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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 2024 ANNUAL RESULTS

### FINANCIAL HIGHLIGHTS

	For the year ended 31 December		Change
	2024 HK\$'000	2023 HK\$'000	
Revenue	17,840,169	15,588,143	14.4%
Gross profit	1,386,233	1,322,293	4.8%
Profit for the year attributable to owners of the Company	302,085	262,799	14.9%
EBITDA	1,976,817	2,057,669	-3.9%
EPS (HK cents)			
— Basic	9.56	8.31	15.0%
DPS (HK cents)			
— Interim	5	5	-%
— Final	5	5	-%
— Full Year	<u>10</u>	<u>10</u>	<u>-%</u>

The final dividend of 5 HK cents per share (2023: 5 HK cents) has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

*For the year ended 31 December 2024*

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue	3	<b>17,840,169</b>	15,588,143
Cost of sales		<u><b>(16,453,936)</b></u>	<u>(14,265,850)</u>
Gross profit		<b>1,386,233</b>	1,322,293
Other income	5	<b>223,234</b>	109,537
Other gains and losses, net	6	<b>(87,129)</b>	(18,240)
Impairment loss on goodwill		<b>(35,010)</b>	(53,424)
Reversal of expected credit loss model, net		<b>11,398</b>	2,170
Distribution and selling expenses		<b>(320,404)</b>	(321,291)
Finance costs	7	<b>(380,016)</b>	(389,443)
Administrative expenses		<b>(461,021)</b>	(449,019)
Share of result of an associate		<u><b>(36,906)</b></u>	<u>46,802</u>
Profit before tax		<b>300,379</b>	249,385
Income tax expense	8	<u><b>(53,814)</b></u>	<u>(88,949)</u>
Profit for the year	9	<u><b>246,565</b></u>	<u>160,436</u>
<b>Other comprehensive expenses for the year</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<u><b>(398,651)</b></u>	<u>(360,444)</u>
Total comprehensive expenses for the year		<u><u><b>(152,086)</b></u></u>	<u><u>(200,008)</u></u>

	<i>Notes</i>	<b>2024</b> <b>HK\$'000</b>	2023 <i>HK\$'000</i>
<b>Profit (loss) for the year attributable to:</b>			
Owners of the Company		<b>302,085</b>	262,799
Non-controlling interests		<b>(55,520)</b>	(102,363)
		<u><b>246,565</b></u>	<u>160,436</u>
<b>Total comprehensive expense for the year attributable to:</b>			
Owners of the Company		<b>(91,850)</b>	(89,561)
Non-controlling interests		<b>(60,236)</b>	(110,447)
		<u><b>(152,086)</b></u>	<u>(200,008)</u>
<b>Earnings per share</b>			
Basic (HK cents per share)	<i>11</i>	<u><b>9.56</b></u>	<u>8.31</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>11,842,258</b>	12,928,174
Right-of-use assets		<b>570,210</b>	599,568
Goodwill		<b>499,403</b>	534,413
Interest in an associate		<b>2,619,779</b>	1,542,138
Financial assets at fair value through profit or loss		<b>2,407</b>	4,220
Deferred tax assets		<b>46,681</b>	47,193
Deposits paid for acquisition of property, plant and equipment		<b>3,899</b>	52,809
Rental and other deposits	<i>12</i>	<b>19,541</b>	256
		<b>15,604,178</b>	15,708,771
<b>CURRENT ASSETS</b>			
Inventories		<b>2,667,757</b>	3,206,930
Trade and other receivables	<i>12</i>	<b>3,721,412</b>	3,576,849
Trade and bills receivables at fair value through other comprehensive income	<i>13</i>	<b>1,185,198</b>	619,109
Financial assets at fair value through profit or loss		<b>33,068</b>	–
Amounts due from an associate		<b>392</b>	8,828
Restricted bank deposits		<b>502,066</b>	582,856
Cash and cash equivalents		<b>1,035,140</b>	802,291
		<b>9,145,033</b>	8,796,863

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	<i>14</i>	<b>7,643,378</b>	7,025,977
Contract liabilities		<b>235,921</b>	270,584
Tax payable		<b>109,128</b>	106,191
Bank and other borrowings		<b>6,275,862</b>	5,104,469
Amounts due to an associate		<b>537,521</b>	418,493
Lease liabilities		<b>9,994</b>	4,200
		<b>14,811,804</b>	12,929,914
<b>NET CURRENT LIABILITIES</b>			
		<b>(5,666,771)</b>	(4,133,051)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<b>9,937,407</b>	11,575,720
<b>NON-CURRENT LIABILITIES</b>			
Bank and other borrowings		<b>380,191</b>	1,570,967
Other payables		<b>13,576</b>	26,697
Lease liabilities		<b>35,240</b>	1,169
Deferred tax liabilities		<b>155,844</b>	156,124
		<b>584,851</b>	1,754,957
<b>NET ASSETS</b>			
		<b>9,352,556</b>	9,820,763
<b>CAPITAL AND RESERVES</b>			
Share capital		<b>63,222</b>	63,222
Share premium and other reserves		<b>9,159,090</b>	9,534,864
Equity attributable to owners of the Company		<b>9,222,312</b>	9,598,086
Non-controlling interests		<b>130,244</b>	222,677
<b>TOTAL EQUITY</b>			
		<b>9,352,556</b>	9,820,763

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December 2024*

## 1. GENERAL

The Company is incorporated in the Cayman Islands under the Companies Law of the Cayman Islands as an exempted company. The Company is a public limited company with its shares listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Its ultimate controlling party is Mr. Lam Wai Wah, who is also the Chairman and Managing Director of the Company. The addresses of the registered office and principal place of business of the Company are P.O. Box 309, Grand Cayman, KY1-1104 Cayman Islands and 2/F., Chung Shun Knitting Centre, 1–3 Wing Yip Street, Kwai Chung, N.T., Hong Kong respectively.

The functional currency of the Company is United States dollars (“US\$”). The consolidated financial statements are presented in Hong Kong dollars (“HK\$”) which is different from the functional currency of the Company, as the directors of the Company consider that HK\$ is the most appropriate presentation currency in view of its place of listing.

The Company acts as an investment holding company. Its subsidiaries are principally engaged in the business of manufacture and sale of liquid crystal display (“LCD”) products including touch panel products and electronic consumer products including compact camera module, fingerprint identification modules, personal health care products and electrical devices.

## 2 APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

### **Amendments to HKFRSs that are mandatorily effective for the current year**

In the current year, the Company and its subsidiaries (collectively referred to as “**the Group**”) have applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the 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

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

## **2.1 Impacts on application of Amendments to HKFRS 16 Lease Liability in a Sale and Leaseback**

The Group has applied the amendments for the first time in the current year.

The amendments add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements of HKFRS 15 *Revenue from Contracts with Customers* to be accounted for as a sale. The amendments require a seller-lessee to determine “lease payments” or “revised lease payments” such that the seller-lessee would not recognise a gain or loss that relates to the right of use retained by the seller-lessee. The amendments also clarify that applying the requirements does not prevent the seller-lessee from recognising in profit or loss any gain or loss relating to subsequent partial or full termination of a lease.

According to the transitional provisions, the Group has applied the new accounting policy retrospectively to the sale and leaseback transactions entered into by the Group as the seller-lessee after the initial application of HKFRS 16. The application of the amendments has no material impact on the Group's financial position and performance.

## **2.2 Impacts on application of Amendments to HKAS 1 “Classification of Liabilities as Current or Non-current” and related amendments to Hong Kong Interpretation 5 (2020) (the “2020 Amendments”) and Amendments to HKAS 1 “Non-current Liabilities with Covenants” (the “2022 Amendments”)**

The Group has applied the amendments for the first time in the current year.

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the classification should not be affected by management intentions or expectations to settle the liability within 12 months.
- clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity's own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 “*Financial Instruments: Presentation*”.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the 2022 Amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The 2022 Amendments also specify that covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

In accordance with the transition provision, the Group has applied the new accounting policy to the classification of liability as current or non-current retrospectively. The application of the amendments in the current year had no material impact on the consolidated financial statements.

### **2.3 Impacts on application of Amendments to HKAS 7 and HKFRS 7 “Supplier Finance Arrangements”**

The Group has applied the amendments for the first time in the current year.

The amendments add a disclosure objective to HKAS 7 “*Statement of Cash Flows*” stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows.

In addition, HKFRS 7 “*Financial Instruments: Disclosures*” was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

In accordance with the transition provision, the entity is not required to disclose comparative information for any reporting periods presented before the beginning of the annual reporting period in the first year of application as well as the information required by HKAS 7:44 (b)(ii) and (b)(iii) above as at the beginning of the annual reporting period in which the entity first applies those amendments.

The Group has provided additional disclosures related to the amendments in notes to the consolidated financial statements.



### 3. REVENUE

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

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Sales of LCD products	<b>12,539,569</b>	13,382,037
Sales of electronic consumer products	<b><u>5,300,600</u></b>	<u>2,206,106</u>
	<b><u><u>17,840,169</u></u></b>	<u><u>15,588,143</u></u>

### 4. SEGMENT INFORMATION

Information reported to the Company's executive directors, being the chief operating decision maker, for the purposes of resource allocation and assessment of performance focuses on the sales of different types of products. Inter-segment sales are charged at prevailing market rates. Thus the Group is currently organised into two operating segments which are sales of LCD products and electronic consumer products. The information for each operating segment is as follows:

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

## Segment revenues and results

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

*For the year ended 31 December 2024*

	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	12,539,569	5,300,600	17,840,169	–	17,840,169
Inter-segment sales	–	674,234	674,234	(674,234)	–
	<u>12,539,569</u>	<u>5,974,834</u>	<u>18,514,403</u>	<u>(674,234)</u>	<u>17,840,169</u>
RESULT					
Segment result	1,016,396	(220,252)	796,144	(16,031)	780,113
Finance costs					(380,016)
Impairment loss on goodwill					(35,010)
Share of results of an associate					(36,906)
Unallocated expenses					(27,802)
Profit before tax					<u>300,379</u>

*For the year ended 31 December 2023*

	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	13,382,037	2,206,106	15,588,143	–	15,588,143
Inter-segment sales	–	597,570	597,570	(597,570)	–
	<u>13,382,037</u>	<u>2,803,676</u>	<u>16,185,713</u>	<u>(597,570)</u>	<u>15,588,143</u>
RESULT					
Segment result	742,205	(53,980)	688,225	(17,578)	670,647
Finance costs					(389,443)
Impairment loss on goodwill					(53,424)
Share of results of an associate					46,802
Unallocated expenses					(24,975)
Unallocated other gains and losses					(222)
Profit before tax					<u>249,385</u>

Segment profit represents the profit earned by each segment without allocation of central administration costs including directors' salaries, finance costs, share of result of an associate and gain (loss) on fair value changes of derivative financial instruments. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

### Other information

*For the year ended 31 December 2024*

	LCD products HK\$'000	Electronic consumer products HK\$'000	Consolidated HK\$'000
Amounts included in the measure of segment results:			
Reversal of allowance for inventories, net (included in cost of sales)	(19,685)	(2,741)	(22,426)
Depreciation (including amounts capitalised in inventories)	1,060,780	215,871	1,276,651
Depreciation of right-of-use assets	19,771	–	19,771
Loss on disposal/write-off of property, plant and equipment	100,579	1,509	102,088
(Reversal of) impairment losses under expected credit loss model, net	<u>(11,502)</u>	<u>104</u>	<u>(11,398)</u>

*For the year ended 31 December 2023*

	LCD products HK\$'000	Electronic consumer products HK\$'000	Consolidated HK\$'000
Amounts included in the measure of segment results:			
(Reversal of) allowance for inventories, net (included in cost of sales)	(42,111)	8,693	(33,418)
Depreciation (including amounts capitalised in inventories)	1,120,433	236,961	1,357,394
Depreciation of right-of-use assets	58,325	3,122	61,447
Loss on disposal/write-off of property, plant and equipment	72,930	1,622	74,552
(Reversal of) impairment losses under expected credit loss model, net	<u>(2,277)</u>	<u>107</u>	<u>(2,170)</u>

Segment assets and liabilities are not disclosed as they are not regularly reviewed by chief operating decision maker.

## Geographical information

The following table sets out information about (i) the Group's revenue from external customers by location of customers and (ii) the Group's non-current assets by location of assets.

	Revenue from external customers		Non-current assets	
	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000
The People's Republic of China ("PRC")	11,632,739	10,040,205	15,497,702	15,627,827
Hong Kong (place of domicile)	2,398,795	1,387,901	17,136	28,604
Europe	1,025,303	948,475	10	5
South Korea	939,279	1,240,963	–	–
Japan	266,188	318,483	–	–
North America	253,129	177,047	450	666
South America	132,454	245,475	–	–
Taiwan	106,834	75,015	–	–
Vietnam	25,857	98,564	–	–
Others	1,059,591	1,056,015	–	–
	<u>17,840,169</u>	<u>15,588,143</u>	<u>15,515,298</u>	<u>15,657,102</u>

Notes:

- (i) Regarding revenue arising from sales to external customers in Europe and others, no individual countries are material and hence separate disclosure is not required.
- (ii) Non-current assets exclude financial assets at fair value through profit or loss, deferred tax assets and rental and other deposits.

## Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	2024 HK\$'000	2023 HK\$'000
Customer A <sup>1</sup>	<u>2,847,019</u>	<u>N/A<sup>2</sup></u>

<sup>1</sup> Revenue from LCD products and electronic consumer products

<sup>2</sup> The corresponding revenue did not contribute over 10% of the total revenue of the Group.

## 5. OTHER INCOME

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Other income includes:		
Government grants	151,853	52,044
Compensation income	14,783	3,175
Interest income	23,734	21,556
Rental income with fixed monthly rental	23,451	19,478
Other services fees	6,723	10,979
Sundry income	2,690	2,305
	<u>223,234</u>	<u>109,537</u>

## 6. OTHER GAINS AND LOSSES, NET

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loss on disposal/write-off of property, plant and equipment	(102,088)	(74,552)
Gain from changes in fair value of financial assets at fair value through profit or loss	13,168	531
Loss on fair value change of derivative financial instruments, net	–	(222)
Net foreign exchange gain	1,791	56,003
	<u>(87,129)</u>	<u>(18,240)</u>

## 7. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest on bank and other borrowings	364,476	362,866
Interest on lease liabilities	161	7,007
Interest on deferred consideration in relation to acquisition of additional equity interest in Truly RS	15,379	19,570
	<u>380,016</u>	<u>389,443</u>

## 8. INCOME TAX EXPENSE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current tax:		
PRC Enterprise Income Tax	31,893	72,252
Other jurisdictions	318	1,252
	<u>32,211</u>	<u>73,504</u>
Withholding tax	21,374	612
	<u>53,585</u>	<u>74,116</u>
Over-provision in prior years:		
The PRC	(3)	(71)
Deferred tax	232	14,904
Income tax expense for the year	<u>53,814</u>	<u>88,949</u>

*Note:* The withholding tax for the years ended 31 December 2024 and 2023 were provided on the interest income of intercompany loans and dividend income received from the PRC subsidiaries.

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 years.

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

Pursuant to the relevant law and regulations in the PRC, PRC subsidiaries qualified as Hi-Tech Enterprise or eligible to enjoy the Western Region Preferential Income Tax policies are entitled to 15% PRC enterprise income tax. The tax rate of the other PRC subsidiaries is 25%.

Pursuant to the PRC Enterprise Income Tax Law (the “EIT Law of PRC”) and the Detailed Implementation Rules, distribution of the profits earned by the PRC subsidiaries since 1 January 2008 to holding companies incorporated in Hong Kong is subject to the PRC withholding tax at the applicable tax rates of 5%.

## 9. PROFIT FOR THE YEAR

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Profit for the year has been arrived at after charging:		
Auditor's remuneration		
Audit services	4,732	4,800
Non-audit services	208	205
	<u>4,940</u>	<u>5,005</u>
Cost of inventories recognised as expenses	15,796,633	13,641,530
Reversal of allowance for inventories, net (included in cost of sales)	(22,426)	(33,418)
Research expenses (included in cost of sales)	679,729	657,738
Depreciation of property, plant and equipment (including amounts capitalised in inventories)	1,276,651	1,357,394
Depreciation of right-of-use assets	19,771	61,447
Salaries and other benefits:		
Staff costs, inclusive of directors' remuneration	1,620,503	1,440,809
Contributions to retirement benefit scheme	120,846	117,839
	<u>1,741,349</u>	<u>1,558,648</u>

## 10. DIVIDENDS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Dividends for ordinary shareholders of the Company recognised as distribution during the year:		
2024 Interim — HK 5 cents (2023: 2023 interim dividend HK 5 cents) per share	<u>158,055</u>	<u>158,055</u>
2023 Final — HK 5 cents per share (2023: 2022 Final — HK 5 cents)	<u>158,055</u>	<u>158,055</u>

## 11. EARNINGS PER SHARE

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

### Earnings

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Earnings for the purposes of basic earnings per share		
Profit for the year attributable to owners of the Company	<u>302,085</u>	<u>262,799</u>

**Number of shares**

	2024 <i>'000</i>	2023 <i>'000</i>
Weighted average number of ordinary shares for the purposes of basic earnings per share	<u><b>3,161,105</b></u>	<u>3,161,105</u>

No diluted earnings per share for both 2024 and 2023 were presented as there were no potential ordinary shares in issue for both years.

**12. TRADE AND OTHER RECEIVABLES**

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	<b>3,396,196</b>	3,349,290
Less: Allowance for credit losses	<u><b>(25,648)</b></u>	<u>(46,637)</u>
	<u><b>3,370,548</b></u>	<u>3,302,653</u>
Other receivables, deposits and prepayments	<u><b>370,405</b></u>	<u>274,452</u>
Total trade and other receivables	<b>3,740,953</b>	3,577,105
Less: Rental and other deposits shown under non-current assets	<u><b>(19,541)</b></u>	<u>(256)</u>
Amounts shown under current assets	<u><u><b>3,721,412</b></u></u>	<u><u>3,576,849</u></u>

The following is an aging 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:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 60 days	<b>2,387,530</b>	2,245,634
61 to 90 days	<b>547,918</b>	595,166
More than 90 days	<u><b>435,100</b></u>	<u>461,853</u>
	<u><u><b>3,370,548</b></u></u>	<u><u>3,302,653</u></u>



**13. TRADE AND BILLS RECEIVABLES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (“FVTOCI”)**

	<b>2024</b>	2023
	<b>HK\$’000</b>	HK\$’000
Trade receivables	<b>199,349</b>	19,305
Bills receivables	<b>985,849</b>	599,804
	<b><u>1,185,198</u></b>	<u>619,109</u>

The following is an aging analysis of trade and bills receivables at FVTOCI presented based on the invoice date at the end of the reporting year:

	2024			2023		
	Trade receivables HK\$’000	Bills receivables HK\$’000	Total HK\$’000	Trade receivables HK\$’000	Bills receivables HK\$’000	Total HK\$’000
Within 60 days	<b>160,840</b>	<b>663,167</b>	<b>824,007</b>	18,381	344,912	363,293
61–90 days	<b>35,490</b>	<b>78,185</b>	<b>113,675</b>	924	80,217	81,141
More than 90 days	<b>3,019</b>	<b>244,497</b>	<b>247,516</b>	–	174,675	174,675
	<b><u>199,349</u></b>	<b><u>985,849</u></b>	<b><u>1,185,198</u></b>	<u>19,305</u>	<u>599,804</u>	<u>619,109</u>

**14. TRADE AND OTHER PAYABLES**

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

	2024			2023		
	Trade payables HK\$’000	Bills payables HK\$’000	Total HK\$’000	Trade payables HK\$’000	Bills payables HK\$’000	Total HK\$’000
Within 60 days	<b>2,771,151</b>	<b>776,954</b>	<b>3,548,105</b>	2,458,940	1,000,437	3,459,377
61 to 90 days	<b>691,444</b>	<b>73,074</b>	<b>764,518</b>	463,837	315,106	778,943
More than 90 days	<b>871,002</b>	<b>1,184,110</b>	<b>2,055,112</b>	975,872	767,263	1,743,135
	<b><u>4,333,597</u></b>	<b><u>2,034,138</u></b>	<b><u>6,367,735</u></b>	<u>3,898,649</u>	<u>2,082,806</u>	<u>5,981,455</u>

The credit period on purchases of goods ranges from 60 to 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

## THE CHAIRMAN'S STATEMENT

Truly International Holdings Limited (“the Company”, together with its subsidiaries, the “Group”) recorded revenue of approximately HK\$17.84 billion in 2024, representing an increase of approximately 14.4% compared to 2023, primarily due to the growth in revenue from the smartphone business. Profit attributable to owners of the Company for the year increased by approximately 14.9% to HK\$302 million in 2024 when compared to 2023.

Truly (Renshou) High-end Display Technology Limited\* (信利(仁壽)高端顯示科技有限公司) (“Truly RS”), an associate of the Group located in Sichuan in which it holds 17.14% equity interest, is a fifth generation TFT-LCD production plant, which has entered into mass production in 2021. In 2024, Truly RS achieved smooth operations and further increased its capacity utilization rate to over 90%. The  $\alpha$ -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, Truly RS'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, Truly RS continues to strengthen the Group's competitive position in the TFT-LCD display panel market. The Group remains optimistic about its future prospects. As a result, in 2024, the Group increased its equity interest in Truly RS from 17.14% to 29.69%. This will grant the Group greater influence over Truly RS and ensure a stable supply of TFT-LCD products from Truly RS to the Group.

Looking ahead to 2025, the global economic environment remains uncertain, and the competitive environment is full of challenges. We remain steadfast in our focus on display module products, including the display businesses such as smartphones, smart wearable, automotive and professional displays (industrial, medical, smart home, and Internet of Things), and the non-display businesses such as printed circuit boards and consumer electronics products. We are committed to investing in human resources and technological research and development across all business segments, enhancing product design and manufacturing capabilities to meet customer demands. The management will continue to uphold a flat organizational structure, controlling costs and expense to improve the competitiveness of the Group's products. Having collaborated with globally leading industry brands for many years, the Company maintains deep and interactive communication with its clients and partner brands. This enables us to stay attuned to technological trends and requirements within the display industry. Our cost and technological standards consistently align with customer and market expectations. As our customer base expands globally, the Company continues to benefit from this growth. The management is confident in achieving steady and robust growth in 2025.

The management would like to express its appreciation to the Group's bankers and staff for their continuing support and outstanding contribution. Additionally, the management wishes to extend its gratitude for customers, suppliers and other business partners.

**Lam Wai Wah**  
*Chairman*

Hong Kong, 26 March 2025

## MANAGEMENT DISCUSSION AND ANALYSIS

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

### Business Review

Revenue of 2024 recorded an increase of 14.4% amounting to approximately HK\$17.84 billion (2023: HK\$15.59 billion), which was mainly attributable to the increase in smartphone related sales in the PRC for the year ended 31 December 2024 (the “Year”) when compared to 2023.

Profit for the Year attributable to the owners of the Company increased to approximately HK\$302 million (2023: approximately HK\$263 million) by approximately 14.9%. Basic earnings per share for the Year increased to 9.56 HK cents from 8.31 HK cents in 2023. It was mainly due to the increase of revenue for the Year by approximately HK\$2,252 million and the increase of other income for the Year by approximately HK\$114 million.

The gross profit margin for the Year decreased to approximately 7.8% (2023: 8.5%) and net profit margin for the Year attributable to owners of the Company remained constant at 1.7% (2023: 1.7%). Decrease in gross profit margin was mainly due to the increase of revenue from smartphone related products, which have a lower gross profit margin.

The Group’s LCD business including touch products accounted for 70% of the Group revenue in 2024 (2023: 86%). Other businesses of the Group including the sales of compact camera modules, fingerprint identification products and printed circuit board accounted for 30% of the Group’s revenue in 2024 (2023: 14%).

The Group continued to put resources in the Group’s research and development by spending around HK\$680 million in 2024 (2023: HK\$658 million).

## **Recognitions**

During the Year, the Group received numerous recognitions from customers and industrial associates, major recognitions were shown as follows: Truly Opto-Electronics Limited\* (信利光電股份有限公司), a PRC subsidiary, was named to the list of “Top Guangdong 500 Manufacturing Companies” by Guangdong Manufacturers Association, ranking 65th in 2024. Truly Semiconductors Limited\* (信利半導體有限公司), a PRC subsidiary, was named to the list of “Top Guangdong 500 Manufacturing Companies” by Guangdong Manufacturers Association, ranking 118th in 2024. Truly (Huizhou) Smart Display Limited\* (信利(惠州)智能顯示有限公司) was named to the list of “Top Guangdong 500 Manufacturing Companies” by Guangdong Manufacturers Association, ranking 304th in 2024.

## **Outlook**

Looking ahead to 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.

## **Proposed Spin-off Update**

Having adjusted the business development strategies of the Group, the management has decided that the Proposed Spin-off will not proceed at this stage. For details of it, please refer to the announcement of the Company dated 3 January 2025.

## **FINANCIAL REVIEW**

### **Revenue**

The Group's revenue for the Year was approximately HK\$17,840 million, representing an increase of approximately 14.4% or approximately HK\$2,252 million year-on-year. The revenue growth in the Year was mainly attributable to the recovery of smartphone related products' revenues from our major PRC smartphone customers.

### **Other Income**

The Group's other income for the Year was approximately HK\$223 million, representing an increase of approximately 103.8% or approximately HK\$114 million when compared with 2023. The increase in other income was mainly because the government subsidies of approximately HK\$152 million received in the Year compared with HK\$52 million in 2023.

### **Other Gains and Losses**

The Group's other gains and losses for the Year were approximately HK\$87 million net other losses (2023: approximately HK\$18 million). The increase in net other losses in the Year was mainly due to the increase of net loss on disposal of obsolete machineries to approximately HK\$102 million during the Year from approximately HK\$75 million in 2023 and the decrease of net foreign exchange gain to approximately HK\$2 million during the Year from approximately HK\$56 million in 2023.

### **Reversal of Expected Credit Loss Model, Net**

The Group's reversal of impairment losses under expected credit loss model, net was approximately HK\$11 million (2023: approximately HK\$2 million). The decrease in impairment losses was mainly due to the recovery of certain credit-impaired financial assets.

### **Distribution and Selling Expenses**

The Group's distribution and selling expenses for the Year has been decreased by approximately 0.3% or approximately HK\$1 million to approximately HK\$320 million when compared to 2023. The slight decrease in distribution and selling expenses in the Year was mainly due to the tight control over costs and expenses during the Year.

### **Administrative Expenses**

The Group's administrative expenses for the Year increased by approximately 2.7% or approximately HK\$12 million to approximately HK\$461 million when compared to 2023. The increase in administrative expenses was mainly due to the increase of salaries & allowances.

## **Finance costs**

The Group's finance costs for the Year decreased by approximately 2.4% or approximately HK\$9 million to approximately HK\$380 million when compared to 2023. The decrease in finance costs was mainly attributable to the decrease in interest expenses for lease liabilities in 2024.

## **Share of result of an associate**

Share of result of an associate by the Group decreased by approximately HK\$84 million when compared to 2023. The decrease in share of result of an associate was mainly because the financial results for the Year of the associate, Truly (Renshou) High-end Display Technology Limited\* (信利(仁壽)高端顯示科技有限公司), declined due to significant reduction of government grant received during the Year when compared to 2023.

## **Income Tax Expenses**

Pursuant to the relevant law and regulations in the PRC, three of the Company's PRC subsidiaries were approved as Hi-Tech Enterprise and entitled to 15% PRC enterprise income tax for three years starting from 2023 or 2024. One of the Company's PRC subsidiaries was eligible to enjoy the Western Region Preferential Income Tax Policies and entitled to 15% PRC enterprise income tax till 31 December 2030. Accordingly, PRC Enterprise Income Tax is provided at 15% for the year ended 31 December 2024 for these four major PRC subsidiaries.

## **Profit for the Year Attributable to Owners of the Company**

Profit for the Year attributable to owners of the Company increased to approximately HK\$302 million by approximately 14.9% or approximately HK\$39 million when compared to 2023. It was mainly due to the increase of revenue for the Year by approximately HK\$2,252 million and the increase of other income for the Year by approximately HK\$114 million.

## **Significant Investments, Acquisitions and Disposals, Assets and Liabilities**

*Investment and acquisition of further equity interest 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 TFTLCD 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 Year 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 is 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 were fully settled during the Year. 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.

On 13 September 2024, the Company and other parties entered into a termination agreement to terminate the AMOLED JV Agreement. The Company and other parties were released from all their rights and obligations and commitments in the AMOLED JV Agreement. No termination fee or other compensation was paid or payable by any party in respect of the termination of the AMOLED JV Agreement. For details, please refer to the Company's related announcement dated 25 September 2024.

#### **Liquidity and Financial Resources**

The Group's assets increased by approximately HK\$244 million and liabilities increased by approximately HK\$712 million during the Year.

As at 31 December 2024, the outstanding lease liabilities, bank and other borrowings, net of restricted bank deposits, cash and bank balances, were approximately HK\$5,164 million (2023: approximately HK\$5,296 million). It decreased by approximately 2.49% or HK\$132 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 31 December 2024, the Group had net current liabilities of approximately HK\$5,667 million (as at 31 December 2023, net current liabilities of approximately HK\$4,133 million) and its current ratio decreased to 0.62 times as at 31 December 2024 from 0.68 times as at 31 December 2023. The major reason for the increase in net current liabilities position as at 31 December 2024 was because the Group has increased the current portion of bank borrowings during the Year. The management would continue to improve the Group's net current liabilities position.

As at 31 December 2024, the Group had restricted bank deposits, cash and cash equivalents approximately HK\$1,537 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 56%, which has increased from 55% at 31 December 2023.

### **Pledge of Assets**

As at 31 December 2024, the Group had no assets pledged.

### **Employee and Remuneration**

Around 14,800 workers and staff are currently employed in factories of the Company in the PRC and around 40 personnel in the Group's Hong Kong office. Total staff costs for 2024 were approximately HK\$1,741 million. The employees are remunerated with basic salary, bonus and other benefits in kind with reference to industry practice and their individual performance.

### **Capital Commitments**

Capital expenditure commitment of around HK\$293 million in respect of acquisition of property, plant and equipment was contracted for but not provided as at 31 December 2024.

### **Contingent Liabilities**

We had no material contingent liabilities as at 31 December 2024.

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



## **SUBSEQUENT EVENT**

On 25 March 2025, the Group has entered a refinancing agreement of syndicated term loan facilities in Hong Kong amounting to HK\$1,035,000,000 and the final maturity date is in March 2028.

## **OTHER INFORMATION**

### **Review of Consolidated Financial Statements**

The Audit Committee of the Company has reviewed the annual results of the Group for the year ended 31 December 2024.

### **Scope of work of Messrs. Deloitte Touche Tohmatsu**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 26 March 2025. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

### **Dividends**

The directors recommend the payment of a final dividend of 5 HK cents (2023: 5 HK cents) per share for the year ended 31 December 2024, to shareholders whose names appear on the Register of Members on 20 May 2025, Tuesday. It is expected that the final dividend payments will be made to shareholders on 30 May 2025, Friday, subject to the Company's shareholders' approval at the Annual General Meeting of the Company on 12 May 2025.

The interim dividends in aggregate of 5 HK cents per share (2023: 5 HK cents) were paid in 2024 to shareholders on the register of member of the Company at the close of business on 4 November 2024 based on 3,161,105,398 ordinary shares in issue.

The total dividend payout ratio for the year was about 105%.

## **Closure of Register of Members**

For determining the entitlement to attend and vote at the 2025 Annual General Meeting (“AGM”), the Register of Members will be closed from 7 May 2025, Wednesday to 12 May 2025, Monday, during the period no transfer of shares can be registered. In order to be eligible to attend and vote at the AGM, all transfers accompanied by relevant share certificates must be lodged with the Company’s Branch Share Registrar, Tricor 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 6 May 2025, Tuesday.

For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed on 20 May 2025, Tuesday during which day no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company’s Branch Share Registrar in Hong Kong, Tricor Investor Services Limited at the above address for registration not later than 4:30 p.m. on Monday, 19 May 2025.

## **Annual General Meeting**

The 2025 Annual General Meeting of the Company will be held on 12 May 2025, Monday at 10:00 a.m.. A notice convening the meeting will be issued in due course.

## **Purchase, Sale or Redemption of Security**

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company’s listed securities (including sale of treasury shares) during the year ended 31 December 2024. As at 31 December 2024, the Company did not hold any treasury shares.

## **Model Code**

None of the Directors of the Company is aware of information that would reasonably indicate that the Company was not in the year under review in compliance with the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules on the Stock Exchange.

## **Audit Committee**

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

The Group has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive directors are independent.

The Audit Committee had, together with the management of the Company, discussed with the Group's auditor and reviewed the accounting standards and practices adopted by the Group and the annual results of the Group for the year ended 31 December 2024. The Audit Committee considered that the annual results of the Group for the year ended 31 December 2024 are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

## **Remuneration Committee and Nomination Committee**

The Company has a Remuneration Committee and a Nomination Committee respectively which were established in accordance with the relevant requirements of the Corporate Governance Code. The two Committees are chaired by Mr. Chung Kam Kwong, an independent non-executive director and comprise three other members, namely Mr. Heung Kai Sing and Mr. Cheung Wai Yin Wilson, being independent non-executive directors and Mr. Wong Pong Chun, James, an executive director of the Company.

## Corporate Governance

The Board considers that good corporate governance of the Company is essential to safeguarding the interests of the shareholders and enhancing the performance of the Group. The Board is committed to maintain and ensure high standards of corporate governance. We have complied with all the applicable code provisions set out in the Corporate Governance Code contained in Appendix C1 of the Listing Rules throughout the year ended 31 December 2024, except for the 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. 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.

The Board will continuously review and improve the corporate governance practices and standards of the Company to ensure that business activities and decision-making processes are regulated in a proper and prudent manner.

## **Annual Report**

The 2024 Annual Report containing all the information required by the Listing Rules will be published on the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.truly.com.hk](http://www.truly.com.hk) in due course.

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

Hong Kong, 26 March 2025

*As at the date of this announcements, 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 Cheng Yun 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.*

\* *For identification purpose only*