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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
FORMATION OF A JOINT VENTURE COMPANY

FORMATION OF THE JV COMPANY

The Board is pleased to announce that on 16 June 2017 (after trading hours), Truly Electronics, an indirectly wholly-owned subsidiary of the Company, entered into the JV Agreement with Renshou County People's Government, Renshou Industries and Sichuan IC Fund in relation to the formation of the JV Company in Renshou County, Meishan City, Sichuan Province, the PRC as the project company for the fifth generation of thin-film-transistor liquid-crystal display (TFT-LCD) production.

The total investment of the JV Company will be RMB12,500 million and a production facilities for the fifth generation of thin-film-transistor liquid-crystal display (TFT-LCD) will be established. The registered capital of the JV Company will be RMB7,000 million, of which, Truly Electronics will contribute RMB500 million for 7.1429% equity interest, Renshou Industries will contribute RMB4,500 million for 64.2857% equity interest and Sichuan IC Fund will contribute RMB2,000 million for 28.5714% equity interest.

LISTING RULES IMPLICATIONS

As certain percentage ratios for the formation of the JV Company are more than 5% but less than 25%, the transactions contemplated under the JV Agreement constitutes a discloseable transaction of the Company under the Listing Rules, and is subject to reporting and announcement requirements but exempt from circular and shareholders' approval requirements under the Listing Rules.

Shareholders and potential investors of the Company should note that the JV Agreement is conditional upon fulfilment of certain conditions precedent. As such, the formation of the JV Company and the transactions contemplated under the JV Agreement may or may not be proceed. Accordingly, Shareholders and investors of the Company shall exercise caution when dealing in the Company's securities.

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PRINCIPAL TERMS OF THE JV AGREEMENT

The principal terms of the JV Agreement are set out below:

Date	:	16 June 2017
Parties to the JV Agreement	:	(1) Renshou County People's Government (2) Truly Electronics (3) Renshou Industries (4) Sichuan IC Fund
Purpose of the JV Company formation	:	For the fifth generation thin-film-transistor liquid-crystal display (TFT-LCD) high-end display production line project (including amorphous silicon (α -Si), oxide and low temperature polysilicon (LTPS) TFT-LCD displays)
Location of production facilities and timeframe	:	Wenlin Industrial Park (文林工業園區), Renshou County, Meishan City, Sichuan Province, the PRC. It is expected that the construction will commence in the third quarter of 2017 and production will commence by the end of 2019.
Registered capital	:	RMB7,000 million (in cash)
Estimated total investment	:	RMB12,500 million, including equipment, production facilities and ancillary facilities.
Capital contribution and shareholding proportions	:	(1) Truly Electronics shall contribute RMB500 million for an equity interest of 7.1429% in the JV Company. (2) Renshou Industries shall contribute RMB4,500 million for an equity interest of 64.2857% in the JV Company. (3) Sichuan IC Fund shall contribute RMB2,000 million for an equity interest of 28.5714% in the JV Company.

- Capital contribution timetable : Capital contribution will be contributed based on the progress of the Project.
- Truly Electronics' capital contribution to the registered capital will be funded by internal resources of the Group .
- Management of the JV Company : Truly Electronics shall be responsible for the management of the JV Company, and Renshou Industries and Sichuan IC Fund shall only participate in the decision of major decisions. Participation of Renshou Industries and Sichuan IC Fund will be limited to as a shareholder, and through its nominated directors and supervisors to supervise the exercise of management power of Truly Electronics' nominated directors and management team.
- Responsibilities of the Renshou County People's Government : Renshou County People's Government shall seek to, among others, ensure the property for the project will be in the required state based on the timeframe, and to seek to provide incentives, subsidies and other government grants as provided in the JV Agreement.
- Responsibilities of Truly Electronics : Truly Electronics is to take lead in establishing the JV Company (with its best endeavour to establish the JV Company before 31 July 2017, but the Registration Date depends on the relevant authorities' approval process) with the support of the other parties to the JV Agreement. Truly Electronics shall be responsible to procure from Truly Semiconductors Limited and its subsidiaries and other affiliates to provide the high-end display manufacturing technology, management system, professional team and the relevant written consent. During the subsistence of the JV Company, the JV Company shall be entitle to use intellectual property rights including all patents, technologies, certifications and naming rights free of charge.
- Conditions precedent : The JV Agreement will be effective from the date that each of the parties to the JV Agreement has obtained the relevant approvals from its supervising competent department, board of directors and/or shareholders.

The JV Parties is expected to enter into a shareholders' agreement at a later day to set out each JV Party's rights and obligations in the JV Company.

Furthermore, it is expected that the JV Company will be an associate or joint venture of the Company, and the results of the JV Company will not be consolidated into the results of the Group.

REASONS FOR AND BENEFITS OF ENTERING INTO THE JV AGREEMENT

The establishment of the JV Company will enable the Group to enhance its production capacities for supplying TFT-LCD display products to satisfy the demand from the Group's customers.

Accordingly, the Board considers that it is in the best interest of the Group and its shareholders to enter into the JV Agreement. The terms of the JV Agreement were negotiated through arm's length negotiations between the parties to the JV Agreement with reference to normal commercial terms. The Directors, including independent non-executive Directors, consider that the JV Agreement has been entered into on normal commercial terms and the terms of which are fair and reasonable, and in the best interests of the Shareholders as a whole.

INFORMATION OF THE PARTIES TO THE JV AGREEMENT

Truly Electronics is principally engaged in the business of manufacture and sale of electronic consumer products.

Renshou County People's Government is the People's Government of the Renshou County, Meishan City, Sichuan Province in the PRC.

Renshou Industries is principally engaged in participating Renshou County major investments and construction.

Sichuan IC Fund is principally engaged in equity investment.

To the best knowledge, information and belief of the Directors, and having made all reasonable enquiry, Renshou County People's Government, Renshou Industries and Sichuan IC Fund, and their respective ultimate beneficial owners, are third parties independent of the Company and its connected persons.

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Shareholders and potential investors of the Company should note that the JV Agreement is conditional upon fulfilment of certain conditions precedent. As such, the formation of the JV Company and the transactions contemplated under the JV Agreement may or may not be proceed. Accordingly, Shareholders and investors of the Company shall exercise caution when dealing in the Company's securities.

DEFINITIONS

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

“Board”	the board of Directors
“connected person”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong Special Administrative Region
“JV Agreement”	the cooperation agreement dated 16 June 2017 entered into between Truly Electronics, Renshou County People’s Government, Renshou Industries and Sichuan IC Fund in relation to the formation of the JV Company as the project company for the fifth generation of thin-film-transistor liquid-crystal display (TFT-LCD) production
“JV Company”	a limited liability company to be jointly formed by the JV Parties in Renshou County, Meishan City, Sichuan Province, the PRC (中華人民共和國四川省眉山市仁壽縣) pursuant to the JV Agreement
“JV Parties”, or each a “JV Party”	Truly Electronics, Renshou Industries and Sichuan IC Fund
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, excludes Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan
“Project”	the fifth generation thin-film-transistor liquid-crystal display (TFT-LCD) high-end display production line project (including amorphous silicon (α -Si), oxide and low temperature polysilicon (LTPS) TFT-LCD displays)
“Registration Date”	the date of registration of the JV Company
“Renshou Industries”	仁壽縣產業投資有限公司 (Renshou County Industries Investment Co., Ltd.*), a limited liability company established in the PRC, one of the JV Parties and an Independent Third Party

“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company from time to time
“Sichuan IC Fund”	四川省集成電路和信息安全產業投資基金有限公司 (Sichuan Integrated Circuit and Information Safety Investment Fund Co., Ltd.*), a limited liability company established in the PRC, one of the JV Parties and an Independent Third Party
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Truly Electronics”	信利電子有限公司 (Truly Electronics Manufacturing Limited), a company incorporated in the PRC and an indirectly wholly-owned subsidiary of the Company
“%”	per cent.

* *Terms marked with “*” denote translation of company names from Chinese into English, and are for identification purposes only. In the event of inconsistency, the names in their original language prevail.*

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

Hong Kong, 16 June 2017

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.