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TRULY[®]

TRULY INTERNATIONAL HOLDINGS LIMITED **信利國際有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00732)

RESULTS ANNOUNCEMENT **FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022**

UNAUDITED RESULTS

The unaudited revenue and profit attributable to owners of the Company and its subsidiaries for the nine months period from 1 January 2022 to 30 September 2022 (the “Period”) were approximately HK\$15,147 million and HK\$654 million which were about 9.2% and 28.6% lower than the corresponding period in 2021 (approximately HK\$16,681 million and HK\$916 million) respectively. The unaudited gross profit margin of approximately 9.8% for the Period was lower than the corresponding period of approximately 11.7% in 2021 while unaudited net profit margin attributable to owners of the Company was decreased from 5.5% for the corresponding period in 2021 to 4.3% during the Period.

FINANCIAL HIGHLIGHTS

For the nine months period from 1 January 2022 to 30 September 2022:

	2022 Unaudited HK\$'000	2021 Unaudited HK\$'000	Change
Revenue	15,147,040	16,680,881	-9.2%
Gross profit	1,479,923	1,943,480	-23.9%
Profit for the period attributable to owners of the Company	654,287	916,194	-28.6%
Basic Earnings per share	19.95 HK cent	27.85 HK cent	-28.4%

The Board of Directors (the “Board”) of Truly International Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “Group”) for the period from 1 January 2022 to 30 September 2022 (with comparative figures for the corresponding period in the previous year) as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the nine months ended 30 September 2022

	Unaudited For the period from 1.1.2022 to 30.9.2022 HK\$'000	Unaudited For the period from 1.1.2021 to 30.9.2021 HK\$'000
Revenue (Note 2)	15,147,040	16,680,881
Cost of sales	<u>(13,667,117)</u>	<u>(14,737,401)</u>
Gross profit (Note 3)	1,479,923	1,943,480
Other income, gains and losses (Note 4)	255,662	128,260
Loss from changes in fair value of financial assets at fair value through profit or loss	(828)	(2,423)
Administrative, distribution and selling expenses	(720,596)	(642,762)
Finance costs	(265,519)	(263,111)
Share of results of associates	<u>(1,494)</u>	<u>47,950</u>
Profit before tax	747,148	1,211,394
Income tax expense	<u>(112,295)</u>	<u>(220,356)</u>
Profit for the period	<u>634,853</u>	<u>991,038</u>
Other comprehensive (expense) income for the period		
<i>Items that may be subsequently reclassified to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	(1,372,026)	127,332
Share of exchange differences arising on translation of associates	<u>(163)</u>	<u>705</u>
Other comprehensive (expense) income for the period	<u>(1,372,189)</u>	<u>128,037</u>
Total comprehensive (expense) income for the period	<u>(737,336)</u>	<u>1,119,075</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(continued)

For the nine months ended 30 September 2022

	Unaudited For the period from 1.1.2022 to 30.9.2022 HK\$'000	Unaudited For the period from 1.1.2021 to 30.9.2021 HK\$'000
Profit (Loss) for the period attributable to:		
Owners of the Company (Note 5)	654,287	916,194
Non-controlling interests	(19,434)	74,844
	634,853	991,038
Total comprehensive (expense) income for the period attributable to:		
Owners of the Company	(686,232)	1,036,966
Non-controlling interests	(51,104)	82,109
	(737,336)	1,119,075
Basic earnings per share (Note 6)	19.95 HK cent	27.85 HK cent

Notes:

1. Except for the adoption of the new and revised Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, which are effective for the Group's financial year beginning on 1 January 2022, the accounting policies and basis used in the preparations of the unaudited condensed consolidated statement of profit or loss and other comprehensive income, which was reviewed by the Audit Committee and approved by the Board on 9 November 2022, are the same as those used in the annual financial statements for the year ended 31 December 2021.
2. Unaudited consolidated revenue for the nine months ended 30 September 2022 was approximately HK\$15,147 million which was about 9.2% lower than the same period in last year (2021: approximately HK\$16,681 million).
3. Gross profit margin for the Period was approximately 9.8% (approximately 11.7% for the same period in 2021).
4. The net gain of approximately HK\$256 million from other income, gains and losses in the Period was recorded (same period in 2021: approximately HK\$128 million net gain) mainly because net foreign exchange gain of approximately HK\$58 million was recorded (same period in 2021: approximately HK\$17 million net foreign exchange gain) and government subsidy had been increased to approximately HK\$157 million (same period in 2021: approximately HK\$73 million).
5. Net profit margin attributable to owners of the Company for the Period was approximately 4.3% (Net profit margin attributable to owners of the Company for the same period in 2021 was approximately 5.5%).

6. The calculation of the basic earnings per share is based on the unaudited profit for the period attributable to owners of the Company of HK\$654,287,000 (same period in 2021: unaudited profit attributable to owners of the Company of HK\$916,194,000) and on the weighted average number of 3,278,947,581 ordinary shares in issue during the Period (same period in 2021: 3,289,229,398 shares).

DIVIDEND

The Board does not recommend the payment of the interim dividend for the nine months ended 30 September 2022 (2021: Nil).

As the unaudited results for the nine months ended 30 September 2022 may not reflect the final results for the full year ended 31 December 2022, investors and shareholders are advised to exercise extreme caution when dealing in the shares of the Company.

By Order of the Board
Truly International Holdings Limited
Lam Wai Wah
Chairman

Hong Kong, 9 November 2022

As at the date of this announcement, the Board comprises Mr. Lam Wai Wah, Mr. Wong Pong Chun, James, Mr. Dai Cheng Yun and Mr. Cheung Wing Cheung as executive directors; Mr. Song Bei Bei as non-executive director; and Mr. Chung Kam Kwong, Mr. Ip Cho Ting, Spencer and Mr. Heung Kai Sing as independent non-executive directors.