

FLASH NOTE

22 July 2022

Truly International | 732.HK

Undemanding valuation with negatives priced in

Fundamentals

⚡ Slow start in 1H22, expects GM dilution on short term sales mix shift

■ We had an update call with Truly's management to discuss their business outlook. Truly set for a weak start in 1H22, as revenue and core net profit each grew 0.3%/11.3% Yoy to HK\$5,341mn and HK\$311mn in 1Q22, with blended GM was down 0.7ppts Yoy to 10.6%. Both figures reached 21%/17% of our FY22E estimates. Together with the HK\$5,453mn (-4.4% Yoy) revenue in 2Q22, Truly's 1H22 came in at HK\$10.8bn and accounted for 42.5% of our FY22E forecasts (vs ~49% in 1H21). We attribute the shortfall due to weak mid-end smartphone demand and high oil price led to slower auto sales in US and Europe, The unfavourable product mix would drag on blended GM in 1H22 and FY22E.

■ In 1H22, automotive segment revenue dropped mid-teens Yoy, while industrial, medical and IoT sales with revenue grew >25% Yoy. Non-handset revenue (i.e. auto + industrial, medical and IoT) accounted for ~49% of total sales in 1H21 (vs. ~38%/43%/49% in FY19-FY21), we still expect non-handset related revenue contribution would surpass that of handset in FY22E (~50-51%)

■ Both Huizhou's plant (G4.5 TFT-LCD and G4.5 AMOLED) is still running at full capacity, while Shanwei and Renshou plant's ramp up continue to be on track with utilization rate reached >80% respectively and on schedule to be fully ramped up by 3Q22E. Truly announced in mid-May that they plan to increase stake (currently 7.1%) in Renshou plant. With CAPEX still expected to be ~HK\$800-900mn/year in FY22E/23E, Management maintained its 30-40% payout ratio guidance.

⚡ Automotive segment: Story stay intact despite near term headwinds

■ Automotive segment had a disappointing 1H22, as macro headwinds and high oil prices dampened auto sales in US and Europe. In addition, Truly has been taking a prudent approach with China new NEV players.

■ Though facing near term headwinds, we still segment growth story remains intact on the back of **i) longer product life cycle, higher ASP and GM (estimated to be > low-mid teens) than handset related products, this would enhance order and earnings visibility; ii) ASP upside: Led by improved product mix (i.e. large screen, multiscreen, HD and spec upgrade to curve panel etc.); iii) The demand for optical surface treatment (OST) of automotive touch panel and cover glass would also provide added value, and iv) Increasing ADAS and smart cockpit penetration to drive automotive CCM.**

⚡ Handset related business: Share gain in TFT display and touch panel a positive

■ Though CCM and FPM performance was largely in tandem with peers, Truly's TFT display and touch panel business performance was resilient in 1H22. Revenue grew > mid-teens Yoy driven by both shipment volume and ASP as Truly managed to take up market share from smaller players and thus enjoys more bargaining power. We expect TFT display and touch panel would continue to outperform in 2H22E vs. CCM and FPM

■ Management still targets stable revenue at ~HK\$10bn-HK\$11bn/year, and we expect FY22E revenue would be ~HK\$10.5bn (-8.2% Yoy), mainly as a result of lower CCM and FPM shipment volume, as smartphone clients lower their shipment guidance (mainly in mid-end smartphones) and de-spec continues. ASP and GM would still be under pressure due to subdued demand and ongoing competition. We modelled both CCM and FPM GM at low-single digit (vs. mid-single digit in our last update)

Trading Buy

Trading Sell

Current Price: HK\$1.84

Target price: HK\$2.50

Upside:+35.8%

Hayman Chiu

hayman.chiu@cinda.com.hk

(852) 2235 7677

Trading data

52-Week Range (HK\$)	3.77/1.77
3 Mth Avg Daily Vol (m)	7.1
No of Shares (m)	3,289.3
Market Cap (HK\$m)	6,249.7
Major Shareholders	Lam Wai Wah (46.1%) RAYS Capital (4.9%)
Auditors	Deloitte
Result Due	2Q22E: Aug 2022

Company description

Established in 1978, Truly is the largest handset display and second capacitive touch panel supplier in China, with a diversified clientele focusing on the domestic brands (including Samsung, Xiaomi, OPPO, Vivo etc). Besides, it also supplies camera modules and automotive LCDs, current clients include first-tier OEM, GM, BMW, Volkswagen, Toyota and emerging new EV brands in China etc.

Price chart



Note: FLASH NOTE represents short-term trading ideas by Cinda International Research which are distinguished from our normal coverage. The recommended stocks may not be continually followed

Catalysts

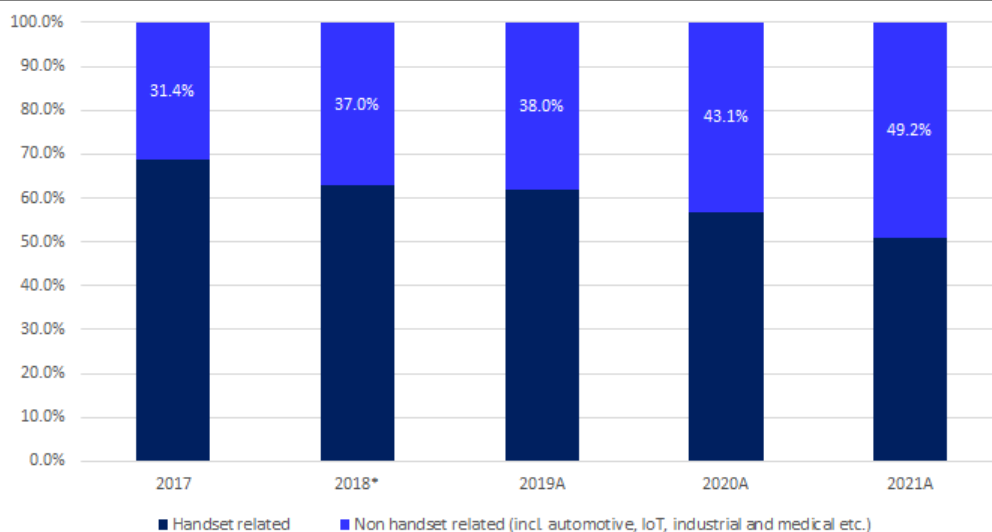
- ⚡ Hang Seng Family of Index Review (Next review due in Aug 2022) and potential inclusion in SZHK Stock Connect in 2H22
- ⚡ Auto sales recovery in US and Europe
- ⚡ GM recovery in 2H22
- ⚡ Share buyback

Valuation

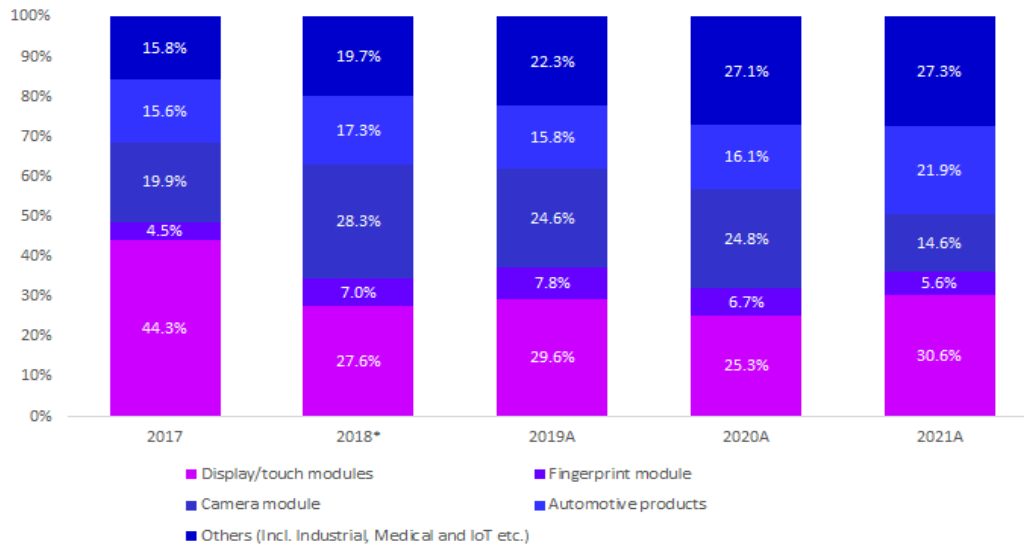
⚡ Trading at 4.4x FY22E P/E ; Non-smartphone segment growth continue to drive earnings ;

- We expect Truly's sales and net profit to grow 10.2%/23.5% CAGR in FY22E-24E, led by increasing contribution from higher margin automotive products (incl. display, touch and CCM) and enhanced JV profitability. Based on our current estimates, we expect automotive products would contribute ~21%/ ~23%/~25% of Truly's total revenue in FY22E-24E, hence driving non-handset sales took up ~51-52% of total revenue.
- Truly has slipped ~30% (as of Jul 20 closing price) from end-June, due to weak mid-end smartphones demands and auto segment performance disappoints the market. Truly is trading at an undemanding 4.4x FY23E P/E (~70% off its peak valuation when Truly's earnings were in upward cycle back in FY11-FY13 driven by smartphone upgrade) with ~6.8% dividend yield (assume 30% payout ratio). In addition, it is also trading at ~75% discount to BOEV (710.HK). We expect upcoming quarterly Hang Seng Family of Index Review (due in Aug 2022) and 2H22 result would continue to draw investors' attention. We arrive Truly's new TP at HK\$2.50, which translates to 6.0x FY23E PE (60% discount to Truly's peak valuation in FY13).

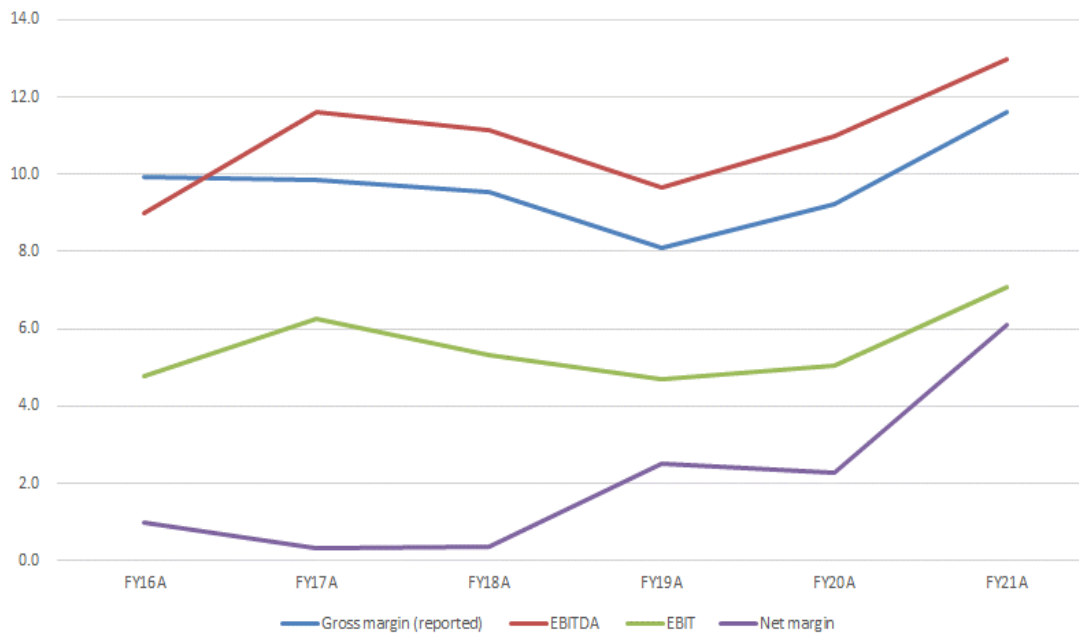
Exhibit 1: Truly's revenue mix from non-handset business increased to ~50% in FY21



Source: Company data, CIRL

Exhibit 2: Truly's revenue mix by product from FY17-FY21


Source: Company data, CIRL

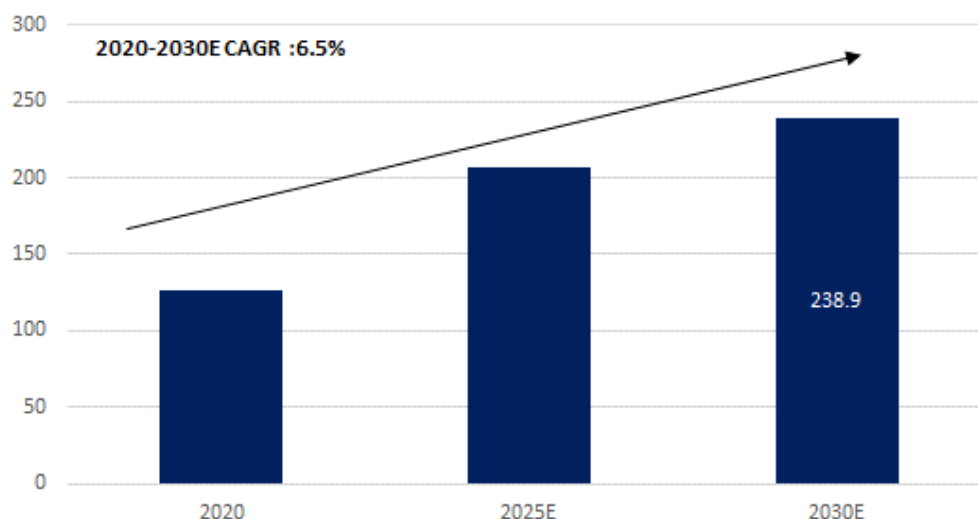
Exhibit 3: Better sales mix and improved operating efficiency drove Truly's margin in FY21


Source: Company data, CIRL

Exhibit 4: Truly's Shanwei and Sichuan's plant still expected to run at full capacity in 3Q22E

Factory	Size of large panel/mm	Monthly capacity of large panel	Monthly full capacity of large panel	Utilization Rate	Expected time to reach full capacity
Truly Huizhou's G4.5 AMOLED	730*920	16K	16K	100%	Running at full capacity
Truly Huizhou's G4.5 TFT-LCD	730*920	35K	35K	100%	Running at full capacity
Truly Shanwei's G5 TFT-LCD	1100*1250	45K	60K	>80%	3Q22E
Truly Sichuan's G5 TFT-LCD	1100*1250	55K	100K	>80%	3Q22E

Source: Company data, CIRL

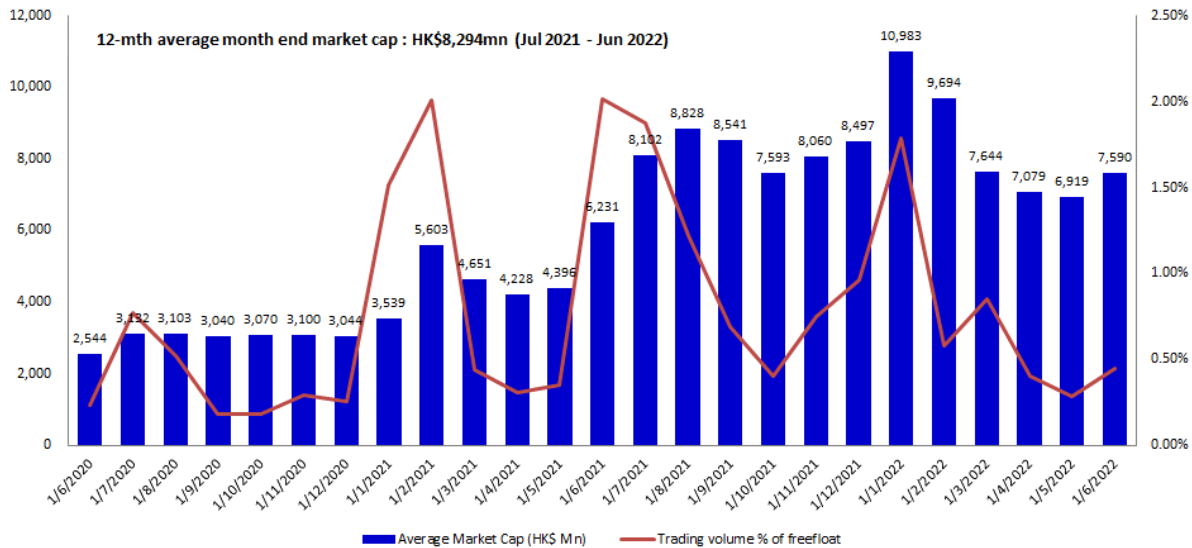
Exhibit 5: Automotive display market expected to grow at 6.5% CAGR in 2020-2030E


Source: Omdia, CIRL

Exhibit 6: Truly's FY22E-24E revenue and shipment volume breakdown

Year to Dec (HKD mn)	FY19A	FY20A	FY21A	FY22E	FY23E	FY24E
Segment Revenue						
Display/touch modules	6,660	5,620	6,890	8,282	9,570	10,805
Fingerprint module	1,750	1,490	1,260	655	475	344
Camera module	5,550	5,500	3,300	1,577	1,480	1,389
Automotive products	3,550	3,560	4,930	4,582	5,358	6,531
Others (Incl. Industrial, Medical and IoT etc.)	5,022	6,002	6,163	6,472	6,795	7,135
Total	22,532	22,172	22,543	21,568	23,677	26,204
Segment Revenue Growth (Yoy)						
Display/touch modules	22.0%	-15.6%	22.6%	20.2%	15.5%	12.9%
Fingerprint module	25.9%	-14.9%	-15.4%	-48.0%	-27.6%	-27.6%
Camera module	-0.9%	-0.9%	-40.0%	-52.2%	-6.2%	-6.1%
Automotive products	4.1%	0.3%	38.5%	-7.1%	16.9%	21.9%
Others (Incl. Industrial, Medical and IoT etc.)	28.7%	19.5%	2.7%	5.0%	5.0%	5.0%
Total	14.0%	-1.6%	1.7%	-4.3%	9.8%	10.7%
Shipment volume (Mn Units)						
Display/touch modules	58.8	53.2	68.0	74.1	81.5	89.7
	Yoy(%)	39.0%	-9.5%	27.8%	9.0%	10.0%
Camera module	186.8	229.1	220.1	114.5	117.3	120.2
	Yoy(%)	7.5%	22.6%	-3.9%	-48.0%	2.5%
Fingerprint module	63.8	80.3	89.7	58.3	49.7	42.3
	Yoy(%)	22.0%	25.9%	11.7%	-35.0%	-14.8%
Automotive products	40.4	38.5	51.0	39.4	44.9	53.2
	Yoy(%)	-8.2%	-4.7%	32.5%	-22.7%	18.7%

Source: Company data, CIRL estimates

Exhibit 7: Trully's 12-mth average month end market cap already surpassed HK\$5bn mark


Source: Bloomberg, CIRL

Exhibit 8: Peers' profitability comparison

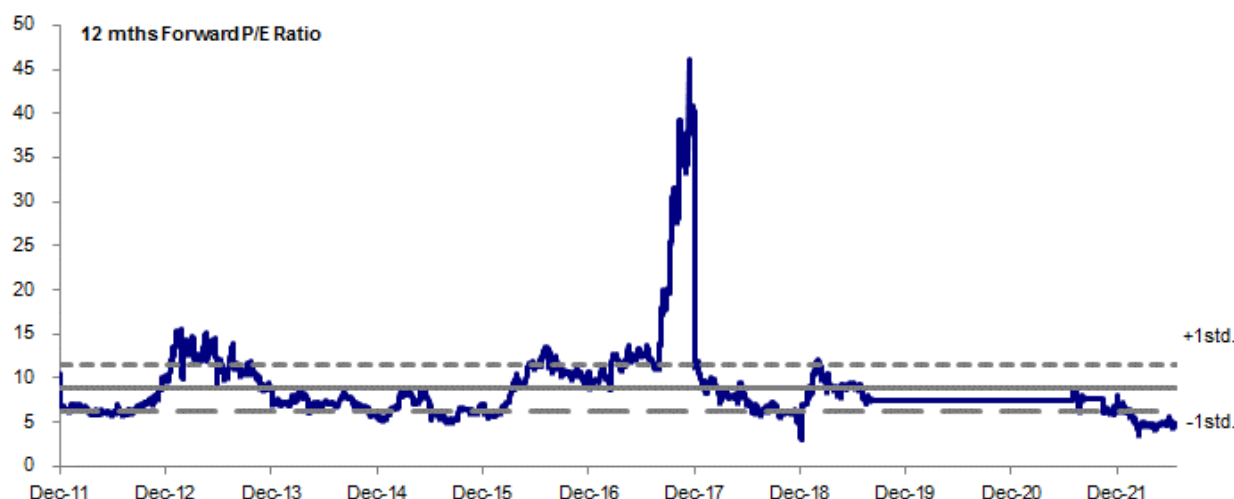
	bloomberg code	ROE (%) FY21	ROA (%) FY21	Net Gearing (%) FY21	GM (%)	FY21 OM (%)	PM (%)
HK listed supply chain peers							
SUNNY OPTICAL	2382 HK	26.8	13.5	(33.4)	23%	14%	13%
BYD ELECTRONIC	285 HK	10.1	5.9	(9.7)	7%	3%	3%
AAC TECHNOLOGIES	2018 HK	6.3	3.3	19.8	25%	10%	7%
FIH MOBILE LTD	2038 HK	2.1	0.7	(47.0)	3%	1%	1%
FIT HON TENG LTD	6088 HK	6.0	2.9	18.2	15%	4%	3%
COWELL	1415 HK	23.3	13.9	(35.0)	15%	8%	6%
Q TECHNOLOGY GRO	1478 HK	21.4	7.4	(0.1)	9%	6%	5%
BOE VARITRONIX L	710 HK	11.5	7.1	(67.1)	N/A	4%	4%
COOLPAD	2369 HK	(28.6)	(11.7)	(21.7)	5%	-72%	-86%
TK GROUP HOLDING	2283 HK	18.5	10.3	(35.9)	24%	13%	12%
JU TENG INTL HDG	3336 HK	2.1	0.8	45.9	11%	2%	1%
TEN PAO GROUP HO	1979 HK	33.1	9.8	24.7	17%	8%	6%
TONGDA GROUP HLD	698 HK	3.2	1.5	20.6	16%	4%	2%
CHINA DISPLAY OP	334 HK	20.6	5.0	(116.9)	8%	3%	3%
KA SHUI INTL HLD	822 HK	10.7	7.4	(9.5)	29%	9%	8%
VESON HOLDINGS L	1399 HK	4.4	0.9	266.5	7%	2%	1%
WAI CHI HOLD	1305 HK	6.6	2.3	121.3	15%	5%	3%
PANASIALUM HOLDI	2078 HK	(29.7)	(10.3)	48.8	8%	-16%	-18%
VITAL INNOVATION	6133 HK	(3.7)	(3.0)	(2.4)	0%	-3%	-3%
SKY LIGHT HOLDIN	3882 HK	(1.7)	(0.8)	(17.6)	17%	0%	-1%
TONGDA HONG TAI	2363 HK	N/A	(37.5)	#N/A N/A	-30%	-50%	-53%
Average		12.9	5.8	70.7	14%	6%	5%
TRULY INTL HLDGS	732 HK	2.1	0.6	68.1	9%	5%	2%
China and international display panel peers							
SAMSUNG SDI CO	006400 KS	7.7	4.5	14.6	23%	8%	9%
BOE TECHNOLOGY-B	200725 CH	21.5	6.1	29.0	29%	17%	12%
TCL TECHNOLOGY-A	000100 CH	27.0	3.7	74.9	20%	10%	6%
E INK HOLDINGS	8069 TT	14.5	9.2	4.4	44%	15%	26%
AU OPTRONICS	2409 TT	29.2	14.6	(10.7)	24%	17%	17%
SHARP CORP	6753 JP	17.0	2.7	107.6	17%	3%	2%
INNOLUX	3481 TT	22.1	14.1	(6.3)	26%	18%	16%
LG DISPLAY CO LT	034220 KS	10.2	3.4	57.3	18%	7%	4%
TIANMA-A	000050 CH	5.8	2.5	92.4	18%	7%	5%
HANNSTAR DISPLAY	6116 TT	16.0	13.5	(46.8)	34%	25%	30%
JAPAN DISPLAY	6740 JP	N/A	(9.9)	94.2	2%	-8%	-12%
YES OPTOELECTR-A	002952 CH	N/A	N/A	#N/A N/A	N/A	N/A	8%
GIANTPLUS TECH	8105 TT	2.3	1.3	(13.3)	9%	1%	1%
CHINA DISPLAY OP	334 HK	20.6	5.0	(116.9)	8%	3%	3%
Average		11.2	5.6	93.3	14%	9%	9%
TRULY INTL HLDGS	732 HK	2.1	0.6	68.1	9%	5%	2%

Source: Bloomberg, CIRL

Exhibit 9: Peers' valuation comparison

	bloomberg code	Mkt Cap (HKD mn)	Price (HKD)	Share Price Movement (%)			PER (x)						P/B (x)						Yield (%)						
				1M	3M	YTD	FY19	FY20	FY21	FY22E	FY23E	FY24E	FY19	FY20	FY21	FY22E	FY23E	FY24E	FY19	FY20	FY21	FY22E	FY23E	FY24E	
HK listed supply chain peers																									
SUNNY OPTICAL	2382 HK	122,189	111.40	(4.0)	5.1	(54.8)	26.9	22.2	20.2	23.0	18.1	14.9	8.7	6.2	4.7	4.4	3.6	3.0	0.7%	0.9%	1.0%	0.8%	1.0%	1.3%	
BYD ELECTRONIC	285 HK	47,543	21.10	2.7	46.5	(26.1)	26.2	7.8	17.0	18.1	12.1	9.5	2.5	1.8	1.6	1.6	1.4	1.2	0.4%	1.3%	0.8%	0.6%	0.8%	1.1%	
AAC TECHNOLOGIES	2018 HK	19,263	15.94	(10.0)	(1.7)	(48.2)	7.6	11.3	12.1	14.8	11.4	9.2	0.9	0.8	0.7	0.7	0.7	0.6	2.5%	1.8%	2.1%	1.5%	1.9%	2.4%	
BOE VARITRONIX L	710 HK	12,301	16.70	44.0	93.1	66.7	491.2	179.6	37.0	23.9	17.3	12.8	4.5	4.5	4.1	3.6	3.2	2.7	0.1%	0.3%	0.5%	1.3%	1.8%	2.4%	
COWELL	1415 HK	10,824	12.96	71.4	63.6	(1.4)	47.3	32.8	27.8	18.6	13.8	10.0	4.1	5.6	4.3	3.3	2.8	2.2	14.7%	55.8%	0.9%	0.8%	2.4%	1.7%	
FIT HONG TENG LTD	6088 HK	8,648	1.19	11.2	19.0	(22.2)	4.3	24.0	7.5	9.0	7.7	6.5	0.5	0.5	0.4	0.4	0.4	0.4	0.0%	0.0%	2.2%	0.8%	1.4%	1.5%	
FIH MOBILE LTD	2038 HK	8,360	1.05	(0.9)	7.1	(22.8)	-89.3	-6.4	19.3	-131.3	22.3	13.5	0.5	0.5	0.5	0.6	0.6	0.6	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Q TECHNOLOGY GRO	1478 HK	5,567	4.70	(12.8)	(15.0)	(53.4)	8.7	5.8	5.3	6.9	5.0	4.0	1.7	1.2	1.0	0.9	0.8	0.7	2.2%	1.0%	3.3%	1.2%	2.0%	2.6%	
COOLPAD	2369 HK	1,865	0.14	(13.9)	(29.9)	(64.7)	6.7	-2.3	-2.2	-	-	-	1.1	0.7	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
JU TENG INTL HDG	3836 HK	1,776	1.48	(1.3)	8.8	14.7	9.3	9.8	7.7	7.4	5.1	3.8	0.3	0.3	0.3	0.3	0.2	0.2	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	
TK GROUP HOLDING	2283 HK	1,642	1.97	(3.4)	(16.2)	(21.2)	5.5	7.9	5.8	5.0	3.9	3.1	1.4	1.2	1.0	0.9	0.8	0.7	7.1%	5.1%	7.6%	7.6%	11.2%	14.7%	
TK GROUP HOLDING	2283 HK	1,642	1.97	(3.4)	(16.2)	(21.2)	5.5	7.9	5.8	5.0	3.9	3.1	1.4	1.2	1.0	0.9	0.8	0.7	7.1%	5.1%	7.6%	7.6%	11.2%	14.7%	
TONGDA GROUP HLD	698 HK	1,332	0.14	(4.2)	7.9	(45.2)	2.5	2.8	4.7	4.4	3.4	2.8	0.2	0.2	0.1	0.2	0.2	0.1	6.9%	0.0%	7.3%	5.8%	6.6%	6.6%	
TEN PAO GROUP HO	1979 HK	1,141	1.14	(8.8)	(32.9)	(39.4)	6.4	3.9	3.0	-	-	-	1.6	1.1	1.0	0.7	0.6	0.5	4.6%	7.5%	9.6%	0.0%	0.0%	0.0%	
CHINA DISPLAY CO	334 HK	888	0.42	7.7	(2.3)	(17.6)	14.7	31.1	3.8	-	-	-	1.3	1.2	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
KA SHUI INTL HLD	822 HK	644	0.72	26.3	22.0	(8.9)	7.3	5.2	4.9	-	-	-	0.6	0.6	-	-	-	-	0.0%	4.2%	0.0%	0.0%	0.0%	0.0%	
WAI CHI HOLD	1305 HK	310	1.43	0.7	3.6	13.5	8.4	10.2	6.0	-	-	-	0.5	0.4	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
VESON HOLDINGS L	1399 HK	305	0.28	5.7	(1.8)	(9.7)	5.1	-5.2	6.0	-	-	-	0.3	0.3	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
PANASIALUM HOLDI	2078 HK	242	0.20	6.3	(11.8)	(20.8)	-0.5	0.3	-0.7	-	-	-	1.0	0.2	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
VITAL INNOVATION	6133 HK	179	0.21	(4.1)	(15.3)	(27.6)	-28.0	-1.6	-7.2	-	-	-	0.2	0.3	-	-	-	-	48.6%	0.0%	0.0%	0.0%	0.0%	0.0%	
SKY LIGHT HOLDIN	3882 HK	120	0.13	0.8	(18.7)	(29.2)	-1.4	-1.9	-31.5	-	-	-	0.4	0.6	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
TONGDA HONG TAI	2363 HK	74	0.11	(2.7)	11.3	(28.5)	-0.4	-0.2	-0.1	-	-	-	0.1	0.2	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Average		11,221		4.9	5.7	(21.3)	40.2	22.7	11.4	12.4	10.3	7.8	1.5	1.3	1.6	1.4	1.2	1.0	8.5%	8.1%	4.1%	3.2%	4.3%	5.1%	
TRULY INTL HLDGS	732 HK	6,238	1.90	(14.8)	(10.4)	(40.4)	11.1	12.4	4.5	5.7	4.6	3.8	0.8	0.7	0.6	0.5	0.5	0.5	0.0%	0.0%	5.3%	5.2%	6.6%	8.0%	
China and international display panel peers																									
SAMSUNG SDI CO	006400 KS	233,290	3,392.60	(0.9)	(7.0)	(13.4)	94.6	60.0	28.6	23.8	19.7	16.3	2.7	2.4	2.5	2.4	2.1	1.8	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	
BOE TECHNOLOGY-B	200725 CH	173,122	4.16	11.5	13.4	19.2	73.3	25.5	4.9	7.7	6.3	5.4	1.4	1.2	1.0	0.9	0.8	0.7	0.5%	2.7%	6.8%	2.4%	3.5%	3.7%	
TCL TECHNOLOGY-A	000100 CH	70,460	5.02	(3.1)	(2.9)	(29.8)	22.3	13.3	5.6	11.1	6.7	5.4	1.9	1.7	1.3	1.3	1.1	0.9	2.3%	2.7%	3.9%	2.5%	2.9%	2.8%	
E INK HOLDINGS	8069 TT	55,663	48.81	(6.5)	0.5	23.2	70.8	58.3	38.7	27.5	18.6	14.2	7.3	6.6	5.9	5.5	4.7	4.0	1.0%	1.5%	2.1%	2.6%	3.8%	4.9%	
SHARP CORP	6753 JP	40,064	61.60	2.5	(4.0)	(17.6)	8.7	38.1	9.7	7.3	13.4	11.9	2.0	1.8	1.6	1.4	1.4	1.3	2.3%	2.1%	3.0%	4.1%	3.4%	3.3%	
AUO CORP	2409 TT	37,378	3.88	(11.6)	(20.2)	(35.4)	-7.7	41.5	2.2	21.3	45.2	25.7	0.8	0.7	0.5	0.6	0.6	0.7	0.0%	2.0%	17.2%	7.1%	8.5%	1.8%	
LG DISPLAY CO LT	034220 KS	33,292	93.04	0.6	(16.4)	(36.8)	-1.7	-56.5	4.1	-66.9	12.6	6.6	0.4	0.4	0.4	0.4	0.4	0.4	0.0%	0.0%	3.7%	3.0%	3.1%	3.8%	
INNOLUX	3481 TT	31,174	2.95	(15.1)	(27.2)	(42.6)	-6.6	65.9	1.9	-24.8	-24.0	-24.2	0.5	0.5	0.4	0.4	0.4	0.4	0.9%	3.6%	23.3%	4.5%	2.6%	2.5%	
TIANMA-A	000050 CH	27,592	11.23	(1.5)	(1.0)	(25.7)	24.4	14.8	14.8	18.1	15.7	14.0	0.8	0.7	0.6	0.7	0.7	0.6	0.8%	0.7%	0.8%	0.6%	0.8%	0.9%	
HANNSTAR DISPLAY	6116 TT	8,182	2.70	(3.3)	(25.9)	(43.1)	42.6	8.2	3.5	-	-	-	0.8	0.7	-	-	-	-	0.0%	4.9%	0.0%	0.0%	0.0%	0.0%	
JAPAN DISPLAY	6740 JP	4,986	3.85	(2.9)	(2.9)	88.9	-0.4	-0.5	-2.9	-11.9	-5.2	113.1	-41.4	-1.2	1.1	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
YES OPTOELECTR-A	002952 CH	2,840	17.28	26.9	22.5	12.3	29.3	29.5	51.2	-	-	-	3.2	2.9	-	-	-	-	1.7%	2.0%	0.0%	0.0%	0.0%	0.0%	
GIANPLUS TECH	8105 TT	1,234	2.79	0.9	(5.8)	(23.7)	-24.5	-4.3	47.8	-	-	-	0.6	0.6	0.6	-	-	-	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	
CHINA DISPLAY OP	334 HK	888	0.42	7.7	(2.3)	(17.6)	14.7	31.1	3.8	-	-	-	1.3	1.2	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Average		7,620		0.4	(5.7)	(10.1)	42.3	35.1	16.7	17.3	23.6		1.8	1.6	1.5	1.5	1.4	1.2	1.1%	2.5%	0.8%	0.6%	0.8%	0.9%	
TRULY INTL HLDGS	732 HK	6,238	1.90	(14.8)	(10.4)	(40.4)	11.1	12.4	4.5	5.7	4.6	3.8	0.8	0.7	0.6	0.5	0.5	0.5	0.0%	0.0%	5.3%	5.2%	6.6%	8.0%	

Source: Bloomberg, CIRL (Market data as of Jul 21)

Exhibit 10: Truly's 10-year forward 12-month P/E ratio


Source: Bloomberg, CIRL

Rating Policy

	Rating	Definition
Stock Rating	Buy	Outperform HSI by 15%
	Neutral	Between -15% ~ 15% of the HSI
	Sell	Underperform HSI by -15%
Sector Rating	Accumulate	Outperform HSI by 10%
	Neutral	Between -10% ~ 10% of the HSI
	Reduce	Underperform HSI by -10%

Analysts List

Hayman Chiu	Research Director	(852) 2235 7677	hayman.chiu@cinda.com.hk
Lewis Pang	Associate Director	(852) 2235 7847	lewis.pang@cinda.com.hk
Hugo Suen	Senior Research Analyst	(852) 2235 7617	hugo.suen@cinda.com.hk
Edith Li	Senior Research Analyst	(852)2235 7515	edith.li@cinda.com.hk
Tracy Chan	Senior Research Analyst	(852)2235 7170	tracy.chan@cinda.com.hk

Analyst Certification

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