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If you have sold or transferred all your shares in Truly International Holdings Limited, you should at once hand this circular, together with the accompanying form of proxy to the purchaser or the transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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TRULY®

TRULY INTERNATIONAL HOLDINGS LIMITED

信利國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00732)

**POSSIBLE MAJOR TRANSACTION
ACQUISITION OF EQUITY INTERESTS IN TRULY RS THROUGH
PUBLIC TENDERS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the EGM of the Company to be held at 2/F Chung Shun Knitting Centre, 1-3 Wing Yip Street, Kwai Chung, New Territories, Hong Kong on Wednesday, 17 December 2025 at 10:00 a.m., is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM is enclosed with this circular.

Whether or not you are able to attend the EGM, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

25 November 2025

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DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context requires otherwise.

“Announcement”	the announcement of the Company dated 22 October 2025
“Assets and Equity Exchange”	Southwest United Equity Exchange (西南聯合產權交易所)
“Bids”	the bids proposed to be submitted by the Company, through Truly Opto-Electronics, for the acquisition of the Target Interest from Renshou Industries
“Bid Price”	the price to be submitted by the Company for the acquisition of the Target Interest in the public tender process
“Board”	the board of directors of the Company
“Company”	Truly International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Hong Kong Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration of no more than RMB1,050 million in total, payable by Truly Opto-Electronics to Renshou Industries for the Proposed Acquisitions, upon successful bidding at the public tender for the Proposed Acquisitions and the completion of the relevant equity transfer agreement(s)
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, granting the Proposed Mandate to the Directors
“Enlarged Group”	the Group as enlarged by Truly RS immediately upon the completion of the Proposed Acquisition
“First Tender”	the public tender expected to take place with respect to the sale of approximately 5.714% of the equity interests of Truly RS held by Renshou Industries
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Latest Practicable Date”	21 November 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan
“Previous Acquisition”	the acquisition of approximately 12.55% equity interest in Truly RS contemplated under the equity transfer agreement dated 3 April 2024 entered into between the Truly Opto-Electronics, the details of which had been set out in the announcement of the Company dated 3 April 2024
“Proposed Acquisitions”	the possible acquisitions of the Target Interest by the Company from Renshou Industries, an independent third party of the Group pursuant to the First Tender and/or the Second Tender
“Proposed Mandate”	the general mandate to be granted in advance to the Directors to enter into and complete the Proposed Acquisitions by the Shareholders at the EGM
“Public Tender”	the proposed public tenders for the Target Interest through the Assets and Equity Exchange
“Renshou Industries”	Renshou County Industries Investment Co., Ltd.* (仁壽縣產業投資有限公司), a limited liability company incorporated in the PRC, a shareholder of Truly RS and an independent third party of the Group
“Renshou Jian No. 1 L.P.”	Renshou Jian No. 1 Investment Centre Limited Partnership* (仁壽集安一號投資中心(有限合夥)), a limited partnership established in the PRC, a shareholder of Truly RS and an independent third party of the Group
“RMB”	Renminbi, the lawful currency of the PRC
“Second Tender”	the public tender expected to take place with respect to the sale of approximately 5.714% of the equity interests of Truly RS held by Renshou Industries, after the completion of the First Tender

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Target Interest”	a total of approximately 11.43% of the equity interests of Truly RS held by Renshou Industries
“Truly Electronics”	Truly Electronics Manufacturing Limited* (信利電子有限公司), a company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company
“Truly Opto-Electronics”	Truly Opto-Electronics Limited* (信利光電股份有限公司), a company incorporated in the PRC and an indirect wholly owned subsidiary of the Company
“Truly RS” or “Target Company”	Truly (Renshou) High-end Display Technology Limited* (信利(仁壽)高端顯示科技有限公司), a company incorporated in the PRC and an associate of the Group
“Valuation Report”	the valuation report prepared by Asset Appraisal Limited, a firm of independent professional valuers
“Vendor” or “Renshou Industries”	Renshou County Industries Investment Co., Ltd.* (仁壽縣產業投資有限公司), a limited liability company incorporated in the PRC, a shareholder of Truly RS and an independent third party of the Group
“%”	per cent.

** Terms marked with “*” denote translation of company names from Chinese into English, and are for identification purposes only. In the event of inconsistency, the names in their original language prevail.*

Unless otherwise indicated, the exchange rate of HK\$1.094=RMB1.00 has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at such rate or at any other rates.



TRULY INTERNATIONAL HOLDINGS LIMITED

信利國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00732)

Executive Directors:

Mr. Lam Wai Wah (*Chairman*)
Mr. Wong Pong Chun, James
Mr. Cheung Wing Cheung

Registered office:

PO Box 309, Ugland House,
Grand Cayman, KY1-1104,
Cayman Islands

Non-executive Directors:

Mr. Song Bei Bei
Ms. Lam Po Chun, Jane

*Principal place of business
in Hong Kong:*

2/F Chung Shun Knitting Centre
1-3 Wing Yip Street
Kwai Chung, New Territories
Hong Kong

Independent non-executive Directors:

Mr. Chung Kam Kwong
Mr. Heung Kai Sing
Mr. Cheung Wai Yin, Wilson

25 November 2025

Dear Shareholders

**POSSIBLE MAJOR TRANSACTION
ACQUISITION OF EQUITY INTERESTS IN TRULY RS THROUGH
PUBLIC TENDERS**

INTRODUCTION

Reference is made to the Announcement in relation to the Proposed Acquisitions.

As disclosed in the Announcement, on 22 October 2025 (after trading hours), the Board has resolved to submit bids to acquire a total of approximately 11.43% of the equity interests of Truly RS held by Renshou Industries, by way of public tenders through the Assets and Equity Exchange, at a total consideration of no more than RMB1,050 million. The Company received a written notice from Renshou Industries (the “**Notice**”) on 20 October 2025 that Renshou Industries intends to transfer a total of approximately 11.43% of the equity interests of Truly RS that it held and such transfers are to be conducted through public tenders through the Assets and Equity Exchange, pursuant to the Company Law of the PRC, the Measures for the Supervision and Administration of the Trading of State-Owned Assets of Enterprises and the articles of association of Renshou Industries. If the Proposed Acquisitions materialise, the Proposed Acquisitions will, upon aggregating with the Previous Acquisition, constitute a major transaction of the Company under Chapter 14 of the Listing Rules.

LETTER FROM THE BOARD

As a shareholder of Truly RS, Truly Opto-Electronics has a first right of refusal to acquire the Target Interest, provided that the acquisition is to be made on the same terms as proposed by Renshou Industries. As indicated in the Notice, if Truly Opto-Electronics intends to exercise this right of first refusal, it shall submit an application, a bidding deposit and other relevant documents as required by the Assets and Equity Exchange and participate in the bidding process in accordance with the rules of the Assets and Equity Exchange.

As required under the Measures for the Supervision and Administration of the Trading of State-Owned Assets of Enterprises (Order No. 32 of SASAC and Ministry of Finance, the “**Measures**”), Renshou Industries, being a state-owned enterprise, is required to transfer the Target Interest through a public tender process at the Assets and Equity Exchange. According to the Measures, a non-public agreement transfer is only permitted under limited circumstances, which are not applicable to the Company. Therefore, although Truly Opto-Electronics, as an existing shareholder of Truly RS, is entitled to a first right of refusal under the PRC Company Law, the only means by which the Company can acquire the Target Interest is by participating in the public tender process at the Assets and Equity Exchange.

Upon completion of the Proposed Acquisition, assuming that we are successful in both the First Tender and the Second Tender, Truly Opto-Electronics shall hold approximately 41.13% of the equity interests in Truly RS. Through Truly Opto-Electronics, the Company will indirectly hold approximately 41.13% of the equity interests in Truly RS and Truly RS will remain as an associate of the Group and be accounted for in the consolidated financial statements of the Group using equity method.

The purpose of this circular is to provide you with, among others, (i) further details of the Proposed Mandate and the Proposed Acquisitions; (ii) financial information of Truly RS; (iii) unaudited pro-forma financial information of the Enlarged Group; (iv) details of the Valuation Report; (v) other information as required under the Listing Rules; and (vi) notice of the EGM.

SUBMISSION OF BIDS FOR THE PROPOSED ACQUISITIONS

Based on the Notice, the transfer of the equity interest of the Target Company by Renshou Industries will be conducted through two separate public tenders.

The Board has considered Listing Decision HKEX-LD6-2011 and is of the view that the Public Tender complies with the requirements therein, as the timing, major terms for the Public Tender had fixed and disclosed in the Notice. Set out below are the details of the Company’s Bids for the Proposed Acquisitions:

Expected Timetable

- (1) First Tender — expect to occur within the first half of 2026. The valuation and audit of the Target Interest to be conducted by Renshou Industries in respect of the First Tender are expected to be completed by the end of November 2025, with government approval procedures required for the First Tender to be completed by the end of December 2025. The first tender notice is expected to be issued in January or February 2026.

LETTER FROM THE BOARD

- (2) Second Tender — expect to occur within the second half of 2026. The valuation and audit of the Target Interest to be conducted by Renshou Industries in respect of the Second Tender are expected to be completed by the end of August 2026, with government approval procedures required for the Second Tender to be completed by the end of August 2026. The second tender notice is expected to be issued in September or October 2026.

Parties

Bidder and purchaser: Truly Opto-Electronics

Vendor: Renshou Industries

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the vendor and its ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected persons. See below section headed "Information of the Parties" for details.

Truly RS is a company incorporated in the PRC, and it is an associate of the Group and has been accounted for in the consolidated financial statements of the Group using equity method. As at the Latest Practicable Date, Truly RS is held as to approximately 29.69% by the Group, approximately 64.29% by Renshou Industries, and approximately 6.02% by Renshou Jian No. 1 L.P.. See below section headed "Information of the Parties" for details.

Subject Matter

The registered capital of Truly RS is RMB7,000 million (equivalent to approximately HK\$7,665 million). The Company proposed that Truly Opto-Electronics shall submit a bid in the First Tender to acquire approximately 5.714% of the equity interest of the Target Company, which is equivalent to the registered capital of Truly RS in the amount of RMB400 million (equivalent to approximately HK\$438 million).

Separately, and without regards to whether or not the bid in the First Tender is successful, the Company proposed that Truly Opto-Electronics shall submit another bid in the Second Tender to acquire another approximately 5.714% of the equity interest of the Target Company. If the bids for both bids are successful, Truly Opto-Electronics will acquire a total of approximately 11.43% of the equity interest of the Target Company, which is equivalent to the registered capital of Truly RS in the total amount of RMB800 million (equivalent to approximately HK\$876 million).

Bid Price

The total price for the Bids that the Company proposed that Truly Opto-Electronics shall submit is no more than RMB1,050 million (equivalent to approximately HK\$1,150 million).

LETTER FROM THE BOARD

The reserve price for the Public Tender refers to the minimum price in the public tender and will be determined based on the result of the valuation report filed and approved by the relevant government authority, and shall not be lower than the appraised value for the Target Interest. The Bid Price was determined based on the expected reserve price for the Target Interest (which is to be finally set by Renshou Industries) and after having taken into account other factors by the Company including (i) the appraised value of the Target Interest of RMB902 million as at 31 August 2025 based on market value basis according to the valuation report prepared by an independent professional valuer engaged by the Company; (ii) the business operation of Truly RS, which has steadily increased its production capacity and utilization rate following the completion of the main construction of its fifth-generation TFT-LCD plant in Renshou County in 2018, achieving over 90% capacity utilization in 2023; (iii) the net asset value of Truly RS, and (iv) the other factors set out in the section headed “Reasons for and benefits of the Proposed Acquisitions” in this circular. The Company has also taken into account the prospect that other qualified bidders may participate in the Public Tender and submit higher bids, which could result in a final Bid Price above the reserve price when determining the maximum Bid Price. Accordingly, the cap of RMB1,050 million has been set at a level that may exceed the reserve price to provide a buffer for potential competitive bidding.

The consideration for the Proposed Acquisitions is expected to be funded by the Group’s internal resources and shall be paid in full within 5 working days after the equity transfer agreement becomes effective.

Bid Deposits

It is expected that a deposit in an amount of 10% to 30% of the reserve price to be notified by the Assets and Equity Exchange for each of the First Tender and the Second Tender shall be paid by the bidder to the public tender for the Target Interest to the Assets and Equity Exchange.

Results of the Public Tender

The closing date of the First Tender in respect of the sales of the Target Interest is expected to be within the first half of 2026.

The closing date of the Second Tender in respect of the sales of the Target Interest is expected to be within the second half of 2026.

The Public Tender will be conducted as a public offering and will remain open for a period of 20 working days. The successful bidder will be determined on the basis of price, with the highest valid bid prevailing. In the event that only one bid is received, the transfer will be effected at the reserve price. In the event that two or more bids are received, a centralized online bidding process will be implemented to determine the highest bid. The Company reserves the right, in accordance with applicable laws and the rules of the relevant Assets and Equity Exchange, to exercise a right of first refusal on terms equivalent to those of the highest bid within the tender process. Accordingly, if a higher bid emerges during the Public Tender, the Company may still win the bid by exercising its right of first refusal (i) in-auction, by participating in the bidding alongside other bidders and, on equal terms, declaring the exercise

LETTER FROM THE BOARD

of its right of first refusal at the highest bid to prevail at that price; or (ii) off-auction, after Renshou Industries issues a written notice to Truly Opto-Electronics within three working days after the highest bid from an ordinary bidder is formed, by formally exercising its right at the highest bid price within 30 days of receipt of that notice and, within that period, submitting the required application and deposit to the Assets and Equity Exchange.

The successful bidder in each of the First Tender and the Second Tender will receive notice from the Assets and Equity Exchange, in accordance with the rules of the Assets and Equity Exchange. Pursuant to the terms and conditions to be set out in the such notice from the Assets and Equity Exchange, the successful bidder shall enter into the relevant equity transfer agreement with Renshou Industries in relation to the relevant acquisition within 5 working days after receiving the notice from the Assets and Equity Exchange.

Completion

The completion of the Proposed Acquisitions shall take place on the date when all of the relevant consideration has been paid, and subject to terms and conditions of the relevant equity transfer agreement.

REASONS FOR AND BENEFITS OF THE ACQUISITION

Truly RS was established on 8 September 2017 with its equity interests held by Truly Electronics, an indirect wholly-owned subsidiary of the Company, Renshou Industries and Renshou Jian No. 1 L.P. as to approximately 7.14%, 64.29% and 28.57%, respectively. The establishment of Truly RS was to enhance our production capacities for supply TFT-LCD display products to satisfy the demand from the Group's customers. Truly RS is principally engaged in the manufacture and distribution of TFT-LCD display panels related to smartphone and its production capacity and capacity utilization rate increased steadily over the years. Although Truly RS incurred gross losses of RMB181.7 million in 2023 and RMB111.5 million in 2024, as well as a net loss of RMB113.7 million in 2024, which were mainly attributable to a significant decrease in unit prices driven by intensified competition in the LCD market since the fourth quarter of 2022, Truly RS recorded a gross profit of RMB55.8 million for the six months ended 30 June 2025. This turnaround was mainly due to a gradual recovery in unit prices in 2024 by approximately 3.5%, the stabilisation of prices during the first half of 2025, as well as effective cost control and increased sales volume. Truly RS has steadily increased its production capacity and utilisation rate following the completion of its fifth-generation TFT-LCD plant in Renshou County in 2018, achieving over 90% capacity utilisation rate since 2023. The 2025 annualized production output for the six months ended 30 June 2025 is approximately 50% more than the year ended 31 December 2022. The business prospects of Truly RS remain promising, supported by its established production base, stable supply of panels, increase in capacity utilisation and continuous improvements in operational efficiency.

LETTER FROM THE BOARD

Since the establishment of Truly RS, the Company gradually increased its shareholding in Truly RS as its performance continues to improve. On 13 December 2022, Truly Opto-Electronics acquired 10% of the equity interests in Truly RS from Renshou Jian No. 1 L.P., and on 3 April 2024, Truly Opto-Electronics acquired a further 12.55% of the equity interests in Truly RS from Renshou Jian No. 1 L.P. Upon completion of these acquisitions, Renshou Jian No. 1 L.P. exited part of its investment in Truly RS and the remaining equity interests in Truly RS became held by Renshou Jian No. 1 L.P. and Renshou Industries as to approximately 6.02% and 64.29%, respectively. The previous acquisitions in 2022 and 2024 were completed by equity transfer agreement because Renshou Jian No. 1 L.P. is a limited partnership and such transfers are outside the scope of the Measures and not required to be conducted through a public tender under PRC law. As Renshou Industries, a PRC state-owned company, also intends to exit part of its investment in Truly RS through public tender, the Company believes that this represents a good opportunity for the Group to further increase its shareholding in Truly RS.

Taking into account the above factors, the Directors are of the view that the terms of the Proposed Acquisitions are on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

If the Company is successful with the bidding at the First Tender and the Second Tender, the Company will, through Truly Opto-Electronics, enter into the relevant equity transfer agreement(s) and other relevant transaction documents (if any) in respect of the Proposed Acquisitions with Renshou Industries, and Truly Opto-Electronics will then become unconditionally obliged to complete the Proposed Acquisitions. As such, the Company may not be able to seek the approval of the Shareholders in time for the Proposed Acquisitions, as required under Chapter 14 of the Listing Rules. Accordingly, the Board would like to seek the approval of the Proposed Mandate from the Shareholders at the EGM in advance so as to conduct the Proposed Acquisitions.

INFORMATION OF THE PARTIES

The Group

The Group is primarily engaged in the business of, among other things, manufacturing and sales of liquid crystal display (“LCD”) products, touch panels, compact camera modules, fingerprint identification modules, printed circuit board products, personal health care products and electrical devices.

Truly Opto-Electronics

Truly Opto-Electronics is an indirect wholly owned subsidiary of the Company and is primarily engaged in the business of manufacturing and sales of touch panels and compact camera modules.

Renshou Industries

Renshou Industries is principally engaged in participating Renshou County major investments and construction.

LETTER FROM THE BOARD

Truly RS

Truly RS is a company incorporated in the PRC, and it is an associate of the Group and has been accounted for in the consolidated financial statements of the Group using equity method. As at the date of this circular, Truly RS is held as to approximately 29.69% by Truly Opto-Electronics, approximately 64.29% by Renshou Industries, and approximately 6.02% by Renshou Jian No. 1 L.P.. Renshou Industries and Renshou Jian No. 1 L.P. are independent third parties of the Group.

Renshou Jian No. 1 L.P. is a limited partnership incorporated in the PRC, whose partners include:

- (a) Sichuan Development Xingzhan Industry Guidance Equity Investment Fund Partnership (Limited Partnership)* (四川發展興展產業引導股權投資基金合夥企業(有限合夥)) (“**Xingzhan**”), acting as a Limited Partner, is an investment fund registered with the Asset Management Association of China, holding approximately 46.58% equity interest in Renshou Jian No. 1 L.P.. The executive partner of Xingzhan is Sichuan Hong Yuan Emerging Industry Equity Investment Fund Management Limited* (四川弘遠新興產業股權投資基金管理有限公司);
- (b) Sichuan Province Integrated Circuit and Information Security Industry Investment Fund Co., Ltd.* (四川省集成電路和信息安全產業投資基金有限公司) (“**ICISI Investment Fund**”), acting as a Limited Partner, is an investment fund registered with the Asset Management Association of China, holding approximately 31.05% equity interest in Renshou Jian No. 1 L.P.. The fund manager of ICISI Investment Fund is Sichuan Hong Core Equity Investment Fund Management Limited* (四川弘芯股權投資基金管理有限公司) (“**Hong Core**”);
- (c) Renshou Industries, acting as a Limited Partner, holding approximately 22.36% equity interest in Renshou Jian No. 1 L.P.; and
- (d) Hong Core, acting as the General Partner and Executive Partner, which is also Renshou Jian No. 1 L.P.’s executive partner and ultimately controlled by Sichuan Development Holding Co., Ltd. (四川發展(控股)有限責任公司), a state-owned company solely owned by the People’s Government of Sichuan City, holding approximately 0.0039% equity interest in Renshou Jian No. 1 L.P..

Renshou Industries’ ultimate beneficial owner is Renshou County State-Owned Assets and Finance Bureau* (仁壽縣國有資產和金融工作局).

Upon completion of the Proposed Acquisitions, assuming that we are successful in both the First Tender and the Second Tender, Truly Opto-Electronics shall hold approximately 41.13% of the equity interests in Truly RS. Through Truly Opto-Electronics, the Company will indirectly hold approximately 41.13% of the equity interests in Truly RS and Truly RS will remain as an associate of the Group and be accounted for in the consolidated financial statements of the Group using equity method.

* For identification purposes only

LETTER FROM THE BOARD

In case that we are only successful in one of the First Tender and the Second Tender, Truly Opto-Electronics shall hold approximately 35.41% of the equity interests in Truly RS. Through Truly Opto-Electronics, upon completion of the Proposed Acquisitions, the Company will indirectly hold approximately 35.41% of the equity interests in Truly RS and Truly RS will remain as an associate of the Group and be accounted for in the consolidated financial statements of the Group using equity method.

Truly RS is primarily engaged in the business of manufacturing and sales of LCD products.

For the two years ended 31 December 2023 and 2024, extract of key items from the audited accounts of Truly RS prepared by its PRC auditors based on the generally accepted accounting principles in the PRC are as follows:

	For the year ended/As at 31 December 2023	For the year ended/As at 31 December 2024
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	2,402,848	3,514,656
Net profit (before taxation)	9,644	12,550
Net profit (after taxation)	9,644	12,550
Total assets	11,000,442	11,585,491
Net assets value	7,048,752	7,057,349

Note: The financial information of Truly RS presented in this section is extracted from the audited accounts prepared by its PRC auditors based on the generally accepted accounting principles in the PRC. Such information may differ from the financial information presented in Appendix II to this Circular, which has been prepared in accordance with accounting policies that conform with HKFRS Accounting Standards.

The unaudited total assets and net assets value of Truly RS as at 30 June 2025 were approximately RMB13,086,073,000 and approximately RMB7,112,147,000, respectively.

EFFECT OF THE ACQUISITION ON THE EARNINGS AND ASSETS AND LIABILITIES OF THE COMPANY

Upon completion of the Proposed Acquisitions, assuming that we are successful in both the First Tender and the Second Tender, Truly Opto-Electronics will increase its equity interest in Truly RS from approximately 29.69% to 41.13%. Through Truly Opto-Electronics, the Company will indirectly hold approximately 41.13% of the equity interests in Truly RS and Truly RS will remain as an associate of the Group and be accounted for in the consolidated financial statements of the Group using equity method.

LETTER FROM THE BOARD

In case that we are only successful in one of the First Tender and the Second Tender, Truly Opto-Electronics shall hold approximately 35.41% of the equity interests in Truly RS. Through Truly Opto-Electronics, upon completion of the Proposed Acquisitions, the Company will indirectly hold approximately 35.41% of the equity interests in Truly RS and Truly RS will remain as an associate of the Group and be accounted for in the consolidated financial statements of the Group using equity method.

As referred to in the unaudited pro forma financial information of the Enlarged Group as set out in Appendix IV to this circular, the financial effects of the Proposed Acquisitions on the Group as if the Proposed Acquisitions had been completed on 30 June 2025 would be as follows:

Scenario 1 — Only one tender is successful:

- (a) As for assets and liabilities of the Group, the total assets will increase by approximately RMB525,000,000 (equivalent to HK\$574,350,000) while trade and other payables and total liabilities would increase by approximately RMB525,000,000 (equivalent to HK\$574,350,000) upon the completion of the Proposed Acquisitions.
- (b) The Group would incur expenditures in connection with the Proposed Acquisitions which is capitalised in interest in an associate of the Group, including the accountancy, legal, valuation and other professional services fees to be borne by the Group of approximately HK\$1,305,000. Therefore, the cash and cash equivalents would decrease by approximately HK\$1,305,000 while the interest in an associate would increase by approximately HK\$1,305,000.

Scenario 2 — Two tenders are successful:

- (a) As for assets and liabilities of the Group, the total assets will increase by approximately RMB1,050,000,000 (equivalent to HK\$1,148,700,000) while trade and other payables and total liabilities would increase by approximately RMB1,050,000,000 (equivalent to HK\$1,148,700,000) upon the completion of the Proposed Acquisitions.
- (b) The Group would incur expenditures in connection with the Proposed Acquisitions which is capitalised in interest in an associate of the Group, including the accountancy, legal, valuation and other professional services fees to be borne by the Group of approximately HK\$1,305,000. Therefore, the cash and cash equivalents would decrease by approximately HK\$1,305,000 while the interest in an associate would increase by approximately HK\$1,305,000.

Upon completion of the Proposed Acquisitions, Truly RS will remain as an associate of the Group and the effect on the earnings of the Group will tend to be immaterial. As if the Proposed Acquisitions had been completed on 31 December 2024, the profit for the six months ended 30 June 2025 of the Group will increase by approximately HK\$3,992,000 (11.43% of profit for the period of Truly RS if two tenders are successful) or approximately HK\$1,996,000 (5.714% of profit for the period of Truly RS if only one tender is successful).

LETTER FROM THE BOARD

As the above information is for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the results and financial position of the Enlarged Group for any future financial periods or dates.

For details of the unaudited pro forma financial information on the Enlarged Group immediately following completion of the Proposed Acquisitions, please refer to Appendix IV to this circular.

LISTING RULES IMPLICATIONS

As the Previous Acquisition was conducted within the 12-month period of, or otherwise related to, the Proposed Acquisitions, which each of them involve the acquisition or possible acquisition of equity interests in the same company, the possible acquisition of the equity interests of Truly RS held by Renshou industries pursuant to each of the First Tender and the Second Tender shall be aggregated with the Previous Acquisition as a series of transactions pursuant to Rule 14.22 of the Listing Rules. As one or more of the relevant applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) in respect of the Proposed Acquisitions, pursuant to either or both the First Tender and the Second Tender, when calculated on an aggregated basis with the Previous Acquisition, exceed 25% but not more than 100%, the Proposed Acquisitions, upon aggregating with the Previous Acquisition, constitute a major transaction of the Company under Chapter 14 of the Listing Rules and will be subject to reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

EGM

The Company will seek approval at the EGM for the Proposed Mandate. As far as the Directors are aware, none of the Shareholders has a material interest in the Proposed Mandate which is different from those of other Shareholders. As such, no Shareholder is required to abstain from voting in respect of the proposed resolution to approve the Proposed Mandate at the EGM.

A notice convening the EGM to be held at 2/F Chung Shun Knitting Centre, 1-3 Wing Yip Street, Kwai Chung, New Territories, Hong Kong, Hong Kong at 10:00 a.m. on Wednesday, 17 December 2025 is set out on pages EGM-1 to EGM-2 of this circular. Shareholders of the Company are advised to read the notice and complete and return the form of proxy for use at the EGM enclosed with this circular in accordance with the instructions printed thereon.

A form of proxy for the EGM is enclosed with this circular. Whether or not you are able to attend the EGM in person, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not later than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from subsequently attending and voting in person at the EGM or any adjournment thereof should you so wish.

LETTER FROM THE BOARD

RECOMMENDATION

The Board (including the independent non-executive Directors) considers that the Proposed Mandate is fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors) recommend the shareholders to vote in favour of the relevant resolutions to be proposed at the EGM to approve the Proposed Mandate and the proposed transactions contemplated thereunder.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular and the notice of EGM.

Yours faithfully
By order of the Board
Truly International Holdings Limited
Lam Wai Wah
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group for the three years ended 31 December 2024 and the six months ended 30 June 2025 together with the relevant notes thereto are disclosed in the following documents which have been published on the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (<http://www.truly.com.hk/>):

- pages 54 to 192 in the annual report of the Company for the year ended 31 December 2022 published on 17 April 2023
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0417/2023041700393.pdf>)
- pages 52 to 168 in the annual report of the Company for the year ended 31 December 2023 published on 18 April 2024
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0418/2024041800426.pdf>)
- pages 93 to 208 in the annual report of the Company for the year ended 31 December 2024 published on 16 April 2025 (the “**2024 Annual Report**”)
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0416/2025041600674.pdf>)
- pages 4 to 23 in the interim report of the Company for the six months ended 30 June 2025 published on 18 September 2025
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0918/2025091801003.pdf>)

Each of the said consolidated financial statements of the Group is incorporated by reference to this circular and forms part of this circular.

2. INDEBTEDNESS

Save as disclosed below and apart from intra-group liabilities and normal trade payables in the ordinary course of business, as at 30 September 2025, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this circular, the Group did not have any outstanding debt securities, bank loans and overdrafts or other similar indebtedness, finance leases or hire purchase commitments, liabilities under acceptances or acceptance credits, mortgages, charges, debentures, loan capital, guarantees or other material contingent liabilities.

Bank and other borrowings

As at 30 September 2025, the Group had total outstanding bank and other borrowings of approximately HK\$6,721 million, amongst which HK\$2,231 million were unsecured and guaranteed by the Company and certain subsidiaries of the Company, HK\$443 million were secured by bank deposits and unguaranteed and HK\$4,047 million were unsecured and unguaranteed. Details of the bank and other borrowings were as follows:

	Effective interest rate	30 September 2025
	%	<i>HK\$ million</i>
Carrying amount of borrowings repayable based on scheduled repayment dates:		
Within one year	0.77–6.7	5,283
After one year but within two years	2.30–6.7	550
After two years but within five years	3.95–6.7	<u>888</u>
		<u><u>6,721</u></u>

Lease liabilities

As at 30 September 2025, the Group had lease liabilities with carrying amount of HK\$267 million, amongst which HK\$239 million were unsecured and unguaranteed and HK\$28 million were secured by machinery equipment and unguaranteed.

Contingent liabilities

As at 30 September 2025, the Group had no significant contingent liabilities.

3. WORKING CAPITAL SUFFICIENCY

Taking into account the effect of the Proposed Acquisition, the Directors are of the opinion that, in the absence of unforeseeable circumstances and having regard to the financial resources available to the Group, including internally generated funds and available bank facilities, the Group will have sufficient working capital for its present requirements for the next twelve months from the date of this circular.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Directors are of the view that upon completion of the Proposed Acquisitions, Truly RS will enhance the competitive advantage of the Enlarged Group in the PRC. The Proposed Acquisitions are in line with the Group's on-going expansion strategy which will further strengthen the financial performance of the Group.

In 2025, the global economic environment remains uncertain, and the competitive environment is full of challenges. The management maintains a cautiously optimistic outlook, anticipating that the overall market performance in 2025 will experience moderate growth

compared to 2024. We will continue to monitor the technological demands and supply chain change in both display and non-display business markets. Having collaborated with globally leading industry brands for many years, the Company has possessed a deep understanding of industry trends and technological requirements. Through close communication with clients, we jointly develop new products and continuously invest in the technological upgrading and modernization of production equipment. This enhances the automation level of manufacturing processes, ensuring that product quality, pricing, and delivery timelines consistently meet customer expectations. The Group will maintain its focus on technological research and development in existing non-smartphone businesses, including automotive, industrial, medical, and Internet of Things sectors, while leveraging its strong foundation in smartphone operations to maintain the Group's technological leadership in the market. With the rapid advancement of artificial intelligence technologies, various inference models are being swiftly and effectively applied across downstream industries. This trend is expected to accelerate the upgrading of smart terminal devices such as smartphones and wearables, as well as terminal devices in automotive, industrial, medical, and Internet of Things fields. The Company is well-positioned to benefit from this growth, driving steady expansion and business growth.

After publication of the 2024 Annual Report, other than the Proposed Acquisitions, the Group has not acquired or agreed to acquire or is proposing to acquire a business or an interest in the share capital of a company whose profits or assets make or will make a material contribution to the figures in the Company's accountants' report or next published account of the Company. The Company will comply with the relevant requirements under the Listing Rules if and when any of such transactions materialize.

5. MATERIAL ADVERSE CHANGE

The Directors confirm that there was no material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest published audited accounts of the Group have been made up.

The following is the text of a report set out on pages II-1 to II-39, received from the Company's reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.



ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION OF TRULY (RENSHOU) HIGH-END DISPLAY TECHNOLOGY LIMITED TO THE DIRECTORS OF TRULY INTERNATIONAL HOLDINGS LIMITED

Introduction

We report on the historical financial information of Truly (Renshou) High-end Display Technology Limited* (信利(仁壽)高端顯示科技有限公司) (the “**Target Company**”) set out on pages II-4 to II-39, which comprises the statements of financial position of the Target Company as at 31 December 2022, 2023 and 2024 and 30 June 2025, and the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows of the Target Company for each of the three years ended 31 December 2024 and the six months ended 30 June 2025 (the “**Relevant Periods**”) and material accounting policy information and other explanatory information (together, the “**Historical Financial Information**”). The Historical Financial Information set out on pages II-4 to II-39 forms an integral part of this report, which has been prepared for inclusion in the circular of Truly International Holdings Limited (the “**Company**”) dated 25 November 2025 (the “**Circular**”) in connection with the proposed acquisition of equity interests in the Target Company through public tenders.

Directors' responsibility for the Historical Financial Information

The directors of the Target Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2 to the Historical Financial Information, and for such internal control as the directors of the Target Company determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

The directors of the Company are responsible for the contents of this Circular in which the Historical Financial Information of the Target Company is included, and such information is prepared based on accounting policies materially consistent with those of the Company.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 “Accountants' Reports on Historical Financial Information in Investment Circulars” issued by the Hong Kong Institute of Certified

* For identification purpose only

Public Accountants (the “HKICPA”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Target Company, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the Target Company's financial position as at 31 December 2022, 2023 and 2024 and 30 June 2025, and of the Target Company's financial performance and cash flows for the Relevant Periods in accordance with the basis of preparation set out in note 2 to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Target Company which comprises the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the six months ended 30 June 2024 and other explanatory information (the “**Stub Period Comparative Financial Information**”). The directors of the Target Company are responsible for the preparation of the Stub Period Comparative Financial Information in accordance with the basis of preparation set out in note 2 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information,

for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page II-4 have been made.

Dividends

We refer to note 11 to the Historical Financial Information which states that no dividend was declared or paid by the Target Company in respect of the Relevant Periods.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

25 November 2025

HISTORICAL FINANCIAL INFORMATION OF THE TARGET COMPANY

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Target Company for the Relevant Periods, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with HKFRS Accounting Standards issued by the HKICPA and were audited by us in accordance with Hong Kong Standards on Auditing issued by the HKICPA (“**Underlying Financial Statements**”).

The Historical Financial Information is presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand (“**RMB’000**”) except when otherwise indicated.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December			Six months ended 30 June	
	NOTES	2022	2023	2024	2024	2025
		RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
					(unaudited)	
Revenue	6	1,857,020	2,329,722	3,137,627	1,702,341	1,580,924
Cost of sales		<u>(1,844,840)</u>	<u>(2,511,411)</u>	<u>(3,249,121)</u>	<u>(1,789,474)</u>	<u>(1,525,102)</u>
Gross profit (loss)		12,180	(181,689)	(111,494)	(87,133)	55,822
Other income	7	312,650	675,943	134,477	57,592	65,982
Other gains and losses, net	7	1,575	(12,522)	(1,123)	1,907	(5,474)
Distribution and selling expenses		(4,941)	(2,110)	(2,344)	—	—
Administrative expenses		(97,331)	(94,731)	(69,582)	(32,726)	(45,308)
Finance costs	8	<u>(41,591)</u>	<u>(92,633)</u>	<u>(95,313)</u>	<u>(65,547)</u>	<u>(41,104)</u>
Profit (loss) before taxation		182,542	292,258	(145,379)	(125,907)	29,918
Income tax (expense) credit	9	<u>(24,508)</u>	<u>(44,743)</u>	<u>31,696</u>	<u>26,684</u>	<u>2,008</u>
Profit (loss) and total comprehensive income (expenses) for the year/period	10	<u>158,034</u>	<u>247,515</u>	<u>(113,683)</u>	<u>(99,223)</u>	<u>31,926</u>

STATEMENTS OF FINANCIAL POSITION

		As at 31 December			As at
	NOTES	2022	2023	2024	30 June
		RMB'000	RMB'000	RMB'000	2025
					RMB'000
NON-CURRENT ASSETS					
Property, plant and equipment	13	8,867,551	8,368,652	8,350,903	8,847,328
Right-of-use assets	14	58,057	56,778	55,499	54,860
Long-term receivables	17	—	296,688	544,618	554,422
Deposits paid for acquisition of property, plant and equipment	15	28,998	29,055	47,223	63,519
Loan receivables from related parties	26	536,330	549,654	1,425,011	1,617,568
		<u>9,490,936</u>	<u>9,300,827</u>	<u>10,423,254</u>	<u>11,137,697</u>
CURRENT ASSETS					
Inventories	16	215,325	311,448	273,301	234,753
Trade and other receivables	17	237,131	733,170	334,867	439,810
Amounts due from related parties	26	768,154	1,346,886	1,021,709	1,688,341
Restricted bank deposits	18	—	4,672	—	18,133
Bank balances	18	68,179	13,537	63,933	84,445
		<u>1,288,789</u>	<u>2,409,713</u>	<u>1,693,810</u>	<u>2,465,482</u>
CURRENT LIABILITIES					
Trade and other payables	19	766,648	873,316	644,711	764,363
Contract liabilities	20	49,031	87,169	62,645	67,337
Amounts due to related parties	26	123,785	249,742	324,951	432,365
Bank and other borrowings due within one year	21	1,513,161	1,494,684	1,265,355	2,237,881
		<u>2,452,625</u>	<u>2,704,911</u>	<u>2,297,662</u>	<u>3,501,946</u>
NET CURRENT LIABILITIES		<u>(1,163,836)</u>	<u>(295,198)</u>	<u>(603,852)</u>	<u>(1,036,464)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,327,100</u>	<u>9,005,629</u>	<u>9,819,402</u>	<u>10,101,233</u>

		As at 31 December			As at
	NOTES	2022	2023	2024	30 June
		RMB'000	RMB'000	RMB'000	2025
					RMB'000
NON-CURRENT LIABILITIES					
Bank and other borrowings due after					
one year	21	731,837	1,118,108	2,077,260	2,329,173
Deferred tax liabilities	22	<u>66,824</u>	<u>111,567</u>	<u>79,871</u>	<u>77,863</u>
		<u>798,661</u>	<u>1,229,675</u>	<u>2,157,131</u>	<u>2,407,036</u>
NET ASSETS		<u><u>7,528,439</u></u>	<u><u>7,775,954</u></u>	<u><u>7,662,271</u></u>	<u><u>7,694,197</u></u>
CAPITAL AND RESERVES					
Paid-up capital	23	7,000,000	7,000,000	7,000,000	7,000,000
Reserves		<u>528,439</u>	<u>775,954</u>	<u>662,271</u>	<u>694,197</u>
TOTAL EQUITY		<u><u>7,528,439</u></u>	<u><u>7,775,954</u></u>	<u><u>7,662,271</u></u>	<u><u>7,694,197</u></u>

STATEMENTS OF CHANGES IN EQUITY

	Paid-up capital <i>RMB'000</i>	Statutory reserve <i>RMB'000</i> (Note)	Retained profits <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2022	7,000,000	3,046	367,359	7,370,405
Profit and total comprehensive income for the year	—	—	158,034	158,034
Appropriation to reserve	—	864	(864)	—
At 31 December 2022	7,000,000	3,910	524,529	7,528,439
Profit and total comprehensive income for the year	—	—	247,515	247,515
Appropriation to reserve	—	848	(848)	—
At 31 December 2023	7,000,000	4,758	771,196	7,775,954
Loss and total comprehensive expense for the year	—	—	(113,683)	(113,683)
Appropriation to reserve	—	1,367	(1,367)	—
At 31 December 2024	7,000,000	6,125	656,146	7,662,271
Profit and total comprehensive income for the period	—	—	31,926	31,926
At 30 June 2025	<u>7,000,000</u>	<u>6,125</u>	<u>688,072</u>	<u>7,694,197</u>
At 31 December 2023	7,000,000	4,758	771,196	7,775,954
Loss and total comprehensive expense for the period	—	—	(99,223)	(99,223)
At 30 June 2024 (unaudited)	<u>7,000,000</u>	<u>4,758</u>	<u>671,973</u>	<u>7,676,731</u>

Note: The statutory reserve represents the amount transferred from net profit for the year established in the People's Republic of China (the "PRC"), based on the financial statements of the Target Company prepared in accordance with the China Accounting Standards for Business Enterprise, in accordance with the relevant PRC laws until the statutory surplus reserve reaches 50% of its registered capital. The statutory surplus reserve cannot be reduced except either use to set off the accumulated losses or increase capital.

STATEMENTS OF CASH FLOWS

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
OPERATING ACTIVITIES					
Profit (loss) before taxation	182,542	292,258	(145,379)	(125,907)	29,918
Adjustments for:					
Depreciation of property, plant and equipment	549,763	551,560	514,762	256,418	247,097
Depreciation of right-of-use assets	1,333	1,279	1,279	639	639
Allowance (reversal of allowance) for inventories	75,436	(67,743)	(6,570)	—	—
(Gain) loss on disposal of property, plant and equipment and right-of-use assets	(4,294)	11,729	1	—	6
Interest income	(30,050)	(73,545)	(61,014)	(28,724)	(50,670)
Finance costs	41,591	92,633	95,313	65,547	41,104
Operating cash flows before movements in working capital	816,321	808,171	398,392	167,973	268,094
(Increase) decrease in inventories	(122,119)	(28,380)	44,717	89,586	38,548
Decrease (increase) in trade and other receivables	402,823	(792,727)	150,373	(168,986)	(114,747)
Decrease (increase) in trade amounts due from related parties	104,702	40,968	(86,096)	(27,216)	(29,992)
(Decrease) increase in trade and other payables	(110,763)	438,322	(212,649)	224,554	171,016
(Decrease) increase in contract liabilities	(33,609)	38,138	(24,524)	(2,121)	4,692
(Decrease) increase in trade amounts due to related parties	(804)	154,427	27,250	(62,683)	64,071
NET CASH FROM OPERATING ACTIVITIES	<u>1,056,551</u>	<u>658,919</u>	<u>297,463</u>	<u>221,107</u>	<u>401,682</u>

APPENDIX II**ACCOUNTANTS' REPORT OF TRULY RS**

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
INVESTING ACTIVITIES					
Repayment from related parties	866,128	686,976	373,030	341,602	204,699
Withdrawal of restricted bank deposits	124,670	—	4,672	4,672	—
Interest received	30,050	73,545	61,014	28,724	50,670
Proceeds from disposal of property, plant and equipment and right-of- use assets	11,808	—	—	—	—
Government grants received	31,212	—	—	—	—
Placement of restricted bank deposits	—	(4,672)	—	—	(18,133)
Purchase and deposits paid for property, plant and equipment	(169,699)	(350,183)	(497,198)	(140,286)	(764,016)
Advances to related parties	<u>(1,020,000)</u>	<u>(1,320,000)</u>	<u>(837,114)</u>	<u>(37,900)</u>	<u>(1,033,896)</u>
NET CASH (USED IN) FROM INVESTING ACTIVITIES	<u>(125,831)</u>	<u>(914,334)</u>	<u>(895,596)</u>	<u>196,812</u>	<u>(1,560,676)</u>
FINANCING ACTIVITIES					
Repayment of bank and other borrowings	(1,215,085)	(1,564,935)	(1,495,684)	(665,526)	(711,593)
Interest paid	(161,462)	(178,000)	(129,253)	(91,117)	(88,276)
Repayments to related parties	(308,118)	(49,470)	(249,742)	(143,769)	(162,475)
Advances from related parties	118,888	21,000	297,701	124,871	205,818
New bank and other borrowings raised	<u>610,000</u>	<u>1,972,178</u>	<u>2,225,507</u>	<u>413,454</u>	<u>1,936,032</u>
NET CASH (USED IN) FROM FINANCING ACTIVITIES	<u>(955,777)</u>	<u>200,773</u>	<u>648,529</u>	<u>(362,087)</u>	<u>1,179,506</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(25,057)	(54,642)	50,396	55,832	20,512
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR/PERIOD	<u>93,236</u>	<u>68,179</u>	<u>13,537</u>	<u>13,537</u>	<u>63,933</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR/PERIOD, represented by bank balances	<u>68,179</u>	<u>13,537</u>	<u>63,933</u>	<u>69,369</u>	<u>84,445</u>

NOTES TO THE HISTORICAL FINANCIAL INFORMATION**1. GENERAL INFORMATION**

The Target Company was incorporated in the PRC with limited liability on 8 September 2017. The addresses of the registered office of the Target Company and principal places of business of the Target Company are Wenlin Industrial Zone, 1 Xinli Road, Renshou Town, Meishan City, Sichuan Province, the PRC.

The shareholders of the Target Company are Renshou County Industries Investment Co., Ltd. (仁壽縣產業投資有限公司) (“**Renshou Industries**”), Renshou Jian No. 1 Investment Centre Limited Partnership (仁壽集安一號投資中心(有限合夥)) (“**Renshou Jian No. 1 L.P.**”) and Truly Opto-electronics Limited (信利光電股份有限公司), a subsidiary of the Company, which was incorporated as an exempted company with limited liability in the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (together with its subsidiaries refer to as “**Truly Group**”), and owned as to 64.29%, 6.02% and 29.69% of the Target Company, respectively. Renshou Industry Investment and Renshou Partnership are immediately held by Renshou Development Investment Group Co., Ltd. (仁壽發展投資集團有限公司), a state-owned entity (together with Renshou Industries and Renshou Jian No. 1 L.P refer to as “**Renshou Shareholders**”).

The Target Company is engaged in development and production of LCD products.

The Historical Financial Information is presented in RMB, which is the same as the functional currency of the Target Company.

2. BASIS OF PREPARATION OF HISTORICAL FINANCIAL INFORMATION

The Historical Financial Information has been prepared based on the accounting policies which conform with HKFRS Accounting Standards.

The statutory financial statements of the Target Company for the year ended 31 December 2022 prepared in accordance with relevant accounting principles and financial regulations applicable to the enterprises in the PRC were audited by ShineWing Certified Public Accountants (Special General Partnership) Sichuan Branch, certified public accountants registered in the PRC. The statutory financial statements of the Target Company for the years ended 31 December 2023 and 2024 prepared in accordance with relevant accounting principles and financial regulations applicable to the enterprises in the PRC were audited by Yongtuo Certified Public Accountants (Special General Partnership) Sichuan Branch, certified public accountants registered in the PRC.

Going concern

As at 30 June 2025, the Target Company had net current liabilities of approximately RMB1,036,464,000. The directors of the Target Company have carefully assessed the Target Company's liquidity position by taking into account: (a) included in the current liabilities were the contract liabilities of approximately RMB67,337,000 with no expected future cash outflows; and (b) Renshou Industries has committed to provide financial support to the Target Company to meet in full its financial obligations as and when they fall due for at least the next twelve months from date of this report. The directors of the Target Company believe that the Target Company has adequate resources to continue operations and meet its liabilities as at when they fall due for the foreseeable future of not less than 12 months from the date of this report. Therefore, the directors of the Target Company are of opinion that it is appropriate to prepare the Historical Financial Information on a going concern basis.

3. ADOPTION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

For the purpose of preparing the Historical Financial Information for the Relevant Periods, the Target Company has consistently applied the accounting policies which conform with HKFRS Accounting Standards, which are effective for the accounting period beginning on 1 January 2025 throughout the Relevant Period.

New and revised to HKFRS Accounting Standards in issue but not yet effective

At the date of this report, the following new and amendments to HKFRS Accounting Standards have been issued which are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11 ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³

¹ Effective for annual periods beginning on or after a date to be determined

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after 1 January 2027

Except for the new HKFRS Accounting Standard mentioned below, the directors of the Target Company anticipate that the application of all other amendments to HKFRS Accounting Standards will have no material impact on the Target Company's financial position and performance in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements ("HKFRS 18")

HKFRS 18, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and HKFRS 7 *Financial Instruments: Disclosure*. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Target Company is in the process of assessing the detailed impact of HKFRS 18 on the Target Company's financial statements.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The Historical Financial Information has been prepared on the historical cost basis, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Revenue from contracts with customers

The Target Company 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.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A receivable represents the Target Company’s unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Target Company’s obligation to transfer goods or services to a customer for which the Target Company has received consideration (or an amount of consideration is due) from the customer.

Information about Target Company’s accounting policies relating to revenue from contracts with customers is provided in note 6.

Property, plant and equipment

Property, plant and equipment in the production or supply of goods or services, or for administrative purposes (other than construction in progress as described below), are stated in the statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Target Company’s accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than construction in progress) less their residual values over their estimated useful lives, using the reducing balance/straight-line methods. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Leases

The Target Company assesses whether a contract is or contains a lease based on the definition under HKFRS 16 *Leases* at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Target Company as a lessee***Right-of-use assets***

The cost of right-of-use assets includes any lease payments made on or before the commencement date of lease term.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses.

Right-of-use assets are depreciated on a straight-line basis over the lease term.

The Target Company presents right-of-use assets as a separate line item on the statements of financial position.

Impairment on property, plant and equipment and right-of-use assets

At the end of each reporting period, the Target Company reviews the carrying amounts of its property, plant and equipment and right-of-use assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of property, plant and equipment and right-of-use assets is estimated individually. When it is not possible to estimate the recoverable amount individually, the Target Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

Foreign currencies

In preparing the financial statements, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Target Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Target Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Target Company should purchase, construct or otherwise acquire non-current assets are recognised as a deduction from the carrying amount of the relevant asset in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Target Company with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit/loss for the year/period. Taxable profit/loss differs from "profit before taxation" because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Target Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Target Company expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on a first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Target Company must incur to make the sale.

Financial instruments

Financial assets and financial liabilities are recognised when the Target Company becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 *Revenue from Contracts with Customers* (“**HKFRS 15**”). Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the Relevant Periods. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premium or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Impairment of financial assets subject to impairment assessment under HKFRS 9 Financial Instruments
(**"HKFRS 9"**)

The Target Company performs impairment assessment under expected credit loss ("**ECL**") model on financial assets (including trade and other receivables, loan receivables from related parties, amounts due from related parties, restricted bank deposits and bank balances) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Target Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Target Company always recognises lifetime ECL for trade receivables and trade related balances with related parties.

For all other instruments, the Target Company measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Target Company recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Target Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Target Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating; or
- an actual or expected significant deterioration in the operating results of the debtor.

Irrespective of the outcome of the above assessment, the Target Company presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Target Company has reasonable and supportable information that demonstrates otherwise.

The Target Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Target Company considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Target Company, in full (without taking into account any collaterals held by the Target Company).

Irrespective of the above, the Target Company considers that default has occurred when the instrument is more than 90 days past due unless the Target Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

The Target Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Target Company's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Target Company in accordance with the contract and the cash flows that the Target Company expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Target Company recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Target Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity*Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Target Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities at amortised cost

Financial liabilities (including trade and other payables, amounts due to related parties, bank and other borrowings) are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

The Target Company derecognises financial liabilities when, and only when, the Target Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Target Company's accounting policies, the management of the Target Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next twelve months.

Estimated impairment of property, plant and equipment and right-of use assets

Property, plant and equipment and right-of use assets are stated at cost less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Target Company has to exercise judgment and make estimation, particularly in assessing: (i) whether an event has occurred or any indicators that may affect the asset value; (ii) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (iii) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

As at 31 December 2022, 2023 and 2024 and 30 June 2025, the carrying amounts of property, plant and equipment and right-of use assets subject to impairment assessment in aggregate were RMB8,925,608,000, RMB8,425,430,000, RMB8,406,402,000 and RMB8,902,188,000, respectively. Based on the impairment assessment, no impairment loss is considered necessary.

Valuation of inventories

Inventories are carried at the lower of cost and net realisable value at the end of each reporting period. Net realisable value is determined on the basis of the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The management estimates the net realisable value for inventories based primarily on the latest invoice prices, current market conditions, historical experience on selling similar inventories and physical conditions of the inventories. It could change significantly as a result of changes in market conditions. In addition, the management performs an inventory review at the end of each reporting period and assesses the need for write down of inventories.

As at 31 December 2022, 2023 and 2024 and 30 June 2025, the carrying amount of the inventories amounted to RMB215,325,000, RMB311,448,000, RMB273,301,000 and RMB234,753,000, respectively, after taking into account the allowance for inventories of RMB76,111,000, RMB8,368,000, RMB1,798,000 and RMB1,798,000, as at 31 December 2022, 2023 and 2024 and 30 June 2025, respectively.

6. REVENUE

Disaggregation of revenue from contract with customers by types of products is analysed as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	

Types of goods

Sales of LCD products

— Recognised at a point in time	<u>1,857,020</u>	<u>2,329,722</u>	<u>3,137,627</u>	<u>1,702,341</u>	<u>1,580,924</u>
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The Target Company is principally engaged in the manufacture and distribution of LCD products. The Target Company recognises the revenue at a point in time when the control of products is transferred to the customer, i.e. when the goods have been delivered to customer's specific location. A receivable is recognised by the Target Company when the goods are delivered to the customer's premises as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. The customers have neither right of return nor rights to defer or avoid payment for the goods once they are accepted by the customers. The normal credit period is 30 to 90 days upon delivery.

During the Relevant Periods, all performance obligations for sales of LCD products are for period of one year or less. As permitted under HKFRS 15, the transaction price allocated to unsatisfied performance obligations as at 31 December 2022, 2023 and 2024 and 30 June 2025 are not disclosed.

7. OTHER INCOME, OTHER GAINS AND LOSSES, NET

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Other income					
Government grants (note 17)	256,383	577,758	59,255	24,011	11,007
Bank interest income	13,397	5,645	2,103	111	56
Interest income from amounts due from related parties (note 26)	16,653	67,900	58,911	28,613	50,614
Lease income	24,542	24,615	13,830	4,489	4,293
Others	<u>1,675</u>	<u>25</u>	<u>378</u>	<u>368</u>	<u>12</u>
	<u>312,650</u>	<u>675,943</u>	<u>134,477</u>	<u>57,592</u>	<u>65,982</u>

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Other gains and losses					
Gain (loss) on disposal of property, plant and equipment and right-of-use assets (<i>Note</i>)	4,294	(11,729)	(1)	—	(6)
Net exchange (loss) gain	(1,194)	(778)	196	1,917	(1,928)
Others	(1,525)	(15)	(1,318)	(10)	(3,540)
	<u>1,575</u>	<u>(12,522)</u>	<u>(1,123)</u>	<u>1,907</u>	<u>(5,474)</u>

Note: During the year ended 31 December 2022, the Target Company entered into an agreement with the relevant government authority in Sichuan Province, the PRC, pursuant to which land use rights of certain parcels of land in Renshou Town, Sichuan Province, the PRC, together with certain structures and other assets thereon, were resumed by the relevant government authority at a consideration by way of cash compensation of RMB11,808,000 (the “**Land Resumption**”). The carrying amounts of the relevant land use rights and property, plant and equipment are RMB4,509,000 and RMB3,005,000, respectively, were derecognised as a result of the Land Resumption and a net gain of RMB4,294,000 was recognised and included in the gain on disposal of property, plant and equipment and right-of-use assets for the year ended 31 December 2022.

8. FINANCE COSTS

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Interest on bank and other borrowings	116,098	138,531	129,253	91,117	88,276
Interest on loan from related parties (<i>note 26</i>)	<u>8,116</u>	<u>20</u>	<u>—</u>	<u>—</u>	<u>—</u>
	124,214	138,551	129,253	91,117	88,276
Less: Capitalised in the cost of qualifying assets	<u>(82,623)</u>	<u>(45,918)</u>	<u>(33,940)</u>	<u>(25,570)</u>	<u>(47,172)</u>
	<u>41,591</u>	<u>92,633</u>	<u>95,313</u>	<u>65,547</u>	<u>41,104</u>

Borrowing costs capitalised during the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024 and 2025 that arose on the general borrowing pool are calculated by applying a capitalisation rate of 6.46%, 5.73%, 4.51%, 4.26% (unaudited) and 4.59%, per annum, respectively, to expenditures on qualifying assets.

9. INCOME TAX EXPENSE (CREDIT)

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Current tax in the PRC Enterprise income tax ("EIT")	—	—	—	—	—
Deferred tax (note 22)	24,508	44,743	(31,696)	(26,684)	(2,008)
	<u>24,508</u>	<u>44,743</u>	<u>(31,696)</u>	<u>(26,684)</u>	<u>(2,008)</u>

The Target Company, which was registered in Sichuan Province and regarded as advanced technology enterprise by local tax bureau, is entitled to the PRC income tax at a preferential rate of 15% since 1 January 2021 to 5 December 2027.

No provision for the EIT was made for the years ended 31 December 2023 and 2024 since the Target Company had no assessable profits for the respective year. No provision for the EIT was made for the year ended 31 December 2022 and the six months ended 30 June 2025 since the Target Company had unutilised tax loss to offset the assessable profit for the respective year/period.

The income expense for the Relevant Periods can be reconciled to the profit (loss) before taxation for the statements of profit or loss and other comprehensive income are as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Profit (loss) before taxation	<u>182,542</u>	<u>292,258</u>	<u>(145,379)</u>	<u>(125,907)</u>	<u>29,918</u>
Tax at EIT rate of 15%	27,381	43,839	(21,807)	(18,886)	4,488
Tax effect of expenses not deductible for tax purpose	1,702	6,038	2,167	(1,814)	(708)
Tax effect of additional deduction of research and development expenses incurred (Note)	<u>(4,575)</u>	<u>(5,134)</u>	<u>(12,056)</u>	<u>(5,984)</u>	<u>(5,788)</u>
Income tax expense (credit) for the year/period	<u>24,508</u>	<u>44,743</u>	<u>(31,696)</u>	<u>(26,684)</u>	<u>(2,008)</u>

Note: The eligible research and development costs incurred in the PRC and charged to profit or loss is subject to an additional 100% tax deduction in the calculation of income tax expense for the Relevant Periods.

10. PROFIT (LOSS) FOR THE YEAR/PERIOD

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Profit (loss) before taxation has been arrived at after charging (crediting):					
Auditors' remuneration	138	150	142	142	113
Staff's salaries and other benefits	133,917	130,405	144,391	68,680	73,556
Staff's retirement benefit contributions	9,271	9,211	10,833	4,972	5,472
	<u>143,188</u>	<u>139,616</u>	<u>155,224</u>	<u>73,652</u>	<u>79,028</u>
Depreciation of property, plant and equipment (including amounts capitalised in inventories)	549,763	551,560	514,762	256,418	247,097
Depreciation of right-of-use assets	1,333	1,279	1,279	639	639
	<u>551,096</u>	<u>552,839</u>	<u>516,041</u>	<u>257,057</u>	<u>247,736</u>
Cost of inventories recognised as cost of sales	1,613,051	2,461,964	3,126,733	1,723,550	1,463,957
Research and development costs included in cost of sales	87,624	88,463	102,182	50,828	49,363
Allowance (reversal of allowance) for inventories recognised as cost of sales	75,436	(67,743)	(6,570)	—	—

11. DIVIDENDS

No dividend was declared or paid by the Target Company in respect of the Relevant Periods.

12. EARNINGS PER SHARE

Earnings per share has not been presented as its inclusion is not considered meaningful for the purpose of the Historical Financial Information in this report.

13. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Furniture, fixtures and equipment RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
COST						
At 1 January 2022	1,945,218	2,425,305	3,958,099	2,898	1,600,181	9,931,701
Additions	—	3,846	5,000	—	140,953	149,799
Finance costs capitalised	—	—	—	—	82,623	82,623
Government grant received (<i>Note a</i>)	—	—	—	—	(31,212)	(31,212)
Transfer upon completion	—	1,538	590,181	—	(591,719)	—
Disposals (<i>Note b</i>)	—	—	(6,106)	—	—	(6,106)
At 31 December 2022	1,945,218	2,430,689	4,547,174	2,898	1,200,826	10,126,805
Additions	—	3,366	241	—	14,865	18,472
Finance costs capitalised	—	—	—	—	45,918	45,918
Transfer upon completion	—	—	354,952	—	(354,952)	—
Disposals	—	—	(14,530)	—	—	(14,530)
At 31 December 2023	1,945,218	2,434,055	4,887,837	2,898	906,657	10,176,665
Additions	—	1,674	31,628	56	429,716	463,074
Finance costs capitalised	—	—	—	—	33,940	33,940
Transfer upon completion	—	—	48,927	—	(48,927)	—
Disposals	—	(3)	—	—	—	(3)
At 31 December 2024	1,945,218	2,435,726	4,968,392	2,954	1,321,386	10,673,676
Additions	—	10	6,185	—	690,161	696,356
Finance costs capitalised	—	—	—	—	47,172	47,172
Transfer upon completion	—	3,000	218,968	—	(221,968)	—
Disposals	—	—	—	(70)	—	(70)
At 30 June 2025	1,945,218	2,438,736	5,193,545	2,884	1,836,751	11,417,134
DEPRECIATION						
At 1 January 2022	92,489	140,527	476,310	1,762	—	711,088
Provided for the year	48,630	73,042	427,750	341	—	549,763
Eliminated on disposals (<i>Note b</i>)	—	—	(1,597)	—	—	(1,597)
At 31 December 2022	141,119	213,569	902,463	2,103	—	1,259,254
Provided for the year	48,630	71,698	430,993	239	—	551,560
Eliminated on disposals	—	—	(2,801)	—	—	(2,801)
At 31 December 2023	189,749	285,267	1,330,655	2,342	—	1,808,013
Provided for the year	48,630	70,209	395,748	175	—	514,762
Eliminated on disposals	—	(2)	—	—	—	(2)
At 31 December 2024	238,379	355,474	1,726,403	2,517	—	2,322,773
Provided for the period	24,315	34,530	188,186	66	—	247,097
Eliminated on disposals	—	—	—	(64)	—	(64)
At 30 June 2025	262,694	390,004	1,914,589	2,519	—	2,569,806
CARRYING AMOUNTS						
At 31 December 2022	1,804,099	2,217,120	3,644,711	795	1,200,826	8,867,551
At 31 December 2023	1,755,469	2,148,788	3,557,182	556	906,657	8,368,652
At 31 December 2024	1,706,839	2,080,252	3,241,989	437	1,321,386	8,350,903
At 30 June 2025	1,682,524	2,048,732	3,278,956	365	1,836,751	8,847,328

Notes:

- (a) During the year ended 31 December 2022, the Target Company received government grants from Renshou government amounting to RMB31,212,000 related to the construction of manufacturing plant and facilities, which are deducted from the carrying amount of the asset.
- (b) During the year ended 31 December 2022, the Target Company derecognised certain parcel of land use rights together with certain structures and other assets, which were classified as plant and machinery and included in property, plant and equipment. Details are set out in note 7.

The cost of buildings is depreciated over forty years, using the straight-line method.

The other items of property, plant and equipment, other than construction in progress, are depreciated on a reducing balance method at the following rates per annum:

Furniture, fixtures and equipment	2.5% to 20%
Plant and machinery	11% to 15%
Motor vehicles	25% to 30%

14. RIGHT-OF-USE ASSETS

	Leasehold land RMB'000
Carrying amounts	
At 31 December 2022	<u>58,057</u>
At 31 December 2023	<u>56,778</u>
At 31 December 2024	<u>55,499</u>
At 30 June 2025	<u>54,860</u>

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				(unaudited)	
Depreciation charge	<u>1,333</u>	<u>1,279</u>	<u>1,279</u>	<u>639</u>	<u>639</u>

The Target Company owns several industrial buildings where its manufacturing facilities are primarily located and office buildings. The Target Company is the registered owner of these property interests, including the underlying leasehold lands.

During the year ended 31 December 2022, the Target Company derecognised certain parcel of land use rights together with certain structures and other assets thereon. Details are set out in note 7.

15. DEPOSITS PAID FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

As at 31 December 2022, 2023 and 2024 and 30 June 2025, the Target Company had made deposits of RMB28,998,000, RMB29,055,000, RMB47,223,000 and RMB63,519,000 in relation to the acquisition of the property, plant and equipment from independent third parties respectively.

16. INVENTORIES

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
Raw materials	61,042	59,755	78,917	86,489
Work in progress	49,194	63,701	34,330	49,238
Finished goods	105,089	187,992	160,054	99,026
	<u>215,325</u>	<u>311,448</u>	<u>273,301</u>	<u>234,753</u>

17. TRADE AND OTHER RECEIVABLES

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
Trade receivables from third parties	315	338,358	176,790	261,961
Prepayments	62,854	100,909	44,352	39,743
Other tax receivables	13	1,031	42,079	58,760
Government subsidy receivables from Renshou Government (<i>Note</i>)	160,000	582,258	601,719	619,140
Other receivables	13,949	7,302	14,545	14,628
	<u>237,131</u>	<u>1,029,858</u>	<u>879,485</u>	<u>994,232</u>
Less: Government subsidy receivables classified as non-current assets	—	(296,688)	(544,618)	(554,422)
	<u>237,131</u>	<u>733,170</u>	<u>334,867</u>	<u>439,810</u>

Note: During the year ended 31 December 2023, a government subsidy of RMB601,060,000 was granted to the Target Company for the operating expenses and finance costs already incurred in relation to the development and production of LCD products, which are classified as advanced technology products, by Renshou government. There were no unfulfilled conditions of the Target Company in relation to the entitlement of the government grant. In December 2023, the Target Company obtained a written confirmation from the Renshou government that it will receive the government grants by instalments from 2024 to 2026. Accordingly, the fair value of such government grants amounting to RMB560,857,000 was recognised in profit or loss and included in “other income” for the year ended 31 December 2023.

In January 2025, the Target Company obtained a written confirmation from the Renshou government that the instalments of the remaining government grants were further delayed to the period from 2026 to 2028. As at 30 June 2025, the government subsidy receivables of RMB554,422,000 will be due after one year and classified as non-current assets.

The significant portion of the government subsidy receivables at 31 December 2022 have been recovered by the Target Company.

As at 1 January 2022, trade receivables from contracts with customers amounted to RMB48,000.

The Target Company allows a credit period ranging from 30 to 90 days to its trade customers. The following is an aged analysis of trade receivables based on the invoice date at the end of each reporting period.

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Within 60 days	170	338,358	160,291	162,092
61 to 90 days	—	—	16,499	99,869
More than 90 days	145	—	—	—
	<u>315</u>	<u>338,358</u>	<u>176,790</u>	<u>261,961</u>

Trade and other receivables denominated in currencies other than the functional currency of the Target Company are set out below:

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Denominated in United States Dollar (“USD”)	—	—	315	282
Denominated in Japanese Yen (“JPY”)	—	—	35,647	44,501
	<u>—</u>	<u>—</u>	<u>35,962</u>	<u>44,783</u>

Details of impairment assessment of trade and other receivables are set out in note 28.

18. RESTRICTED BANK DEPOSITS AND BANK BALANCES

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Restricted bank deposits	—	4,672	—	18,133
Bank balances	68,179	13,537	63,933	84,445
	<u>68,179</u>	<u>18,209</u>	<u>63,933</u>	<u>102,578</u>

Bank balances and deposits denominated in currencies other than the functional currency of the Target Company are set out below:

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Denominated in USD	—	4,672	1	2
Denominated in JPY	—	—	3	193
	<u>—</u>	<u>4,672</u>	<u>4</u>	<u>195</u>

Restricted bank deposits are to secure letters of guarantee with maturity within one year and are classified as current assets. The restricted bank deposits are released upon expiration of letters of guarantee subsequent to the end of each reporting period.

The interest rates of the bank deposits and balances are as follows:

	As at 31 December			As at
	2022	2023	2024	30 June
				2025
Interest rates (per annum):				
Restricted bank deposits	N/A	0.3%	N/A	0.05%
Bank balances	0.3%	0.3%	0.1%	0.05%

19. TRADE AND OTHER PAYABLES

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Trade payables	264,541	700,531	474,509	670,349
Accrued construction cost for property, plant and equipment	466,792	135,138	119,182	67,819
Other payables	10,472	20,072	15,914	13,486
Other tax payables	6,873	956	17,704	1,142
Accrued staff costs	17,970	16,619	17,402	11,567
	<u>766,648</u>	<u>873,316</u>	<u>644,711</u>	<u>764,363</u>

The credit period on purchases of goods ranges from 60 to 90 days. The Target Company has financial risk management policies in place to ensure that majority of the payables are settled within the credit time frame. The following is an aged analysis of trade payables presented based on the invoice date at the end of each reporting period:

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Within 60 days	191,024	588,545	401,229	531,060
61 to 90 days	5,007	42,797	24,581	63,922
More than 90 days	68,510	69,189	48,699	75,367
	<u>264,541</u>	<u>700,531</u>	<u>474,509</u>	<u>670,349</u>

Trade and other payables denominated in currencies other than the functional currency of the Target Company are set out below:

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Denominated in USD	76,084	46,351	10,508	6,413
Denominated in JPY	27,081	23,136	20,012	24,356
	<u>103,165</u>	<u>69,487</u>	<u>30,520</u>	<u>30,769</u>

20. CONTRACT LIABILITIES

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Amounts received in advance in respect of sale of goods	49,031	87,169	62,645	67,337

As at 1 January 2022, contract liabilities amounted to RMB82,640,000.

The following table sets out the revenue in the reporting period recognised that was included in the contract liabilities balance at the beginning of each reporting period:

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Sale of LCD products	82,640	49,031	87,169	62,645

21. BANK AND OTHER BORROWINGS

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Bank borrowings, secured	664,000	922,778	1,281,980	1,764,970
Other borrowings, secured	1,580,998	1,690,014	2,060,635	2,802,084
	<u>2,244,998</u>	<u>2,612,792</u>	<u>3,342,615</u>	<u>4,567,054</u>
Fixed-rate borrowings	1,620,998	2,316,792	1,286,112	1,731,805
Variable-rate borrowings	624,000	296,000	2,056,503	2,835,249
	<u>2,244,998</u>	<u>2,612,792</u>	<u>3,342,615</u>	<u>4,567,054</u>
Bank and other borrowings				
— current liabilities	1,513,161	1,494,684	1,265,355	2,237,881
— non-current liabilities	731,837	1,118,108	2,077,260	2,329,173
	<u>2,244,998</u>	<u>2,612,792</u>	<u>3,342,615</u>	<u>4,567,054</u>
Carrying amount of bank borrowings repayable*:				
Within one year	664,000	655,798	519,520	988,420
More than one year but not exceeding two years	—	266,980	736,460	192,350
More than two years but not exceeding five years	—	—	26,000	584,200
	<u>664,000</u>	<u>922,778</u>	<u>1,281,980</u>	<u>1,764,970</u>
Less: Amounts due within one year shown under current liabilities	<u>(664,000)</u>	<u>(655,798)</u>	<u>(519,520)</u>	<u>(988,420)</u>
Amounts due after one year shown under non-current liabilities	<u>—</u>	<u>266,980</u>	<u>762,460</u>	<u>776,550</u>

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Carrying amount of other borrowings repayable*:				
Within one year	849,161	838,886	745,835	1,249,461
More than one year but not exceeding two years	470,210	516,565	745,050	808,818
More than two years but not exceeding five years	<u>261,627</u>	<u>334,563</u>	<u>569,750</u>	<u>743,805</u>
	1,580,998	1,690,014	2,060,635	2,802,084
Less: Amounts due within one year shown under current liabilities	<u>(849,161)</u>	<u>(838,886)</u>	<u>(745,835)</u>	<u>(1,249,461)</u>
Amounts due after one year shown under non-current liabilities	<u>731,837</u>	<u>851,128</u>	<u>1,314,800</u>	<u>1,552,623</u>

* The amounts due are based on scheduled repayment dates set out in loan agreements.

All the Target Company's borrowings are denominated in RMB. The effective interest rates of the Target Company's borrowings are as follows:

	As at 31 December			As at
	2022	2023	2024	30 June
				2025
Effective interest rates (per annum):				
Fixed-rate borrowings	5.01% to 8.88%	5.01% to 8.88%	3.5% to 7.5%	2.3% to 7.5%
Variable-rate borrowings	<u>3.6% to 5.05%</u>	<u>4.35% to 6.98%</u>	<u>3.95% to 7.02%</u>	<u>3.1% to 7.02%</u>

As at 31 December 2022, 2023 and 2024 and 30 June 2025, the bank and other borrowings are secured by property, plant and equipment as disclosed in note 25 and are guaranteed by Renshou Shareholders as disclosed in note 26.

22. DEFERRED TAXATION LIABILITIES

The following are the major deferred tax liabilities (assets) recognised and movements thereon during the Relevant Periods:

	Temporary difference on deductible depreciation <i>RMB'000</i>	Temporary difference on allowance for inventories <i>RMB'000</i>	Tax losses <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2022	54,269	(101)	(11,852)	42,316
Charge (credit) to profit or loss	<u>30,081</u>	<u>(11,315)</u>	<u>5,742</u>	<u>24,508</u>
At 31 December 2022	84,350	(11,416)	(6,110)	66,824
Charge (credit) to profit or loss	<u>35,604</u>	<u>10,161</u>	<u>(1,022)</u>	<u>44,743</u>
At 31 December 2023	119,954	(1,255)	(7,132)	111,567
(Credit) charge to profit or loss	<u>(27,138)</u>	<u>882</u>	<u>(5,440)</u>	<u>(31,696)</u>
At 31 December 2024	92,816	(373)	(12,572)	79,871
(Credit) charge to profit or loss	<u>(11,518)</u>	<u>—</u>	<u>9,510</u>	<u>(2,008)</u>
At 30 June 2025	<u>81,298</u>	<u>(373)</u>	<u>(3,062)</u>	<u>77,863</u>

As at 31 December 2022, 2023 and 2024 and 30 June 2025, the Target Company had unutilised tax losses of RMB40,733,000, RMB47,547,000, RMB83,813,000 and RMB20,413,000, respectively, for which a deferred tax asset of RMB6,110,000, RMB7,132,000, RMB12,572,000 and RMB3,062,000, respectively, has been recognised.

23. PAID-UP CAPITAL*RMB'000***Registered capital and paid-up capital**

At 1 January 2022, 31 December 2022, 2023 and 2024 and 30 June 2025 7,000,000

24. CAPITAL COMMITMENTS

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Capital expenditure contracted for but not provided in the Historical Financial Information in respect of property, plant and equipment	<u>304,414</u>	<u>273,289</u>	<u>281,349</u>	<u>287,598</u>

25. PLEDGE OF ASSETS

The followings assets were pledged to secured certain facilities granted to the Target Company at the end of each reporting period.

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Property, plant and equipment	<u>5,602,112</u>	<u>6,255,411</u>	<u>6,636,943</u>	<u>7,265,876</u>

26. RELATED PARTY DISCLOSURES**(a) Related party balances**

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Amounts due from related parties:				
— Trade nature (<i>Note i</i>)				
Truly Group	468,524	427,556	513,652	543,644
— Non-trade nature				
<i>Interest-bearing</i>				
Renshou Shareholders (<i>Note ii</i>)	821,118	1,442,789	1,896,792	2,712,277
<i>Interest-free</i>				
Truly Group (<i>Note iii</i>)	<u>14,842</u>	<u>26,195</u>	<u>36,276</u>	<u>49,988</u>
	1,304,484	1,896,540	2,446,720	3,305,909
Less: Loan receivables due after one year and classified as non-current assets	<u>(536,330)</u>	<u>(549,654)</u>	<u>(1,425,011)</u>	<u>(1,617,568)</u>
	<u>768,154</u>	<u>1,346,886</u>	<u>1,021,709</u>	<u>1,688,341</u>
Amounts due to related parties:				
— Trade nature (<i>Note iv</i>)				
Truly Group	5,363	86,138	68,902	146,692
Renshou Shareholders	<u>16,936</u>	<u>90,588</u>	<u>135,074</u>	<u>121,355</u>
	<u>22,299</u>	<u>176,726</u>	<u>203,976</u>	<u>268,047</u>
— Non-trade nature				
Interest-free				
Truly Group (<i>Note v</i>)	4,940	7,051	9,418	9,418
Renshou Shareholders (<i>Note v</i>)	<u>96,546</u>	<u>65,965</u>	<u>111,557</u>	<u>154,900</u>
	<u>101,486</u>	<u>73,016</u>	<u>120,975</u>	<u>164,318</u>
	<u>123,785</u>	<u>249,742</u>	<u>324,951</u>	<u>432,365</u>

Notes:

- (i) For the trade balances due from Truly Group, a 30 to 90 days credit term is granted from the issuance of invoices.

As at 1 January 2022, trade receivables from contracts with customers amounted to RMB573,226,000.

The following is an aging analysis of trade amounts due from Truly Group presented based on the invoice date at the end of each reporting period, which approximated to the respective revenue recognition date:

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Within 60 days	195,666	252,287	221,523	245,251
61 to 90 days	139,752	58,790	116,860	27,704
More than 90 days	133,106	116,479	175,269	270,689
	<u>468,524</u>	<u>427,556</u>	<u>513,652</u>	<u>543,644</u>

- (ii) During the years/period ended 31 December 2022, 2023 and 2024 and 30 June 2025, the Target Company entered into loan agreements with Renshou Shareholders, regarding the fund provision of RMB1,020,000,000, RMB1,320,000,000, RMB1,200,000,000 and RMB1,000,000,000, respectively, with maturity periods ranging from one year to six years. The funds advanced to Renshou Shareholders carried interest ranging from 5.0% per annum to 7.5% per annum and were unsecured and unguaranteed.

At 31 December 2022, 2023 and 2024 and 30 June 2025, the amounts of RMB284,788,000, RMB893,135,000, RMB471,781,000 and RMB1,094,709,000, respectively, are due in one year and classified as current assets and the amounts of RMB536,330,000, RMB549,654,000, RMB1,425,011,000 and RMB1,617,568,000, respectively, are due after one year and classified as non-current assets.

- (iii) As at 31 December 2022, 2023 and 2024 and 30 June 2025, the non-trade balances due from Truly Group were interest-free, unsecured and repayable on demand.
- (iv) For the trade balances due to Truly Group and Renshou Shareholders, the credit period on purchases of goods ranges from 60 to 90 days. The following is an aged analysis of trade payables presented based on the invoice date at the end of each reporting period:

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Within 60 days	5,063	176,726	64,098	202,701
61 to 90 days	34	—	71,201	4,032
More than 90 days	17,202	—	—	71,201
	<u>22,299</u>	<u>176,726</u>	<u>135,299</u>	<u>277,934</u>

- (v) As at 31 December 2024 and 30 June 2025, the non-trade balances due to Truly Group and Renshou Shareholders were interest-free, unsecured and repayable on demand.

During the years ended 31 December 2022 and 2023, the Target Company entered into loan agreements with certain subsidiaries of Renshou Shareholders, regarding the fund provision of RMB300,000,000 and RMB21,000,000 (year ended 31 December 2024 and the six months ended 30 June 2025: nil), respectively. The funds advanced from Renshou Shareholders carried interests ranging from 7% per annum to 8% per annum and were unsecured and unguaranteed and have been repaid during the years ended 31 December 2022 and 2023, respectively.

(vi) All the amounts due from/to related parties are denominated in RMB.

(b) Related party transactions

Saved as disclosed elsewhere in the Historical Financial Information, during the Relevant Periods, the Target Company entered into the following transactions with related parties:

Related parties	Nature of transaction	Year ended 31 December			Six months ended 30 June	
		2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
					(unaudited)	
Truly Group	Sales	1,623,090	764,573	732,894	442,591	342,665
	Purchase	<u>26,310</u>	<u>210,508</u>	<u>329,285</u>	<u>111,411</u>	<u>343,753</u>
Renshou Shareholders	Sales	227	—	—	—	—
	Purchase	49,388	58,870	46,680	23,330	24,514
	Interest income	16,653	67,900	58,911	28,613	50,614
	Interest expenses	<u>8,116</u>	<u>20</u>	<u>—</u>	<u>—</u>	<u>—</u>

During the Relevant Periods, Renshou Shareholders provided guarantees in respective of bank and other borrowings of the Target Company. As at 31 December 2022, 2023 and 2024 and 30 June 2025, the carrying amounts of the guaranteed bank and other borrowings are RMB2,244,998,000, RMB2,612,792,000, RMB3,342,615,000 and RMB4,567,054,000, respectively.

(c) Compensation of key management personnel

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Short-term benefits	4,002	3,914	3,692	1,604	1,587
Post-employment benefits	<u>291</u>	<u>282</u>	<u>160</u>	<u>77</u>	<u>80</u>
	<u>4,293</u>	<u>4,196</u>	<u>3,852</u>	<u>1,681</u>	<u>1,667</u>

The remuneration of key management personnel is determined having regard to the performance of the individuals.

27. CAPITAL RISK MANAGEMENT

The Target Company manages its capital to ensure that the Target Company will be able to continue as a going concern while maximising the return to the shareholders of the Target Company through the optimisation of the debt and equity balance. The Target Company's overall strategy remains unchanged throughout the Relevant Periods.

The capital structure of the Target Company consists of net debts, which includes, where appropriate, amounts due to related parties, bank and other borrowings, net of cash and cash equivalents and equity attributable to the owners of the Target Company, comprising issued share capital and reserves.

The directors of the Target Company review the capital structure on a regular basis. As part of this review, the directors of the Target Company consider the cost of capital and the risks associated with each class of the capital, and takes appropriate actions to balance its overall capital structure.

28. FINANCIAL INSTRUMENTS**(a) Categories of financial instruments**

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets				
At amortised cost	<u>1,386,927</u>	<u>2,260,409</u>	<u>2,701,988</u>	<u>3,685,076</u>
Financial liabilities				
At amortised cost	<u>2,643,796</u>	<u>3,583,137</u>	<u>4,157,989</u>	<u>5,683,254</u>

(b) Financial risk management objectives and policies

The Target Company's major financial instruments include loan receivables from related parties, trade and other receivables, amounts due from related parties, restricted bank deposits, bank balances, trade and other payables, amounts due to related parties, bank and other borrowings.

Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risks (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Target Company manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risks**(i) Currency risk**

Certain bank balances, trade and other payables of the Target Company are denominated in currencies other than RMB, the functional currency of the Target Company, which expose the Target Company to foreign currency risk.

The Target Company currently do not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Target Company's foreign currency denominated monetary assets and monetary liabilities at the end of each reporting period:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Assets				
USD	—	4,672	316	284
JPY	—	—	35,650	44,694
	<u>—</u>	<u>—</u>	<u>35,650</u>	<u>44,694</u>
Liabilities				
USD	76,084	46,351	10,508	6,413
JPY	27,081	23,136	20,012	24,356
	<u>27,081</u>	<u>23,136</u>	<u>20,012</u>	<u>24,356</u>

Sensitivity analysis

The Target Company are mainly exposed to the fluctuation of foreign exchange rates of USD and JPY.

The following table details the Target Company's sensitivity to a 5% increase and decrease in RMB, the functional currency of the Target Company, against the relevant foreign currencies. 5% is the sensitivity rate used in the management's assessment of the reasonably possible change in the foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of each of the reporting periods for a 5% change in the functional currency rates of the Target Company. A positive (negative) number below indicates a decrease in post-tax profit (an increase in post-tax loss) where RMB strengthens 5% against the relevant foreign currencies. For a 5% weakening of RMB against the relevant currency, there would be an equal and opposite impact on the profit (loss) for the year/period and the amount below would be negative.

	Years ended 31 December			Six months ended
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Impact on profit (loss) for the year/period				
USD	3,234	1,771	433	260
JPY	1,151	983	(665)	(864)
	<u>1,151</u>	<u>983</u>	<u>(665)</u>	<u>(864)</u>

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year/period end exposure does not reflect the exposure during the Relevant Periods.

(ii) Interest rate risk

The Target Company is exposed to fair value interest rate risk in relation to fixed-rate loan receivables due from related parties, fixed-rate loan due to related parties and bank and other borrowings. The Target Company is exposed to cash flow interest rate risk in relation to variable-rate bank balances and bank and other borrowings. The Target Company's cash flow interest rate risk is mainly concentrated on the fluctuation of prevailing market interest rate for the bank and other borrowings.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of each reporting period. The analysis is prepared assuming the variable-rate bank and other borrowings outstanding at the end of each reporting period were outstanding for the whole year/period. A 100 basis point increase or decrease in variable-rate bank and other borrowings are used and represents management's assessment of the reasonably possible change in interest rates. A negative number below indicates a decrease in post-tax profit (an increase in post-tax loss) where the interest rates are higher for 100 basis points and all other variables were held constant. Where the interest rates are lower for 100 basis points and all other variables were held constant, there would be an equal and opposite impact on the profit for the year/period.

	Year ended 31 December			Six months ended	
	2022	2023	2024	30 June 2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Impact on profit (loss) for the year/period	<u>(5,304)</u>	<u>(2,516)</u>	<u>(17,480)</u>	<u>(12,050)</u>	<u>(12,050)</u>

Credit risk and impairment assessment

At the end of each reporting period, the Target Company's maximum exposure to credit risk which will cause a financial loss to the Target Company due to failure to discharge an obligation by the counterparties is the gross carry amount of each class of financial assets disclosed as below.

	Notes	External credit rating	Internal credit rating	12 m or life-time ECL	Gross carrying amount			
					At 31 December		At 30 June	
					2022	2023	2024	2025
					RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables and trade amounts due from related parties	17/26	N/A	(i)	Life-time ECL (individual assessment)	468,839	765,914	690,442	805,605
Other receivables and non-trade amounts due from related parties (including loan receivables from related parties)	17/26	N/A	(ii)	12m ECL	849,909	1,476,286	1,947,613	2,776,893
Restricted bank deposits and bank balances	18	AAA	N/A	12m ECL	68,179	18,209	63,933	102,578

(i) *Trade receivables arising from contracts with customers and trade amounts due from related parties*

As at 31 December 2022, 2023 and 2024 and 30 June 2025, the Target Company was exposed to concentration of credit risk on trade receivables as 99.93%, 55.82%, 74.39% and 67.48% of the total trade receivables, respectively, which represented the trade balances due from certain subsidiaries of Truly Group, the Target Company's largest customers.

In order to minimise credit risk, the management of the Target Company promptly monitors determination of credit limits, credit approvals and other reviewing procedures to ensure that follow-up action is taken to recover overdue debts.

For trade receivables, the Target Company has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Target Company considered the expected credit losses on trade receivables and trade amounts due from related parties are insignificant.

(ii) *Other receivables, non-trade amounts due from related parties (including loan receivables from related parties), restricted bank deposits and bank balances*

The credit risk of other receivables and non-trade amounts due from related parties (including loan receivables from related parties) are managed through an internal process. The credit quality of each counterparty is investigated before an advance is made. The Target Company also actively monitors the outstanding amounts owed by each debtor and identifies any credit risks in a timely manner in order to reduce the risk of a credit related loss. Further, the Target Company closely monitors the financial performance of the related parties. In this regard, the directors of the Target Company consider that the Target Company's credit risk is significantly reduced.

For other receivables and non-trade amounts due from related parties (including loan receivables from related parties), the directors of the Target Company consider the counterparties with good credit worthiness based on past repayment history. In the opinion of the directors of the Target Company, the risk of default by these counterparties is not significant and the Target Company assessed that the ECL on these balances are insignificant.

The credit risk on bank balances and restricted bank deposits is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies or state-owned banks in the PRC. In the opinion of the directors of the Target Company, the risk of default by these counterparties is not significant and the Target Company assessed that the ECL on these balances are insignificant.

Liquidity risk

In the management of liquidity risk, the Target Company's management monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Target Company's operations and mitigate the effects of fluctuations in cash flows. The Target Company is dependent upon its bank and other borrowings as significant sources of liquidity.

As at 30 June 2025, the Target Company had net current liabilities of approximately RMB1,036,464,000. The directors of the Target Company have carefully assessed the Target Company's liquidity position by taking into account: (a) included in the current liabilities were the contract liabilities of approximately RMB67,337,000 with no expected future cash outflows; and (b) Renshou Industries has committed to provide financial support to the Target Company to meet in full its financial obligations as and when they fall due for at least the next twelve months from date of this report. The directors of the Target Company believe that the Target Company has adequate resources to continue operations and meet its liabilities as at when they fall due for the foreseeable future of not less than 12 months from the date of this report.

The following table details the Target Company's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Target Company can be required to pay. The maturity dates for financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the discounted amount is derived from interest rates existing at the end of each reporting period.

Liquidity tables

	Weighted average effective interest rate %	On demand and less than 3 months RMB'000	3 months to 1 year RMB'000	1-5 years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
At 31 December 2022						
<i>Financial liabilities</i>						
Trade and other payables	—	275,013	—	—	275,013	275,013
Amounts due to related parties						
— interest-free	—	123,785	—	—	123,785	123,785
Borrowings						
— fixed rate	7.27	436,010	532,925	854,118	1,823,053	1,620,998
— variable rate	4.34	103,394	535,153	—	638,547	624,000
		<u>938,202</u>	<u>1,068,078</u>	<u>854,118</u>	<u>2,860,398</u>	<u>2,643,796</u>
At 31 December 2023						
<i>Financial liabilities</i>						
Trade and other payables	—	720,603	—	—	720,603	720,603
Amounts due to related parties						
— interest-free	—	249,742	—	—	249,742	249,742
Borrowings						
— fixed rate	5.81	303,755	1,139,617	1,137,131	2,580,503	2,316,792
— variable rate	5.11	129,218	5,738	182,750	317,706	296,000
		<u>1,403,318</u>	<u>1,244,478</u>	<u>1,319,881</u>	<u>3,868,554</u>	<u>3,583,137</u>
At 31 December 2024						
<i>Financial liabilities</i>						
Trade and other payables	—	490,423	—	—	490,423	490,423
Amounts due to related parties						
— interest-free	—	324,951	—	—	324,951	324,951
Borrowings						
— fixed rate	4.91	20,141	448,271	842,670	1,311,082	1,286,112
— variable rate	4.26	170,045	641,781	1,307,902	2,119,728	2,056,503
		<u>1,005,560</u>	<u>1,090,052</u>	<u>2,150,572</u>	<u>4,246,184</u>	<u>4,157,989</u>
At 30 June 2025						
<i>Financial liabilities</i>						
Trade and other payables	—	683,835	—	—	683,835	683,835
Amounts due to related parties						
— interest-free	—	432,365	—	—	432,365	432,365
Borrowings						
— fixed rate	4.77	51,257	898,978	837,992	1,788,227	1,731,805
— variable rate	4.48	338,438	994,026	1,580,121	2,912,585	2,835,249
		<u>1,505,895</u>	<u>1,893,004</u>	<u>2,418,113</u>	<u>5,817,012</u>	<u>5,683,254</u>

The amounts included above for variable-rate borrowings are subject to change if changes in variable rates differ to those estimates of interest rates determined at the end of each reporting period.

(c) Fair value measurements of financial instruments

The management considers that the carrying amounts of the financial assets and financial liabilities of the Target Company recorded at amortised cost in the Historical Financial Information at the end of each reporting period approximate their fair values. Such fair values have been determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

29. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The tables below detail changes in the Target Company's liability arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Target Company's statements of cash flows as cash from financing activities:

	Amounts due to related parties (excluding trade amounts due to related parties) <i>RMB'000</i> <i>(note 26)</i>	Bank and other borrowings <i>RMB'000</i> <i>(note 21)</i>	Total <i>RMB'000</i>
At 1 January 2022	290,716	2,887,331	3,178,047
Financing cash flows	(197,346)	(758,431)	(955,777)
Interest expenses	8,116	116,098	124,214
At 31 December 2022	101,486	2,244,998	2,346,484
Financing cash flows	(28,490)	229,263	200,773
Interest expenses	20	138,531	138,551
At 31 December 2023	73,016	2,612,792	2,685,808
Financing cash flows	47,959	600,570	648,529
Interest expenses	—	129,253	129,253
At 31 December 2024	120,975	3,342,615	3,463,590
Financing cash flows	43,343	1,136,163	1,179,506
Interest expenses	—	88,276	88,276
At 30 June 2025	164,318	4,567,054	4,731,372
At 31 December 2023	73,016	2,612,792	2,685,808
Financing cash flows	18,898	343,189	362,087
Interest expenses	—	91,117	91,117
At 30 June 2024 (unaudited)	91,914	3,047,098	3,139,012

30. EVENTS AFTER THE RELEVANT PERIODS

Subsequent to 30 June 2025, no significant event took place.

31. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of the Target Company have been prepared in respect of any period subsequent to 30 June 2025.

Set out below is the management discussion and analysis of Truly (Renshou) High-end Display Technology Limited (the “**Target Company**”) for each of the three years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025 (collectively the “**Relevant Periods**”) based on the financial information of the Target Company as set out in Appendix II to this circular.

BUSINESS REVIEW

The Target Company is a company incorporated in the PRC with limited liability and is accounted for as an associate of the Group throughout the Relevant Periods. The Target Company completed the main construction work of the fifth-generation TFT-LCD plant in Renshou County in 2018. The installation of main machines was completed in 2020, pilot operation commenced at the end of 2020 in full and mass production commenced in 2021, and its production capacity and capacity utilisation rate increased steadily for the Relevant Periods.

In 2024, the Target Company achieved smooth operations and further increased its capacity utilization rate to over 90%. The α -Si TFT-LCD production line of Truly RS has significantly enhanced our production capacity and market share in the smartphone display sector, effectively meeting the precise demands of global smartphone manufacturers. Additionally, the Target Company’s LTPS TFT-LCD production line, specializing in automotive displays, offers key advantages such as high brightness and narrow bezels, which are critical for modern automotive interfaces. Given its established production base and ongoing improvements in operational efficiency, the Target Company continues to strengthen its competitive position in the TFT-LCD display panel market.

FINANCIAL REVIEW

Revenue

During the Relevant Periods, the revenue of the Target Company was mainly derived from the sales of TFT-LCD panels. An analysis of revenue is as follows:

	For the year ended/As at 31 December 2022 <i>RMB'000</i>	For the year ended/As at 31 December 2023 <i>RMB'000</i>	For the year ended/As at 31 December 2024 <i>RMB'000</i>	For the six months ended 30 June 2025 <i>RMB'000</i>
Revenue from sales of TFT-LCD panels	<u>1,857,020</u>	<u>2,329,722</u>	<u>3,137,627</u>	<u>1,580,924</u>

For the year ended 31 December 2023, the revenue from sales of TFT-LCD panels increased by approximately RMB473 million or 25.5% as compared to the year ended 31 December 2022, mainly attributable to the rise in its capacity utilisation rate and increase in new sale orders received from third party customers.

For the year ended 31 December 2024, the revenue from sales of TFT-LCD panels increased by approximately RMB808 million or 34.7% as compared to the year ended 31 December 2023, mainly attributable to the further increase in its utilisation rate and increase in new sale orders received from third party customers.

For the six months ended 30 June 2025, the revenue from sales of TFT-LCD panels decreased by approximately RMB121 million or 7.1% as compared to the six months ended 30 June 2024, mainly attributable to the intense competition and slight decrease in average unit price.

Other Income

Other income mainly includes government grants, bank interest income, interest income from amounts due from related parties and lease income.

Other income increased by approximately RMB363.3 million or 116.2% from approximately RMB312.7 million for the year ended 31 December 2022 to approximately RMB675.9 million for the year ended 31 December 2023. The increase was primarily attributable to an increase in government grants from approximately RMB256.4 million for the year ended 31 December 2022 to approximately RMB577.8 million for the year ended 31 December 2023 and the government grants are recognised based on the approval of government grant by relevant government, which are subject to periodical approval, review and/or adjustments made by the government taking into account of the performance of the Target Company and other factors from time to time.

Other income decreased by approximately RMB541.5 million or 80.1% from approximately RMB675.9 million for the year ended 31 December 2023 to approximately RMB134.5 million for the year ended 31 December 2024. The decrease was primarily attributable to a dramatic decrease in government grants from approximately RMB577.8 million for the year ended 31 December 2023 to approximately RMB59.3 million for the year ended 31 December 2024.

Other income increased by approximately RMB8.4 million or 14.6% from approximately RMB57.6 million for the six months ended 30 June 2024 to approximately RMB66.0 million for the six months ended 30 June 2025. The increase was primarily attributable to: (i) the increase of interest income from amounts due from related parties from approximately RMB28.6 million for the six months ended 30 June 2024 to approximately RMB50.6 million for the six months ended 30 June 2025; and (ii) the decrease in government grants from approximately RMB24.0 million for the six months ended 30 June 2024 to approximately RMB11.0 million for the six months ended 30 June 2025.

Gross Profit and Gross Profit Margin

During the Relevant Periods, the gross profit (loss) were as follows:

	For the year ended/As at 31 December 2022 RMB'000	For the year ended/As at 31 December 2023 RMB'000	For the year ended/As at 31 December 2024 RMB'000	For the six months ended 30 June 2025 RMB'000
Gross profit (loss) of sales of TFT-LCD panels	<u>12,180</u>	<u>(181,689)</u>	<u>(111,494)</u>	<u>55,822</u>

The gross profit (loss) margins were 0.7%, (7.8%), (3.6)% and 3.5% for the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025, respectively. The decrease in gross profit and gross profit margin during the year ended 31 December 2023 was primarily attributed to a significant decrease in unit prices, driven by intense competition in the LCD market since the fourth quarter of 2022, and a slower-than-expected recovery in the consumer market post-epidemic. Specifically, the average unit price dropped by approximately 37% compared to 2022. The unit prices in 2024 shown a gradual recovery of approximately 3.5% and kept stable during the first half of 2025. Despite these challenges, the Target Company effectively controlled costs and increased sales volume, achieving a continuous decline in average fixed unit costs from 2022 through the first half of 2025. The Target Company achieved breakeven for the fourth quarter of 2024 and began recording profits for the six months ended 30 June 2025.

Profit (loss) Attributable to Owners of the Target Company

During the Relevant Periods, the Target Company recorded profit (loss) attributable to owners of the Target Company of approximately RMB158 million, RMB248 million, RMB(114) million and RMB32 million, respectively.

FINANCIAL RESOURCES REVIEW

Liquidity and Financial Resources

By adopting a prudent financial management approach, the Target Company maintained a healthy financial position. As at 31 December 2022, 2023 and 2024 and 30 June 2025, the Target Company had cash and cash equivalents (including restricted bank deposits) of approximately RMB68 million, RMB18 million, RMB64 million and RMB103 million, respectively. Working capital represents net current liabilities of approximately RMB1,164 million, RMB295 million, RMB604 million and RMB1,036 million, respectively. The current ratio, being calculated by dividing current assets by current liabilities as at the end of the respective period, was approximately 0.53, 0.89, 0.74 and 0.70, respectively. The gearing ratio, being calculated by dividing total interest-bearing liabilities by total equity as at the end of the respective period and multiplied by 100%, was approximately 29.8%, 33.6%, 43.6% and 59.4%, respectively.

As at 31 December 2022, 2023 and 2024 and 30 June 2025, the Target Company had outstanding interest-bearing liabilities (after deducting restricted bank deposits, cash and bank balances) of approximately RMB2.177 billion, RMB2.595 billion, RMB3.279 billion and RMB4.464 billion, respectively. These liabilities carry interests at fixed rates or at prevailing market rates and their maturity profile is set out as below.

As at 31 December 2022, 2023 and 2024 and 30 June 2025, the Target Company had the interest-free and unsecured amounts due to related companies (excluding those trade amounts and interest-bearing amounts), which are repayable on demand.

The Target Company was exposed to interest rate risk in relation to variable rate bank balances and bank and other borrowings.

Bank and Other Borrowings

As at 31 December 2022, 2023 and 2024 and 30 June 2025, bank and other borrowings of the Target Company were as follows:

	31 December 2022	31 December 2023	31 December 2024	30 June 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Bank borrowings, secured	664,000	922,778	1,281,980	1,764,970
Other borrowings, secured	<u>1,580,998</u>	<u>1,690,014</u>	<u>2,060,635</u>	<u>2,802,084</u>
	<u>2,244,998</u>	<u>2,612,792</u>	<u>3,342,615</u>	<u>4,567,054</u>
Fixed-rate borrowings	1,620,998	2,316,792	1,286,112	1,731,805
Variable-rate borrowings	<u>624,000</u>	<u>296,000</u>	<u>2,056,503</u>	<u>2,835,249</u>
	<u>2,244,998</u>	<u>2,612,792</u>	<u>3,342,615</u>	<u>4,567,054</u>
Carrying amount of borrowings repayable based on scheduled repayment dates:				
Within one year	1,513,161	1,494,684	1,265,355	2,237,881
After one year but within two years	470,210	783,545	1,481,510	1,001,168
After two years but within five years	<u>261,627</u>	<u>334,563</u>	<u>595,750</u>	<u>1,328,005</u>
	<u>2,244,998</u>	<u>2,612,792</u>	<u>3,342,615</u>	<u>4,567,054</u>

As at 31 December 2023, the total bank and other borrowings were approximately RMB2,613 million, which was increased by approximately RMB368 million or 16.4% when compared to these borrowings as at 31 December 2022. It was mainly because the working capital increase as revenue grow.

As at 31 December 2024, the total bank and other borrowings were approximately RMB3,343 million, which was increased by approximately RMB730 million or 27.9% when compared to these borrowings as at 31 December 2023. The increase was mainly due to the investment in property, plant and equipment of approximately RMB497 million (including finance cost capitalized) during the year ended 31 December 2024.

As at 30 June 2025, the total bank and other borrowings were approximately RMB4,567 million, which was increased by approximately RMB1,224 million or 36.6% when compared to these borrowings as at 31 December 2024. The increase was mainly due to the investment in property, plant and equipment of approximately RMB744 million (including finance cost capitalized) during the six months ended 30 June 2025.

The business's operations or performance of the Target Company had no material seasonal effect and there will be no seasonality of borrowing requirements and the maturity profile of borrowings and committed borrowing facilities.

Bank Balances/Restricted Bank Deposits

As at 31 December 2022, 2023 and 2024 and 30 June 2025, the Target Company had cash and bank balances and deposits as follows:

	31 December 2022	31 December 2023	31 December 2024	30 June 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Bank balances	68,179	13,537	63,933	84,445
Restricted bank deposits	—	4,672	—	18,133
	<u>68,179</u>	<u>18,209</u>	<u>63,933</u>	<u>102,578</u>

Restricted bank deposits were used to secure letters of guarantee with maturity within one year and were classified as current assets accordingly. The restricted bank deposits will be released upon expiration of letters of guarantee subsequent to the end of each relevant periods.

Bank balances and deposits of the Target Company denominated in currencies other than RMB were set out below:

	31 December 2022	31 December 2023	31 December 2024	30 June 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
USD	—	4,672	1	2
JPY	—	—	3	193
	<u>—</u>	<u>4,672</u>	<u>4</u>	<u>195</u>

Capital Commitments

As at 31 December 2022, 2023 and 2024 and 30 June 2025, the Target Company had contracted but not provided for capital expenditure in respect of property, plant and equipment of approximately RMB304 million, RMB273 million, RMB281 million and RMB288 million, respectively.

Charge on assets

As at 31 December 2022, 2023 and 2024 and 30 June 2025, the borrowings were (i) guaranteed by related parties of the Target Company ; and/or (ii) secured by property, plant and equipment with carrying amounts of approximately RMB5.602 billion, RMB6.255 billion, RMB6.637 billion and RMB7.266 billion, respectively.

Funding and Treasury Policies

During the Relevant Periods, the Target Company mainly financed its operations and investing activities by internally generated funds and available bank facilities. The directors of the Target Company are of the view that the Target Company has sufficient financial resources to meet in full its financial obligations and capital commitments in the foreseeable future.

Currency Risk and Management

Certain transactions of the Target Company are denominated in foreign currencies, which are currencies other than RMB. The carrying amounts of foreign currency denominated monetary assets and monetary liabilities of the Target Company were as follows:

	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
Assets				
USD	—	4,672	316	284
JPY	—	—	35,650	44,694
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Liabilities				
USD	76,084	46,351	10,508	6,413
JPY	27,081	23,136	20,012	24,356
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

During the Relevant Periods, the Target Company undertakes the operations and transactions denominated in RMB. The Target Company did not enter into any derivative contracts to minimise the currency risk exposure.

Contingent Liabilities

As at the end of each relevant periods, the Target Company did not have any guarantees and/or other significant contingent liabilities.

SEGMENT INFORMATION

As the Target Company is engaged in the business of manufacture and sale of LCDs products, no discrete financial information is provided other than the results and financial position of the Target Company as a whole.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2022, 2023 and 2024 and 30 June 2025, the Target Company had 1,245, 1,221, 1,291 and 1,263 full-time employees in the PRC. During the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025, the Target Company provided regular trainings in relation to various aspects such as environmental, social and governance issues, intellectual property rights and work safety to its employees. The employee remuneration of the employees of the Target Company for the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025 comprised salaries, discretionary bonuses subject to individual performance and the financial performance of the Target Company, social security insurance in the PRC, medical insurance and other competitive fringe benefits. The remuneration policy of the employees of the Target Company is determined based on their responsibilities, abilities, skills, experience and performance as well as market salary levels. The Target Company reviews employees' remuneration and benefits annually based on relevant market practices and individual employee performance.

SIGNIFICANT INVESTMENT, CAPITAL ASSETS, ACQUISITION AND DISPOSAL

During the Relevant Periods, the Target Company did not (1) hold any significant investment; (2) have any future plan of significant investment or capital assets; and (3) carry out any significant acquisition and/or disposal of equity interest.

EVENTS SUBSEQUENT TO THE RELEVANT PERIODS

The Target Company has no significant event subsequent to the Relevant Periods and up to the date of this circular.

The information set out in this Appendix IV, which does not form part of the Accountants' Report of Target Company as set out in Appendix II and is included herein for information only. The unaudited pro forma financial information should be read in conjunction with "Financial Information of Group" set out in Appendix I and the "Accountants' Report of Target Company" set out in Appendix II.

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF TRULY INTERNATIONAL HOLDINGS LIMITED (THE "COMPANY") AND ITS SUBSIDIARIES (HEREINAFTER COLLECTIVELY REFERRED TO AS THE "GROUP") INCLUDING FURTHER ACQUIRED EQUITY INTERESTS IN TRULY (RENSHOU) HIGH-END DISPLAY TECHNOLOGY LIMITED (REFERRED TO AS THE "TARGET COMPANY") (HEREINAFTER REFERRED TO AS THE "ENLARGED GROUP")

(I) BASIS OF PREPARATION

On 22 October 2025, the Board has resolved to submit bids through Truly Opto-Electronics Limited (信利光電股份有限公司) ("**Truly Opto-Electronics**"), a company incorporated in the People's Republic of China (the "**PRC**") and an indirect wholly-owned subsidiary of the Company, to acquire a total of approximately 11.43% of the equity interests of Truly (Renshou) High-end Display Technology Limited (信利(仁壽)高端顯示科技有限公司) (the "**Target Company**") held by Renshou County Industries Investment Co., Limited (仁壽縣產業投資有限公司) ("**Renshou Industries**") by way of two public tenders through Southwest United Equity Exchange (西南聯合產權交易所) ("**the Assets and Equity Exchange**"), at a total consideration of no more than RMB1,050 million (the "**Further Acquisition**").

The unaudited pro forma financial information that includes unaudited pro forma consolidated statement of assets and liabilities of the Enlarged Group is prepared to provide information on the Enlarged Group as a result of the completion of the Further Acquisition on the basis of notes set out below for illustrating the effect of the Further Acquisition, as if the Further Acquisition had taken place on 30 June 2025 for the preparation of the unaudited pro forma consolidated statement of assets and liabilities.

The unaudited pro forma financial information is prepared based on certain assumptions, estimates and uncertainties for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of the Enlarged Group as at 30 June 2025 or at any future date.

The unaudited pro forma financial information for the six months ended 30 June 2025 is prepared based on (i) the consolidated statement of financial position of the Group as at 30 June 2025 as extracted from the consolidated financial statements set out in the latest published interim report of the Group and (ii) the statement of financial position of the Target Company at 30 June 2025 as extracted from the accountants' report of the Target Company set out in Appendix II to this Circular, after making pro forma adjustments of the Further Acquisition that are (i) directly attributable to the Further Acquisition; and (ii) factually supportable, as described in the accompanying notes.

**(II) UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF ASSETS AND
LIABILITIES OF THE ENLARGED GROUP**

Assuming only the First Tender had been successful and completed on 30 June 2025

	The Group	Pro forma	Pro forma	Unaudited
	as at	adjustments	adjustments	pro forma of
	30 June 2025			Enlarged
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)			
	(note 1)	(note 2)	(note 3)	
NON-CURRENT ASSETS				
Property, plant and equipment	11,913,241			11,913,241
Right-of-use assets	599,781			599,781
Goodwill	499,403			499,403
Interest in an associate	2,692,473	574,350	1,305	3,268,128
Financial assets at fair value				
through profit or loss	4,533			4,533
Deferred tax assets	44,998			44,998
Deposits paid for acquisition of				
property, plant and equipment	26,545			26,545
Rental deposits	<u>20,217</u>			<u>20,217</u>
	<u>15,801,191</u>			<u>16,376,846</u>
CURRENT ASSETS				
Inventories	2,775,040			2,775,040
Trade and other receivables	3,364,238			3,364,238
Trade and bills receivables at				
fair value through				
other comprehensive income	1,535,504			1,535,504
Amount due from an associate	504			504
Tax Prepaid	—			—
Restricted bank deposits	—			—
Cash and cash equivalents	<u>1,715,550</u>	—	(1,305)	<u>1,714,245</u>
	<u>9,390,836</u>			<u>9,389,531</u>

APPENDIX IV
**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE ENLARGED GROUP**

	The Group as at 30 June 2025 HK\$'000 (unaudited) (note 1)	Pro forma adjustments HK\$'000 (note 2)	Pro forma adjustments HK\$'000 (note 3)	Unaudited pro forma of Enlarged Group HK\$'000
CURRENT LIABILITIES				
Trade and other payables	7,733,873	574,350		8,308,223
Derivative financial instruments	99			99
Contract liabilities	287,138			287,138
Tax payable	104,137			104,137
Bank and other borrowings	6,497,604			6,497,604
Amount due to an associate	428,128			428,128
Lease liabilities	<u>19,221</u>			<u>19,221</u>
	<u>15,070,200</u>			<u>15,644,550</u>
NET CURRENT LIABILITIES	<u>(5,679,364)</u>			<u>(6,255,019)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	10,121,827			10,121,827
NON-CURRENT LIABILITIES				
Bank and other borrowings	372,798			372,798
Other payables	—			—
Lease liabilities	44,402			44,402
Deferred tax liabilities	<u>155,704</u>			<u>155,704</u>
	<u>572,904</u>			<u>572,904</u>
NET ASSETS	<u><u>9,548,923</u></u>			<u><u>9,548,923</u></u>

Assuming both the First Tender and the Second Tender had been successful and completed on 30 June 2025

	The Group as at 30 June 2025 <i>HK\$'000</i> (unaudited) (note 1)	Pro forma adjustments <i>HK\$'000</i> (note 2)	Pro forma adjustments <i>HK\$'000</i> (note 3)	Unaudited pro forma of Enlarged Group <i>HK\$'000</i>
NON-CURRENT ASSETS				
Property, plant and equipment	11,913,241			11,913,241
Right-of-use assets	599,781			599,781
Goodwill	499,403			499,403
Interest in an associate	2,692,473	1,148,700	1,305	3,842,478
Financial assets at fair value through profit or loss	4,533			4,533
Deferred tax assets	44,998			44,998
Deposits paid for acquisition of property, plant and equipment	26,545			26,545
Rental deposits	<u>20,217</u>			<u>20,217</u>
	<u>15,801,191</u>			<u>16,951,196</u>
CURRENT ASSETS				
Inventories	2,775,040			2,775,040
Trade and other receivables	3,364,238			3,364,238
Trade and bills receivables at fair value through other comprehensive income	1,535,504			1,535,504
Amount due from an associate	504			504
Tax Prepaid	—			—
Restricted bank deposits	—			—
Cash and cash equivalents	<u>1,715,550</u>	—	(1,305)	<u>1,714,245</u>
	<u>9,390,836</u>			<u>9,389,531</u>

APPENDIX IV**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE ENLARGED GROUP**

	The Group as at 30 June 2025 HK\$'000 (unaudited) (note 1)	Pro forma adjustments HK\$'000 (note 2)	Pro forma adjustments HK\$'000 (note 3)	Unaudited pro forma of Enlarged Group HK\$'000
CURRENT LIABILITIES				
Trade and other payables	7,733,873	1,148,700		8,882,573
Derivative financial instruments	99			99
Contract liabilities	287,138			287,138
Tax payable	104,137			104,137
Bank and other borrowings	6,497,604			6,497,604
Amount due to an associate	428,128			428,128
Lease liabilities	<u>19,221</u>			<u>19,221</u>
	<u>15,070,200</u>			<u>16,218,900</u>
NET CURRENT LIABILITIES	<u>(5,679,364)</u>			<u>(6,829,369)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>10,121,827</u>			<u>10,121,827</u>
NON-CURRENT LIABILITIES				
Bank and other borrowings	372,798			372,798
Other payables	—			—
Lease liabilities	44,402			44,402
Deferred tax liabilities	<u>155,704</u>			<u>155,704</u>
	<u>572,904</u>			<u>572,904</u>
NET ASSETS	<u><u>9,548,923</u></u>			<u><u>9,548,923</u></u>

Notes:

- (1) The amounts are extracted from the latest published condensed consolidated financial statements of the Group for the six months ended 30 June 2025.
- (2) On 22 October 2025, the Board has resolved to submit bids through Truly Opto-Electronics to acquire a total of approximately 11.43% of the equity interests of the Target Company held by Renshou Industries by way of two public tenders through the Assets and Equity Exchange, at a total consideration of no more than RMB1,050 million. Each public tender is expected to take place with respect to the sale of approximately 5.714% of the equity interests of the Target Company held by Renshou Industries.

The First Tender is expected to occur within the first half of 2026 while the Second Tender is expected to occur within the second half of 2026. Based on the estimation of the management of the Company, the consideration of RMB525,000,000 (equivalent to approximately HK\$574,350,000) will be settled within the first half of 2026 if the First Tender is successful, and the consideration of another RMB525,000,000 (equivalent to approximately HK\$574,350,000) will be settled in early 2027 if the Second Tender is successful. The total consideration will be RMB1,050,000,000 (equivalent to approximately HK\$1,148,700,000) if both tenders are successful.

Upon the completion of the First Tender, the Group's equity interest in the Target Company will be increased from 29.69% to 35.41%. Upon the completion of the Second Tender, the Group's equity interest in the Target Company will be further increased from 35.41% to 41.13%. The Group continues to use the equity method to account for the results of the Target Company. The Group has significant influence over the Target Company by virtue of the substantial voting right of 67.1% granted to the Group in the first ten years since the incorporation of the Target Company in 2017, as stated in the shareholders' agreement of the Target Company. Other than the Group, there are two other shareholders in the Target Company, which is unchanged upon completion of the Further Acquisition. According to the Articles of Association of Target Company, shareholders' meeting can only be held with the presence of at least two shareholders and including the purchaser. The directors of the Company consider that the Group does not have control but only significant influence over Target Company under such a term because relevant activities of the associate is directed through shareholder's meeting and any resolutions to be passed in shareholders' meetings shall have the consent from either one of the other shareholders demonstrated by their action of being present in the meetings. Target Company is therefore classified as an associate of the Group.

Assuming only the First Tender had been successful and completed on 30 June 2025, for illustrative purpose, the goodwill of HK\$92,559,000 would be recognised and included in the carrying amount of the interests in an associate, being the excess of the consideration paid by the Group amounting to RMB525,000,000 (equivalent to HK\$574,350,000) over the share of carrying amount of net assets attributable to the additional interest in the Target Company amounting to RMB440,394,000 (equivalent to HK\$481,791,000). The share of carrying amount of net assets attributable to the additional interest in the Target Company is based on 5.714% of the net assets amounted to RMB7,705,932,000 (equivalent to approximately HK\$8,430,260,000), of the Target Company as at 30 June 2025 according to the accountants' report issued by the reporting accountants of the Target Company as set out in the Appendix II to this Circular. For illustrative purposes, pro forma adjustment was made in the unaudited pro forma consolidated statement of assets and liabilities to reflect that the consideration of RMB525,000,000 (equivalent to approximately HK\$574,350,000) will be recognised as consideration payables and included in trade and other payables, assuming the Further Acquisition had been completed on 30 June 2025.

Assuming both the First Tender and the Second Tender had been successful and completed on 30 June 2025, for illustrative purpose, the goodwill of HK\$185,118,000 would be recognised and included in the carrying amount of the interests in an associate, being the excess of the total consideration paid by the Group amounting to RMB1,050,000,000 (equivalent to HK\$1,148,700,000) over the share of carrying amount of net assets attributable to the total additional interest in the Target Company amounting RMB880,788,000 (equivalent to HK\$963,582,000). The share of carrying amount of net assets attributable to the additional interest in the Target Company is based on 11.43% of the net assets amounted to RMB7,705,932,000 (equivalent to approximately HK\$8,430,260,000), of the Target Company as at 30 June 2025 according to the accountants' report issued by the reporting accountants of the Target Company as set out in the Appendix II to this Circular. For illustrative purposes, pro forma adjustment was made in the unaudited pro forma consolidated statement of assets and liabilities to reflect that the total consideration of RMB1,050,000,000 (equivalent to HK\$1,148,700,000) will be recognised as consideration payables and included in trade and other payables, assuming the Further Acquisition had been completed on 30 June 2025.

For illustrative purpose, the directors of the Company assessed if there is an indicator that the recoverable amount (i.e. higher of value in use and fair value less costs of disposal) is less than the carrying amount of the investment (including goodwill) in accordance with HKAS 36 "Impairment of Assets" ("HKAS 36") and concluded that there would have no impairment of the investment if only the First Tender or both First Tender and the Second Tender had been completed on 30 June 2025 for the purpose of unaudited pro forma consolidated statement of assets and liabilities. The recoverable amount of the Target Company has been determined based on a value in use calculation. The calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period. However, should there be any adverse changes to the business of the Target Company, including but not limited to, any subsequent adverse changes in the operation, impairment may be required to be recognised against the investment in accordance with HKAS 36. The directors confirmed that they will adopt consistent approach to assess impairment of investment in subsequent periods in accordance with the requirements of HKAS 36.

- (3) The adjustment represents the estimated expenditures incurred in connection with the Further Acquisition which is capitalised in the interest in an associate including the accountancy, legal, valuation and other professional services fees to be borne by the Group of approximately HK\$1,305,000.
- (4) For the purpose of preparation of this unaudited pro forma financial information, the exchange rate as at 30 June 2025 adopted by the management of the Company is RMB91.408 to HK\$100.
- (5) Save as set out above, no other adjustments have been made to the unaudited pro forma financial information to reflect any trading results or other transactions of the Group and the Target Company entered into subsequent to 30 June 2025.

The following is the text of the independent reporting accountants' assurance report received from Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this circular.



INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of Truly International Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Truly International Holdings Limited (the **"Company"**) and its subsidiaries (hereinafter collectively referred to as the **"Group"**) by the directors of the Company (the **"Directors"**) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of assets and liabilities as at 30 June 2025 and related notes as set out on pages IV-1 to IV-7 of the circular issued by the Company dated 25 November 2025 (the **"Circular"**). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages VI-1 to VI-7 of the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed acquisition of equity interests in Truly (Renshou) High-end Display Technology Limited* (信利(仁壽)高端顯示科技有限公司) through public tenders on the Group's financial position as at 30 June 2025 as if the transaction had taken place at 30 June 2025. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial statements for the period ended 30 June 2025, on which no auditor's report or review report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the **"Listing Rules"**) and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" (**"AG 7"**) issued by the Hong Kong Institute of Certified Public Accountants (the **"HKICPA"**).

* for identification purposes only

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements” issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2025 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors

in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
25 November 2025

The following is the report prepared for the purpose of incorporation in this circular received from Asset Appraisal Limited, an independent valuer, in connection with its valuation of 11.43% of the equity interests of Truly RS as at 1 September 2025.



Asset Appraisal Limited
中誠達資產評值顧問有限公司

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Date: 25 November 2025

The Board of Directors
Truly International Holdings Limited
2/F Chung Shun Knitting Centre
1-3 Wing Yip Street
Kwai Chung
New Territories
Hong Kong

Dear Sirs,

Re: Valuation of 11.43% of the Equity Interests of Truly (Renshou) High-end Display Technology Limited (“Truly RS”)

INSTRUCTIONS

In accordance with the instructions from **Truly International Holdings Limited** (the “**Company**”), we have completed a valuation of the equity interests in Truly RS.

We confirm that we have made relevant enquiries and obtained such information as we consider necessary for the purpose of providing our opinion of the market value of 11.43% of the equity interests in Truly RS as at 1 September 2025 (the “**Valuation Date**”).

This report identifies the assets appraised, describes the basis and methodology of valuation, investigation and analysis, assumptions, limiting conditions and presents our opinion of value.

The opinions expressed in this report have been based on the information supplied to Asset Appraisal Limited (“**AAL**”) by the Company. Whilst AAL has confirmed that the Company has represented to AAL that full disclosure has been made of all material information and that to the best of its knowledge and understanding, such information is complete, accurate and true. AAL has no reason to doubt this representation. No responsibility is assumed by AAL for any errors or omissions in the supplied information and AAL does not accept any consequential liability arising from commercial decisions or actions resulting from them.

PURPOSE OF VALUATION

It is our understanding that this report is prepared solely for the use as one of the references for the transaction involving the equity interests in Truly RS.

The objective of AAL is to assess the market value of the equity interests in Truly RS in order to provide the Company with an independent value opinion. The responsibility for determining the agreed consideration of any transaction or share transfer involving Truly RS rests solely with the Company or its subsidiaries. The results of our analysis should not be construed to be an investment recommendation. No one should rely on our report for any purchase price determination purpose or as a substitute for their own due diligence. It is inappropriate to use this valuation report for purpose other than its intended use or by third parties. These third parties should conduct their own investigation and independent assessment and underlying valuation assumptions.

BACKGROUND OF TRULY RS

Truly RS is a company incorporated in the People's Republic of China (the “**PRC**”) with limited liability and is one of the global leading producers and suppliers in the flat panel industry using thin-film transistor liquid crystal display (TFT-LCD) technology. It was founded in 2017 and commenced mass production in the first quarter 2020.

The production base of Truly RS which is situated at No. 1 Truly Boulevard, Wenlin Town Industrial Park, Renshou County, Sichuan Province, the PRC is stretching a land area of approximately 553,333 square metres. It is equipped with 5th generation production lines handling glass substrates measuring up to 1,100×1,300 mm and are capable for array process, colour filter process and cell fabrication process in the fabrication of TFT-LCD panels. It is offering customers with one stop solutions and supports in off the shelf or full custom design panels. With the properties of high resolution and image clarity, light weight and low energy consumption of TFT-LCD panels, they are ideal for applications in laptops, handheld devices and medical equipment.

The audited financial information for the years ended 31 December 2023 and 2024 which are extracted from audited financial statements for the years ended 31 December 2023 and 2024 as set out in Appendix II and the unaudited financial information of the Target Company for the twelve months ended 31 August 2025 which are prepared by management, are set out as follow:

RMB'000	Year ended 31 December 2023	Year ended 31 December 2024	12 months ended 31 August 2025
Revenue	2,329,722	3,137,627	2,999,117
Gross Profit/(Loss)	(181,689)	(111,494)	290,092
Profit (Loss) after taxation	247,515	(113,683)	66,976
Total Assets	11,710,540	12,117,064	13,658,119
Net Assets Value	7,775,954	7,662,271	7,724,630

BASIS OF VALUATION

Our valuation is based on market value basis.

According to the International Valuation Standards released by the International Valuation Standards Council and effective 31 January 2025, Market Value is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

SOURCE OF INFORMATION

In the course of our valuation, we have been furnished by the management of the Company and Truly RS (the “**Management**”) with the financial and operational information of Truly RS.

We made reference to or reviewed the following major documents and data:

1. Brief descriptions of the potential share transfer in relation to the transfer of registered capital of Truly RS;
2. Historical financial information and the financial positions of Truly RS of the past 3 financial years; and
3. Descriptions of business models, operating assets held and engaged by Truly RS in undertaking its normal operations.

We assumed that the data and information we obtained in the course of the valuation, along with the opinions and representations provided to us by the Management are true, accurate and complete and accepted them without independent verification except as expressly described herein. We have no reason to suspect that any material facts have been omitted, nor are we aware of any facts or circumstances, which would render the information, opinion and representations made to us to be untrue, inaccurate or misleading.

In addition, we have also obtained market data, industrial information and statistical figures from Bloomberg database and other publicly available sources.

SCOPE OF WORK AND LIMITATION THEREON

For this valuation, we have performed the following scope of work:

- discussed with the Management in relation to the development, operations and other relevant information of Truly RS;
- reviewed relevant information and other relevant data concerning Truly RS provided to us by the Management;
- performed market research and relevant statistical figures from public sources in relation to the valuation of Truly RS;

- prepared a valuation model to derive the market value of Truly RS; and
- presented all relevant information on the scope of works, limitations in scope of work, sources of information, an overview of Truly RS, valuation methodology, major assumptions, limiting conditions, remarks and opinion of value in this report.

Our valuation of Truly RS is subject to the following limitations in relation to our scope of work mentioned above:

- Our understanding of Truly RS and its operating conditions is mainly based on the financial information provided by the Management as well as the understanding of the Management on the operation strategies and development prospects of Truly RS. We did not conduct any audit or prudent surveys on the truthfulness, accuracy and reliability of the information obtained during the period of this project. We do not accept any responsibility for the accuracy and completeness of the information provided by the Company, nor do we express any opinions on any such information.
- Although we have communicated with the Company on key operating and financial matters of Truly RS in the course of this valuation, our work cannot substitute other matters which may influence the decision-making judgment and may be identified in other professional services (including but not limited to the audit, due diligence and other businesses) to be considered by the Company in making management decisions and judgments.
- We have not conducted audit or other assurance work in accordance with the professional standards issued by the relevant institutes of certified public accountants for the purpose of this valuation. Therefore, we do not provide audit opinions, certifications or other forms of assurance opinions on related services or information we rely on.
- We must point out that this valuation report does not constitute a technical report and does not express opinions on technologies employed by Truly RS, legal title on any of its operating assets (whether tangible or intangible), environmental issues and contractual rights involved in its business operations.

KEY ASSUMPTIONS

Our investigation included discussion with the Management with regard to the history, operation and prospects of the businesses of Truly RS, an overview of certain financial data, an analysis of the industry and competitive environment, analysis of historical and prospective financial results, an analysis of comparable transactions, operating statistics and other due diligence documents.

In arriving at our opinion of value, we have considered the following principal factors:

- the economic outlook for the concerned market and specific competitive environments affecting the industry;

- the legal and regulatory issues of the industry in general;
- the business risks of Truly RS;
- the price multiples of the comparable companies engaging in business operations similar to Truly RS; and
- the experience of the management team of Truly RS and support from its shareholders.

A number of general assumptions have to be made in arriving at our value conclusion. The key assumptions adopted in this valuation include:

- there will be no material changes in the laws, rules or regulations, financial, economic, market and political conditions where Truly RS or its subsidiaries operate which may materially and adversely affect its businesses;
- there will be no major changes in the current taxation law applicable to Truly RS or its subsidiaries;
- Truly RS and its subsidiaries shall fulfill all legal and regulatory requirements necessary to conduct its business;
- Truly RS shall not be constrained by the availability of finance and there will be no material fluctuation of the finance costs;
- Truly RS and its subsidiaries shall have uninterrupted rights to operate its existing businesses;
- the future movement of exchange rates and interest rates will not differ materially from prevailing market expectations;
- the facilities, systems and technologies utilized by Truly RS are all sound and capable in performing its designed functions for supporting its business operations. The utilization of these facilities, systems and technologies as well as the existing trademark and tradename by Truly RS shall not infringe any relevant regulations, law and intellectual property rights of its shareholders and any third party;
- Truly RS will retain competent management, key personnel and technical staff for their operations and the relevant shareholders will support its ongoing operations;
- Truly RS and its subsidiaries has obtained all necessary permits and approvals to carry out its businesses and its ancillary services and shall be entitled to renew those permits and approvals upon their expiry subject to no legal impediment and costs of substantial amount, no event has occurred that would prevent those permits and approvals from being suspended, renewed or reissued and would result in any impairment of the scope of authorized business activities of Truly RS;

- as part of our analysis, we have reviewed financial and business information from public sources together with such financial information, management representation, documentation and other pertinent data that are specific to Truly RS and its operations and made available to us by the Management during the course of our valuation. We have assumed the accuracy of, and have relied on the information and management representations provided in arriving at our opinion of value;
- except those stated in the financial statements, Truly RS is free and clear of any lien, charge, option, pre-emption rights, unsettled dispute, lawsuit or other encumbrances or rights whatsoever and to the knowledge of Truly RS and its management, no event of default has occurred or will occur on any amount due to Truly RS; and
- the estimated market value does not include considerations of any extraordinary financing or income guarantees, special tax considerations or any other typical benefits which may influence the ordinary business enterprise value of Truly RS.

VALUATION METHODOLOGY

In the appraisal of Truly RS, we have considered three generally accepted approaches namely Cost Approach, Income Approach and Market Approach.

Cost approach establishes value based on the cost of reproducing or replacing the assets less depreciation from physical deterioration and functional and economic obsolescence, if present and measurable. This approach might be considered the most consistently reliable indication of value for assets without a known used market or separately identifiable cash flows attributable to assets appraised.

Income approach is the conversion of expected periodic benefits of ownership into an indication of value. It is based on the principle that an informed buyer would pay no more for the property than an amount equal to the present worth of anticipated future benefits (income) from the same or equivalent assets with similar risk.

Market approach considers prices recently paid for similar assets, with adjustments made to the indicated market prices to reflect condition and utility of the appraised assets relative to the market comparable. Assets for which there is an established market may be appraised by this approach.

Given the nature of the business operations of Truly RS and the availability of market information, it is considered that the market approach is the most optimal approach to value Truly RS whilst both the cost approach and the income approach have been disclaimed and have also not been engaged as secondary approach to cross-check the valuation results derived from the market approach on the following grounds:

- under the cost approach (also known as the asset based approach), the market value of equity interests is determined based on the replacement costs or reproduction costs of assets rather than the ability to generate streams of benefits in the future. As the economic value of Truly RS is mainly attributable to its ability to generate revenues through its products and services but not the value or replacement costs of its assets,

the cost approach is incapable to reliably reflect the value of its equity interests. Therefore, this approach has been disclaimed as both primary valuation approach and secondary approach for counter-checking purpose;

- under the income approach, the market value of equity interests is the function of future net cash flows that can be generated from the business operations of Truly RS and the discount rate by which the future net cash flow stream is discounted to present values. The reasonableness of the market value determined by the income approach depending on the estimation of various projected inputs including but not limiting to new order volume, product pricing, raw material costs, operating costs and their growth rates over the projection period. Despite the fact that a business plan has been prepared by the management of Truly RS, given the uncertainty and dynamic nature of flat panel industry, it is difficult to form a reliable basis for estimating various projection inputs. Furthermore, as discussed with the management of the Company, there is tremendous uncertainty in the future market on smartphone industry, the major sector in which majority of Truly RS customers are being engaged. In the absence of reliable business projection, the income approach is considered to be not a reliable valuation approach for valuing the equity interests in Truly RS and has been disclaimed as both primary valuation approach and secondary approach for counter-checking purpose; and
- Truly RS, as a TFT-LCD panel supplier, has sufficient track records and has participated in the sector for more than 3 years. As advised by the Company, Truly RS is expected to sustain its existing business operations in long term in the future. Therefore, we have considered that market approach is the most optimal approach to determine its market value.

The market approach determines the market value of the assets by reference to the transaction prices, or “valuation multiples” implicit in the transaction prices, of identical or similar assets on the market. A valuation multiple is a multiple determined by dividing the transaction price paid for similar business enterprises by a financial parameter, such as historical or prospective turnover or profit at a given level. Valuation multiples are applied to the corresponding financial parameter of the subject asset in order to value it.

Selection of Comparable Companies

Several listed entities engaging in similar line of businesses have been identified and their share trading price ratios against various economic measures have been analysed for comparison purpose.

In selecting appropriate comparable companies, we have adopted the following selection criteria, all of which must be satisfied:

- the company is engaged in flat panel display related businesses and based in the PRC sharing the same business nature as Truly RS;
- the company is based in the PRC with its core production base situated in the PRC having the same geographic location as Truly RS;

- the company's share trading prices and financial information are publicly available, to avert situation of misinformation;
- the operating profit for the latest 12 months financial relevant period is positive to come up with a meaningful price multiple; and
- the company's shares have more than 2 years' exchange trading history as newly listed stocks have relatively higher potential to be traded at unreasonable price level.

Given the above selection criteria, the following comparable companies have been identified for comparison purpose. As each of the flat panel display product providers has its unique product scope and there may not be a company or companies engaging in exactly the same product scope as Truly RS. We have considered that the selected comparable companies and Truly RS are all operating in flat panel display related businesses. Notwithstanding the difference in the scale of operations and product mixes of the selected comparable companies and Truly RS, we believe that none of the companies that meeting the selection criteria is excluded and the list of comparable companies is full and exhaustive and analysis of them provides a general reference as to the market valuation of companies engaging in business operations similar to Truly RS.

Ticker	Company Name	Description of Business	Date of Debut Trading in the Stock Exchange	% Revenue Attributed to Relevant Business Segment	% Revenue Attributed to Domestic Sale
600707 CH	IRICO Display Devices Co., Ltd.	IRICO Display Devices Co., Ltd. manufactures and markets color display devices. It produces liquid crystal glass substrates, color picture tubes, and related components. It markets its products throughout the PRC.	21 May 1996	100%	28.94%
000050 CH	Tianma Microelectronics Co., Ltd.	Tianma Microelectronics Co., Ltd. manufactures and markets liquid crystal displays and liquid crystal display modules. It markets its products throughout the PRC.	15 March 1995	99.10%	61.31%
301106 CH	Jiangsu Smartwin Electronics Technology Co., Ltd.	Jiangsu Smartwin Electronics Technology Co., Ltd. researches, develops, manufactures, and distributes liquid crystal displays. It produces TN type, STN type, VA type LCD and modules, TFT LCD modules, and more. It markets products in the PRC, Japan, Europe, America, and Southeast Asia.	27 January 2022	99.92%	79.93%

Ticker	Company Name	Description of Business	Date of Debut Trading in the Stock Exchange	% Revenue Attributed to Relevant Business Segment	% Revenue Attributed to Domestic Sale
002273 CH	Zhejiang Crystal-Optech Co., Ltd.	Zhejiang Crystal-Optech Co., Ltd. manufactures and distributes optical components. It produces optical displays, optical imaging products, optical lens, and other products. It also operates import and export businesses.	18 September 2008	87.38%	74.92%
300389 CH	Shenzhen Absen Optoelectronic Company Limited	Shenzhen Absen Optoelectronic Company Limited develops, manufactures, sells and provides services for LED application products. Its main product is LED full-color display.	31 July 2014	98.10%	80.02%

- The selected comparable companies are primarily engaged in the relevant business segment with more than 85% of their revenues generated from the business segment.
- The selected comparable companies are being operated in the PRC with their core production bases situated in the PRC and having business presence in the domestic market. Currently, the PRC is taking the lead in the display panel dominance battle and has overtaken Korea to become the top display panel maker and consumer in the global market commanding both pricing leadership and dominance in the supply chain. Given the massive production capacities of the manufacturers in the PRC, it is commonly found that the customer bases of the manufacturers in the PRC are made up of both domestic and overseas companies, particularly where many PRC companies have relocated parts of their production lines offshore in recent years. As confirmed by the Management, like most of the comparable companies, Truly RS has long focused on domestic customers since majority of its products have been allocated to supply the demand of the Group. The domestic market, as the world's largest electronic manufacturing hub, currently provides a large, reliable base volume of demand that acts as a critical safety net and a stable foundation for manufacturers in the PRC. They also benefit directly from proximity to their local customers and simplifying the supply chain. The Management further confirmed that the barrier of entry to non-U.S. overseas markets is very low under the prevailing trade tariff regime and there is no discernible difference in product pricing and profit margin between products supplied to domestic customers and to overseas customers as far as the relevant business segment is concerned. While most of the comparable companies have majority of their revenues generated from the domestic customers whose final products may be distributed both locally or globally, we have included IRICO Display Devices Co., Ltd. (600707 CH) which has less than 25% of revenues

generated from domestic sale market in 2024 as a comparable company since it is operated in the PRC with its core production bases situated in the PRC and having business presence in the domestic market.

- All the selected comparable companies have positive operating profits in term of earnings before interest, depreciation and amortization.

Selection of Price Multiples

Under Market approach, price multiples are the tools for conducting comparison. A valuation multiple is a ratio that relates share value to some economic measures of the comparable companies. Typical price multiples commonly used are:

- Price-to-Book Value Ratio (PB Ratio);
- Price-to-Sales Ratio (PS Ratio);
- Price-to-Earnings Ratio (PE Ratio); and
- Enterprise-to-EBITDA Ratio (EV-to-EBITDA Ratio).

In view of the nature of business operations of Truly RS, PB Ratio is considered not appropriate for this valuation on the ground that Truly RS, which are not an investment holding company, has its market value being determined based on its abilities to generate future income streams rather than the costs of replacement of its assets and liabilities. The company specific advantages are not captured in Price-to-Book Value Ratio. The PS Ratio is also considered not appropriate for this valuation since revenues may not consider the cost structure and profitability (which are considered primary factors affecting the value of a company of the same kind).

Both PE Ratio and EV-to-EBITDA Ratio are applicable to measure business value of Truly RS as both of them relate the business value with profitability of the business. Among the two ratios, EV-to-EBITDA Ratio is more preferable to PE Ratio on the ground that the former ratio is neutral to capital structure, cash positions, depreciation and amortization policies and taxation policy of the business operations being valued and the comparable companies. TFT-LCD manufacturing is extremely capital intensive, requiring immense upfront investment to build fabrication plants (fabs) that feature specialized cleanrooms and highly advanced, precise machinery, such as sputtering, lithography, and chemical vapor deposition equipment. These enormous sunk costs translate into high fixed operating expenses, primarily through depreciation and amortization (D&A), which persist regardless of production volume. As a result, the business is subject to high operating leverage, meaning a small change in revenue leads to a disproportionately larger change in the reported net profit. Furthermore, the sheer size of the fixed assets dictates that accounting choices regarding their D&A directly impact the reported net income. Conversely, the economic metric of EBITDA strips away non-operational and non-cash expenses, offering a cleaner snapshot of the business's core operational performance. Therefore, we have employed the EV-to-EBITDA Ratio based on publicly available information including Bloomberg database and the financial statements and announcements of respective comparable companies.

Based on the above financial figures over the latest reported 12-month period (being trailing 12 months ended 30 June 2025) that are publicly available and the closing share prices as at the Valuation Date of the selected comparable companies, the EV-to-Enterprise Ratio of comparable companies are as follows:

Company Ticker	Cur	Share Closing Price as at 1 Sep 2025	Market Capitalization (Mil)	Enterprise Value (Mil) (A) (Note 1)	Trailing 12-month EBITDA (Mil) (B) (Note 2)	EV-to-EBITDA Ratio (A)/(B)
600707 CH	RMB	6.39	22,929.81	28,294.49	4,089.74	6.92
000050 CH	RMB	10.06	24,724.94	56,156.10	6,521.43	8.61
301106 CH	RMB	31.58	3,209.20	2,747.22	120.52	22.79
002273 CH	RMB	27.32	37,992.07	37,314.06	1,680.96	22.20
300389 CH	RMB	18.05	6,662.26	6,658.77	243.06	27.40
Sample Mean						17.58

Notes:

1. The reconciliation of the enterprise value with the market capitalization of each of the comparable companies as at the Valuation Date are set out as follows:

Company Ticker	Cur	Market Capitalization (Mil) (A)	Cash (Mil) (B)	Non-operating assets (Mil) (C)	Debts and Minority Interest (Mil) (D)	Enterprise Value (Mil) (A)-(B)-(C)+(D)
600707 CH	RMB	22,929.81	7,605.32	1,048.57	14,018.57	28,294.49
000050 CH	RMB	24,724.94	4,710.05	154.93	36,296.14	56,156.10
301106 CH	RMB	3,209.20	495.97	80.38	114.37	2,747.22
002273 CH	RMB	37,992.07	1,254.59	329.67	906.25	37,314.06
300389 CH	RMB	6,662.26	1,084.41	182.25	1,263.17	6,658.77

2. The reconciliation of the EBITDA with the net profit/(loss) before taxation of each of the comparable companies are set out as follows:

Company Ticker	Cur	Net Profit/(Loss) before taxation (Mil) (A)	Depreciation & Amortization (Mil) (B)	Other Income/(Loss) (Mil) (C)	Net Finance Expenses/(Income) (Mil) (D)	Non-operating Expenses/(Income) (Mil) (E)	EBITDA' (Mil) (A)+(B)-(C)+(D)+(E)
600707 CH	RMB	766.85	3,184.10	136.66	264.25	11.20	4,089.74
000050 CH	RMB	212.74	5,915.88	450.42	842.63	0.60	6,521.43
301106 CH	RMB	106.88	35.40	4.80	(17.61)	0.65	120.52
002273 CH	RMB	1,269.77	530.15	54.02	(65.46)	0.51	1,680.96
300389 CH	RMB	150.37	104.95	(0.26)	(19.16)	6.65	243.06

3. The dataset yielded a sample mean of 17.58, a standard deviation of 9.21, and a median of 22.20. To assess the impact of extreme values, a trimmed mean was calculated by excluding observations more than one standard deviation from the mean. The resulting adjusted mean of 17.87 showed no material difference from the original mean, confirming no outlier influence on the central tendency. Therefore no outliers are found under the selected criteria. The sample median, at 22.20, is naturally more resistant to outliers. For valuation prudence, we have adopted the lower of the two measures, the sample mean of 17.58.

4. Restrictive selection criteria have been applied in enlisting the peer group constituents, ensuring all comparable companies are highly analogous to the Target Company in both business nature and the location of their production base. Accordingly, no further adjustment to the valuation multiples is warranted.

Determination of Equity Interests of Truly RS

The mean EV-to-EBITDA Ratio of the sample group is taken as the expected multiple for determination of the value of share equity of Truly RS. As revealed from its unaudited financial statement for the trailing 12-month period ended 31 August 2025, the market value of 11.43% of the equity interests of Truly RS is determined as follows:

In RMB	Truly RS
Trailing 12-month Net Profit Before Tax	48,629,990
Add back Finance Costs for the period	73,588,669
Add back Depreciation and Amortization for the period	502,971,143
Add back Non-operating Expenses/(Income)	(54,019,997)
Trailing 12-month EBITDA	571,169,805
Expected EV-to-EBITDA Ratio	17.58
Determined Enterprise Value	10,041,165,172
Add back cash and bank balance	34,774,969
Less debt	(4,152,524,016)
Add non-operating assets	3,427,438,679
Equity Value	9,350,854,804
Attributable interest	11.43%
Attributable value	1,068,802,704
Less marketability discount (15.60%)	(166,733,222)
Attributable value after marketability discount	902,069,482
Round to	902,000,000

In concluding our opinion of value of 11.43% of the equity interests of Truly RS, we have considered the factor of marketability discount adjustment as the shares of Truly RS is not tradable in any stock exchange. According to the Stout Restricted Stock Study published by Business Valuation Resources, LLC in early 2025, the Discount for Lack of Marketability (DLOM) is estimated as the percentage difference between the private placement price per share and the public market trading price per share. The Study examined 779 relevant private placement transactions of unregistered common stock issued by publicly traded companies spanning from July 1980 through the first quarter of 2024. Premiums in the market for restricted stock — often considered the result of an investment opportunity unavailable to other investors or an unidentifiable relationship with the seller — have been excluded from the data. Based on this analysis, we adopted the median discount rate of 15.60% calculated from the 779 transactions as the DLOM for this valuation.

LIMITING CONDITIONS

During the course of our valuation, we have reviewed the financial information, management representations and other pertinent data and the information made available to us. We have no reason to doubt the truth and accuracy of the information provided to us. We were also advised by the Company that no material factors have been omitted from the information to reach an informed view, and have no reason to suspect that any material information has been withheld.

We shall not be required to give testimony or attendance in court or to any government agency by reason of this valuation and with reference to the project described herein unless prior arrangements have been made. No responsibility is assumed for matters legal in nature. No investigation has been made of the title to or any liabilities against the business enterprise and its operating assets valued. In this valuation, it is presumed that, unless otherwise noted, the owners' claim is valid, the property rights are good and marketable, and there are no encumbrances which cannot be cleared through normal processes.

No opinion is intended to be expressed for matters which require legal or other specialised expertise or knowledge, beyond that customarily employed by valuers.

Our conclusions assume continuation of prudent management policies over whatever period of time considered to be necessary in order to maintain the character and integrity of the assets valued. We assume that there are no hidden or unexpected conditions associated with the assets valued that might adversely affect their market value. Further, we assume no responsibility for changes in market conditions after the Valuation Date.

We do not investigate any industrial safety and health related regulations in association with this particular operation. It is assumed that all necessary licenses, procedures and measures were implemented in accordance with the government legislation and guidance.

No allowance has been made in our valuation for any off-balance sheet charges, debts or amounts owing on the assets valued nor for any expenses or taxation which may be incurred in effecting a sale. It is assumed that the assets valued are free from any off-balance sheet encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

CONCLUSION OF MARKET VALUE

Based on the investigation and analysis stated above and on the valuation method employed, in our opinion that the market value of 11.43% equity interests of Truly RS as at 1 September 2025 is reasonably represented by an amount of **RMB902,000,000 (RENMINBI YUAN NINE HUNDRED AND TWO MILLION ONLY)**.

We hereby certify that we have neither present nor prospective interest in the appraised assets or the value reported.

This conclusion of value was based on generally accepted valuation procedures and practices that rely extensively on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained.

Yours faithfully,
For and on behalf of
Asset Appraisal Limited
Tse Wai Leung
CFA MRICS MHKIS RPS(GP)
Director

Tse Wai Leung is a member of the Royal Institution of Chartered Surveyors, a member of The Hong Kong Institute of Surveyors, a Registered Professional Surveyor in General Practice and a holder of Chartered Financial Analyst (CFA). He is on the list of Property Valuers for Undertaking Valuations for Incorporation or Reference in Listing Particulars and Circulars and Valuations in Connection with Takeovers and Mergers of the Hong Kong Institute of Surveyors, Registered Business Valuer under the Hong Kong Business Valuation Forum and has over 10 years' experience in valuation of assets in Hong Kong, in Macau and in the PRC.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As of Latest Practicable Date, the interests or short positions of the Directors or chief executives of the Company in the Shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were recorded in the register required to be kept pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules were as follows:

(i) Interest in the Company

Name	Capacity/nature of interest	Number of Long/short Shares position	Approximately percentage of Shareholding in the Company ⁽²⁾
Lam Wai Wah ⁽¹⁾	Beneficial owner	1,627,392,000 Long position	53.74%
	Held by spouse	74,844,000	2.47%
Song Bei Bei	Beneficial owner	2,600,000 Long position	0.09%
Lam Po Chun, Jane	Beneficial owner	2,453,000 Long position	0.08%

Notes:

- (1) Lam Wai Wah is deemed to be interested in 74,844,000 ordinary shares of the Company, being the interests held beneficially by his spouse, Chung King Yee, Cecilia.
- (2) The calculation is based on the total number of 3,028,103,398 Shares in issue as at the Latest Practicable Date.

Save as disclosed above, as at Latest Practicable Date, none of the Directors and the chief executives of the Company and their respective associates had or was deemed to have any interests and short positions in the Shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or required to be recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Save as disclosed above, as at the Latest Practicable Date, the Directors and the chief executive of the Company were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

3. SUBSTANTIAL SHAREHOLDERS' INTEREST IN SHARES AND UNDERLYING SHARES

As at the Latest Practicable Date, there was no other person (other than the directors or chief executive of the Company whose interests in shares, underlying shares and debentures of the Company or any of its associated corporations as set out above) was interested (or deemed to be interested) or held any short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were recorded in the register required to be kept by the Company under Section 336 of the SFO.

4. FURTHER INFORMATION CONCERNING DIRECTORS

A. Directors' Service Contracts

As at the Latest Practicable Date, none of the Directors had entered or proposed to enter into any service agreements with any member of the Group, excluding contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

B. Competing Business Interest of Directors

As at the Latest Practicable Date, none of the Directors or their respective close associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to the Listing Rules.

C. Directors' Interests in the Group's Assets or Contracts or Arrangement Significant to the Group

As at the Latest Practicable Date:

- (a) none of the Directors had any interests, direct or indirect, in any assets which have been, since 31 December 2024 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; and
- (b) none of the Directors was materially interested in any contract or arrangement entered into with any member of the Group subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group.

5. EXPERT'S QUALIFICATION AND CONSENT

The following are the qualifications of the experts who have given an opinion or advice to the Company as contained in this circular:

Name	Qualification	Date of the Expert's Statement
Asset Appraisal Limited	Independent Valuer	25 November 2025
Deloitte Touche Tohmatsu	Registered Public Interest Entity Auditors	25 November 2025

Each of the above experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its report or opinion (as applicable) as set out in this circular and references to its name in the form and context in which it appear in this circular.

As at the Latest Practicable Date, the above expert had no shareholding, directly or indirectly, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert had no interest, direct or indirect, in any asset since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up, have been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to an member of the Group.

6. LITIGATION

As at the Latest Practicable Date, no members of the Group was engaged in any litigation or arbitration or claims of material importance to the Group as known to the Directors to be pending or threatened by or against any member of the Group.

Based on the information provided by the Vendor, as at the Latest Practicable Date, no member of Truly RS, was engaged in any litigation or arbitration or claims of material importance and no litigation, arbitration or claims was known to be pending or threatened by or against Truly RS.

7. MATERIAL CONTRACTS

The following contracts (being contracts entered into outside the ordinary course of business carried by the Group) had been entered by members of the Group within the two years immediately preceding the date of this circular and up to the Latest Practicable Date:

- (1) a strategic allotment agreement dated 25 December 2023 entered into between Truly Opto-Electronics and Shanghai Longqi Technology Co., Ltd.* (上海龍旗科技股份有限公司), pursuant to which Truly Opto-Electronics has agreed to subscribe for A-shares issued by Shanghai Longqi Technology Co., Ltd.* (上海龍旗科技股份有限公司), for an amount not exceeding RMB20,000,000;
- (2) the equity transfer agreement dated 3 April 2024 entered into between Truly Opto-Electronics and the Renshou Jian No. 1 LLP, regarding the acquisition of approximately 12.55% equity interest in Truly RS;
- (3) a guarantee agreement dated 3 April 2024 entered into between Truly Semiconductors Limited* (信利半導體有限公司) and the Renshou Jian No. 1 LLP, pursuant to which Truly Semiconductors Limited* (信利半導體有限公司) agreed to guarantee the obligations of Truly Opto-Electronics to pay the consideration together with the interests accrued thereon (if any) and any other compensation, damages and expenses payable in accordance with the terms of the equity transfer agreement dated 3 April 2024;

8. MISCELLANEOUS

- (1) The company secretary of the Company is Mr. Lau Fan Yu. Mr. Lau is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants.
- (2) The registered office of the Company is located at P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.
- (3) The principal office of the Company is located at 2/F Chung Shun Knitting Centre, 1-3 Wing Yip Street, Kwai Chung, New Territories, Hong Kong.
- (4) The Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (5) In the event of inconsistency, the English language text of this circular shall prevail over the Chinese language text.

* For identification purposes only

9. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.truly.com.hk>) for a period of 14 days commencing from the date of this circular:

- (a) the accountants' report of Truly RS from Deloitte Touche Tohmatsu, the text of which is set out in Appendix II to this circular;
- (b) the report on the unaudited pro forma financial information of the Enlarged Group from Deloitte Touche Tohmatsu, the text of which is set out in Appendix IV to this circular;
- (c) the valuation report prepared by Asset Appraisal Limited, the text of which is set out in Appendix V to this circular; and
- (d) the written consent referred to in the paragraph headed "5. Expert's Qualification and Consent" in this appendix.

10. GENERAL

The English text of this circular shall prevail over its Chinese text in the case of inconsistency.

NOTICE OF EGM



TRULY INTERNATIONAL HOLDINGS LIMITED

信利國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00732)

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (“EGM”) of Truly International Holdings Limited (the “**Company**”) will be held at 2/F Chung Shun Knitting Centre, 1–3 Wing Yip Street, Kwai Chung, New Territories, Hong Kong on Wednesday, 17 December 2025 at 10:00 a.m. for the purpose of considering and, if thought fit, passing with or without modification the following resolution which will be proposed as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT:

- (a) the general mandate to be granted in advance to the Directors to submit bids to acquire a total of approximately 11.43% of the equity interests of Truly (Renshou) High-end Display Technology Limited* (信利(仁壽)高端顯示科技有限公司) held by Renshou County Industries Investment Co., Ltd.* (仁壽縣產業投資有限公司), by way of public tenders through the Assets and Equity Exchange, at a total consideration of no more than RMB1,050 million (the “**Proposed Mandate**”), be and is hereby approved, confirmed and ratified; and
- (b) any one director of the Company be and is hereby authorized on behalf of the Company to do all such acts and sign all such documents and to enter into all such transactions and arrangements as may be necessary or expedient in order to ensure smooth implementation of and to give effect to the bids and the transactions contemplated thereunder.”

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

Hong Kong, 25 November 2025

Notes:

- a. A member entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.

* *For identification purposes only*

NOTICE OF EGM

- b. In order to be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power of attorney or other authority, must be lodged at the Company's principal office at 2/F Chung Shun Knitting Centre, 1-3 Wing Yip Street, Kwai Chung, New Territories, Hong Kong not less than 48 hours before the time fixed for holding the meeting or any adjournment thereof.
- c. For determining the entitlement to attend and vote at the EGM, the Register of Members will be closed from Friday, 12 December 2025 to Wednesday, 17 December 2025, during the period no transfer of shares can be registered. In order to be eligible to attend and vote at the EGM, all transfers accompanied by relevant share certificates must be lodged with the Company's Branch Share Registrar, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Thursday, 11 December 2025.
- d. Pursuant to the Rule 13.39(4) of the Listing Rules, all resolutions set out in this notice shall be decided by poll.
- e. A form of proxy for use at the above meeting is enclosed.

As at the date of this notice, the Board comprises Mr. Lam Wai Wah, Mr. Wong Pong Chun, James and Mr. Cheung Wing Cheung as executive directors; Mr. Song Bei Bei and Ms. Lam Po Chun, Jane as non-executive directors; and Mr. Chung Kam Kwong, Mr. Heung Kai Sing and Mr. Cheung Wai Yin, Wilson as independent non-executive directors.