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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)

ANNOUNCEMENT OF INTERIM RESULTS 2024

	For the six months ended		Change
	30 June		
	2024	2023	
	Unaudited	Unaudited	
	HK\$'000	HK\$'000	
Revenue	8,585,292	7,258,234	+18.3%
Gross profit	697,377	660,320	+5.6%
Profit for the period attributable to the owners of the Company	174,151	167,578	+3.9%
EBITDA	987,395	1,070,667	-7.8%
Basic earnings per share (<i>HK cents</i>)	5.51	5.30	+4.0%
Dividend per share (<i>HK cents</i>)			
— Interim(s)	5	5	—

The board of directors (the “Board”) of Truly International Holdings Limited (the “Company”) is pleased to announce the unaudited interim condensed consolidated statement of profit or loss and other comprehensive income of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2024 (the “Period”), together with the comparative figures for the corresponding period of 2023 and the unaudited interim condensed consolidated statement of financial position of the Group as at 30 June 2024 together with audited comparative figures as at 31 December 2023 as follows and these unaudited condensed interim financial statements have been reviewed by the audit committee and approved by the board of directors of the Company:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Notes	Six months ended 30 June	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
REVENUE	3	8,585,292	7,258,234
Cost of sales		<u>(7,887,915)</u>	<u>(6,597,914)</u>
Gross profit		697,377	660,320
Other income		80,632	75,965
Other gains and losses		(17,299)	56,389
Net unrealized gain on financial assets at fair value through profit or loss (“FVTPL”)		7,595	141
Administrative expenses		(242,374)	(218,491)
Distribution and selling expenses		(154,224)	(180,145)
Finance costs	4	(193,061)	(191,756)
Share of results of an associate		(23,967)	(41,368)
PROFIT BEFORE TAX		154,679	161,055
INCOME TAX EXPENSE	5	(26,797)	(30,363)
PROFIT FOR THE PERIOD	6	127,882	130,692
OTHER COMPREHENSIVE EXPENSE			
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(277,532)	(580,200)
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD		(149,650)	(449,508)

	Six months ended 30 June	
	2024	2023
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Profit for the Period attributable to:		
Owners of the Company	174,151	167,578
Non-controlling interests	(46,269)	(36,886)
	<u>127,882</u>	<u>130,692</u>
Total comprehensive expense for the Period attributable to:		
Owners of the Company	(99,471)	(366,403)
Non-controlling interests	(50,179)	(83,105)
	<u>(149,650)</u>	<u>(449,508)</u>
EARNINGS PER SHARE	7	
Basic — HK cents	<u>5.51</u>	<u>5.30</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

		30 June 2024	31 December 2023
	<i>Notes</i>	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		12,355,085	12,928,174
Right-of-use assets		536,643	599,568
Goodwill		534,413	534,413
Interest in an associate		2,654,719	1,542,138
Financial assets at fair value through profit or loss		2,470	4,220
Deferred tax assets		46,055	47,193
Deposits paid for acquisition of property, plant and equipment		163,840	52,809
Rental deposits		–	256
		16,293,225	15,708,771
CURRENT ASSETS			
Inventories		3,046,653	3,206,930
Trade and other receivables	8	3,567,686	3,576,849
Trade receivable at fair value through other comprehensive income	9	1,073,218	619,109
Financial assets at fair value through profit or loss		27,806	–
Amount due from an associate		25,069	8,828
Restricted bank deposits		515,464	582,856
Cash and cash equivalents		1,223,864	802,291
		9,479,760	8,796,863
CURRENT LIABILITIES			
Trade and other payables	10	8,642,380	7,025,977
Contract liabilities		270,899	270,584
Tax liabilities		89,824	106,191
Bank and other borrowings		5,261,063	5,104,469
Amounts due to an associate		416,691	418,493
Lease liabilities		1,118	4,200
		14,681,975	12,929,914
NET CURRENT LIABILITIES		(5,202,215)	(4,133,051)
TOTAL ASSETS LESS CURRENT LIABILITIES		11,091,010	11,575,720

	30 June 2024	31 December 2023
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
NON-CURRENT LIABILITIES		
Bank and other borrowings	1,414,013	1,570,967
Other payable	–	26,697
Lease liabilities	365	1,169
Deferred tax liabilities	163,574	156,124
	<u>1,577,952</u>	<u>1,754,957</u>
NET ASSETS	<u>9,513,058</u>	<u>9,820,763</u>
CAPITAL AND RESERVES		
Share capital	63,222	63,222
Share premium and other reserves	9,277,338	9,534,864
Equity attributable to owners of the Company	9,340,560	9,598,086
Non-controlling interests	172,498	222,677
TOTAL EQUITY	<u>9,513,058</u>	<u>9,820,763</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (HKAS 34) *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2023.

Application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)

In the current interim period, the Group has applied the following new and amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1st January 2024 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The directors of the Company anticipate that the application of the above revised HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

3. SEGMENT INFORMATION

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

LCD products	—	manufacture and distribution of LCD and touch panel products
Electronic consumer products	—	manufacture and distribution of electronic consumer products such as compact camera module, fingerprint identification module, personal health care products and electrical devices

Segment revenues and results

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

Six months ended 30 June 2024 (Unaudited)

	LCD products HK\$’000	Electronic consumer products HK\$’000	Segment total HK\$’000	Eliminations HK\$’000	Consolidated HK\$’000
REVENUE					
External sales	5,998,619	2,586,673	8,585,292	—	8,585,292
Inter-segment sales	—	502,986	502,986	(502,986)	—
	<u>5,998,619</u>	<u>3,089,659</u>	<u>9,088,278</u>	<u>(502,986)</u>	<u>8,585,292</u>
RESULT					
Segment result	451,131	(57,351)	393,780	(15,693)	378,087
Finance costs					(193,061)
Share of result of an associate					(23,967)
Unallocated expenses					<u>(6,380)</u>
Profit before tax					<u>154,679</u>

Six months ended 30 June 2023 (Unaudited)

	LCD products <i>HK\$'000</i>	Electronic consumer products <i>HK\$'000</i>	Segment total <i>HK\$'000</i>	Eliminations <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
REVENUE					
External sales	5,746,908	1,511,326	7,258,234	–	7,258,234
Inter-segment sales	–	684,177	684,177	(684,177)	–
	<u>5,746,908</u>	<u>2,195,503</u>	<u>7,942,411</u>	<u>(684,177)</u>	<u>7,258,234</u>
RESULT					
Segment result	468,812	(46,778)	422,034	(21,347)	400,687
Finance costs					(191,756)
Share of result of an associate					(41,368)
Unallocated expenses					<u>(6,508)</u>
Profit before tax					<u>161,055</u>

4. FINANCE COSTS

Six months ended 30 June	
2024	2023
<i>HK\$'000</i>	<i>HK\$'000</i>
(Unaudited)	(Unaudited)

Interest on bank and other borrowings wholly repayable
within five years

<u>193,061</u>	<u>191,756</u>
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5. INCOME TAX EXPENSE

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. The Directors consider the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong profits tax is calculated at 16.5% of the estimated assessable profit for both periods.

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

Pursuant to the relevant law and regulations in the PRC, PRC subsidiaries qualified as Hi-Tech Enterprise or eligible to enjoy the western region preferential income tax policies are subject to 15% PRC enterprise income tax. The tax rate of the other PRC subsidiaries is 25%.

Pursuant to the PRC Enterprise Income Tax Law and the detailed implementation rules, distribution of the profits earned by the PRC subsidiaries since 1 January 2008 to holding companies incorporated in Hong Kong is subject to PRC withholding tax at the applicable tax rate of 5% to 10%.

6. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit for the period has been arrived at after charging:		
Auditor's remuneration	2,400	2,400
Cost of inventories recognised as an expense	6,573,149	5,315,243
Depreciation and amortisation on:		
Property, plant and equipment	630,687	687,928
Right-of-use assets	8,968	29,928
Loss on disposal of property, plant and equipment	43,493	11,756
Operating lease rental in respect of rented premises	2,515	1,788
Staff costs, inclusive of directors' remuneration	840,771	731,588
Other taxes	41,929	40,194
	=====	=====

7. EARNINGS PER SHARE

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

<u>Earnings</u>	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Earnings for the purposes of basic and diluted earnings per share attributable to the owners of the Company	174,151	167,578
	=====	=====
<u>Number of shares</u>	2024	2023
	'000	'000
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	3,161,105	3,161,105
	=====	=====

No diluted earnings per share is presented as there was no significant potential ordinary shares outstanding at the end of 30 June 2024 and 2023, respectively.

8. TRADE AND OTHER RECEIVABLES

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Trade receivables	3,322,630	3,349,290
Less: Allowance for credit losses	(34,263)	(46,637)
	<u>3,288,367</u>	<u>3,302,653</u>
Other receivables, deposits and prepayments	<u>279,319</u>	<u>274,452</u>
Total trade and other receivables	3,567,686	3,577,105
Less: Rental deposits shown under non-current assets	–	(256)
Amounts shown under current assets	<u><u>3,567,686</u></u>	<u><u>3,576,849</u></u>

The following is an ageing analysis of trade receivables presented based on the invoice date at the end of the reporting period, net of the allowance for credit losses, at the reporting date:

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Within 60 days	2,231,987	2,245,634
61 to 90 days	553,027	595,166
More than 90 days	503,353	461,853
	<u><u>3,288,367</u></u>	<u><u>3,302,653</u></u>

Movement in the allowance for credit losses:

	30 June 2024 HK\$'000 (Unaudited)
Balance at the beginning of the reporting period	46,637
Impairment losses recognised on receivables (net of impairment losses reversed) and new financial assets originated	(11,871)
Amounts written off as uncollectible	(503)
Balance at the end of the reporting period	<u><u>34,263</u></u>

9. TRADE RECEIVABLES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2024	31 December 2023
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Trade receivables	21,540	19,305
Bills receivables	1,051,678	599,804
	<u>1,073,218</u>	<u>619,109</u>

The following is an ageing analysis of trade and bills receivables at fair value through other comprehensive income presented based on the invoice date at the end of the reporting period:

	30 June 2024			31 December 2023		
	Trade receivables	Bills receivables	Total	Trade receivables	Bills receivables	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)
Within 60 days	20,308	658,980	679,288	18,381	344,912	363,293
61–90 days	1,232	140,094	141,326	924	80,217	81,141
More than 90 days	–	252,604	252,604	–	174,675	174,675
	<u>21,540</u>	<u>1,051,678</u>	<u>1,073,218</u>	<u>19,305</u>	<u>599,804</u>	<u>619,109</u>

10. TRADE AND OTHER PAYABLES

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

	30 June 2024			31 December 2023		
	Trade payables	Bills payables	Total	Trade payables	Bills payables	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)
Within 60 days	2,738,695	808,953	3,547,648	2,458,940	1,000,437	3,459,377
61 to 90 days	691,304	418,840	1,110,144	463,837	315,106	778,943
More than 90 days	916,329	664,639	1,580,968	975,872	767,263	1,743,135
	<u>4,346,328</u>	<u>1,892,432</u>	<u>6,238,760</u>	<u>3,898,649</u>	<u>2,082,806</u>	<u>5,981,455</u>

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is one of the largest manufacturers of smartphone component parts in China and worldwide top-level automotive display suppliers. The Group is principally engaged in the manufacture and sale of (i) liquid crystal display products, including touch panel products and (ii) electronic consumer products, including compact camera module, fingerprint identification modules, personal health care products and electrical devices.

BUSINESS REVIEW

During the first half of 2024, the global economy remained challenging due to factors such as high interest rate and geopolitical conflicts. The smartphone market recovered from long downturn and showed resilience and growth in the first half of 2024. According to the China Academy of Information and Communications Technology, the domestic mobile phone market shipment volume for the first half of 2024 was 147 million units, representing an increase of 13.2% when compared to the corresponding period of last year.

The Group's revenue of HK\$8.59 billion for the six months ended 30 June 2024 (the "Period") was approximately 18.3% higher than that for the same period in 2023, with the smartphone related products business increasing significantly by 44.3% year-on-year, while the non-smartphone related products business, including vehicle-mounted, industrial, medical and Internet of Things related products, recording slight increase year-on-year. In view of the increase of sales of certain lower margin smartphone related products, the Group's gross profit margin for the Period decreased to 8.1%, representing a decrease of approximately 1.0% when compared to the corresponding period in 2023.

FINANCIAL REVIEW

Revenue

The Group's revenue for the Period was approximately HK\$8,585 million, representing an increase of approximately 18.3% or approximately HK\$1,327 million when compared with the corresponding period of 2023. The increase in revenue was mainly attributable by the increase in smartphone related sales in the People's Republic of China ("PRC") for the Period when compared to the corresponding period of 2023.

Gross Profit and Margin

The Group's gross profit for the Period was approximately HK\$697 million and the gross profit margin was approximately 8.1%, which were approximately 5.6% higher than and 1.0% lower than that for the corresponding period of 2023 respectively. The slight decrease in gross profit margin was mainly due to the increase of sales of certain lower margin smartphone related products.

Other Income

The Group's other income for the Period was approximately HK\$80.6 million, representing an increase of approximately 6.1% or approximately HK\$4.7 million when compared with the corresponding period of 2023. Other income increased mainly because the government subsidies of approximately HK\$41.3 million were received in the Period but only approximately HK\$34.1 million in corresponding period of 2023.

Other Gains and Losses

The Group's other gains and losses for the Period was approximately HK\$17.3 million net other losses (2023 H1: net other gains of approximately HK\$56.4 million). The increase in net other losses in the Period was mainly because: (i) the decrease of net foreign exchange gain by approximately HK\$53.9 million to approximately HK\$15.5 million; and (ii) the increase of loss on disposal of property, plant and equipment by approximately HK\$31.7 million to approximately HK\$43.5 million.

Administrative Expenses

The Group's administrative expenses for the Period increased by approximately 10.9% or approximately HK\$23.9 million to approximately HK\$242.4 million when compared to the corresponding period of 2023. The increase in administrative expenses in the Period was mainly due to the increase of insurance expenses and other PRC taxes.

Distribution and Selling Expenses

The Group's distribution and selling expenses for the Period decreased by approximately 14.4% or approximately HK\$25.9 million to approximately HK\$154.2 million when compared to the corresponding period of 2023. The decrease in distribution and selling expenses in the Period was mainly due to the decrease of freight rates and payroll costs during the Period.

Profit for the Period Attributable to Owners of the Company

The profit for the Period attributable to owners of the Company increased to approximately HK\$174.2 million by approximately 3.9% when compared to the corresponding period of 2023. It was mainly because the revenue and gross profit for the Period had increased by approximately HK\$1,327 million and approximately HK\$37 million, respectively, when compared to the corresponding period of 2023.

OUTLOOK

Looking ahead to the second half of 2024, uncertainties of the global economic environment will continue to dampen the demand of the consumer electronics sector. While the smartphone related product business is showing signs of recovery, the non-smartphone related product business remains stable. The management will uphold a cautiously optimistic attitude, and keep abreast of the development of technological demand and changes in the supply chain of the display and non-display business market, as well as pursue the continuous upgrading of R&D technology and production processes. We will maintain close communication with customers of various products, and provide them with high-quality products and solutions to achieve steady expansion and business growth. With the steady increase in sales for the first six months of 2024 as compared to that of 2023, the management is confident that we will achieve year-on-year growth in 2024.

SIGNIFICANT INVESTMENTS, ACQUISITIONS, ASSETS AND LIABILITIES

Investment in an associate, Truly (Renshou) High-end Display Technology Limited* (信利(仁壽)高端顯示科技有限公司) (“Truly Renshou”)

Truly Renshou has completed the building construction of the fifth generation of TFT-LCD factory in Renshou in 2018. The full installation of the machineries was completed in 2020 and full-scale trial operation commenced in late 2020 and entered mass production in 2021.

Truly Renshou is accounted for as an associate of the Group during the Period because the Group has significant influence over Truly Renshou by virtue of the substantial voting right of 67.1% granted to the Group in the first ten years since the incorporation of Truly Renshou in 2017. Thus, the results, assets and liabilities of Truly Renshou are incorporated in the Group’s consolidated financial statements using equity method of accounting.

In May 2024, the Group acquired additional 12.55% equity interest from another shareholder in Truly Renshou at a cash consideration of RMB1,097,460,000, which will be settled not later than 31 December 2024 and carry interest at 3.203% per annum. The effective interest of the Group in Truly Renshou increased from 17.14% to 29.69%. There is no change of the terms of the Articles of Association of Truly Renshou including the voting rights of the shareholders and Truly Renshou remains as an associate of the Group.

Update on Major Transaction Formation of the AMOLED JV Company

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

The Company is in discussion with other parties to the AMOLED JV agreement regarding the shareholders agreement. There is no long stop date stipulated in the AMOLED JV Agreement, and the AMOLED JV Agreement remains valid as at the date hereof. For detail of it, please refer to the announcement of the Company, Update in Relation to A Major Transaction for the Formation of the AMOLED JV Company, dated 20 December 2022.

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

LIQUIDITY AND FINANCIAL RESOURCES

The Group's assets increased by approximately HK\$1,267 million and liabilities increased by approximately HK\$1,575 million during the Period.

As at 30 June 2024, the outstanding lease liabilities, and bank and other borrowings, net of restricted bank deposits, bank balances and cash, were approximately HK\$4,937 million (31 December 2023: approximately HK\$5,296 million). It was decreased by approximately 6.8% or HK\$359 million when compared to these net borrowings as at 31 December 2023. These borrowings bear interest at prevailing market rate and their maturity profiles are shown in the financial statements. For non-current portion of these borrowings were matured within 5 years.

As at 30 June 2024, the Group had net current liabilities of approximately HK\$5,202 million (as at 31 December 2023, net current liabilities of approximately HK\$4,133 million) and its current ratio decreased to 0.65 times as at 30 June 2024 from 0.68 times as at 31 December 2023. The major reason for the increase in net current liabilities position as at 30 June 2024 was because the Group has accrued consideration payable to acquire additional equity interest in Truly Renshou. The management would continue to improve the Group's net current liabilities position.

As at 30 June 2024, the Group had restricted bank deposits, bank balances and cash approximately HK\$1,739 million together with adequate unutilized banking facilities. The Group's working capital is mainly financed by internal cash flow generated from its operation and banking facilities granted by financial institutions. The gearing ratio based on total interest bearing debts, net of restricted bank deposits, cash and bank balances was approximately 53%, which has decreased from 55% at 31 December 2023.

Pledge of Assets

At 30 June 2024, the Group had no assets pledged.

General

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

Around 15,300 workers and staff are currently employed in factories of the Company in the PRC and around 50 personnel in the Group's Hong Kong office. Total staff costs for the Period were approximately HK\$841 million.

Capital Commitments

Capital expenditure commitment of around HK\$286 million in respect of acquisition of property, plant and equipment was contracted for but not provided as at 30 June 2024.

Contingent Liabilities

We had no material contingent liabilities as at 30 June 2024.

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

OTHER INFORMATION

Interim Dividend

The Directors have resolved to declare an interim dividend of 5 HK cents per ordinary share (2023: 5 HK cents) for the period payable in cash to shareholders whose names appear on the register of members of the Company on Monday, 4 November 2024. It is expected that the interim dividend payments will be made to shareholders on Friday, 29 November 2024.

Closure of Register of Members

The register of members of the Company will be closed on Monday, 4 November 2024 during which day no transfer of shares can be registered. The record date for entitlement to the interim dividend is Monday, 4 November 2024. In order to qualify for the interim dividend, all transfers of shares accompanied by relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, 1 November 2024.

Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities (including sale of treasury shares) during the six months ended 30 June 2024. As at June 30, 2024, the Company did not hold any treasury shares.

Model Code

Specific enquiry has been made to all Directors, and none of the Directors of the Company is aware of information that would reasonably indicate that the Directors were not in the period under review in compliance with the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Audit Committee

The Company has an audit committee which was established in accordance with the code provisions of the Corporate Governance Code contained in Appendix C1 to the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting matters and internal controls. The Audit Committee comprises all the three independent non-executive directors, namely, Mr. Chung Kam Kwong, being the Committee Chairman, Mr. Cheung Wai Yin, Wilson and Mr. Heung Kai Sing. They meet at least four times a year.

The Audit Committee of the Company has reviewed this unaudited interim condensed consolidated financial statements of the Group for the period and was satisfied that such financial statements were prepared in accordance with applicable accounting standard.

Corporate Governance

We have complied with all the applicable code provisions set out in the Corporate Governance Code contained in Appendix C1 of the Listing Rules throughout the six months ended 30 June 2024, except for major deviations as below:

— *Code Provision C.2.1*

The roles of the chairman and the chief executive are not separated and are performed by the same individual, Mr. Lam Wai Wah. The Board believes that this structure will enable the Company to achieve higher efficiency and effectiveness when formulating business strategies and executing business plans. The Board will meet regularly to consider major matters affecting the operations of the Company. The Board considers that this structure will not impair the balance of power and authority between the Board and the Company's management.

— *Code Provision F.2.2*

The Chairman did not attend the annual general meeting of the Company held on 13 May 2024 in Hong Kong because he has been stationed at the Shanwei factory of the Group since February 2020.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, there was no other important event affecting the Group that occurred after 30 June 2024 and up to the date of this announcement.

Publications of Interim Results and Interim Report

This interim results announcement is published on the HKEXnews website at www.hkexnews.hk and on the website of the Company at www.truly.com.hk. The 2024 Interim Report containing all the information required under Appendix D2 of the Rules Governing the Listing of Securities on the Stock Exchange will be published on the HKEXnews website and on the website of the Company in due course.

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

Hong Kong, 29 August 2024

As at the date of this announcement, 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 Mr. Dai Chung Yun as non-executive directors; and Mr. Chung Kam Kwong, Mr. Heung Kai Sing and Mr. Cheung Wai Yin, Wilson as independent non-executive directors.

* *For identification purpose only*