TRULY®

TRULY INTERNATIONAL HOLDINGS LIMITED
信利國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00732)

ANNOUNCEMENT OF 2016 ANNUAL RESULTS

FINANCIAL HIGHLIGHTS

	For the year ended 31 December		
	2016	2015	**Change**
	HK$'000	*HK$'000*	
Revenue	**22,071,521**	19,427,118	**+13.6%**
Gross profit	**2,195,678**	2,121,657	**+3.5%**
Profit for the year before share of results of associates attributable to owners of the Company	**949,915**	893,113	**+6.4%**
Profit for the year attributable to owners of the Company	**581,867**	845,422	**-31.2%**
EBITDA and before share of results of associates	**2,348,642**	2,197,491	**+6.9%**
EPS *(HK cents)*			
— Basic and diluted	**20.02**	29.08	**-31.2%**
DPS *(HK cents)*			
— Interim	**7**	7	**–**
— Final	**2**	3	**-33.3%**
— Full Year	**9**	10	**-10.0%**

The final dividend of 2 HK cents per share (2015: final dividend of 3 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 regained the growth in the Group's revenue in 2016, which has met our expectation last year. The revenue in 2016 was increased by approximately HK$2.6 billion or 13.6% when compared to 2015 (HK$19.4 billion).

Besides, the Group has achieved its 2016 main targets of launching the production of Huizhou factory and raising enough funds to build the 5th generation TFT-LCD production line in Shanwei, which have stated in the Chairman's Statement of 2015 annual report. The Group's Huizhou factory has successfully started mass production of AMOLED panels in November 2016, which could help the Group to satisfy the customers' need on AMOLED panels thereafter. The Group has obtained the 48 months HK$4.5 billion bank term loan facility in June 2016 for building up the 5th generation TFT-LCD production line in Shanwei. The management expected that the construction work of 5th generation TFT-LCD production factory in Shanwei would be completed by the end of 2017 and the production would be launched in early 2018. They can improve the completeness of the Group's production capacity on LCD module and touch module products and strengthen the customers' confidence on the Group.

However, as the Huizhou factory has just started to mass production since second half of 2016, it incurred a significant operating loss in 2016. Thus, the Group has shared its 53% loss with the amount of around HK$369 million in 2016 accordingly. Thus, it constituted the major reason for the decrease in the profit attributable to the owner of the Company in 2016 by 31.2% when compared to 2015. The management thinks that the Huizhou factory would also incur operating loss in 2017. Profit attributable to the owner of the Company before share of result of associates in 2016 has been increased to HK$950 million from HK$893 million in 2015.

Owing the depreciation of the currency of Renminbi in 2016 and the decrease in average selling price of the Group's key products, it affected that the gross profits margin of the Group in 2016 has been decreased by 1% when compared to 2015.

In 2017, the management would focus on improving the Group's profit margins, improve the Huizhou factory operating results and complete the construction work of the 5th generation TFT-LCD production factory on schedule. The management expects that the Group's revenue can still grow by double digits in 2017.

The management would like to express its appreciation to bankers, staff and workers for their continuing support and contribution towards the Group. In addition, the management wishes to extend its gratitude for customers, suppliers and other business partners.

Lam Wai Wah
Chairman

Hong Kong, 17 March 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2016

	Notes	2016 HK$'000	2015 HK$'000
Revenue	3	**22,071,521**	19,427,118
Cost of sales		**(19,875,843)**	(17,305,461)
Gross profit		**2,195,678**	2,121,657
Other income	5	**79,731**	132,600
Other gains and losses	6	**(18,307)**	(107,923)
Impairment loss on available-for-sale investments		**(2,188)**	(29,821)
Administrative expenses		**(481,392)**	(410,454)
Distribution and selling expenses		**(352,885)**	(432,511)
Finance costs	7	**(180,237)**	(102,501)
Share of results of associates		**(368,048)**	(47,691)
Profit before tax		**872,352**	1,123,356
Income tax expense	8	**(195,785)**	(194,509)
Profit for the year	9	**676,567**	928,847
Other comprehensive (expense) income for the year			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(687,363)**	(456,641)
Fair value loss on available-for-sale investment		**–**	(52,296)
Share of other comprehensive (expense) income of associates		**(2,453)**	1,164
		(689,816)	(507,773)
Reclassification of fair value gain on disposal of available-for-sale investment		**(8,987)**	–
Other comprehensive expense for the year		**(698,803)**	(507,773)
Total comprehensive (expense) income for the year		**(22,236)**	421,074
Profit for the year attributable to:			
Owners of the Company		**581,867**	845,422
Non-controlling interests		**94,700**	83,425
		676,567	928,847
Total comprehensive (expense) income for the year attributable to:			
Owners of the Company		**(83,332)**	357,463
Non-controlling interests		**61,096**	63,611
		(22,236)	421,074
EARNINGS PER SHARE	11		
Basic (HK cents per share)		**20.02**	29.08

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2016

	Notes	**2016** **HK$'000**	2015 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**8,242,070**	6,968,996
Prepaid lease payments		**279,065**	181,788
Intangible assets		**–**	–
Goodwill		**413**	413
Interests in associates		**965,260**	1,223,727
Available-for-sale investments		**15,270**	76,648
Deferred tax assets		**8,783**	8,513
Deposits paid and other payments for acquisition of property, plant and equipment		**588,557**	44,111
		10,099,418	8,504,196
CURRENT ASSETS			
Inventories		**2,603,218**	1,775,706
Prepaid lease payments		**6,891**	4,850
Trade and other receivables	*12*	**7,522,216**	5,004,135
Tax recoverable		**381**	42,153
Derivative financial instruments		**27,894**	6,265
Amount due from an associate		**497,691**	768,600
Restricted bank deposits		**85,303**	72,656
Bank balances and cash		**2,453,623**	2,055,200
		13,197,217	9,729,565
Non-current assets held for sale		**126**	683
		13,197,343	9,730,248
CURRENT LIABILITIES			
Trade and other payables	*13*	**7,736,522**	5,652,125
Amount due to an associate		**22,018**	–
Tax liabilities		**30,319**	1,490
Bank and other borrowings, unsecured		**3,794,507**	2,882,553
Derivative financial instruments		**85,545**	42,571
		11,668,911	8,578,739
NET CURRENT ASSETS		**1,528,432**	1,151,509
TOTAL ASSETS LESS CURRENT LIABILITIES		**11,627,850**	9,655,705

	Notes	**2016**	2015
		HK$'000	*HK$'000*
NON-CURRENT LIABILITIES			
Bank and other borrowings, unsecured		**3,432,853**	2,000,056
Bonds payable		**827,456**	–
Deferred tax liabilities		**72,674**	60,068
		4,332,983	2,060,124
NET ASSETS		**7,294,867**	7,595,581
CAPITAL AND RESERVES			
Share capital		**58,142**	58,142
Share premium and other reserves		**6,653,333**	7,027,375
Equity attributable to owners of the Company		**6,711,475**	7,085,517
Non-controlling interests		**583,392**	510,064
Total equity		**7,294,867**	7,595,581

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2016

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"), fingerprint identification module, 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 HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012–2014 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[1]
HKFRS 15	Revenue from Contracts with Customers[1]
HKFRS 16	Leases[2]
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transaction[1]
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts[1]
Amendments to HKFRS 15	Clarifications to HKFRS 15 Revenue from Contracts with Customers[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 7	Disclosure Initiative[4]
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses[4]

1 Effective for annual periods beginning on or after 1 January 2018.
2 Effective for annual periods beginning on or after 1 January 2019.
3 Effective for annual periods beginning on or after a date to be determined.
4 Effective for annual periods beginning on or after 1 January 2017.

HKFRS 9 Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

Key requirements of HKFRS 9 which are relevant to the Group are:

- all recognised financial assets that are within the scope of HKFRS 9 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 fair value through other comprehensive income (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.

Based on the Group's financial instruments and risk management policies as at 31 December 2016, application of HKFRS 9 in the future may have a material impact on the classification and measurement of the Group's financial assets. The Group's available-for-sale investments, including those currently stated at cost less impairment, will either be measured as fair value through profit or loss or be designated as FVTOCI (subject to fulfilment of the designation criteria). In addition, the expected credit loss model may result in early provision of credit losses which are not yet incurred in relation to the Group's financial assets measured at amortised cost.

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.

In 2016, the HKICPA issued Clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The directors of the Company anticipate that the application of HKFRS 15 in the future may result in more disclosures, however, the directors of the Company do not anticipate that the application of HKFRS 15 will have a material impact on the timing and amounts of revenue recognised in the respective reporting periods.

HKFRS 16 Leases

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 Leases and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands for owned use and those classified as investment properties while other operating lease payments are presented as operating cash flows. Under the HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows.

Under HKAS 17, the Group has already recognised an asset and a related finance lease liability for finance lease arrangement and prepaid lease payments for leasehold lands where the Group is a lessee. The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

In contrast to lessee accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 December 2016, the Group has non-cancellable operating lease commitments of HK$11,538,000. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. In addition, the application of new requirements may result changes in measurement, presentation and disclosure as indicated above. However, it is not practicable to provide a reasonable estimate of the financial effect until the directors complete 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:

	2016	2015
	HK$'000	*HK$'000*
Sales of LCD products	**16,952,981**	16,067,993
Sales of electronic consumer products	**5,118,540**	3,359,125
	22,071,521	19,427,118

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, fingerprint identification module, 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 2016

	LCD products *HK$'000*	Electronic consumer products *HK$'000*	Segment total *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
REVENUE					
External sales	**16,952,981**	**5,118,540**	**22,071,521**	**–**	**22,071,521**
Inter-segment sales	**–**	**229,675**	**229,675**	**(229,675)**	**–**
	16,952,981	**5,348,215**	**22,301,196**	**(229,675)**	**22,071,521**
RESULT					
Segment result	**1,159,818**	**323,223**	**1,483,041**	**(14,146)**	**1,468,895**
Finance costs					**(180,237)**
Unallocated expenses					**(416,306)**
Profit before tax					**872,352**

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

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 2016

	LCD products *HK$'000*	Electronic consumer products *HK$'000*	Consolidated *HK$'000*
Amounts included in the measure of segment profits:			
Depreciation and amortisation	**759,484**	**168,521**	**928,005**
Loss on disposal/write off of property, plant and equipment	**43,010**	**4,976**	**47,986**
Reversal of allowance for doubtful debts	**(2,436)**	**–**	**(2,436)**

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

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**	
	2016 *HK$'000*	2015 *HK$'000*	**31.12.2016** *HK$'000*	31.12.2015 *HK$'000*
PRC	**17,980,122**	14,634,342	**10,002,427**	8,357,052
South Korea	**1,076,247**	2,250,079	**–**	–
Hong Kong	**584,632**	539,864	**72,938**	61,983
Japan	**395,599**	369,929	**–**	–
Europe	**1,277,159**	1,013,792	**–**	–
Others	**757,762**	619,112	**–**	–
	22,071,521	19,427,118	**10,075,365**	8,419,035

Notes:

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

(ii) 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:

	2016	2015
	HK$'000	*HK$'000*
Customer A[1]	**3,963,627**	3,053,724
Customer B[1]	**3,423,627**	N/A[2]
Customer C[1]	**2,270,127**	N/A[2]

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

5. OTHER INCOME

	2016	2015
	HK$'000	*HK$'000*
Other income includes:		
Government grants	**12,492**	53,674
Interest income	**12,605**	29,599
Interest income from an associate	**17,452**	10,701
Rental income	**10,323**	11,350
Compensation income	**9,483**	42
Dividends from available-for-sale investments	**763**	–
Sundry income	**16,613**	27,234
	79,731	132,600

6. OTHER GAINS AND LOSSES

	2016	2015
	HK$'000	*HK$'000*
Loss on fair value change of derivative financial instruments, net	**33,195**	14,637
Net foreign exchange loss	**37,720**	16,257
Loss on disposal/write-off of property, plant and equipment	**47,986**	63,069
(Reversal of) allowance for doubtful debts, net	**(2,436)**	15,927
Gain on disposal of available-for-sale investments	**(97,293)**	–
Gain on disposal of non-current assets held for sale	**(865)**	(1,967)
	18,307	107,923

7. FINANCE COSTS

	2016	2015
	HK$'000	*HK$'000*
Interest on bank and other borrowings	**157,862**	102,501
Effective interest expense on bonds payable	**22,375**	–
	180,237	102,501

8. INCOME TAX EXPENSE

	2016	2015
	HK$'000	*HK$'000*
Current tax:		
Hong Kong	**28,748**	20,218
PRC Enterprise Income Tax	**142,273**	157,724
Other jurisdictions	**592**	434
	171,613	178,376
(Over)underprovision in prior years:		
Hong Kong	**(58)**	(698)
PRC	**(691)**	4,992
	(749)	4,294
Net withholding tax paid	**12,585**	–
Deferred tax	**12,336**	11,839
Income tax expense for the year	**195,785**	194,509

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 2015 to 2017.

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

	2016	2015
	HK$'000	*HK$'000*
Profit for the year has been arrived at after charging:		
Auditor's remuneration	**3,000**	3,480
Cost of inventories recognised as expenses	**17,337,697**	14,666,319
Research and development costs recognised as an expense	**760,342**	754,847
Depreciation and amortisation on:		
Property, plant and equipment	**928,005**	923,894
Technical know-how	**–**	49
	928,005	923,943
Operating lease rental in respect of rented premises	**11,734**	6,867
Release of prepaid lease payments	**6,864**	5,287
Staff costs, inclusive of directors' remuneration:		
Salaries and other benefits	**1,805,287**	1,843,699
Retirement benefits scheme contributions	**152,058**	190,773
	1,957,345	2,034,472

10. DIVIDENDS

	2016	2015
	HK$'000	*HK$'000*
Dividends recognised as distribution during the year:		
2016 Interim dividends of 7 HK cents (2015: Interim dividends of 7 HK cents) per share	**203,497**	203,497
2015 Final dividend of 3 HK cents (2014: final dividend of 5 HK cent) per share	**87,213**	145,355
	290,710	348,852

The 2016 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 2016 and HK$58,142,000 were payable in 2017 to shareholders on the register of members of the Company at the close of business on 8 June 2016, 5 September 2016 and 8 December 2016, respectively, based on 2,907,099,398 ordinary shares in issue.

The final dividend of 2 HK cents per share based on 2,907,099,398 ordinary shares amounting to approximately HK$58,142,000, in respect of the year ended 31 December 2016 (2015: 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) 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

	2016	2015
	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)	**581,867**	845,422

Number of shares

	2016	2015
	'000	*'000*
Number of ordinary shares for the purposes of basic and diluted earnings per share	**2,907,099**	2,907,099

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

	2016	2015
	HK$'000	*HK$'000*
Trade and bills receivables	**6,992,502**	4,713,490
Less: Allowance for doubtful debts	**(11,941)**	(18,553)
	6,980,561	4,694,937
Other receivables, deposits and prepayment	**541,655**	309,198
Total trade and other receivables	**7,522,216**	5,004,135

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:

		2016			2015	
	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	**2,818,284**	**219,799**	**3,038,083**	3,079,486	366,465	3,445,951
61 to 90 days	**594,482**	**75,325**	**669,807**	639,364	99,142	738,506
More than 90 days	**3,207,139**	**65,532**	**3,272,671**	445,526	64,954	510,480
	6,619,905	**360,656**	**6,980,561**	4,164,376	530,561	4,694,937

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:

	2016			2015		
	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	**4,303,036**	**737,042**	**5,040,078**	2,987,179	912,587	3,899,766
61 to 90 days	**639,011**	**428,390**	**1,067,401**	441,042	2,817	443,859
More than 90 days	**560,023**	**–**	**560,023**	437,304	–	437,304
	5,502,070	**1,165,432**	**6,667,502**	3,865,525	915,404	4,780,929

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

Revenue for the year recorded an increase by 13.6% amounting to approximately HK$22.1 billion (2015: HK$19.4 billion), which is the new high of the Group's revenue. The Group has achieved to regain the growth in revenue in 2016 since a decrease in 2015. It was mainly attributable by the double digits revenue growth in 2016 from both smartphone related products and non-smartphone related products. For smartphone related products' revenue in 2016, the growth was mainly contributed by the fingerprint identification modules product and compact camera module product.

Profit for the year attributable to the owners of the Company before share of results of associates has been increased by HK$56.8 million or 6.4% when compared to 2015.

Profit for the year attributable to owners of the Company was HK$582 million which was 31.2% less than 2015 (approximately HK$845 million). Basic earnings per share for the year decreased to 20.02 HK cents from 29.08 HK cents in 2015. The 2016 total interim dividends of 7 HK cents per ordinary share were paid and payable during 2016 (2015: 7 HK cents). In view of this, the Board of Directors has recommended the payment of a final dividend of 2 HK cents per ordinary share (2015: 3 HK cents), representing a payout ratio of 45.0% (2015: 34.4%).

The gross profit margin for the year decreased to around 9.9% (2015:10.9%) and net profit margin for the year attributable to owners of the Company decreased to 2.6% (2015: 4.4%). As stated in the Chairman Statement, decrease in gross profit margin was mainly because of the depreciation of the currency of Renminbi in 2016 and the decrease in average selling price of the Group's key products. Except the above mentioned reasons, significant increase in share of loss of associates was the most significant reason for the significant decrease in profit attributable to the owners of the Company, which has been published in the Profit Warning announcement dated 9 March 2017. The main reason for the significant increase in share of loss of associates was because the major associate, Truly (Huizhou) Smart Display Limited (信利(惠州)智能顯示有限公司), of the Group incurred significant operating loss by its first year of production in 2016.

Same as last year, the decrease in average selling price of the Group's key products in 2016 were mainly smartphone related products but the decreasing magnitude was lesser than 2015. Besides, the depreciation of currency of Renminbi in 2016 was much more significant than 2015, it affected the gross profit margins for PRC domestic sales as the major raw materials were still relied on imported raw material.

The Group's LCD business including touch products was about 77% of the Group revenue in 2016. Other businesses of the Group including the sales of compact camera modules, fingerprint identification products and printed circuit board were 23% of the Group's revenue in 2016. LCD business would continue to be the core business of the Group in coming few years.

The Group continues to put resources in the Group's research and development by spending around HK$760 million in 2016 (2015: HK$755 million). During the year, the Group continued to register many patents related manufacturing process of the PRC factories of the Group.

Major Award

The Company has made it into the 2016 "Forbes Asia's Fab 50". 2016 Forbes Asia's Fab 50 has been announced in the September 2016 issue of "Forbes" Asia magazine, which are selected from the pool of 1,524 public companies in Asia Pacific Region. "Forbes" has been identifying the Fabulous 50 list each year since 2005. To arrive at "Forbes Aisa's Fab 50", the public companies have at least US$1.7 billion in annual revenue. A company, which either loss making or the revenue less than 5 years ago, is not qualified to be selected. Companies carrying a debt ratio higher than 50% or that are more 50% owned by listed parents are also excluded.

Outlook

Global demand for smartphone is still very strong in 2016 and is expected to be continued in 2017; and our major PRC brands smartphone customers have increased their global market share rapidly since 2016 and improved their global smartphone ranking into top 5. The management believes that the Group's smartphone related products orders would be still very good in 2017 and be benefited by the continuous growth of the Group's major customers. It would help the Group to achieve the double digits growth in the Group's revenue in 2017.

For the non-smartphone related products of the Group are still growth gradually, it can help the Group to maintain or improve the profit margin.

As stated in the Chairman's statement, the major associate, Truly (Huizhou) Smart Display Limited (信利(惠州)智能顯示有限公司), of the Group would still incur operating loss as a new factory in 2017, so it would be a burden to the Group's profit in 2017. The management would try their best to improve the operating results of this associate in 2017.

Proposed Spin-off Update

The management would like to update the Shareholders and investors that the Proposed Spin-off is still under progress in PRC.

On 21 March 2016, CSRC has accepted Truly Shanwei's application for a separate listing of its shares by way of A Shares listing on the Shenzhen Stock Exchange. For detail, please refer to the Company's related announcement dated 22 March 2016.

On 29 June 2016, the Hong Kong Stock Exchange confirmed that the Company may proceed with the Proposed Spin-off and also granted a waiver from strict compliance with the applicable requirements in relation to the assured entitlement under paragraph 3(f) of Practice Note 15 of the Listing Rules. For detail, please refer to the Company's related announcement dated 4 July 2016.

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 2016, the Group's audited consolidated revenue amounted to HK$22.1 billion (2015: HK$19.4 billion), representing an increase of 13.6% as compared that of last year.

The Group's gross profit margins and net profit margin attributable to the owners of the Company decreased to 9.9% and 2.6% in 2016 from 10.9% and 4.4% in 2015 respectively.

Profit attributable to the owners of the Company before share of results of associates was increased to HK$950 million (2015: HK$893 million). EBITDA and before share of results of associates was increased to HK$2,349 million (2015: HK$2,197 million) by 6.9%; profits attributable to owners of the Company was decreased to HK$582 million (2015: HK$845 million) by 31.2%; and basic earnings per ordinary share was decreased to 20.02 HK cents (2015: 29.08 HK cents) by 31.2%.

Finance Costs

Finance costs were significantly increased by around 75.8% from HK$102.5 million in 2015 to HK$180.2 million in 2016. It is mainly because the Group has utilized HK$2.3 billion in late June 2016 among of the granted 48 months HK$4.5 billion bank term loans for building the 5th generation TFT-LCD production line. Furthermore, the Group has issued RMB750 million corporate bonds in PRC in July 2016. The gross debts of the group has been increased significantly accordingly from HK$4.9 billion as at 31 December 2015 to HK$8.1 billion as at 31 December 2016 by 65%.

Share of Results of Associates

Share of loss from associates for the year ended 31 December 2016 by the Group has been significantly increased in to HK$368.0 million when compared with last year (2015: HK$47.7 million) because the major associate, Truly (Huizhou) Smart Display Limited (信利(惠州)智能顯示有限公司), of the Group incurred significant operating loss by its first year production in late 2016.

The operating loss of Truly (Huizhou) Smart Display Limited (信利(惠州)智能顯示有限公司) for the year ended 31 December 2016 was approximately HK$700 million under HKFRS and after adjustments to follow the Group accounting policies. It was mainly included wages expenses of approximately HK$100 million, water and electricity expenses of approximately HK$70 million, raw materials consumed of approximately HK$250 million, depreciation expenses of approximately HK$120 million, bank loans interest expenses of approximately HK$50 million and exchange loss of approximately HK$90 million.

Income Tax Expenses

Pursuant to the relevant law and regulations in the PRC, two of the Company's PRC major subsidiaries were continuously approved as Hi-Tech Enterprise and entitled to 15% PRC enterprise income tax for three years from 2015 to 2017. Accordingly, PRC Enterprise Income Tax is provided at 15% for the year ended 31 December 2016.

Significant Investments, Acquisitions, 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)

During 2016, the Group has further contributed RMB159 million by cash pursuant to the relevant capital increase agreement and maintained the same shareholding of 53% by the Group without change.

The construction of Huizhou factory of the associate has been completed in the first half of 2016 and the Huizhou factory successfully started mass production of TFT panels and AMOLED panels in second half of 2016. The associate incurred significant operating loss in its first year of production in 2016, which 53% loss shared by the Group in 2016 and affected the Group's result accordingly. The management expected that the associate would continue to incur operating loss in 2017, which would continue to affect the Group's result in 2017.

For the bank loans obtained by the associate with the guarantee provided by the Group in November 2015 with the maximum loans limit RMB2,180 million plus USD120 million, the associate has further withdrawn the loan amount of RMB1,174.5 million plus USD8 million in 2016. As at 31 December 2016, the associate has withdrawn the loan amount of RMB1,824.5 million plus USD 98 million. The remaining balance of loan amount of RMB355.5 million plus USD22 million would be expected to be withdrawn in 2017.

Besides, the remaining short term loan with the amount of RMB410 million as at 31 December 2016 by the Group to the associate has been extended to 2017.

Update on 5th generation TFT-LCD Production Line progress

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 ("L5 Equipment") with the amount of USD50,880,000. For detail of the transaction, please refer to the discloseable transaction announcement of the Company dated 22 January 2016.

On 11 March 2016, the Group has further entered 2 services agreements (L5-Equipment Disassembly and Assembly Services Agreement and L5-Equipment Transportation, Packing and Warehouse Keeping Services Agreement) with YMC Co., Ltd. for certain L5 Equipment (i) disassembly & assembly services and (ii) transportation, packing, warehousing keeping, move-in and move-out services for the total service fee of (i) USD36,220,000 and (ii) USD35,260,000 respectively. For detail of the transactions, please refer to the relevant announcement of the Company dated 11 March 2016.

On 31 March 2016, the Group has entered the L5-2nd phase equipment agreement with Samsung Display Co., Limited to purchase the 2nd phase machinery and equipment of the 5th generation TFT-LCD production line with the amount of USD31,300,000. For detail of the transaction, please refer to the relevant announcement of the Company dated 31 March 2016.

On 5 July 2016, the Group has further entered a L5-2nd phase Equipment disassembly services agreements with YMC Co., Ltd. for certain L5-2nd phase Equipment disassembly services for the total service fee of USD12,316,000. For detail of the transactions, please refer to the relevant announcement of the Company dated 5 July 2016.

On 10 and 24 November 2016, the Group entered 2 services agreement (L5-2nd phase Equipment Transportation, Packing and Move-in & out Services Agreement and L5-2nd phase Equipment Assembly Services Agreement) with YMC Co., Ltd. for certain L5-2nd phase Equipment (i) transportation, packing, move-in and move-out services and (ii) assembly services for the total service fee of (i) USD32,865,000 and (ii) USD18,474,000 respectively. For detail of the transactions, please refer to the relevant announcement of the Company dated 10 November 2016 and 24 November 2016 respectively.

All the above major machinery and equipment and relevant services for the 5th generation TFT-LCD production line were incurred in aggregate of USD217,315,000. Besides, the Group has entered into the construction general contract agreement with CCEED, the general contractor, for the civil engineering construction of 5th generation TFT-LCD production line factory in Shanwei with estimated total agreement price of RMB1,015,000,000 and not exceeding RMB1,200,000,000 on 30 September 2016. For detail of the transaction, please refer to the relevant announcement of the Company dated 30 September 2016.

All the above agreements were entered for building up a high-end automotive and smart device display factory and considered in the interest of the Company and Shareholders as a whole. The management considered that the investment in the 5th generation TFT-LCD production line can further increase the Group's market share in the professional display market and is expected to lead to continued growth in revenue and profits to the Company, and to stabilize the Group's supply to meet its customers' product requirements. The Group decides to invest in the 5th generation TFT-LCD production line for specializing in the field of display for the target market, mainly used in automobiles, home appliances, industrial and medical markets. All the above agreements consideration would be paid by the HK$4.5 billion term loan facility being obtained in June 2016 and internal resources.

The construction work of the 5th generation TFT-LCD production line factory started in October 2016 and is expected to be completed by the end of 2017.

Update on 4.5 generation capacitive touch panel production line

The 4.5 generation capacitive touch panel production line has successfully completed the construction in the first half of 2016 and started mass production in 2016 accordingly.

Update on Available-for-sale investment — Hannstar

During 2016, all the shares of Hannstar Display Corporation, being hold by the Group since 2011, has been disposed over the Taiwan Stock Market for approximately NTD602 million or USD19 million. It incurred a gain of approximately HK$97 million being recognized in 2016. A fair value loss of approximately HK$53 million had been recognized during the year ended 31 December 2015.

During 2016, the Group acquired plant and machinery amounting to approximately HK$1,218 million and furniture, fixture and equipment amounting to approximately HK$253 million for the purpose of enhancing its manufacturing capacity and production automation in the China factory campus.

Total assets were increased by approximately 27.8% to approximately HK$23,297 million which comprised approximately HK$13,197 million of current assets, approximately HK$8,242 million of property, plant and equipment and approximately HK$1,858 million of other non-current assets. Total liabilities were approximately HK$16,002 million, of which approximately HK$11,669 million were current liabilities and approximately HK$4,333 million were non-current liabilities.

Liquidity and Financial Resources

As at 31 December 2016, the outstanding bank and other borrowings and bonds payable, net of restricted bank deposits, cash and bank balances, were approximately HK$5,516 million (2015: approximately HK$2,755 million). It was increased by approximately 100% when compared to these borrowings as at 31 December 2015. 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.

For financing the 5th generation TFT-LCD production line, the Group has successfully obtained the HK$4.5 billion bank 4 years term loan facility in June 2016. As at 31 December 2016, the Group has utilized HK$2.3 billion. The remaining HK$2.2 billion loan has utilized in January 2017. Pursuant to the Facility Agreement, it will be an event of default if the controlling shareholder, Mr. Lam Wai Wah, is not or ceases to be the chairman of the Company. For detail of the specific performance covenant of the loan facility, please refer to the announcement of the Company dated 20 June 2016.

Furthermore, the Company's major PRC subsidiary, Truly Opto-Electronics Limited (信利光電股份有限公司), has successfully issued the first tranche of domestic corporate bonds with the amount of RMB750 million on the Shenzhen Stock Exchange in July 2016 in the PRC for working capital purpose. The Company will announce details of the issue of subsequent tranche(s), if any, of the Domestic Bonds as and when appropriate. For detail of the Corporate Bond, please refer to the Company's announcements dated 25 July 2016 and 28 July 2016.

The financial position of the Group is still healthy as at 31 December 2016 while maintaining a sufficiently level of restricted bank deposits, cash and bank balances (approximately HK$2,539 million at 31 December 2016) 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 82%, which has increased from 39% at 31 December 2015.

Material Acquisitions and Disposals

The Group had no material acquisitions or disposal of subsidiaries and associated companies for the year ended 31 December 2016.

General

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

Except for investments in subsidiaries, associates 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 construction in progress, furniture, fixture and equipment and plant and machinery were approximately HK$2,840 million. As at 31 December 2016, the Group had no pledge or mortgage on its fixed assets.

Around 25,000 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 2016 were approximately HK$1,957 million.

Capital Commitments

Capital expenditure commitment of around HK$1,330 million in respect of acquisition of property, plant and equipment was contracted for but not provided as at 31 December 2016.

Contingent Liabilities

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$59 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 2016, 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$3.36 billion and the bank loans with the amount of approximately HK$2.79 billion were withdrawn by the associate.

Furthermore, at 31 December 2016 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$921 million (2015: HK$867 million). A counter-indemnity in favour of the other shareholder is executed pursuant to which the Group undertakes to indemnify the other shareholder approximately 27.4% (2015: 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.

Subsequent Event after the Reporting Period

On 14 February 2017, the Group has entered into the Investment Agreement with among Others, Leshi Zhixin, pursuant to which the Group has conditionally agreed to acquire in of aggregate 2.3438% equity interest in Leshi Zhixin at a consideration of RMB720,000,000. For detail of the transaction, please refer to the discloseable transaction announcement of the Company dated 14 February 2017.

On 14 March 2017, 信利電子有限公司, an indirectly wholly-owned subsidiary, has entered into the co-operation memorandum of understanding with Shucheng County People's Government and China Fortune Land in relation to the formation of a company in the PRC. The newly formed company will be primarily engaged in research and development and production and sale of LCD display products. Details are set out in the Company's announcement dated 14 March 2017.

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 2016.

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 2016 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 2 HK cents (2015: 3 HK cents) per share for the year ended 31 December 2016, based on ordinary shares in issue (number of ordinary shares issued at 28 February 2017: 2,907,099,398), to shareholders whose names appear on the Register of Members on 26 May 2017 (Friday). It is expected that the final dividend payments will be made to shareholders on 5 June 2017, Monday, 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 (2015: 7 HK cents) were paid in 2016 and 2017 to shareholders on the register of member of the Company at the close of business on 7 June 2016, 5 September 2016 and 8 December 2016, based on 2,907,099,398 ordinary shares in issue.

The total dividend payout ratio for the year was about 45%.

Closure of Register of Members

For determining the entitlement to attend and vote at the 2017 Annual General Meeting, the Register of Members will be closed from Wednesday, 17 May 2017 to Monday, 22 May 2017, during the period 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 Tuesday, 16 May 2017.

For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed on Friday, 26 May 2017, 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, 25 May 2017.

Annual General Meeting

The 2017 Annual General Meeting of the Company will be held in May 2017. 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 2016.

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 as members. They meet at least four times a year.

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 2016, except for the deviation from the Code Provisions A.2.1, A.6.7 and E.1.2. The reason for deviation from A.2.1, A.6.7 and E.1.2 have been set out in the interim report for 2016 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 2016 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.

By Order of the Board
Lam Wai Wah
Chairman

Hong Kong, 17 March 2017

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.