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 2017 ANNUAL RESULTS

FINANCIAL HIGHLIGHTS

	For the year ended 31 December		
	2017	2016	**Change**
	HK$'000	*HK$'000*	
Revenue	**20,733,418**	22,071,521	**-6.1%**
Gross profit	**2,040,167**	2,195,678	**-7.1%**
Profit for the year attributable to owners of the Company	**62,987**	581,867	**-89.2%**
EBITDA	**1,622,903**	1,980,594	**-18.1%**
EPS *(HK cents)*			
— Basic	**2.13**	20.02	**-89.4%**
DPS *(HK cents)*			
— Interim	**1**	7	**-85.7%**
— Final	**–**	2	**-100%**
— Full Year	**1**	9	**-88.9%**

The directors do not propose the payment of final dividend for the year ended 31 December 2017 (2016: final dividend of 2 HK cents).

THE CHAIRMAN'S STATEMENT

Truly International Holdings Limited (the "Company" and, together with its subsidiaries, the "Group") has suffered a decrease in the Group's revenue in 2017 compared with 2016, which cannot meet our revenue growth expectation being made last year. The revenue in 2017 was decreased by approximately HK$1.3 billion or 6.1% when compared to 2016 (HK$22.1 billion). The major reason for the revenue being dropped in the 2017 was because the smartphone shipment volume in China has been dropped when compared to 2016. Therefore, our major PRC smartphone customers' sales orders were reduced accordingly and the smartphone related products' revenue in 2017 was decreased.

Besides, the Group has experienced a lesson by the event of one-off specific significant bad and doubtful debts provision for one of the Group's 2016 major customers being made in 2017, Lemobile Information Technology (Beijing) Co., Ltd ("Lemobile") with the net amount of approximately HK$414 million after the credit insurance compensation. The Group has been tightening the credit management on customers and enhancing the co-operation with credit insurance companies after the lesson. The management of the Group is very appreciated our credit insurance partners, particular for China Export & Credit Insurance Corporation, which handled our significant amount claim (USD18 million) against Lemobile very efficient and helped us to receive this compensation in December 2017. Therefore, the profit attributable to the owners of the Company for the year ended 31 December 2017 has been significantly decreased to approximately HK$63 million by around 89.2% compared with 2016 (approximately HK$582 million).

Owing to the above mentioned Lemobile bad debt provision case, it led the breaching a financial covenant of certain bank and other borrowing agreements of the Group in relation to a net debts ratio of the Group as at 30 June 2017. The Group has obtained the waivers approval in August 2017 from banks in relation of breaching of the financial covenant as at 30 June 2017. Thus, the Company has placed 160 million ordinary shares by the placing agents to not less than six Placees and allotted 53.33 million ordinary shares to the Chairman in aggregate of net proceed of approximately HK$427 million in September and October 2017 respectively to enhance the Group's equity capital to rectify its breach of financial covenants on 30 June 2017 under various bank loan agreements. All the net proceeds have been utilized to supplement the general working capital of the Group and enhanced to the Group's equity capital. The Group has complied with these financial covenants as at 31 December 2017.

The Group has successfully obtained the shareholders' approval by EGM held on 24 November 2017 for the proposed spin-off of Truly Opto-Electronics Limited (Truly Shanwei), a non-wholly owned subsidiary of the Company, and a separate listing of the shares of Truly Shanwei on the Shenzhen Stock Exchange by way of the issuance and offering of 60,000,001 to 80,000,000 new shares of Truly Shanwei (the "Proposed Spin-off") being approved. The management expects this Proposed Spin-off which can be completed within 2018.

The Huizhou factory, the major associated company of the Group, has improved its significant operating loss gradually since second quarter of 2017 after 9 months' operation since second half of 2016. Same as the management expectation in 2016, the Huizhou factory, the major associate, still incurred an operating loss in 2017. Thus, the Group has shared loss of approximately HK$372 million for the year ended 31 December 2017 (2016: approximately HK$368 million) from associates. The management expects that the Huizhou factory would significantly improve its operating results in 2018.

The Group's fifth generation TFT-LCD production plant in Shanwei has successfully been constructed in late 2017 and started the trial production period in January 2018. The mass production of this fifth generation TFT-LCD production plant can be expected in second half of 2018. Thereafter, it can improve the completeness of the Gorup's production capacity on LCD module products and strengthen the customers' confidence on the Group.

Besides, the Group has invested RMB500 million for the equity interest of 7.1429% to form an associate for another fifth generation TFT-LCD production factory in Sichuan in the second half of 2017. This new factory construction would be expected to complete in late 2019 or early 2020.

In 2018, it would be very challenging to the Group since the management has been facing the unclear prospect and downwards change of PRC smartphone industry from the second half of 2017. The management has been starting to do some cost down measures and internal reforms since last quarter of 2017. However, the management would concentrate to maintain the Group's profit margins and the revenue in 2018 as same as 2017. Besides, the management would continue to improve the operations of the Huizhou factory and the new established Shanwei fifth generation TFT-LCD factory.

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, 23 March 2018

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2017

	Notes	**2017** **HK$'000**	2016 *HK$'000*
Revenue	*4*	**20,733,418**	22,071,521
Cost of sales		**(18,693,251)**	(19,875,843)
Gross profit		**2,040,167**	2,195,678
Other income	*6*	**181,793**	79,731
Other gains and losses	*7*	**(69,891)**	(18,307)
Allowance for doubtful debt for a specific customer, net of insurance compensation received		**(413,669)**	–
Impairment loss on available-for-sale investments		**(9,096)**	(2,188)
Administrative expenses		**(434,445)**	(481,392)
Distribution and selling expenses		**(412,483)**	(352,885)
Finance costs	*8*	**(323,108)**	(180,237)
Share of results of associates		**(371,980)**	(368,048)
Profit before tax		**187,288**	872,352
Income tax expense	*9*	**(94,451)**	(195,785)
Profit for the year	*10*	**92,837**	676,567
Other comprehensive income (expense) for the year			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**804,487**	(687,363)
Fair value gain on available-for-sale investment		**–**	88,306
Share of other comprehensive income (expense) of associates		**1,754**	(2,453)
		806,241	(601,510)
Reclassification of fair value gain on disposal of available-for-sale investments		**–**	(97,293)
Other comprehensive income (expense) for the year		**806,241**	(698,803)
Total comprehensive income (expense) for the year		**899,078**	(22,236)
Profit for the year attributable to:			
Owners of the Company		**62,987**	581,867
Non-controlling interests		**29,850**	94,700
		92,837	676,567
Total comprehensive income (expense) for the year attributable to:			
Owners of the Company		**831,592**	(83,332)
Non-controlling interests		**67,486**	61,096
		899,078	(22,236)
EARNINGS PER SHARE	*12*		
Basic (HK cents per share)		**2.13**	20.02

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2017

	Notes	2017 HK$'000	2016 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**11,889,808**	8,242,070
Prepaid lease payments		**361,225**	279,065
Intangible assets		**–**	–
Goodwill		**413**	413
Interests in associates		**1,748,781**	965,260
Available-for-sale investments		**6,174**	15,270
Deferred tax assets		**62,989**	8,783
Deposits paid and other payments for acquisition of property, plant and equipment		**301,833**	588,557
		14,371,223	10,099,418
CURRENT ASSETS			
Inventories		**2,579,619**	2,603,218
Prepaid lease payments		**8,829**	6,891
Loan receivable		**–**	–
Trade and other receivables	*13*	**5,757,278**	7,522,216
Derivative financial instruments		**17,370**	27,894
Amount due from an associate		**607,858**	497,691
Tax recoverable		**413**	381
Restricted bank deposits		**130,396**	85,303
Bank balances and cash		**3,465,844**	2,453,623
		12,567,607	13,197,217
Non-current assets held for sale		**–**	126
		12,567,607	13,197,343
CURRENT LIABILITIES			
Trade and other payables	*14*	**8,909,258**	7,736,522
Amount due to an associate		**–**	22,018
Tax liabilities		**41,207**	30,319
Bank and other borrowings, unsecured		**4,370,053**	3,794,507
Derivative financial instruments		**140,440**	85,545
		13,460,958	11,668,911
NET CURRENT (LIABILITIES) ASSETS		**(893,351)**	1,528,432
TOTAL ASSETS LESS CURRENT LIABILITIES		**13,477,872**	11,627,850

	Notes	**2017** **HK$'000**	2016 HK$'000
NON-CURRENT LIABILITIES			
Bank and other borrowings, unsecured		**4,087,285**	3,432,853
Bonds payable		**895,073**	827,456
Deferred tax liabilities		**47,359**	72,674
		5,029,717	4,332,983
NET ASSETS		**8,448,155**	7,294,867
CAPITAL AND RESERVES			
Share capital		**62,409**	58,142
Share premium and other reserves		**7,820,362**	6,653,333
Equity attributable to owners of the Company		**7,882,771**	6,711,475
Non-controlling interests		**565,384**	583,392
TOTAL EQUITY		**8,448,155**	7,294,867

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2017

1. GENERAL

The Company is 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 ("USD"). The consolidated financial statements are presented in Hong Kong dollars ("HKD") which is different from the functional currency of the Company, as the directors of the Company consider that HKD 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 compact camera module, fingerprint identification modules, personal health care products and electrical devices.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

In preparing the consolidated financial statements of the Company, the Directors have given careful consideration to the future liquidity of the Group in light of the fact that the Group's current liabilities exceeded its current assets by approximately HK$893 million as at 31 December 2017.

In the opinion of the Directors, the Group will be able to continue as a going concern at least in the coming twelve months taking into consideration that the Group has unutilised bank facilities available to the Group, amounted to approximately HK$3,297 million, and its internal resources.

Based on the aforesaid factors, the Directors are satisfied that the Group will have sufficient financial resources to meet in full its financial obligations as and when they fall due for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

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

Amendments to HKFRSs that are mandatorily effective for the year

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 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle

The Group has not early applied any new and revised HKFRSs that have been issued but are not yet effective.

4. 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:

	2017	2016
	HK$'000	*HK$'000*
Sales of LCD products	**15,083,343**	16,952,981
Sales of electronic consumer products	**5,650,075**	5,118,540
	20,733,418	22,071,521

5. 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 compact camera module, fingerprint identification modules, 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 2017

	LCD products	**Electronic consumer products**	**Segment total**	**Eliminations**	**Consolidated**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
REVENUE					
External sales	**15,083,343**	**5,650,075**	**20,733,418**	**–**	**20,733,418**
Inter-segment sales	**–**	**223,498**	**223,498**	**(223,498)**	**–**
	15,083,343	**5,873,573**	**20,956,916**	**(223,498)**	**20,733,418**
RESULT					
Segment result	**850,760**	**100,354**	**951,114**	**(13,765)**	**937,349**
Finance costs					**(323,108)**
Unallocated expenses					**(426,953)**
Profit before tax					**187,288**

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

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 2017

	LCD products ***HK$'000***	**Electronic consumer products** ***HK$'000***	**Consolidated** ***HK$'000***
Amounts included in the measure of segment profits:			
Depreciation	**872,298**	**240,209**	**1,112,507**
Loss on disposal/write off of property, plant and equipment	**95,659**	**1,430**	**97,089**
Allowance for doubtful debts, net	**31,105**	**–**	**31,105**
Allowance for doubtful debt for a specific customer, net of insurance compensation received	**(322,662)**	**(91,007)**	**(413,669)**

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	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, net	(2,436)	–	(2,436)

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**	
	2017 *HK$'000*	2016 *HK$'000*	**2017** *HK$'000*	2016 *HK$'000*
PRC	**15,736,056**	17,980,122	**14,221,605**	10,002,427
South Korea	**912,926**	1,076,247	**–**	–
Hong Kong (country of domicile)	**688,524**	584,632	**80,455**	72,938
Japan	**434,056**	395,599	**–**	–
Europe	**1,540,453**	1,277,159	**–**	–
Others	**1,421,403**	757,762	**–**	–
	20,733,418	22,071,521	**14,302,060**	10,075,365

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:

	2017 *HK$'000*	2016 *HK$'000*
Customer A[1]	**6,501,047**	3,963,627
Customer B[1]	**3,571,261**	3,423,627
Customer C[1]	**N/A[2]**	2,270,127

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

6. OTHER INCOME

	2017	2016
	HK$'000	*HK$'000*
Other income includes:		
Government grants	**88,684**	12,492
Interest income	**27,795**	12,605
Interest income from an associate	**10,203**	17,452
Rental income	**11,379**	10,323
Compensation income	**40,585**	9,483
Dividends from available-for-sale investments	**311**	763
Sundry income	**2,836**	16,613
	181,793	79,731

7. OTHER GAINS AND LOSSES

	2017	2016
	HK$'000	*HK$'000*
Loss on fair value change of derivative financial instruments, net	**87,736**	33,195
Net foreign exchange (gain) loss	**(134,218)**	37,720
Loss on disposal/write-off of property, plant and equipment	**97,089**	47,986
Allowance for (reversal of allowance for) doubtful debts, net	**31,105**	(2,436)
Reversal of allowance for loan receivable	**(11,500)**	–
Gain on disposal of available-for-sale investments	**–**	(97,293)
Gain on disposal of non-current assets held for sale	**(321)**	(865)
	69,891	18,307

8. FINANCE COSTS

	2017	2016
	HK$'000	*HK$'000*
Interest on bank and other borrowings	**271,751**	157,862
Effective interest expense on bonds payable	**51,357**	22,375
	323,108	180,237

9. INCOME TAX EXPENSE

	2017	2016
	HK$'000	*HK$'000*
Current tax:		
Hong Kong	**–**	28,748
PRC Enterprise Income Tax	**142,762**	142,273
Other jurisdictions	**1,085**	592
	143,847	171,613
Net withholding tax paid	**23,950**	12,585
	167,797	184,198
Under(over)provision in prior years:		
Hong Kong	**–**	(58)
PRC	**6,175**	(691)
	6,175	(749)
Deferred tax	**(79,521)**	12,336
Income tax expense for the year	**94,451**	195,785

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 rates of 5% to 10%.

10. PROFIT FOR THE YEAR

	2017	2016
	HK$'000	*HK$'000*
Profit for the year has been arrived at after charging:		
Auditor's remuneration	**3,200**	3,000
Cost of inventories recognised as expenses	**17,881,679**	19,115,501
Research and development costs recognised as an expense (included in cost of sales)	**811,572**	760,342
Depreciation of property, plant and equipment	**1,112,507**	928,005
Operating lease rental in respect of rented premises	**16,489**	11,734
Release of prepaid lease payments	**8,441**	6,864
Staff costs, inclusive of directors' remuneration:		
Salaries and other benefits	**1,756,665**	1,805,287
Retirement benefits scheme contributions	**140,583**	152,058
	1,897,248	1,957,345

11. DIVIDENDS

	2017	2016
	HK$'000	*HK$'000*
Dividends recognised as distribution during the year:		
2017 Interim dividend of 1 HK cent (2016: Interim dividend of 7 HK cents) per share	**29,071**	203,497
2016 Final dividend of 2 HK cents (2015: Final dividend of 3 HK cents) per share	**58,142**	87,213
	87,213	290,710

The 2017 interim dividend in aggregate of 1 HK cent (2016: 7 HK cents) per share amounting to approximately HK$29,071,000 (2016: HK$203,497,000), which was paid in September 2017 to shareholders on the register of members of the Company at the close of business on 15 June 2017, based on 2,907,099,398 (2016: 2,907,099,398) ordinary shares in issue.

The directors do not propose the payment of final dividend for the year ended 31 December 2017 (2016: 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).

12. EARNINGS PER SHARE

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

Earnings

	2017	2016
	HK$'000	*HK$'000*
Earnings for the purposes of basic earnings per share (Profit for the year attributable to owners of the Company)	**62,987**	581,867

Number of shares

	2017	2016
	'000	*'000*
Weighted average number of ordinary shares for the purposes of basic earnings per share	**2,962,039**	2,907,099

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

13. TRADE AND OTHER RECEIVABLES

	2017	2016
	HK$'000	*HK$'000*
Trade and bills receivables	**4,969,619**	6,992,502
Less: Allowance for doubtful debts	**(578,113)**	(11,941)
	4,391,506	6,980,561
Other receivables, deposits and prepayments	**1,365,772**	541,655
Total trade and other receivables	**5,757,278**	7,522,216

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:

	2017			2016		
	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	**3,117,306**	**244,652**	**3,361,958**	4,260,786	219,799	4,480,585
61 to 90 days	**574,597**	**13,795**	**588,392**	859,364	75,325	934,689
More than 90 days	**392,195**	**48,961**	**441,156**	1,499,755	65,532	1,565,287
	4,084,098	**307,408**	**4,391,506**	6,619,905	360,656	6,980,561

14. 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:

	2017			2016		
	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	**3,370,478**	**847,175**	**4,217,653**	4,303,036	737,042	5,040,078
61 to 90 days	**473,841**	**495,574**	**969,415**	639,011	428,390	1,067,401
More than 90 days	**846,482**	**673**	**847,155**	560,023	–	560,023
	4,690,801	**1,343,422**	**6,034,223**	5,502,070	1,165,432	6,667,502

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 of 2017 recorded a decrease by 6.1% amounting to approximately HK$20.7 billion (2016: HK$22.1 billion), which was mainly attributable to the revenue in the second half of 2017 being significantly dropped when compared to the revenue in the second half of 2016. For revenue in the first half of 2017 has still been increased by 11.4% (approximately HK$1.1 billion) when compared to the revenue in same period in 2016, but it was less than the revenue amount of approximately HK$2.4 billion being dropped in the second half of 2017 when compared to same period in 2016. The major reason for the revenue being dropped significantly in the second half of 2017 was that the smartphone shipment volume in China has been dropped when compared to 2016. Therefore, our major PRC smartphone customers' sales orders were reduced also and the smartphone related products' revenue in 2017 was decreased accordingly. For non-smartphone related products' revenue has still increased in 2017 by double digits when compared to 2016, but it was less than the smartphone related products' revenue amount being dropped in 2017.

Profit for the year attributable to the owners of the Company was significantly dropped to approximately HK$63 million (2016: approximately HK$582 million) by 89.2%. Basic earnings per share for the year decreased to 2.13 HK cents from 20.02 HK cents in 2016. The 2017 total interim dividends of 1 HK cent per ordinary share were paid on 5 September 2017 (2016: 7 HK cents). The Board of Directors do not propose the payment of final dividend for the year ended 31 December 2017 (2016: 2 HK cents) in order to maintain the dividend payout ratio not more than 50%, representing a payout ratio of 46.9% (2016: 45.0%).

The gross profit margin for the year decreased to approximately 9.8% (2016: 9.9%) and net profit margin for the year attributable to owners of the Company decreased to 0.3% (2016: 2.6%). Decrease in gross profit margin was mainly affected by the trend of change of smartphone screen scale to 18:9 from traditional 16:9 during 2017, the Group has acted in concert with the Group's major smartphone customers to provide some discounts on some original 16:9 smartphone products sales order in the second quarter of 2017 to accelerate the use of the relevant raw materials by the Group. Besides, the one-off full provision for bad and doubtful debt of customer, Lemobile, approximately HK$554 million were made during the year and according to the credit insurance agreement, the Group has successfully received the compensation with the amount approximately HK$140 million from the credit insurance company in December 2017. Therefore, the net effect on the Lemobile bad and doubtful debt in 2017 against the Group's profit was HK$414 million. Furthermore, decrease in revenue in 2017 also affected the net profit margin for the year attributable to owners of the Company.

The appreciation of currency of Renminbi in 2017 was favorable to the Group, it helped the gross profit margins being slightly improved in the second half of 2017 and improved the total equity of the Group in 2017.

The Group's LCD business including touch products was about 73% of the Group revenue in 2017. Other businesses of the Group including the sales of compact camera modules, fingerprint identification products and printed circuit board were 27% of the Group's revenue in 2017. 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$812 million in 2017 (2016: HK$760 million). During the year, the Group continued to register many patents related manufacturing process of the PRC factories of the Group.

Outlook

Although Global shipment for smartphone is still growth in 2017 but the PRC shipment for smartphone was decreased in 2017, it lead to the unclear prospect of smartphone related products' revenue of the Group in 2018. As stated in Chairman Statement, it would be very challenging to the Group in 2018. The management has been starting to do some cost down measures and internal reforms since last quarter of 2017. Therefore, the management has confident to face this challenging year and targeted to maintain the Group's profit margins and revenue in 2018.

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

As stated in the Chairman's statement, the management would continue to improve the operation of the Huizhou factory and the new established Shanwei fifth generation TFT-LCD factory.

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.

The Group has successfully obtained the shareholders' approval by EGM held on 24 November 2017 for the proposed spin-off of Truly Opto-Electronics Limited (Truly Shanwei), a non-wholly owned subsidiary of the Company, and a separate listing of the shares of Truly Shanwei on the Shenzhen Stock Exchange by way of the issuance and offering of 60,000,001 to 80,000,000 new shares of Truly Shanwei (the "Proposed Spin-off") being approved. The management expects this Proposed Spin-off which can be completed within 2018.

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 2017, the Group's audited consolidated revenue amounted to HK$20.7 billion (2016: HK$22.1 billion), representing a decrease of 6.1% 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 9.8% and 0.3% in 2017 from 9.9% and 2.6% in 2016 respectively.

EBITDA was decreased to HK$1,623 million (2016: HK$1,981 million) by 18.1%; profits attributable to owners of the Company was decreased to HK$63 million (2016: HK$582 million) by 89.2%; and basic earnings per ordinary share was decreased to 2.13 HK cents (2016: 20.02 HK cents) by 89.4%.

Finance Costs

Finance costs were significantly increased by approximately 79.3% from HK$180.2 million in 2016 to HK$323.1 million in 2017. It is mainly because the Group has utilized the remaining HK$2.2 billion in January 2017 among of the granted 48 months HK$4.5 billion bank term loans for building the Shanwei fifth generation TFT-LCD production line. The gross debts of the group has been increased accordingly from HK$8.1 billion as at 31 December 2016 to HK$9.4 billion as at 31 December 2017 by 16.1%.

Share of Results of Associates

Share of loss from associates for the year ended 31 December 2017 by the Group was slightly increased to HK$372 million when compared with last year (2016: HK$368 million) because the major associate, Truly (Huizhou) Smart Display Limited* (信利（惠州）智能顯示有限公司) ("Truly Huizhou"), of the Group still incurred significant operating loss for whole year operation in 2017 as expected by the management since Truly Huizhou started mass production in late 2016. Besides, the equity interest in Truly Huizhou by the Group has been increased to 59.7039% from 53% on 5 May 2017 pursuant to the relevant capital increase agreement.

The operating loss of Truly Huizhou for the year ended 31 December 2017 was approximately HK$668 million (2016: approximately HK$696 million) under HKFRS and after adjustments to follow the Group accounting policies. It's operating results was gradually improved since the second quarter of 2017.

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 2017.

Significant Investments, Acquisitions, Assets and Liabilities

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

On 5 May 2017, the Group has further invested RMB410,000,000 by way of capitalizing an equivalent amount of debt owed by the associate to the Group pursuant to the relevant capital increase agreement. Upon such capital increase, the associate will be held as to 59.7039% by the Group, which has been increased by 6.7039% from 53%. For detail, please refer to the announcement of the Company, Discloseable Transaction Capital Increase Agreement, dated 5 May 2017.

Truly Huizhou has operated for more than a year since starting mass production of TFT-LCD panels and AMOLED panels in second half of 2016. The associate has still incurred significant operating loss in 2017 as expected by the management, which 53% and 59.7039% loss shared by the Group for the periods from January to April 2017 and from May to December 2017 respectively; and affected the Group's results accordingly. The management expected that the associate may still incur operating loss in 2018, but it would be reduced very significantly.

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 started to repay by semi-annually instalments in November 2017. As at 31 December 2017, the associate has the outstanding loan amount of approximately RMB1,981 million plus approximately USD99 million. No remaining balance of the bank loans amount under this guarantee could be withdrawn as at 31 December 2017.

Besides, there is a short term loan with the amount of RMB360 million as at 31 December 2017 by the Group to the associate.

Update on the Shanwei 5th generation TFT-LCD Production Line progress

The construction work of the 5th generation TFT-LCD production line factory has been completed in the fourth quarter of 2017. It was started trial production period in January 2018 and expect the mass production starting in the second half of 2018.

Litigation in relation to Investment in Leshi Zhixin

On 14 February 2017, Truly Electronics Manufacturing Limited (信利電子有限公司), a company incorporated in the PRC and an indirectly wholly-owned subsidiary of the Company, entered into the Investment Agreement, pursuant to which Truly Electronics Manufacturing Limited conditionally agreed to acquire in aggregate of 2.3438% equity interest in Leshi Zhixin Electronic Technology (Tianjin) Limited* (樂視致新電子科技(天津)有限公司) ("Leshi Zhixin") immediately upon completion of the Investment at a consideration of RMB720,000,000. For detail of it, please refer to the announcement of the Company, Discloseable Transaction In Relation To Investment In Leshi Zhixin, dated 14 February 2017.

Pursuant to the Investment Agreement, the consideration for the Investment shall be payable by Truly Electronics in three equal instalments before 30 April 2017. On 2 March 2017, the Group has paid the first instalment of the consideration in the amount of RMB240 million.

As the Company's management considers that a condition of the Investment Agreement has been breached by Leshi Zhixin and/or Leshi Holding, Truly Electronics suspended the payment of the remaining two instalments of the consideration in the amount of RMB480 million and terminated the Investment Agreement on 1 July 2017.

On 29 August 2017, the Company received the acknowledgement dated 28 August 2017 from the relevant court in the PRC in respect of the civil complaint filed by Truly Electronics Manufacturing Limited in relation to a dispute relating to the transaction in relation to investment in Leshi Zhixin. For detail, please refer to the announcement of the Company, Litigation In Relation To a Discloseable Transaction regarding the Investment in Leshi Zhixin, dated 29 August 2017.

The Group is still waiting for the court to schedule the first hearing date for this civil complaint. The management believes that the Group has legal and factual grounds to obtain the court to support the civil complaint filed by the Group as advised by the lawyer. Therefore, the management thinks that RMB240 million first instalment paid can be recovered and the Group has not made any provision for the amount of RMB240 million prepaid for the investment as at 31 December 2017.

Termination of Formation of a joint venture company in Shucheng County

On 14 March 2017, Truly Electronics Manufacturing Limited (信利電子有限公司), a company incorporated in the PRC and an indirectly wholly-owned subsidiary of the Company, entered into the MOU in relation to the formation of the JV Company in Shucheng County, Lu'an City, An Hui Province, the PRC and the Ancillary Agreements to set out more specific details of the obligations of relevant parties in connection with the MOU. For detail of it, please refer to the announcement of the Company, Major Transaction Formation of a Joint Venture Company, dated 14 March 2017.

Given certain conditions under the MOU and the Ancillary Agreements are not fulfilled, the Company and the relevant parties to the MOU and the Ancillary Agreements will not proceed with the transactions contemplated under the MOU and the Ancillary Agreements, respectively. For detail of this termination, please refer of the announcement, Termination of Major Transaction Relating to the Formation of a Joint Venture Company, dated 16 June 2017.

Update on investment in Truly (Renshou) High-end Display Technology Limited (信利(仁壽)高端顯示科技有限公司) ("Truly Renzhou")*

On 16 June 2017, Truly Electronics Manufacturing Limited (信利電子有限公司), a company incorporated in the PRC and an indirectly wholly-owned subsidiary of the Company, entered into the agreement in relation to the formation of the associate in Renshou County, Meishan City, Sichuan Province, the PRC as the project company for the fifth generation of TFT-LCD production. The Group will contribute RMB500 million for 7.1429% equity interest in the associate. For detail of it, please refer to the announcement of the Company, Discloseable Transaction Formation of a Joint Venture Company, dated 16 June 2017.

On 8 September 2017, the approval has been obtained from the relevant government authority for the establishment of the TFT-LCD associate, namely, Truly (Renshou) High-end Display Technology Limited* (信利(仁壽)高端顯示科技有限公司). For detail of it, please refer to the announcement of the Company, Update on Discloseable Transaction Formation of a Joint Venture Company, dated 8 September 2017.

The Group has contributed RMB500 million by cash to Truly Renzhou during the year.

Truly Renshou has started to prepare the building of the fifth generation of TFT-LCD factory in Renshou. The construction work of the factory would be completed in late 2019 or early 2020 by the management's estimation.

As the Group has significant influence to Truly Renshou, the investment in Truly Renshou is treated as investment in associates. Thus, the results and assets and liabilities of Truly Renshou is incorporated in the Group's consolidated financial statements using equity method of accounting.

Update on Major Transaction Formation of the AMOLED JV Company

On 14 July 2017, Truly Electronics Manufacturing Limited (信利電子有限公司), a company incorporated in the PRC and an indirectly wholly-owned subsidiary of the Company, entered into the AMOLED JV agreement in relation to the formation of the AMOLED JV Company in Renshou County, Meishan City, Sichuan Province, the PRC as the project company for the AMOLED Project. The total investment of the AMOLED JV Company will be RMB27,900 million and production facilities for the sixth generation of AMOLED will be established. The Group will contribute RMB2,000 million for 13.3% equity interest. For detail of it, please refer to the announcement of the Company, Major Transaction Formation of a Joint Venture Company, dated 14 July 2017.

As additional time is required for preparing and finalizing certain information to be included in the Circular, it is expected that the dispatch of the Circular will be delayed to a date on or before 31 March 2018. For detail of it, please refer to the announcement of the Company, Further Delay in Despatch of Circular in Relation to A Major Transaction for the Formation of the AMOLED JV Company, dated 31 January 2018.

During 2017, the Group acquired plant and machinery amounting to approximately HK$3,058 million and furniture, fixture and equipment amounting to approximately HK$214 million for the purpose of enhancing its manufacturing capacity and production automation in the China factory campus.

Total assets were increased by approximately 15.6% to approximately HK$26,939 million which comprised approximately HK$12,568 million of current assets, approximately HK$11,890 million of property, plant and equipment and approximately HK$2,481 million of other non-current assets. Total liabilities were approximately HK$18,491 million, of which approximately HK$13,461 million were current liabilities and approximately HK$5,030 million were non-current liabilities.

Breaching of Certain Bank and Other Borrowings Agreements

As the Company has occurred breaching a financial covenant of certain bank and other borrowing agreements of the Group in relation to a net debts ratio of the Group as at 30 June 2017, the relevant non-current portion bank and other borrowings have been classified in current liabilities for the Company's condensed consolidated statement of financial position as at 30 June 2017 according to the Hong Kong Accounting Standards and Hong Kong Financial Reporting Standards. Therefore, the amount of approximately HK$4,870 million of non-current portion of bank and other borrowings as at 30 June 2017 has been classified to bank and other borrowings under current liabilities in the Company's condensed consolidated statement of financial position as at 30 June 2017. The Group has submitted the waivers requests to the relevant lenders and obtained the waivers approval before 30 August 2017 for a financial covenant being breached.

The major reason for triggering the breaching of certain financial covenants was the one-off full provision for bad and doubtful debt of customer, Lemobile Information Technology (Beijing)Co., Ltd. (樂視移動智能信息技術(北京)有限公司) — approximately HK$414 million after net of the credit insurance compensation being received. It affected the results for the period of six months ended 30 June 2017 and the year ended 31 December 2017; and the Consolidated Tangible Net Worth of the Group as at 30 June 2017 and 31 December 2017. The Group has taken legal action against Lemobile for its overdue trade debts in the PRC in 2017. The Group is still waiting for the court to schedule the first hearing date for the civil compliant.

The management has enhanced the credit control and more frequent reviews on the credit period and credit limit granted to new customers and existing customers. Besides, the Group would also strengthen the co-operation with the credit insurance companies and banks for protecting the Company's assets and reducing the relevant risks. The management would continue to seek other measures to improve the Group's financial ratios thereafter.

After the equity funds raising in September 2017 and October 2017 with the net proceeds amount approximately HK$427 million, the total equity of the Group has been improved and the Group's working capital has been improved also in 2017.

As at 31 December 2017, the Group has complied with the financial covenants of banks and other borrowing agreements of the Group. Therefore, no non-current portion of bank and other borrowings have been classified in current liabilities for the Company's consolidated statement of financial position as at 31 December 2017.

Equity Funds Raising by Private Placement and Shares Subscription

The Company has placed 160 million ordinary shares by the placing agents to not less than six Placees and allotted 53.33 million ordinary shares to the Chairman as the controlling shareholder in aggregate of net proceed of approximately HK$427 million in September and October 2017 respectively. All the net proceeds have been utilized to supplement the general working capital of the Group and enhanced to the Group's equity capital. For detail of them, please refer to the announcements of the Company, Completion of Placing of New Shares under General Mandate and Completion of Connected Transaction in Relation to Subscription of New Shares under Specific Mandate, dated 20 September 2017 and 26 October 2017 respectively.

Liquidity and Financial Resources

As at 31 December 2017, the outstanding bank and other borrowings and bonds payable, net of restricted bank deposits, cash and bank balances, were approximately HK$5,756 million (2016: approximately HK$5,516 million). It was increased by approximately 4.4% when compared to these net borrowings as at 31 December 2016. 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 Shanwei 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 2017, the Group has fully utilized HK$4.5 billion bank 4 years term loan facility after the remaining HK$2.2 billion loan has been withdrawn in January 2017.

A PRC subsidiary, 信利光電股份有限公司 ("Truly Shanwei"), of the Company has issued the first tranche of domestic corporate bonds on the Shenzhen Stock Exchange on 28 July 2016 with the amount of RMB750 million to replenish its working capital. The Company will announce details of the issue of subsequent tranche(s) (if any) of the Domestic Bonds (remaining maximum amount not exceeding RMB500,000,000) as and when appropriate. For details of the relevant domestic corporate bonds issuing, please refer to the announcements of the Company dated 25 July 2016 and 28 July 2016.

As at 31 December 2017, the Group had net current liabilities of approximately HK$893 million (as at 31 December 2016, net current assets of approximately HK$1,528 million) and its current ratio decreased to 0.93 times as at 31 December 2017 from 1.13 times as at 31 December 2016. The major reasons for the Group's change from net current assets position as at 31 December 2016 to net current liabilities position as at 31 December 2017 are (i) few significant long term investments were made and paid in 2017; (ii) significant provision for bad and doubtful debt for Lemobile (HK$414 million net of credit insurance compensation); and (iii) relying on short term financing for few new long term investments in 2017 after breaching of certain bank and other borrowing agreement during 2017. It led to the Group's net current liabilities position at the end of 2017. The management would try their best to make more long-term loans refinancing and other measures to improve the net current liabilities position in 2018.

As at 31 December 2017, the Group has restricted bank deposits, cash and bank balances approximately HK$3,596 million together with adequate unutilized banking facilities. The Group's working capital is mainly financed by internal cash flow generate from its operation and banking facilities granted by financial institutions. The gearing ratio based on total interest bearing debts, net of restricted bank deposits, cash and bank balances was approximately 73%, which has decreased from 82% at 31 December 2016.

Material Acquisitions and Disposals

Save as disclosed in this announcement, the Group had no material acquisitions or disposal of subsidiaries and associated companies for the year ended 31 December 2017.

General

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

Additions to fixed assets mainly in construction in progress, furniture, fixture and equipment and plant and machinery were approximately HK$4,099 million. As at 31 December 2017, 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 2017 were approximately HK$1,897 million.

Capital Commitments

Capital expenditure commitment of around HK$457 million in respect of acquisition of property, plant and equipment was contracted for but not provided as at 31 December 2017.

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$67.5 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 2017, 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$3.55 billion and the bank loans with the amount of approximately HK$3.15 billion were withdrawn by the associate.

Furthermore, at 31 December 2017, 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$836 million (2016: HK$921 million). A counter-indemnity in favour of the other shareholder is executed pursuant to which the Group undertakes to indemnify the other shareholder approximately 23.5% (2016: 27.4%) 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 2017.

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 2017 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 do not propose the payment of final dividend (2016: 2 HK cents per share) for the year ended 31 December 2017 because the profit attributable to the owners of the Company for the year ended 31 December 2017 has been dropped to approximately HK$63 million and the interim dividend of approximately HK$29 million has been declared in May 2017. The Group maintains the dividend payout ratio not more than 50%.

The interim dividend of 1 HK cent per share (2016: 7 HK cents) were paid on 5 September 2017 to shareholders on the register of member of the Company at the close of business on 15 June 2017 based on 2,907,099,398 ordinary shares in issue.

The total dividend payout ratio for the year was about 46.9%.

Closure of Register of Members

For determining the entitlement to attend and vote at the 2018 Annual General Meeting, the Register of Members will be closed from Monday, 28 May 2018 to Wednesday, 30 May 2018, 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 Friday, 25 May 2018.

Annual General Meeting

The 2018 Annual General Meeting of the Company will be held in May 2018. 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 2017.

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 2017, 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 2017 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 2017 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
Truly International Holdings Limited
Lam Wai Wah
Chairman

Hong Kong, 23 March 2018

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.

* *For identification purpose only*