G network in China, the Group's new product, fingerprint recognition module and enhancing non-smartphone business development.

The management would foresee that the situation of decrease in average selling price of the Group's smartphone related products would be continued in 2016 but the magnitude of the price decrease would be reduced when compared to 2015 and 2014. Therefore, apart from the current ways, the management would continue to think other measures to mitigate this situation and improve the profit margins.

Proposed Spin-off Update

The management would like to update the Shareholders and investors that the Proposed Spin-off is still under progress and the Company has decided to focus on the PRC IPO way to proceed.

Further announcements will be made by the Company as and when appropriate in compliance with the Listing Rules.

FINANCIAL ANALYSIS

Results

Results for the year ended 31 December 2015, the Group's audited consolidated revenue amounted to HK$19.4 billion (2014: HK$21.4 billion), representing a decrease of 9.3% as compared to that of last year.

The Group's gross profit margin and net profit margin attributable to the owners of the Company decreased to 10.9% and 4.4% in 2015 from 11.6% and 5.2% in 2014 respectively.

EBITDA and before share of results of associates and profit attributable to owners of the Company were decreased to HK$2,197 million (2014: HK$2,492 million) by 11.8% and HK$845 million (2014: HK$1,118 million) by 24.4% respectively. Basic earnings per share was decreased to 29.08 HK cents (2014: 38.41 HK cents) by 24.3%.

Income tax expenses

Pursuant to the relevant law and regulations in the PRC, two of the Company's PRC subsidiaries were approved as Hi-Tech Enterprise and entitled to 15% PRC enterprise income tax for three years from 2012 to 2014. The PRC subsidiaries were continuously granted the status of Hi-Tech Enterprise in September 2015 by the relevant authority for three years from 1 January 2015 and the whole application for the preferential tax treatment for further three years with effect from 1 January 2015 would expect to be completed in May 2016. Accordingly, PRC Enterprise Income Tax is provided at 15% for the year ended 31 December 2015.

Investment, Assets and Liabilities

Update on investment in an associate — Truly (Huizhou) Smart Display Limited (信利(惠州)智能顯示有限公司)

Pursuant to the Capital Increase Agreement (refer to the discloseable transaction announcement dated on 11 November 2014), the Group has further contributed RMB460 million in 2015 by cash. After the capital increase of the associate completed in 2015, the associate has been held as to 53% by the Group without change.

Before the associate obtained the bank loans, the Group has lent short term loans with the amount of RMB500 million plus USD22 million to the associate to satisfy its payment schedule as the bank loan cannot be obtained as expected in time. These two short term loans to the associate by the Group were still outstanding as at 31 December 2015. However, the associate has partially repaid RMB200 million to the Group in January 2016.

The bank loans have been successfully obtained by the associate in November 2015 with the maximum loans limit of RMB2,180 million plus USD120 million. In order to satisfy payment schedule for the factory construction and relevant machinery without delay the construction completion date of the Huizhou AMOLED production line of the associate, Truly Semiconductors Limited, an indirectly wholly-owned PRC subsidiary of the Company and as a shareholder of the associate, provided full amount guarantee of the bank loans accordingly. As at 31 December 2015, the associate has partially withdrawn the loan amount of RMB650 million plus USD90 million. The remaining balance of loan amount of RMB1,530 million plus USD30 million would be expected to be withdrawn in 2016.

The construction of this Huizhou factory of the associate would be completed in late March 2016 or early April 2016 and can begin to trial production in April or May 2016.

Build up a 5th generation TFT-LCD production line

On 22 January 2016, the Group has entered an agreement with Samsung Display Co., Limited to purchase the machinery and equipment of the 5th generation TFT-LCD production line with color filter production line with the amount of USD50,880,000. For detail of the transaction, please refer to the discloseable transaction announcement dated 22 January 2016.

Besides, the Group has commenced to communicate with the banks for debt financing arrangement in relation to building up the 5th generation TFT-LCD Production line in early 2016. The management estimated that the total investment amount for completion of this 5th generation TFT-LCD production line would be between RMB3 billion and RMB3.5 billion.

As the Group's existing 2.5th generation TFT-LCD production line does not have enough capacity to satisfy the Automobile and Industrial customers' demand. Therefore, the 5th generation TFT-LCD production is very important for the Group's continuing development on non-smartphone products such as automobile and industrial products.

Further announcements will be made by the Company as and when appropriate in compliance with the Hong Kong Listing Rules.

4.5 generation capacitive touch panel production line

This capacitive touch panel production line is still under the construction on schedule in the Group's Shanwei factory, which would be commenced production in April 2016 and planned mainly for automotive products.

During the year, the Group acquired plant and machinery amounting to approximately HK$847 million and furniture, fixtures and equipment amounting to approximately HK$213 million for the purpose of enhancing its manufacturing capacity and production automation in the China factory campus.

Total assets were decreased by approximately 2.7% to approximately HK$18,234 million which comprised approximately HK$9,730 million of current assets, approximately HK$6,969 million of property, plant and equipment and approximately HK$1,535 million of other non-current assets. Total liabilities were approximately HK$10,639 million, of which approximately HK$8,579 million were current liabilities and approximately HK$2,060 million were non-current liabilities.

Liquidity and Financial Resources

As at 31 December 2015, the outstanding bank and other borrowings, net of restricted bank deposits, cash and bank balances, were approximately HK$2,755 million (2014: approximately HK$1,774 million). It was increased by approximately 55% when compared to last year. These borrowing bear interest at prevailing market rate and their maturity profiles are shown in the financial statements. For non-current portion of these borrowings were matured within 5 years.

Except for the 5th generation TFT-LCD Production line plan, the financial position of the Group is still healthy for future capital expansion as at 31 December 2015 while maintaining a sufficiently level of restricted bank deposits, cash and bank balances (approximately HK$2,128 million at 31 December 2015) together with adequate unutilized banking facilities. The gearing ratio based on total interest bearing debts, net of restricted bank deposits, cash and bank balances was approximately 39%, which has increased from 25% at 31 December 2014.

Capital expenditure commitment of around HK$190 million for the year 2016 in respect of acquisition of property, plant and equipment was contracted for but not provided as at 31 December 2015.

General

The state of the Group's current order books is very strong.

Except for investments in subsidiaries, an associated company and available for sale investments, neither the Group nor the Company had held any other material investments during the year.

Additions to fixed assets mainly in furniture, fixture and equipment and plant and machinery were approximately HK$1,538 million. As at 31 December 2015, the Group had no pledge or mortgage on its fixed assets.

Around 21,000 workers and staff are currently employed in our Shan Wei factory in China and around 100 personnel in the Group's Hong Kong office. Total staff costs for 2015 were approximately HK$2,034 million.

At the balance sheet date, a subsidiary of the Company is a defendant in a legal action in Italy involving the alleged defective goods manufactured by the subsidiary according to its customers' designs and specifications. The claim above against the subsidiary is approximately Euro 7.2 million (equivalent to approximately HK$61 million) in aggregate. The directors believe, based on legal advice, that the case has legal and factual grounds to defend and therefore it is not probable that losses (including claims for costs) will be incurred. As a result, no provision has been made at the end of the reporting period in this regard.

In addition, at 31 December 2015, the Group has given corporate guarantee for bank borrowings granted to the associate (Truly (Huizhou) Smart Display Limited (信利(惠州)智能顯示有限公司)) with the borrowing limit at approximately HK$3,538,920,000 and the bank loans with the amount of approximately HK$1,473,902,000 were withdrawn by the associate.

Furthermore, at 31 December 2015 the other shareholder of the associate provided corporate guarantee to the above bank borrowings in proportion to its respective ownership interest amounting to approximately HK$867,035,000. A counter-indemnity in favour of the other shareholder is executed pursuant to which the Group undertakes to indemnify the other shareholder 24.5% of the liabilities arising from the bank borrowings.

The directors assess the risk of default of the associate at the end of reporting period and consider the risk to be insignificant and it is less likely that any guaranteed amount will be claimed by the counterparties.

Exposure to fluctuations in exchange rates will be considered to hedge, if any.

OTHER INFORMATION

Review of Consolidated Financial Statements

The Audit Committee of the Company has reviewed the annual results of the Group for the year ended 31 December 2015.

Scope of work of Deloitte Touche Tohmatsu

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2015 as set out in the Preliminary Announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

Dividends

The directors recommend the payment of a final dividend of 3 HK cents (2014: 5 HK cents) per share for the year ended 31 December 2015, based on ordinary shares in issue (number of ordinary shares issued at 29 February 2016: 2,907,099,398), to shareholders whose names appear on the Register of Members on 27 May 2016 (Friday). It is expected that the final dividend payments will be made to shareholders on 8 June 2016, Wednesday, subject to the Company's shareholders' approval at the Annual General Meeting of the Company.

The interim dividends in aggregate of 7 HK cents per share (2014: 10 HK cents) were paid in 2015 and 2016 to shareholders on the register of member of the Company at the close of business on 9 June 2015, 28 August 2015 and 8 December 2015, based on 2,907,099,398 ordinary shares in issue.

The total dividend payout ratio for the year was about 34.4%.

Closure of Register of Members

For determining the entitlement to attend and vote at the 2016 Annual General Meeting, the Register of Members will be closed on Friday, 20 May 2016, during which day no transfer of shares can be registered. In order to be eligible to attend and vote at the AGM, all transfers accompanied by relevant share certificates must be lodged with the Company's Branch Share Registrar, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Thursday, 19 May 2016.

For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed on Friday, 27 May 2016, during which day no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's Branch Share Registrar in Hong Kong, Tricor Secretaries Limited at the above address for registration not later than 4:30 p.m. on Thursday, 26 May 2016.

Annual General Meeting

The 2016 Annual General Meeting of the Company will be held in May 2016. A notice convening the meeting will be issued in due course.

Purchase, Sale or Redemption of Security

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2015.

Model Code

None of the Directors of the Company is aware of information that would reasonably indicate that the Company was not in the year under review in compliance with the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange of Hong Kong Limited.

Audit Committee

The Company has an Audit Committee which was established in accordance with the code provisions of the Corporate Governance Code (the "Code") for the purposes of reviewing and providing supervision over the Group's financial reporting matters and internal controls. The Audit Committee comprises all the three independent non-executive directors namely Mr. Chung Kam Kwong, being the Chairman, Mr. Ip Cho Ting, Spencer and Mr. Heung Kai Sing, and Mr. Wong Pong Chun, James, an executive director, as members. They meet at least four times a year. However, Mr. Wong Pong Chun, James has resigned as a member of the Audit Committee of the Company with effect from 9 August 2015.

Following the changes in the composition, the Audit Committee comprises Mr. Chung Kam Kwong, Mr. Ip Cho Ting, Spencer and Mr. Heung Kai Sing, with Mr. Chung Kam Kwong as chairman of the Audit Committee.

The Group has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive directors are independent.

Remuneration and Nomination Committees

The Company has a Remuneration Committee and a Nomination Committee respectively which were established in accordance with the relevant requirements of the Code. The two Committees are chaired by Mr. Chung Kam Kwong, an independent non-executive director and comprise three other members, namely Mr. Ip Cho Ting, Spencer and Mr. Heung Kai Sing, being independent non-executive directors and Mr. Wong Pong Chun, James, an executive director of the Company.

Corporate Governance

The Board considers that good corporate governance of the Company is essential to safeguarding the interests of the shareholders and enhancing the performance of the Group. The Board is committed to maintain and ensure high standards of corporate governance. We have complied with all the applicable code provisions set out in the "Corporate Governance Code" contained in Appendix 14 of the Listing Rules throughout the year ended 31 December 2015, except for the deviation from the Code Provisions A.2.1 and E.1.2. The reason for deviation from A.2.1 and E.1.2 have been set out in the interim report for 2015 of the Company.

The Board will continuously review and improve the corporate governance practices and standards of the Company to ensure that business activities and decision-making processes are regulated in a proper and prudent manner.

Annual Report

The 2015 Annual Report containing all the information required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited will be published on the websites of the Exchange at www.hkexnews.hk and the Company at www.truly.com.hk in due course.

* *For identification purposes only*

By Order of the Board
Lam Wai Wah
Chairman

Hong Kong, 8 March 2016

As at the date of this announcements, the Board comprises Mr. Lam Wai Wah, Mr. Wong Pong Chun, James and Mr. Cheung Tat Sang as executive directors; Mr. Li Jian Hua as a non-executive director; and Mr. Chung Kam Kwong, Mr. Ip Cho Ting, Spencer and Mr. Heung Kai Sing as independent non-executive directors.