

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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 2021 ANNUAL RESULTS

FINANCIAL HIGHLIGHTS

	For the year ended 31 December		
	2021	2020	Change
	HK\$'000	HK\$'000	
Revenue	22,543,455	22,171,710	1.7%
Gross profit	2,612,976	2,048,801	27.5%
Profit for the year attributable to owners of the Company	1,377,998	502,287	174.3%
EBITDA	3,340,140	2,481,149	34.6%
EPS (<i>HK cents</i>)			
— Basic	41.89	15.27	174.3%
DPS (<i>HK cents</i>)			
— Interim	5	—	N/A
— Final	5	—	N/A
— Full Year	10	—	N/A

The final dividend of 5 HK cents per share (2020: Nil) 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 2021

		2021	2020
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	3	22,543,455	22,171,710
Cost of sales		(19,930,479)	(20,122,909)
Gross profit		2,612,976	2,048,801
Other income	5	187,540	154,825
Other gains and losses	6	(233,690)	31,010
Impairment losses under expected credit loss model, net of reversal		(49,439)	(314,868)
Distribution and selling expenses		(437,316)	(423,895)
Impairment loss on goodwill		(82,135)	–
Remeasurement gain on previously held interests in an associate		323,248	–
Administrative expenses		(486,140)	(377,176)
Finance costs	7	(341,255)	(380,025)
Share of results of associates		102,061	20
Profit before tax		1,595,850	738,692
Income tax expense	8	(165,196)	(139,919)
Profit for the year	9	1,430,654	598,773
Other comprehensive income for the year			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		368,011	871,169
Share of other comprehensive income of associates		937	4,441
Other comprehensive income for the year		368,948	875,610
Total comprehensive income for the year		1,799,602	1,474,383

	<i>Notes</i>	2021 HK\$'000	2020 <i>HK\$'000</i>
Profit for the year attributable to:			
Owners of the Company		1,377,998	502,287
Non-controlling interests		52,656	96,486
		<u>1,430,654</u>	<u>598,773</u>
Total comprehensive income for the year attributable to:			
Owners of the Company		1,737,751	1,315,806
Non-controlling interests		61,851	158,577
		<u>1,799,602</u>	<u>1,474,383</u>
Earnings per share	<i>11</i>		
Basic (HK cents per share)		<u>41.89</u>	<u>15.27</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2021

		2021	2020
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		16,217,398	12,255,374
Right-of-use assets		1,063,958	860,292
Intangible assets		–	–
Goodwill		587,837	413
Interests in associates		614,152	1,249,049
Financial assets at fair value through profit or loss		4,533	7,347
Deferred tax assets		56,543	56,519
Deposits paid for acquisition of property, plant and equipment		28,327	89,457
Rental deposits	12	80,711	72,987
Amount due from an associate		–	798,640
		18,653,459	15,390,078
CURRENT ASSETS			
Inventories		4,231,207	3,444,401
Trade and other receivables	12	4,634,259	3,496,771
Trade and bills receivables at fair value through other comprehensive income	13	534,847	1,211,709
Amounts due from associates		–	1,590,736
Tax recoverable		26,657	8,636
Restricted bank deposits		444,847	360,143
Bank balances and cash		1,208,068	1,034,982
		11,079,885	11,147,378

	<i>Notes</i>	2021 HK\$'000	2020 <i>HK\$'000</i>
CURRENT LIABILITIES			
Trade and other payables	14	9,607,792	8,516,864
Contract liabilities		614,975	333,542
Tax payable		137,469	79,641
Bank and other borrowings		5,461,419	4,613,225
Bonds payable		371,996	44,764
Amounts due to associates		679,515	734,385
Lease liabilities		143,652	126,128
Derivative financial instruments		584	1,949
		17,017,402	14,450,498
NET CURRENT LIABILITIES		(5,937,517)	(3,303,120)
TOTAL ASSETS LESS CURRENT LIABILITIES		12,715,942	12,086,958
NON-CURRENT LIABILITIES			
Bank and other borrowings		655,087	898,824
Other payables		95,380	–
Bonds payable		–	355,832
Lease liabilities		156,509	265,624
Deferred tax liabilities		149,457	91,292
		1,056,433	1,611,572
NET ASSETS		11,659,509	10,475,386
CAPITAL AND RESERVES			
Share capital		65,785	65,785
Share premium and other reserves		11,216,598	9,306,100
Equity attributable to owners of the Company		11,282,383	9,371,885
Non-controlling interests		377,126	1,103,501
TOTAL EQUITY		11,659,509	10,475,386

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

1. GENERAL

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

The functional currency of the Company is United States dollars (“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 Group has 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 annual period beginning on or after 1 January 2021 for the preparation of the consolidated financial statements:

Amendment to HKFRS 16	Covid-19-Related Rent Concessions
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2

In addition, the Group applied the agenda decision of the IFRS Interpretations Committee (the “Committee”) of the International Accounting Standards Board issued in June 2021 which clarified the costs an entity should include as “estimated costs necessary to make the sale” when determining the net realisable value of inventories.

The application of the 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.

3. REVENUE

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

	2021 HK\$'000	2020 HK\$'000
Sales of LCD products	17,181,573	14,247,960
Sales of electronic consumer products	5,361,882	7,923,750
	<u>22,543,455</u>	<u>22,171,710</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 2021

	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	17,181,573	5,361,882	22,543,455	–	22,543,455
Inter-segment sales	–	348,079	348,079	(348,079)	–
	<u>17,181,573</u>	<u>5,709,961</u>	<u>22,891,534</u>	<u>(348,079)</u>	<u>22,543,455</u>
RESULT					
Segment result	1,478,947	153,497	1,632,444	(10,221)	1,622,223
Finance costs					(341,255)
Impairment loss on goodwill					(82,135)
Remeasurement gain on previously held interest in an associate					323,248
Share of results of associates					102,061
Unallocated expenses					(24,588)
Unallocated other gains and losses					(3,704)
Profit before tax					<u>1,595,850</u>

For the year ended 31 December 2020

	LCD products HK\$'000	Electronic consumer products HK\$'000	Segment total HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
REVENUE					
External sales	14,247,960	7,923,750	22,171,710	–	22,171,710
Inter-segment sales	–	279,038	279,038	(279,038)	–
	<u>14,247,960</u>	<u>8,202,788</u>	<u>22,450,748</u>	<u>(279,038)</u>	<u>22,171,710</u>
RESULT					
Segment result	959,567	498,878	1,458,445	(13,059)	1,445,386
Finance costs					(380,025)
Impairment loss under expected credit loss model on other receivable					(281,901)
Share of results of associates					20
Unallocated expenses					(17,577)
Unallocated other gains and losses					<u>(27,211)</u>
Profit before tax					<u>738,692</u>

Segment profit represents the profit earned by each segment without allocation of central administration costs including directors' salaries, finance costs, share of results of associates, loss on fair value changes of derivative financial instruments, impairment loss under expected credit loss model on other receivable and gain (loss) from changes in fair value of financial assets at fair value through profit or loss and gain on previously held interest in an associate. 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 2021

	LCD products HK\$'000	Electronic consumer products HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Amounts included in the measure of segment results:				
Reversal of allowance for inventories, net (included in cost of sales)	(3,752)	–	–	(3,752)
Depreciation (including amounts capitalised in inventories)	1,278,275	56,093	–	1,334,368
Depreciation of right-of-use assets	65,323	3,344	–	68,667
Loss on disposal/write-off of property, plant and equipment	255,408	114	–	255,522
Impairment losses under expected credit loss model, net of reversal	<u>49,038</u>	<u>401</u>	<u>–</u>	<u>49,439</u>

For the year ended 31 December 2020

	LCD products HK\$'000	Electronic consumer products HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Amounts included in the measure of segment results:				
Allowance for inventories, net (included in cost of sales)	48,780	222	–	49,002
Depreciation (including amounts capitalised in inventories)	1,262,882	53,649	–	1,316,531
Depreciation of right-of-use assets	42,956	2,945	–	45,901
Loss on disposal/write-off of property, plant and equipment	1,810	3,790	–	5,600
Impairment losses under expected credit loss model, net of reversal	<u>30,117</u>	<u>2,850</u>	<u>281,901</u>	<u>314,868</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	
	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000
The PRC	16,382,896	17,748,804	18,538,196	14,438,927
South Korea	2,227,212	922,826	–	–
Hong Kong (place of domicile)	768,987	542,544	44,711	15,658
Japan	416,560	370,252	–	–
Europe	996,602	936,784	–	–
Others	1,751,198	1,650,500	–	–
	<u>22,543,455</u>	<u>22,171,710</u>	<u>18,582,907</u>	<u>14,454,585</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, rental deposits and amount due from an associate.

Information about major customers

No individual customer contributed over 10% of the total revenue of the Group in both years of 2020 and 2021.

5. OTHER INCOME

	2021 HK\$'000	2020 HK\$'000
Other income includes:		
Government grants	113,427	73,131
Compensation income	2,257	17,850
Interest income	14,074	11,028
Interest income from an associate	33,620	31,448
Rental income with fixed monthly rental	13,581	16,837
Other services fees	3,542	–
Sundry income	7,039	4,531
	<u>187,540</u>	<u>154,825</u>

6. OTHER GAINS AND LOSSES

	2021 HK\$'000	2020 HK\$'000
Loss on disposal/write-off of property, plant and equipment	(255,522)	(5,600)
(Loss) gain from changes in fair value of financial assets at fair value through profit or loss	(2,814)	1,798
Loss on fair value change of derivative financial instruments, net	(890)	(29,009)
Net foreign exchange gain	25,536	56,999
Gain on disposal of an associate	–	6,822
	<u>(233,690)</u>	<u>31,010</u>

7. FINANCE COSTS

	2021 HK\$'000	2020 HK\$'000
Interest on bank and other borrowings	319,492	358,170
Interest on bonds payable	21,408	21,000
Interest on lease liabilities	355	855
	<u>341,255</u>	<u>380,025</u>

8. INCOME TAX EXPENSE

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Current tax:		
PRC Enterprise Income Tax	110,058	95,946
Other jurisdictions	1,141	1,235
	<u>111,199</u>	<u>97,181</u>
Withholding tax	3,164	6,939
	<u>114,363</u>	<u>104,120</u>
Over-provision in prior years:		
The PRC	(7,308)	(4,260)
Deferred tax	58,141	40,059
Income tax expense for the year	<u>165,196</u>	<u>139,919</u>

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 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% to 10%.

9. PROFIT FOR THE YEAR

	2021 HK\$'000	2020 HK\$'000
Profit for the year has been arrived at after charging:		
Auditor's remuneration	3,780	3,400
Cost of inventories recognised as expenses	18,979,146	19,197,940
(Reversal of) allowance for inventories, net (included in cost of sales)	(3,752)	49,002
Research expenses (included in cost of sales)	811,343	875,967
Depreciation of property, plant and equipment (including amounts capitalised in inventories)	1,334,368	1,316,531
Depreciation of right-of-use assets	68,667	45,901
Staff costs, inclusive of directors' remuneration:		
Salaries and other benefits	1,798,869	1,547,737
Contributions to retirement benefit scheme	174,645	108,961
	<u>1,973,514</u>	<u>1,656,698</u>
Impairment losses under ECL model, net		
Trade receivables	49,439	32,967
Other receivables	–	281,901
	<u>49,439</u>	<u>314,868</u>

10. DIVIDENDS

	2021 HK\$'000	2020 HK\$'000
Dividend paid:		
2021 Interim – HK5 cents (2020: nil) per ordinary share	<u>164,461</u>	<u>–</u>
Dividend proposed:		
Final dividend proposed for the year – HK5 cents (2020: nil) per ordinary share	<u>164,461</u>	<u>–</u>

11. EARNINGS PER SHARE

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

Earnings

	2021 HK\$'000	2020 HK\$'000
Earnings for the purposes of basic earnings per share		
Profit for the year attributable to owners of the Company	<u>1,377,998</u>	<u>502,287</u>

Number of shares

	2021 '000	2020 '000
Weighted average number of ordinary shares for the purposes of basic earnings per share	<u>3,289,229</u>	<u>3,289,229</u>

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

12. TRADE AND OTHER RECEIVABLES

	2021 HK\$'000	2020 HK\$'000
Trade and bills receivables	4,782,694	3,989,094
Less: Allowance for credit losses	<u>(678,907)</u>	<u>(646,203)</u>
	<u>4,103,787</u>	3,342,891
Other receivables, deposits and prepayments	611,183	512,947
Less: Allowance for credit losses	<u>–</u>	<u>(286,080)</u>
	<u>611,183</u>	226,867
Total trade and other receivables	4,714,970	3,569,758
Less: Rental deposits shown under non-current assets	<u>(80,711)</u>	<u>(72,987)</u>
	<u>4,634,259</u>	<u>3,496,771</u>

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

	2021			2020		
	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	3,052,566	–	3,052,566	2,251,913	–	2,251,913
61 to 90 days	642,372	–	642,372	608,869	113	608,982
More than 90 days	<u>408,849</u>	–	<u>408,849</u>	481,996	–	481,996
	<u>4,103,787</u>	–	<u>4,103,787</u>	<u>3,342,778</u>	<u>113</u>	<u>3,342,891</u>

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

	2021 HK\$'000	2020 <i>HK\$'000</i>
Trade receivables	294,458	854,563
Bills receivables	240,389	357,146
	<u>534,847</u>	<u>1,211,709</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:

	2021			2020		
	Trade receivables <i>HK\$'000</i>	Bills receivables <i>HK\$'000</i>	Total <i>HK\$'000</i>	Trade receivables <i>HK\$'000</i>	Bills receivables <i>HK\$'000</i>	Total <i>HK\$'000</i>
Within 60 days	290,429	111,980	402,409	851,796	342,544	1,194,340
61–90 days	3,972	91,658	95,630	2,767	2,467	5,234
More than 90 days	57	36,751	36,808	–	12,135	12,135
	<u>294,458</u>	<u>240,389</u>	<u>534,847</u>	<u>854,563</u>	<u>357,146</u>	<u>1,211,709</u>

14. TRADE AND OTHER PAYABLES

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

	2021			2020		
	Trade payables <i>HK\$'000</i>	Bills payables <i>HK\$'000</i>	Total <i>HK\$'000</i>	Trade payables <i>HK\$'000</i>	Bills payables <i>HK\$'000</i>	Total <i>HK\$'000</i>
Within 60 days	4,404,430	814,622	5,219,052	4,414,421	831,959	5,246,380
61 to 90 days	444,891	266,833	711,724	411,355	332,193	743,548
More than 90 days	768,547	1,246,702	2,015,249	906,290	468,632	1,374,922
	<u>5,617,868</u>	<u>2,328,157</u>	<u>7,946,025</u>	<u>5,732,066</u>	<u>1,632,784</u>	<u>7,364,850</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” and, together with its subsidiaries, the “Group”) was able to meet the management’s expectations about its performance in 2021 despite of the ongoing impact of the COVID-19 outbreak on the global economy and supply chain in 2021.

Due to the outbreak of the COVID-19 in China in January 2020, I returned to the Group’s headquarters in Shanwei on 27 January 2020 and have remained there till now. During the period, the Group activated the highest level of emergency response plan, and strictly implemented various preventive and control measures to effectively protect the health of our staff and ensure safe production. By taking advantage of the high degree of automation of our machinery, the Group ensured normal production and operation to meet the demand of our customers.

The Group’s revenue of HK\$22.54 billion in 2021 was approximately 1.7% higher than that in 2020. The Group’s gross profit margin increased to 11.6%, representing an increase of approximately 2.4% when compared to 2020 as a result of our business strategy of continuing to strengthen the higher margin non-smartphone related products business. Profit for the year attributable to owners of the Company increased by approximately 174.3% to HK\$1,378 million in 2021 when compared to 2020.

In 2021, the Group further acquired the equity interests in Truly Opto-Electronics Limited* (信利光電股份有限公司) (“Truly Opto”), an indirect non wholly-owned subsidiary of the Company, resulting in an increase in its equity interests from 78.8% to 98.9%. Truly Opto is the Group’s major assets and manufacturing plant which is primarily engaged in the business of manufacturing of touch panel products, compact camera modules and fingerprint identification modules and has been contributing a reliable income source and support to the Group.

During the year, the Group also entered into an agreement to acquire equity interests in Truly (Huizhou) Smart Display Limited* (信利(惠州)智能顯示有限公司) (“Truly Huizhou”), increasing the equity interests held by it from 59.7% to 76.5%. Truly Huizhou was accounted for in the consolidated financial statements of the Company for 2021 as an indirect non wholly-owned subsidiary of the Company. The operation and financial performance of the 4.5 Generation AMOLED Production Line Project continue to improve and the Group is optimistic about its future prospects.

Truly (Renshou) High-end Display Technology Limited* (信利(仁壽)高端顯示科技有限公司), an associate of the Group located in Sichuan, is a fifth generation TFT-LCD production plant, which has entered into mass production period in 2021 and is operating smoothly, further enhancing the production capacity of the Group for TFT-LCD panel manufacturing.

In the future, we will continue to invest in human resources and technology research and development for various businesses, and maintain in-depth interaction with customers to enhance the competitiveness of our products, which will be conducive to the sustainable growth of our relevant product and business. The management remains confident of achieving performance improvement in 2022.

The management would like to express its appreciation to the Group's bankers, staff and workers 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, 25 March 2022

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is one of the largest manufacturers of smartphone component parts in the 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 2021 recorded a slight increase by 1.7% and reached a record high to approximately HK\$22.54 billion (2020: HK\$22.17 billion), which was mainly attributable to the growth by 16% in non-smartphone related products business particular for vehicle-mounted, industrial, medical and Internet of Things related products that compensate the decline by 9% in smartphone related products when compared to 2020.

Profit for the year attributable to the owners of the Company was increased to approximately HK\$1,378 million (2020: approximately HK\$502 million) by approximately 174.3%. Basic earnings per share for the year increased to 41.89 HK cents from 15.27 HK cents in 2020. It was mainly because (i) the improvement of gross profit margin from 9.2% in 2020 to 11.6% in 2021; (ii) the net gain of approximately HK\$241 million from the merge and acquisition of the major associate, Truly Huizhou; (iii) the reduction of an one-off provision of approximately HK\$282 million (RMB240 million) that was recorded in 2020 for the Leshi Zhixin's receivables; and (iv) share of profit from the major associate of the Group, Truly Huizhou, has significantly improved to approximately HK\$100 million in 2021 from share of loss of approximately HK\$2 million in 2020.

The gross profit margin for the year increased to approximately 11.6% (2020: 9.2%) and net profit margin for the year attributable to owners of the Company increased to 6.1% (2020: 2.3%). Increase in gross profit margin was mainly due to the increase of sales of certain higher margin non-smartphone related products.

The Group's LCD business including touch products was about 76% of the Group revenue in 2021 (2020: 64%). Other businesses of the Group including the sales of compact camera modules, fingerprint identification products and printed circuit board were 24% of the Group's revenue in 2021 (2020: 36%). LCD business would continue to be the core business of the Group in coming few years.

The Group continues to put resources in the Group's research and development by spending around HK\$811 million in 2021 (2020: HK\$876 million).

Recognitions

During the year, the Group received numerous recognitions from customers and industrial associates, major recognitions were shown as follows: Truly Opto, a PRC subsidiary, was named to the list of “Top Guangdong 500 Manufacturing Companies” by Guangdong Manufacturers Association, ranking 41st in 2021. 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 107th in 2021. Truly Huizhou was named to the list of “Top Guangdong 500 Manufacturing Companies” by Guangdong Manufacturers Association, ranking 216th in 2021.

Outlook

Looking ahead to 2022, the global market is expected to reopen to support a gradual recovery in consumption. With the gradual resumption of industrial activities and the improvement in global supply chain conditions, the management will continue to keep abreast of market developments and supply chain changes, technological upgrades in the industry and maintain close communication with customers to provide high quality and appropriate products and solutions to achieve business growth, moreover, continue to tighten its control over costs and expenses. The management is confident that the Group’s revenue and profit attributable to the owners of the Company will grow in 2022.

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 13 July 2021.

FINANCIAL REVIEW

Revenue

The Group's revenue for the year ended 31 December 2021 (the "Year") was approximately HK\$22,543 million, representing an increase of approximately 1.7% or approximately HK\$372 million year-on-year. The revenue growth in the Year was mainly attributable to the growth of 16% in non-smartphone related products business particular for vehicle-mounted, industrial, medical and Internet of Things related products when compared to 2020.

Gross Profit and Margin

The Group's gross profit for the Year was approximately HK\$2,613 million and the gross profit margin was approximately 11.6%, which were approximately 27.5% and 2.4% higher than that for 2020 respectively. Increase in gross profit and gross profit margin was mainly due to increase of sales of certain higher margin vehicle-mounted, industrial, medical and Internet of Things related products.

Other Income

The Group's other income for the Year was approximately HK\$188 million, representing an increase of approximately 21.1% or approximately HK\$33 million when compared with 2020. The increase in other income was mainly because the government subsidies of approximately HK\$113 million received in the Year but only approximately HK\$73 million in 2020.

Other Gains and Losses

The Group's other gains and losses for the Year was approximately HK\$234 million net other losses (2020: approximately HK\$31 million net other gains). The increase in net other losses in the Year was mainly because the Group has disposed of obsolete machineries and recorded a net loss on disposal of approximately HK\$256 million during the Year (2020: approximately HK\$6 million net loss on disposal).

Impairment Losses under Expected Credit Loss Model, Net of Reversal

The Group's impairment losses under expected credit loss model, net of reversal was approximately HK\$49 million (2020: approximately HK\$315 million). The decrease in impairment losses was mainly due to the reduction of an one-off provision of approximately HK\$282 million (RMB240 million) that was recorded in 2020 for the Leshi Zhixin's receivables.

Distribution and Selling Expenses

The Group's distribution and selling expenses for the Year has been slightly increased by approximately 3.2% or approximately HK\$13 million to approximately HK\$437 million when compared to 2020. The increase in distribution and selling expenses in the Year was mainly due to the increase of freight rates during the Year.

Administrative Expenses

The Group's administrative expenses for the Year has been significantly increased by approximately 28.9% or approximately HK\$109 million to approximately HK\$486 million when compared to 2020. The increase in administrative expenses was mainly attributable to the increase of PRC real estate tax, educational surcharge and city construction and maintenance tax and salaries and allowances in 2021.

Remeasurement gain on previously held interests in an associate and Impairment loss on goodwill

On 29 November 2021, the Group entered into the Agreement to acquire approximately 16.77% interest in Truly Huizhou at a cash consideration of RMB450 million (equivalent to approximately HK\$550,350,000). For details of it, please refer to the announcement of the Company dated 29 November 2021.

The acquisition has been accounted for as acquisition of business using the acquisition method and remeasurement gain of approximately HK\$323 million and goodwill of approximately HK\$670 million were recorded from the merge and acquisition. The goodwill arising on acquisition and the fair value of the net assets acquired is higher than the recoverable amount of Truly Huizhou, resulting in the impairment loss of goodwill amounting to approximately HK\$82 million recognised in the Year.

Finance costs

The Group's finance costs for the Year has been decreased by approximately 10.2% or approximately HK\$39 million to approximately HK\$341 million when compared to 2020. The decrease in finance costs was mainly attributable to the gradual decrease in bank and other borrowings throughout 2021 (excluding the bank and other borrowings of approximately HK\$975 million recognised on business combination of Truly Huizhou).

Share of results of associates

Share of results of associates by the Group has been significantly increased by approximately HK\$102 million when compared to 2020. The improvement in share of results of associates was mainly because the financial results for the Year of the major associate of the Group before the acquisition, Truly Huizhou, has been significantly improved when compared to 2020. Share of profit from Truly Huizhou in the Year has been significantly improved to approximately HK\$100 million from share of loss of approximately HK\$2 million in 2020.

Income Tax Expenses

Pursuant to the relevant law and regulations in the PRC, two of the Company's PRC major subsidiaries were continuously approved as Hi-Tech Enterprise and entitled to 15% PRC enterprise income tax for three years from 2021 to 2023. Accordingly, PRC Enterprise Income Tax is provided at 15% for the year ended 31 December 2021 for these two major PRC subsidiaries.

Profit for the Year Attributable to Owners of the Company

Profit for the Year attributable to owners of the Company was significantly increased to approximately HK\$1,378 million by approximately of 174.3% or HK\$876 million when compared to 2020. It was mainly because (i) the improvement of gross profit margin from 9.2% in 2020 to 11.6% in 2021; (ii) the net gain of approximately HK\$241 million from the merge and acquisition of the major associate, Truly Huizhou; (iii) the reduction of an one-off provision of approximately HK\$282 million (RMB240 million) that was recorded in 2020 for the Leshi Zhixin's receivables; and (iv) share of profit from the major associate of the Group, Truly Huizhou, has significantly improved to approximately HK\$100 million in 2021 from share of loss of approximately HK\$2 million in 2020.

Significant Investments, Acquisitions, Assets and Liabilities

Update on investment in a major associate — Truly Huizhou

On 29 November 2021, the Group entered into the Agreement to acquire approximately 16.77% interest in Truly Huizhou at a cash consideration of RMB450 million (equivalent to approximately HK\$550,350,000). Upon completion of the acquisition, Truly Huizhou become an indirect non wholly-owned subsidiary of the Company and owned as to approximately 76.5% by an indirect wholly-owned subsidiary of the Company and as to approximately 23.5% by an independent third party of the Company.

The financial results of Truly Huizhou has been significantly improved and share of profit from Truly Huizhou in the Year has been increased to approximately HK\$100 million from share of loss of approximately HK\$2 million in 2020. It is mainly because the management's appropriate change of production strategy and sales strategy to focus on AMOLED wearable products application.

Update on the 5th generation TFT-LCD Production Plant in Shanwei

The Group's fifth generation TFT-LCD production plant in Shanwei has been entered into mass production period in the first quarter of 2020 and delivered finished goods to the Group's major customers in 2020. The mass production of this TFT-LCD production plant has contributed to the Group by reducing the cost of producing TFT-LCD screens used in LCD modules and touch modules.

Litigation update in relation to Investment in Leshi Zhixin

In February 2017, Truly Electronics Manufacturing Limited (信利電子有限公司) ("Truly Electronics"), an indirectly wholly-owned subsidiary of the Company, entered into an investment agreement, pursuant to which Truly Electronics conditionally agreed to acquire in an aggregate of 2.3438% equity interest in Leshi Zhixin Electronic Technology (Tianjin) Limited* (樂視致新電子科技(天津)有限公司) ("Leshi Zhixin") at a consideration of RMB720,000,000. The first instalment of the consideration in the amount of RMB240 million was paid in March 2017. Subsequently, as the Company's management considered that a condition of the relevant investment agreement has been breached by Leshi Zhixin and/or Leshi Holding (Beijing) Co., Limited* (樂視控股(北京)有限公司) ("Leshi Holding"), Truly Electronics suspended the payment of the remaining instalments of the consideration in the amount of RMB480 million and terminated the said investment agreement in July 2017. In August 2017, Truly Electronics (as plaintiff) filed a civil complaint against Leshi Zhixin and Leshi Holding (as defendants) to seek rectification of the breach by Leshi Zhixin and Leshi Holding and refund of the first instalment of RMB240 million paid by Truly Electronics. For further details, please refer to the Company's announcements dated 29 August 2017, 23 March 2018, and the 2018 Annual Report of the Company.

The Group has been informed by the Group's PRC lawyer that a decision letter issued by the court of first instance has been received in early November 2019, which the court of first instance decided to turn down the Group's civil complaint in relation to the dispute on the investment agreement. Subsequently, the Group has lodged an objection to the high court in Beijing on 15 November 2019. The Beijing High court started the trial of second instance on 20 October 2020.

On 19 November 2021, Truly Electronics entered into the mediation agreement with Leshi Zhixin and Leshi Holding pursuant to which the parties agreed, amongst other things, that: (i) The parties shall, on the effective date of the mediation agreement, agree and confirm that the investment agreement was released on 3 July 2017 (being the date when Leshi Zhixin received the termination notice from Truly Electronics); (ii) Upon release of the investment agreement, Truly Electronics undertakes not to claim against Leshi Zhixin for refund of the investment amount of RMB240 million; and (iii) Leshi Zhixin undertakes not to have any claim against Truly Electronics in relation to the remaining investment amount of RMB480 million under the investment agreement. For details of it, please refer to the announcement of the Company dated 19 November 2021.

Update on investment in an associate, 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 has been completed in 2020 and full-scale trial operation commenced in late 2020 and entered mass production in 2021.

The Group owns approximately 7.1% equity interest in Truly Renshou. Truly Renshou is accounted for as an associate of the Group 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.

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.

As additional time is required for preparing and finalizing certain information to be included in the Circular, the dispatch of the Circular has been further delayed to a date on or before 31 May 2022. For detail of it, please refer to the announcement of the Company, Further Delay in Despatch of Circular in Relation to A Major Transaction for the Formation of the AMOLED JV Company, dated 2 March 2022.

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

New Club Loan for Refinancing

On 9 April 2020, Truly Semiconductors Limited (“Truly Semiconductors”), a wholly-owned subsidiary of the Company, entered into a facility agreement with specific performance covenants and the committed amount of HK\$1.52 billion. For detail of it, please refer to the announcement of the Company dated 9 April 2020.

The new club loan with the committed amount of HK\$1.52 billion has been fully withdrawn in June 2020 and the Group has utilized this loan amount plus internal financial resources to fully repay the outstanding syndicated loan balance of HK\$2.25 billion on schedule in June 2020. Pursuant to the new club loan facility agreement, Truly Semiconductors is obliged to repay the loans under the Facility by scheduled instalments and the final repayment date shall be 30 June 2022. In view of the healthy cashflow and internal reserves as well as positive cash position of the Group, Truly Semiconductors has exercised its rights under the Facility Agreement to repay the loans under the Facility in full prior to its maturity on 31 May 2021.

Liquidity and Financial Resources

The Group’s assets have been increased by approximately HK\$3,196 million and liabilities have been increased by approximately HK\$2,012 million during the year.

As at 31 December 2021, the outstanding lease liabilities, bonds payable and bank and other borrowings, net of restricted bank deposits, cash and bank balances, were approximately HK\$5,136 million (2020: approximately HK\$4,909 million). It was increased by approximately 4.6% or HK\$227 million when compared to these net borrowings as at 31 December 2020. These borrowing bear interest at prevailing market rate and their maturity profiles are shown in the financial statements. For non-current portion of these borrowings were matured within 5 years.

As at 31 December 2021, the Group had net current liabilities of approximately HK\$5,938 million (as at 31 December 2020, net current liabilities of approximately HK\$3,303 million) and its current ratio decreased to 0.65 times as at 31 December 2021 from 0.77 times as at 31 December 2020. The major reason for the increase in net current liabilities position as at 31 December 2021 was because the Group acquired equity interest in Truly Huizhou and it was accounted for in the consolidated financial statements of the Company for 2021 as an indirect non wholly-owned subsidiary of the Company.

As at 31 December 2021, the Group has restricted bank deposits, cash and bank balances approximately HK\$1,653 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 46%, which has decreased from 52% at 31 December 2020.

Material Acquisitions and Disposals

(1) Acquisition of interests in a major associate — Truly Huizhou

On 29 November 2021, the Group entered into the Agreement to acquire approximately 16.77% interest in Truly Huizhou at a cash consideration of RMB450 million (equivalent to approximately HK\$550,350,000), in which RMB50 million (equivalent to approximately HK\$61,150,000) has been settled in 2021 and the remaining RMB400 million (equivalent to approximately HK\$489,200,000) will be settled in two installments within 2022. Upon completion of the acquisition, Truly Huizhou become an indirect non wholly-owned subsidiary of the Company and owned as to approximately 76.5% by an indirect wholly-owned subsidiary of the Company and as to approximately 23.5% by an independent third party of the Company. For details of it, please refer to the announcement of the Company dated 29 November 2021.

The acquisition has been accounted for as acquisition of business using the acquisition method and remeasurement gain of approximately HK\$323 million and goodwill of approximately HK\$670 million were recorded from the merge and acquisition. The goodwill arising on acquisition and the fair value of the net assets acquired is higher than the recoverable amount of Truly Huizhou, resulting in the impairment loss of goodwill amounting to approximately HK\$82 million recognised in the Year.

(2) Acquisition of interests in an indirect non-wholly-owned subsidiary, Truly Opto

During the year ended 31 December 2021, the Group acquired 20.1% additional equity interest in Truly Opto from other shareholders at a cash consideration of approximately RMB606,461,000 (equivalent to approximately HK\$752,125,000). The effective interest of the Group in Truly Opto increased from 78.8% to 98.9%.

Charges on Assets

On 9 April 2020, Truly Semiconductors Limited, a direct wholly-owned subsidiary of the Company, as the borrower, entered into a facility agreement relating to a term loan facility in the principal amount up to HK\$2,250,000,000 with, among others, a bank as the agent. Please refer to the announcement of the Company dated 9 April 2020 for further details. As at 31 December 2020, the Group's term loan borrowings of approximately HK\$920,000,000 were secured by pledge of the Group's certain assets including equity interests in certain subsidiaries, namely Truly Semiconductors Limited, Truly Electronics Manufacturing Limited, Hong Kong Truly International Holdings Limited, Truly Industrial (Shanwei) Co., Limited (信利工業(汕尾)有限公司), 信利半導體有限公司, a PRC subsidiary and Truly Opto-Electronics Limited (信利光電股份有限公司). Such bank borrowing was fully repaid by the Group in May 2021 and the charges on assets was released in June 2021.

At 31 December 2021, the Group's borrowings amounting to HK\$771,735,000 were secured by Truly Huizhou buildings with carrying amount HK\$598,356,000

Employee and Remuneration

Around 17,300 workers and staff are currently employed in factories of the Company in the PRC and around 100 personnel in the Group's Hong Kong office. Total staff costs for 2021 were approximately HK\$1,974 million.

Capital Commitments

Capital expenditure commitment of around HK\$278 million in respect of acquisition of property, plant and equipment was contracted for but not provided as at 31 December 2021.

Contingent Liabilities

- (1) At 31 December 2020, the Group has given corporate guarantee for certain bank borrowings granted to the associate, Truly Huizhou, with the borrowing limit at approximately HK\$3.53 billion and the bank loans with the amount of approximately HK\$1.31 billion were utilised by the associate.

Besides, at 31 December 2020, the other shareholder of the associate provided corporate guarantee to the above bank borrowings in proportion to its respective ownership interest amounting to approximately HK\$831 million. A counter-indemnity in favour of the other shareholder is executed pursuant to which the Group undertakes to indemnify the other shareholder approximately 23.5% of the liabilities arising from the bank borrowings.

Truly Huizhou becomes the subsidiary of the Company in December 2021, no contingent liabilities in respect of the financial guarantee provided to Truly Huizhou is disclosed at 31 December 2021.

- (2) During the year ended 31 December 2020, a wholly owned subsidiary of the Company is a defendant in legal actions in Hong Kong in respect of the claim by a customer for alleged defective goods manufactured by the subsidiary according to its customers' designs and specifications. The claim against the wholly owned subsidiary is approximately US\$23.9 million (equivalent to approximately HK\$186.4 million) in aggregate.

In December 2020, the subsidiary has entered into settlement agreement with the customer pursuant to which it is mutually agreed that the subsidiary is required to deliver certain quantity of products to the customer under pre-agreed delivery time table and payment terms. Upon completion of the deliveries and payment by the customer within 2021, any claims between the Group and the customer shall be deemed finally settled and satisfied. At 31 December 2020, the Directors consider that the fulfillment of the terms of the settlement agreement is highly probable and the legal proceedings will be dismissed accordingly and no provision for legal claims is made.

During the year ended 31 December 2021, the delivery and payment obligations under the settlement agreement were completed and the legal proceedings were discontinued upon the approval by the Court of First Instance in July 2021.

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

OTHER INFORMATION

Review of Consolidated Financial Statements

The Audit Committee of the Company has reviewed the annual results of the Group for the year ended 31 December 2021.

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 2021 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

Dividends

The directors recommend the payment of a final dividend of 5 HK cents (2020: nil) per share for the year ended 31 December 2021, based on ordinary shares in issue (number of ordinary shares issued at 28 February 2022: 3,289,229,398), to shareholders whose names appear on the Register of Members on 20 May 2022 (Friday). It is expected that the final dividend payments will be made to shareholders on 1 June 2022, Wednesday, subject to the Company's shareholders' approval at the Annual General Meeting of the Company.

The interim dividends in aggregate of 5 HK cents per share (2020: nil) were paid in 2021 to shareholders on the register of member of the Company at the close of business on 15 September 2021 based on 3,289,229,398 ordinary shares in issue.

The total dividend payout ratio for the year was about 24%.

Closure of Register of Members

For determining the entitlement to attend and vote at the 2022 Annual General Meeting, the Register of Members will be closed from Wednesday, 11 May 2022 to Monday, 16 May 2022, during the period no transfer of shares can be registered. In order to be eligible to attend and vote at the AGM, all transfers accompanied by relevant share certificates must be lodged with the Company's Branch Share Registrar, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 10 May 2022.

For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed on Friday, 20 May 2022 during which day no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's Branch Share Registrar in Hong Kong, Tricor Secretaries Limited at the above address for registration not later than 4:30 p.m. on Thursday, 19 May 2022.

Annual General Meeting

The 2022 Annual General Meeting of the Company will be held on Monday, 16 May 2022 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 during the year ended 31 December 2021.

Model Code

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

Audit Committee

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

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

Remuneration and Nomination Committees

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

Corporate Governance

The Board considers that good corporate governance of the Company is essential to safeguarding the interests of the shareholders and enhancing the performance of the Group. The Board is committed to maintain and ensure high standards of corporate governance. We have complied with all the applicable code provisions set out in the “Corporate Governance Code” contained in Appendix 14 of the Listing Rules throughout the year ended 31 December 2021. Except for the deviation from the Code Provisions A.2.1, E.1.2 and A.6.7. The reason for deviation from A.2.1, E.1.2 and A.6.7 have been set out in the interim report for 2021 of the Company.

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

Annual Report

The 2021 Annual Report containing all the information required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited will be published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.truly.com.hk in due course.

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

Hong Kong, 25 March 2022

As at the date of this announcements, the Board comprises Mr. Lam Wai Wah, Mr. Wong Pong Chun, James, Mr. Song Bei Bei, Mr. Dai Cheng Yun and Mr. Cheung Wing Cheung as executive directors, and Mr. Chung Kam Kwong, Mr. Ip Cho Ting, Spencer and Mr. Heung Kai Sing as independent non-executive directors.

* For identification purpose only