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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)

DISCLOSEABLE TRANSACTION

L5 SECOND PHASE EQUIPMENT ASSEMBLY SERVICES AGREEMENT

Reference is made to the announcement of the Company dated 22 January 2016 in relation to the acquisition of Equipment by Truly Semiconductors, the announcement of the Company dated 11 March 2016 in relation to Truly Semiconductors entered into the L5-Equipment Disassembly and Assembly Services Agreement and the L5-Equipment Transportation, Packing and Warehouse Keeping Services Agreement, the announcement of the Company dated 31 March 2016 in relation to the acquisition of the L5 Second Phase Equipment, the announcement of the Company dated 5 July 2016 in relation to Truly Semiconductors entered into the L5 Second Phase Equipment Disassembly Services Agreement with YMC; and the announcement of the Company dated 10 November 2016 in relation to Truly Semiconductors entered into the L5 Second Phase Equipment Transportation, Packing and Move-in & out Services Agreement with YMC. On 24 November 2016, Truly Semiconductors entered into the L5 Second Phase Equipment Assembly Services Agreement with YMC.

L5 SECOND PHASE EQUIPMENT ASSEMBLY SERVICES AGREEMENT

On 24 November 2016, Truly Semiconductors, an indirectly wholly-owned subsidiary of the Company, entered into the L5 Second Phase Equipment Assembly Services Agreement with YMC, pursuant to which YMC agreed to provide certain Second Phase Equipment assembly services to Truly Semiconductors for the total service fees of USD18,474,000.

LISTING RULES IMPLICATIONS

Since (1) the L5 Second Phase Equipment Assembly Services Agreement was entered into on 24 November 2016 (within 12 months from the signing date of the L5- Equipment Sales Agreement), and (2) the L5-Equipment Sales Agreement, the L5-Equipment Disassembly and Assembly Services Agreement, the L5-Equipment Transportation, Packing and Warehouse Keeping Services Agreement, the L5 Second Phase Equipment Sales Agreement, the L5 Second Phase Equipment Disassembly Services Agreement, the L5 Second Phase Equipment Transportation, Packing and Move-in & out Services Agreement, and the L5 Second Phase Equipment Assembly Services Agreement together lead to substantial involvement by the Company in the fifth generation TFT-LCD related business which did not previously form part of the Company's principal business activities, therefore, the transactions under the L5-Equipment Sales Agreement, the L5-Equipment Disassembly and Assembly Services Agreement, the L5-Equipment Transportation, Packing and Warehouse Keeping Services Agreement, the L5 Second Phase Equipment Sales Agreement, the L5 Second Phase Equipment Disassembly Services Agreement, the L5 Second Phase Equipment Transportation, Packing and Move-in & out Services Agreement, and the L5 Second Phase Equipment Assembly Services Agreement shall be aggregated pursuant to Rule 14.23 of the Listing Rules.

As certain applicable percentage ratios stipulated under Chapter 14 of the Listing Rules in respect of the L5-Equipment Sales Agreement, the L5-Equipment Disassembly and Assembly Services Agreement, the L5-Equipment Transportation, Packing and Warehouse Keeping Services Agreement, the L5 Second Phase Equipment Sales Agreement, the L5 Second Phase Equipment Disassembly Services Agreement, the L5 Second Phase Equipment Transportation, Packing and Move-in & out Services Agreement, and the L5 Second Phase Equipment Assembly Services Agreement as aggregated, are more than 5% but less than 25%, the transaction under L5 Second Phase Equipment Assembly Services Agreement constitutes a discloseable transaction of the Company under the Listing Rules and is subject to the notification and announcement requirements under Chapter 14 of the Listing.

L5 SECOND PHASE EQUIPMENT ASSEMBLY SERVICES AGREEMENT

Principal Terms

Date:	24 November 2016
Parties:	(1) Truly Semiconductors as purchaser; and (2) YMC, as service provider.
Subject:	Pursuant to the L5 Second Phase Equipment Assembly Services Agreement, YMC will provide certain services to Truly Semiconductors, including the assembly and checking of the Second Phase Equipment.
Service Fees:	Pursuant to the L5 Second Phase Equipment Assembly Services Agreement, Truly Semiconductors will pay the total service fees of USD18,474,000 to YMC.

The consideration was determined on an arm's length basis and normal commercial terms. It is expected that the consideration would be funded by internal resources and bank loans of the Group. The consideration will be settled by four installments as set out below.

Terms of Payment: First installment of USD3,694,800, representing 20% of the total service fees, shall be paid on 1 December 2016.

Second installment of USD9,237,000, representing 50% of the consideration, shall be paid within 15 days since the commencement of the assembly services of the Second Phase Equipment.

Third installment of USD4,618,500, representing 25% of the consideration, shall be paid within 15 days after the completion of the assembly services of the Second Phase Equipment.

Fourth installment of the remaining USD923,700, representing 5% of the total service fees, shall be paid within 15 days after the completion of factory acceptance test of the Second Phase Equipment.

All payments will be in the form of wire transfer.

REASONS FOR AND BENEFITS OF ENTERING INTO L5 SECOND PHASE EQUIPMENT ASSEMBLY SERVICES AGREEMENT

Reference is made to the announcement of the Company dated 31 March 2016 in relation to the L5 Second Phase Equipment Sales Agreement, pursuant to which Truly Semiconductors agreed to purchase the Second Phase Equipment from Samsung for the construction of the fifth generation TFT-LCD Second Phase production line of the Group. As the equipment purchased under the L5 Second Phase Equipment Sales Agreement is currently located in Korea, the Group needs to move-out the Second Phase Equipment from the factories of Samsung in Korea, transport, move-in and assemble the Second Phase Equipment to Truly Semiconductors' factories located in China. The Company considers that YMC has extensive experience in providing assembly services for TFT-LCD equipment and also offers reasonable market prices. Therefore, the Board considers that each of the L5 Second Phase Equipment Assembly Services Agreement has been entered into on normal commercial terms and that the terms of the L5 Second Phase Equipment Assembly Services Agreement are fair and reasonable and in the interests of the Shareholders as a whole.

INFORMATION OF THE GROUP

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, personal health care products and electrical devices.

INFORMATION OF YMC

YMC is principally engaged in manufacture of electronic integrated circuits and wholesale of electrical machinery and related materials.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, YMC and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

LISTING RULES IMPLICATIONS

Since (1) the L5 Second Phase Equipment Assembly Services Agreement was entered into on 24 November 2016 (within 12 months from the signing date of the L5- Equipment Sales Agreement), and (2) the L5-Equipment Sales Agreement, the L5-Equipment Disassembly and Assembly Services Agreement, the L5-Equipment Transportation, Packing and Warehouse Keeping Services Agreement, the L5 Second Phase Equipment Sales Agreement, the L5 Second Phase Equipment Disassembly Services Agreement, the L5 Second Phase Equipment Transportation, Packing and Move-in & out Services Agreement, and the L5 Second Phase Equipment Assembly Services Agreement together lead to substantial involvement by the Company in the fifth generation TFT-LCD related business which did not previously form part of the Company's principal business activities, therefore, the transactions under the L5-Equipment Sales Agreement, the L5-Equipment Disassembly and Assembly Services Agreement, the L5-Equipment Transportation, Packing and Warehouse Keeping Services Agreement, the L5 Second Phase Equipment Sales Agreement, the L5 Second Phase Equipment Disassembly Services Agreement, the L5 Second Phase Equipment Transportation, Packing and Move-in & out Services Agreement, and the L5 Second Phase Equipment Assembly Services Agreement shall be aggregated pursuant to Rule 14.23 of the Listing Rules.

As certain applicable percentage ratios stipulated under Chapter 14 of the Listing Rules in respect of the L5-Equipment Sales Agreement, the L5-Equipment Disassembly and Assembly Services Agreement, the L5-Equipment Transportation, Packing and Warehouse Keeping Services Agreement, the L5 Second Phase Equipment Sales Agreement, the L5 Second Phase Equipment Disassembly Services Agreement, the L5 Second Phase Equipment Transportation, Packing and Move-in & out Services Agreement, and the L5 Second Phase Equipment Assembly Services Agreement as aggregated, are more than 5% but less than 25%, the transaction under L5 Second Phase Equipment Assembly Services Agreement constitutes a discloseable transaction of the Company under the Listing Rules and is subject to the notification and announcement requirements under Chapter 14 of the Listing.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context otherwise requires:

“Board”	the board of Directors
“Company”	Truly International Holdings Limited, a company incorporated in the Cayman Islands, the shares of which are listed on The Stock Exchange of Hong Kong Limited
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“L5-Equipment Disassembly and Assembly Services Agreement”	the L5-Equipment disassembly and assembly services agreement dated 11 March 2016 entered into between YMC and Truly Semiconductors in respect of the provision of certain Equipment disassembly and assembly services by YMC to Truly Semiconductors, details of which are set out in the announcement of the Company dated 11 March 2016
“L5-Equipment Sales Agreement”	the L5-equipment sales agreement dated 22 January 2016 entered into between Samsung and Truly Semiconductors in respect of the purchase of the Equipment, details of which are set out in the announcement of the Company dated 22 January 2016
“L5-Equipment Transportation, Packing and Warehouse Keeping Services Agreement”	the L5-Equipment transportation, packing and warehouse keeping services agreement dated 11 March 2016 entered into between YMC and Truly Semiconductors in respect of the provision of certain Equipment transportation, packing and warehouse keeping services by YMC to Truly Semiconductors, details of which are set out in the announcement of the Company dated 11 March 2016
“L5 Second Phase Equipment Sales Agreement”	the L5 Second Phase Equipment sales agreement dated 31 March 2016 entered into between Samsung and Truly Semiconductors in respect of the purchase of the Second Phase Equipment, details of which are set out in the announcement of the Company dated 31 March 2016
“L5 Second Phase Equipment Disassembly Services Agreement”	the L5 Second Phase Equipment disassembly services agreement dated 5 July 2016 entered into between YMC and Truly Semiconductors in respect of the provision of certain Second Phase Equipment disassembly services by YMC to Truly Semiconductors, details of which are set out in the announcement of the Company dated 5 July 2016
“L5 Second Phase Equipment Transportation, Packing and Move-in & out Services Agreement”	the L5 Second Phase Equipment transportation, packing and move-in and out services agreement dated 10 November 2016 entered into between YMC and Truly Semiconductors in respect of the provision of certain Second Phase Equipment transportation, packing and warehouse keeping services by YMC to Truly Semiconductors, details of which are set out in the announcement of the Company dated 10 November 2016

“L5 Second Phase Equipment Assembly Services Agreement”	the L5 Second Phase Equipment assembly services agreement dated 24 November 2016 entered into between YMC and Truly Semiconductors in respect of the provision of certain Second Phase Equipment assembly services by YMC to Truly Semiconductors
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Samsung”	Samsung Display Co., Ltd., a company incorporated in Korea, which engages in the development and sales of display products for televisions, personal computers, monitors and devices such as smartphones and tablets
“Second Phase Equipment”	the parts, components, machinery and equipment purchased from Samsung by Truly semiconductors under the appendix of L5 Second Phase Equipment Sales Agreement which include the machinery and parts of the fifth generation TFT-LCD production line
“Shareholder(s)”	holder(s) of the Share(s) of the Company from time to time
“TFT-LCD”	Thin Film Transistor Liquid Crystal Display
“Truly Semiconductors”	Truly Semiconductors Limited, a company incorporated in Hong Kong, an indirectly wholly-owned subsidiary of the Company
“USD”	the lawful currency of the United States of America
“YMC”	YMC CO., Ltd., a company incorporated in Korea, which is principally engaged in manufacture of electronic integrated circuits and wholesale of electrical machinery and related materials
“% ”	per cent

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

Hong Kong, 24 Novemeber 2016

As at the date of this announcement, the Board comprises Mr. Lam Wai Wah, Mr. Wong Pong Chun, James, and Mr. Cheung Tat Sang as executive directors; Mr. Li Jian Hua as a non-executive director; and Mr. Chung Kam Kwong, Mr. Ip Cho Ting, Spencer and Mr. Heung Kai Sing as independent non-executive directors.