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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)**

- (1) CONNECTED TRANSACTION IN RELATION TO SUBSCRIPTION OF  
NEW SHARES BY THE CONTROLLING SHAREHOLDER;  
(2) PROPOSED SHARE ISSUANCE UNDER SPECIFIC MANDATE;  
AND  
(3) APPLICATION FOR WHITEWASH WAIVER**

**Independent Financial Adviser to the  
Independent Board Committee  
and the Independent Shareholders**



**SOMERLEY CAPITAL LIMITED**

**SUBSCRIPTION OF NEW SHARES**

On 31 July 2018 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 168,800,000 new Shares at the Subscription Price of HK\$1.18 per Subscription Share to the Subscriber.

The Subscription Shares represent (i) approximately 5.41% of the issued share capital of the Company as at the date of this announcement; and (ii) 5.13% of the issued share capital of the Company as enlarged by the Subscription Shares (assuming there will be no other change in the number of issued Shares between the date of this announcement and the date of Completion, save for the issue and allotment of the Subscription Shares).

## **IMPLICATIONS OF THE LISTING RULES AND THE TAKEOVERS CODE**

The Subscriber is a controlling shareholder and a director of the Company, and therefore a connected person under Chapter 14A of the Listing Rules. Accordingly, the Subscription constitutes a connected transaction of the Company under the Listing Rules and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As at the date of this Announcement, the Subscriber and parties acting in concert with him are interested in an aggregate of 1,374,893,500 Shares, representing approximately 44.06% of the total issued share capital of the Company. Upon Completion, the shareholding of the Subscriber and parties acting in concert with him will increase from approximately 44.06% (43.2% if class (6) presumption under the definition of "acting in concert" under the Takeovers Code does not apply) to approximately 46.11% of the then issued share capital of the Company as enlarged by the Subscription (assuming there will be no other change in the number of issued Shares between the date of this announcement and the date of Completion, save for the issue and allotment of the Subscription Shares), thereby triggering an obligation on the Subscriber under Rule 26.1 of the Takeovers Code to make a mandatory general offer for all the issued Shares and other securities of the Company not already owned or agreed to be acquired by him or parties acting in concert with him.

### **APPLICATION FOR WHITEWASH WAIVER**

An application will be made by the Subscriber to the Executive for the granting of the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. As obtaining the Whitewash Waiver is one of the conditions precedent to the Subscription Agreement and such condition is not waivable, the Subscription will not proceed if the Whitewash Waiver is not granted by the Executive, or is not approved by the Independent Shareholders.

### **FORMATION OF THE INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders on the Subscription Agreement, the transactions contemplated thereunder and the Whitewash Waiver. The Company has appointed Somerley Capital Limited as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

## **GENERAL**

The EGM will be convened for the purpose of considering and, if thought fit, approving, among other things, the Subscription Agreement and the transactions contemplated thereunder, including the grant of Specific Mandate, and the Whitewash Waiver. Other than the Subscriber and parties acting in concert with him, including Mr. Wong Pong Chun, James and his spouse, Mr. Cheung Tat Sang and Mr. Li Jian Hua and his spouse, there is no other Shareholder that is interested in or involved in the Subscription or the Whitewash Waiver. Save for the Subscriber and his associates and parties acting in concert with him, including Mr. Wong Pong Chun, James and his spouse, Mr. Cheung Tat Sang and Mr. Li Jian Hua and his spouse, no Shareholder is required to abstain from voting for the resolution to approve the Subscription at the EGM.

A circular containing (i) details of the Subscription Agreement and the Whitewash Waiver; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Subscription Agreement and the transactions contemplated thereunder and the Whitewash Waiver; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Subscription Agreement, the transactions contemplated thereunder and the Whitewash Waiver; and (iv) a notice of the EGM will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules and the Takeovers Code.

The Subscription Shares will be allotted and issued pursuant to the Specific Mandate proposed to be sought from the Independent Shareholders at the EGM.

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares on the main board of the Stock Exchange.

**As the Subscription Agreement may or may not complete, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.**

## **SUBSCRIPTION OF NEW SHARES**

### **The Subscription Agreement**

#### *Date*

31 July 2018 (after trading hours)

#### *Parties*

Issuer: the Company

Subscriber: Lam Wai Wah

The Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 168,800,000 new Shares at the Subscription Price of HK\$1.18 per Subscription Share to the Subscriber, with an aggregate consideration of HK\$199,184,000.

### *The Subscription Shares*

The Subscription Shares represent (i) approximately 5.41% of the issued share capital of the Company as at the date of this announcement; and (ii) 5.13% of the issued share capital of the Company as enlarged by the Subscription Shares (assuming there will be no other change in the number of issued Shares between the date of this announcement and the date of Completion, save for the issue and allotment of the Subscription Shares). Based on the closing price of the Shares of HK\$1.26 per Share on the Last Trading Day, the Subscription Shares have a market value of HK\$212,688,000, and the aggregate nominal value of the Subscription Shares is HK\$3,376,000.

### *Subscription Price*

The Subscription Price of HK\$1.18 per Subscription Share, which represents:

- (i) a discount of approximately 6.35% to the closing price of HK\$1.26 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 4.84% to the average closing price of HK\$1.24 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the date of the Last Trading Day;
- (iii) a discount of approximately 7.16% to the average closing price of HK\$1.271 per Share as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day; and
- (iv) a discount of approximately 56.33% to the Group's audited consolidated tangible net assets per Share as at 31 December 2017 of approximately HK\$2.7022.

The Subscription Price was determined after arm's length negotiations between the Company and the Subscriber with reference to recent market prices of the Shares. The Directors (excluding the Independent Board Committee whose opinion will be provided after taking into consideration of the advice from the Independent Financial Adviser) consider that the Subscription Price is fair and reasonable and in the interest of the Company and its Shareholders as a whole.

### *Conditions precedent*

Completion is conditional upon the fulfillment of the following conditions:

- (a) the passing of the resolution(s) at the EGM by the Independent Shareholders to approve the Subscription Agreement and the transactions contemplated thereunder, including the granting of the Specific Mandate to allot and issue the Subscription Shares and the Whitewash Waiver;

- (b) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Subscription Shares on the Main Board of the Stock Exchange and such permission not having been revoked or withdrawn;
- (c) the Executive granting or agreeing to grant the Whitewash Waiver to the Subscriber;
- (d) the Company not having received written notice from the Stock Exchange indicating that the listing of the Shares on the Stock Exchange would be suspended, revoked or withdrawn immediately after the Completion due to the Subscription Agreement and/or the transactions contemplated thereunder;
- (e) in addition to condition (b) above, the Company having obtained each necessary consent, permit, approval, registration, filing, notice, confirmation, authorisation or waiver (including but not limited to those provided by the SFC, the Stock Exchange or any other third party (if applicable)) in relation to the Subscription Agreement and/or the transactions contemplated thereunder, if any, and such consent, permit, approval, registration, filing, notice, confirmation, authorisation or waiver (if applicable) not having been revoked or withdrawn;
- (f) the representations, warranties and undertakings given by the Company under the Subscription Agreement remaining true and accurate in all material respects;
- (g) the Company having fulfilled its obligations under the Subscription Agreement in all material respects;
- (h) the representations, warranties and undertakings given by the Subscriber under the Subscription Agreement remaining true and accurate in all material respects; and
- (i) the Subscriber having fulfilled its obligations under the Subscription Agreement in all material respects.

As at the date of this announcement, save for the approvals and filings required by the SFC and the Stock Exchange in relation to certain announcements and circulars, the Company is not aware of any material consent, permit, approval, registration, filing, notice, confirmation, authorisation or waives required in relation to the Subscription Agreement and/or the transactions contemplated thereunder which must be obtained by the Company on or before Completion.

The conditions set out in paragraphs (e), (f) and (g) above may be waived by the Subscriber, while the conditions set out in paragraphs (h) and (i) may be waived by the Company. Save as aforementioned, none of the conditions precedent can be waived by any parties to the Subscription Agreement. In the event that the conditions are not fulfilled or waived (as the case may be) on or before 5:00 p.m. of the Long Stop Date (or such later date as may be agreed between the Company and the Subscriber), the Subscription Agreement shall lapse and all the rights and obligations thereunder shall cease, save for any rights or obligations which may accrue prior to the date of such lapse or any liabilities for any antecedent breaches thereof. The Subscription will not proceed if the Whitewash Waiver is not granted by the Executive, or, if so granted by the Executive but not approved by the Independent Shareholders.

### *Completion*

Subject to the conditions having been fulfilled or waived (if applicable), the Completion will take place on the third (3rd) Business Day following the day on which the last of conditions has been fulfilled (or waived, as the case may be), and in any event not later than the Long Stop Date (or such other date as may be agreed by the Company and the Subscriber in writing).

On the date of the Completion, the Subscriber shall pay to the Company the total consideration of HK\$199,184,000 for the subscription of the Subscription Shares and the Subscription Shares shall be allotted and issued to the Subscriber free from all Encumbrances and ranking *pari passu* with all the existing Shares in issue in all respects including the right to any dividends or distributions made or declared thereafter.

### *Payment terms*

The Subscriber shall pay the total Subscription Price of HK\$199,184,000 by way of either bank wire transfer or a cheque on the date of Completion.

### *Lock-up undertakings*

The Subscriber undertakes to and covenants with the Company that, unless in compliance with the requirements of the Listing Rules, the Subscriber shall not, in the period commencing on the date of Completion and ending on the date which is 6 months from the date of Completion, dispose of, or enter into any agreement to dispose of or otherwise create any encumbrances in respect of, any of the Subscription Shares.

### *Specific mandate to issue the Subscription Shares*

The Subscription Shares will be allotted and issued pursuant to the Specific Mandate proposed to be sought from the Independent Shareholders at the EGM.

## **APPLICATION FOR LISTING**

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares on the main board of the Stock Exchange.

## **BACKGROUND OF THE COMPANY AND SUBSCRIBER**

The principal business activities of the Company are the manufacture and sale of liquid crystal display products and electronic consumer products.

The Subscriber is the controlling shareholder, Chairman and Managing Director of the Company. He is the founder of the Group and has over 40 years of experience in the electronics industry. He is primarily responsible for the formulation of the Group's overall strategic plans and business development.

Based on the information made available to the Company, as at the date of this Announcement, the Subscriber and parties acting in concert with him are interested in an aggregate of 1,374,893,500 Shares, representing approximately 44.06% of the total issued share capital of the Company.

## **REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS**

The gross proceeds from the Subscription are expected to be approximately HK\$199 million in aggregate. After deducting related professional fees and all related expenses which will be borne by the Company in relation to the Subscription, the net proceeds of the Subscription will amount to approximately HK\$198 million. The net proceeds from the Subscription will mainly be used for general working capital of the Group and to strengthen the Group's financial position.

As disclosed in the 2017 annual report of the Company, as at 31 December 2017, the Group has (i) the outstanding bank and other borrowings and bond payable, net of restricted bank deposits, cash and bank balances, approximately HK\$5,756 million and (ii) net current liabilities of approximately HK\$893 million. As stated in the management discussion and analysis (page 23) section of the Company's 2017 annual report, the management would find some measures other than loans refinancing to improve the net current liabilities position in 2018. Therefore, the management believes that the Subscription is one of some other measures for the Group to improve the net current liabilities position in 2018.

Besides, in early June 2018, the Company has estimated that the Group might potentially breach certain financial covenants in relation to ratios of net borrowings of the various bank loan agreements for the testing date on 30 June 2018. It was mainly because the relevant financial covenants are tightened up gradually from 2018 to 2020 and the smartphone related products' revenue was decreased significantly in last the quarter of 2017 and the first quarter of 2018. Therefore, the Group had written to lenders requesting for a waiver for these potential financial covenants breach as mentioned above in early June 2018 and had successfully received the lenders' consent on 30 June 2018 to waive the relevant potential financial covenants breach within June 2018.

As the net proceeds from the Subscription is expected to be applied to the general working capital of the Group, it will further enhance the Company's working capital position and improve the Group's net debt ratio and net current liabilities position. The Subscription could raise a substantial amount of additional capital and funding to equip the Group with more resources to further develop the Group's existing businesses.

The Directors consider that the Subscription represents an opportunity to raise capital for the Company in order to maintain a sufficient cash position of the Group to meet its current liabilities and to enhance the capital base of the Company. The Board (excluding the Independent Board Committee whose opinion will be provided after taking into consideration of the advice from the Independent Financial Adviser) consider the terms of the Subscription Agreement to be normal commercial terms and is fair and reasonable and the Subscription is in the interests of the Company and the Shareholders as a whole.

In the circumstances, the Board considers that the Subscription, compared to say a rights issue or open offer, is the preferred financing method for the Group taking into account the Company's share price and the stock market situations, the time and procedures needed for each of the financing options. Debts were not appropriate due to additional gearing.

## **IMPLICATIONS OF THE LISTING RULES AND THE TAKEOVERS CODE**

The Subscriber is a controlling shareholder and a director of the Company, and therefore a connected person under Chapter 14A of the Listing Rules. Accordingly, the Subscription constitutes a connected transaction of the Company under the Listing Rules and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Upon Completion, the shareholding of the Subscriber and parties acting in concert with him will increase from approximately 44.06% (43.2% if class (6) presumption under the definition of "acting in concert" under the Takeovers Code does not apply) to approximately 46.11% of the then issued share capital of the Company as enlarged by the Subscription (assuming there will be no other change in the number of issued Shares between the date of this announcement and the date of Completion, save for the issue and allotment of the Subscription Shares), thereby triggering an obligation on the Subscriber under Rule 26.1 of the Takeovers Code to make a mandatory general offer for all the issued Shares and other securities of the Company not already owned or agreed to be acquired by him or parties acting in concert with him, unless the Whitewash Waiver is granted by the Executive. In this regard, the Subscriber would make an application to the Executive for the Whitewash Waiver in respect of the allotment and issue of the Subscription Shares. The Whitewash Waiver, if granted by the Executive, will be subject to, among other things, approval by the Independent Shareholders of the Subscription and the Whitewash Waiver at the EGM by way of poll.

Upon Completion, Mr. Wong Pong Chun, James, Mr. Cheung Tat Sang, and Mr. Li Jian Hua will no longer be presumed to be acting in concert with the Subscriber under class (6) presumption under the definition of "acting in concert" under the Takeovers Code.

### **Application for Whitewash Waiver**

An application will be made by the Subscriber to the Executive for the granting of the Whitewash Waiver. As obtaining the Whitewash Waiver is one of the conditions precedent to the Subscription Agreement and such condition is not waivable, the Subscription will not proceed if the Whitewash Waiver is not granted by the Executive, or is not approved by the Independent Shareholders.

As at the date of this announcement, as confirmed by each of the Subscriber and the parties acting in concert with him, other than 1,374,893,500 Shares as disclosed in the section headed "EFFECT ON THE SHAREHOLDING OF THE COMPANY" in this announcement and all the transactions contemplated under the Subscription Agreement as disclosed herein, neither the Subscriber nor any parties acting in concert with him:

- (a) has acquired or entered into any agreement or arrangement to acquire any voting rights in the Company within the six months prior to the date of this announcement;
- (b) owns any outstanding options, warrants, or any securities that are convertible into Shares or any derivatives in respect of Shares nor has entered into any outstanding derivative in respect of securities in the Company;



- (c) has any arrangement as referred to in Note 8 to Rule 22 of the Takeovers Code (whether by way of option, indemnity or otherwise) or contracts with any other parties in relation to the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company which might be material to the Subscription Agreement, the transactions contemplated thereunder (including the Specific Mandate) and the Whitewash Waiver;
- (d) has received any irrevocable commitment to vote for the resolution approving the transactions contemplated under the Subscription Agreement and/or the Whitewash Waiver;
- (e) has any agreements or arrangements to which the Subscriber or parties acting in concert with it is a party which relate to the circumstances in which the Subscriber or parties acting in concert with it may or may not invoke or seek to invoke a pre-condition or a condition to the transactions contemplated under the Subscription Agreement and/or the Whitewash Waiver; and
- (f) has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

As at the date of this announcement, the Company does not believe that the Subscription gives rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules). If a concern should arise after the release of this announcement, the Company will endeavour to resolve the matter to the satisfaction of the relevant authority as soon as possible but in any event before the despatch of the circular to be issued in relation to the Subscription Agreement and the transactions contemplated thereunder and the Whitewash Waiver. The Company notes that the Executive may not grant the Whitewash Waiver if the Subscription does not comply with other applicable rules and regulations.

#### **EFFECT ON THE SHAREHOLDING OF THE COMPANY**

As at the date of this announcement, the Company has 3,120,429,398 Shares in issue.

The following table illustrates the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately following the completion of the Subscription (assuming no change in the issued share capital of the Company since the date of this announcement and the Completion save for the allotment and issue of the Subscription Shares):

Shareholders	Shareholding as at the date of this announcement		Shareholding upon the Completion	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Subscriber (as beneficial owner)	1,273,052,000	40.80	1,441,852,000	43.84
Spouse of Subscriber ( <i>Note 1</i> )	74,844,000	2.40	74,844,000	2.28
Mr. Wong Pong Chun, James (as beneficial owner) ( <i>Note 2</i> )	4,649,000	0.15	4,649,000	0.14
Spouse of Mr. Wong Pong Chun, James ( <i>Note 3</i> )	1,650,000	0.05	1,650,000	0.05
Mr. Cheung Tat Sang (as beneficial owner) ( <i>Note 4</i> )	6,129,000	0.20	6,129,000	0.19
Mr. Li Jian Hua (as beneficial owner) ( <i>Note 5</i> )	14,547,000	0.47	14,547,000	0.44
Spouse of Mr. Li Jian Hua ( <i>Note 6</i> )	22,500	0.00	22,500	0.00
		<i>(Note 7)</i>		<i>(Note 7)</i>
Sub-total of the Subscriber and parties (as at the date of this announcement) acting in concert with him	1,374,893,500	44.06	1,543,693,500	46.94
Public shareholders	1,745,535,898	55.94	1,745,535,898	53.06
Total	3,120,429,398	100.00	3,289,229,398	100.00

*Notes:*

1. The Subscriber is deemed to be interested in 74,844,000 ordinary shares of the Company, being interests held beneficially by his spouse.
2. Mr. Wong Pong Chun, James is an executive Director and is presumed to be acting in concert with the Subscriber under class (6) presumption under the definition of “acting in concert” under the Takeovers Code until Completion. This class (6) presumption will cease to apply after Completion.
3. Mr. Wong Pong Chun, James is deemed to be interested in 1,650,000 ordinary shares of the Company, being the interests held beneficially by his spouse, Lai Ching Mui, Stella.
4. Mr. Cheung Tat Sang is an executive Director and is presumed to be acting in concert with the Subscriber under class (6) presumption under the definition of “acting in concert” under the Takeovers Code until Completion. This class (6) presumption will cease to apply after Completion.

5. Mr. Li Jian Hua is a non-executive Director and is presumed to be acting in concert with the Subscriber under class (6) presumption under the definition of “acting in concert” under the Takeovers Code until Completion. This class (6) presumption will cease to apply after Completion.
6. Mr. Li Jian Hua is deemed to be interested in 22,500 ordinary shares of the Company, being the interests held by his spouse, Guo Yu Yan.
7. Rounded to two decimal places.

## FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

Date of announcement	Event	Net Proceeds	Intended use of proceeds	Actual use of proceeds
12 September 2017	(a) placing of 160,000,000 Shares to not less than six placees at a price of HK\$2.02 per Share;	(a) HK\$319.7 million;	as general working capital of the Group and to enhance the Group’s equity capital to rectify its breach of financial covenants on 30 June 2017 under various bank loan agreements	as general working capital of the Group
	(b) subscription of 53,330,000 Shares by the controlling shareholder (i.e. the Subscriber) at a price of HK\$2.02 per Share	(b) HK\$107.1 million		

Save as disclosed above, the Company has not carried out other capital raising activities during the 12 months immediately preceding the date of this announcement.

## GENERAL

The EGM will be convened for the purpose of considering and, if thought fit, approving, among other things, the Subscription Agreement and the transactions contemplated thereunder, including the grant of Specific Mandate, and the Whitewash Waiver. Other than the Subscriber and parties acting in concert with him, including Mr. Wong Pong Chun, James and his spouse, Mr. Cheung Tat Sang and Mr. Li Jian Hua and his spouse, there is no other Shareholder that is interested in or involved in the Subscription or the Whitewash Waiver. Save for the Subscriber and his associates and parties acting in concert with him, no Shareholder is required to abstain from voting for the resolution to approve the Subscription at the EGM.

Save as disclosed above, as at the date of this announcement, no Director (other than Mr. Lam Wai Wah) has a material interest in the Subscription Agreement which requires any of them to abstain from voting on the Board resolutions in relation to the Subscription Agreement, the transactions contemplated thereunder and the Whitewash Waiver.

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders on the Subscription Agreement and the transactions contemplated thereunder and the Whitewash Waiver. Mr. Li Jian Hua, non-

executive Director, is presumed to be acting in concert with the Subscriber under class (6) presumption under “acting in concert” under the Takeovers Code until Completion, therefore Mr. Li Jian Hua will not be a member to the Independent Board Committee for Takeovers Code purpose.

The Company has appointed the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Subscription Agreement, the transactions contemplated thereunder and the Whitewash Waiver.

A circular containing (i) details of the Subscription Agreement and the Whitewash Waiver; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Subscription Agreement and the transactions contemplated thereunder and the Whitewash Waiver; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Subscription Agreement, the transactions contemplated thereunder and the Whitewash Waiver; and (iv) a notice of the EGM will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules and the Takeovers Code.

**As the Subscription Agreement may or may not complete, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.**

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (excluding Saturday and Sunday) on which commercial banks generally are open for business in Hong Kong
“Company”	Truly International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the Subscription
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company from time to time

“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and if thought fit, approving the Subscription Agreement and the transactions contemplated thereunder and the Whitewash Waiver
“Encumbrances”	a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or any other type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect;
“Executive”	the executive director of the Corporate Finance Division of the SFC or any delegate of the executive director
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board which comprises all the independent non-executive Directors, namely Mr. Chung Kam Kwong, Mr. Ip Cho Ting, Spencer and Mr. Heung Kai Sing, established to advise the Independent Shareholders in respect of the Subscription Agreement and the transactions contemplated thereunder and the Whitewash Waiver
“Independent Financial Adviser”	Somerley Capital Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Subscription and the Whitewash Waiver
“Independent Shareholder(s)”	Shareholders other than (i) the Subscriber and his associates and parties acting in concert with him, including Mr. Wong Pong Chun, James and his spouse, Mr. Cheung Tat Sang and Mr. Li Jian Hua and his spouse; (ii) those who have a material interest in the Subscription or are required by the Listing Rules to abstain from voting on the resolution approving the Subscription, the allotment and issue of the Subscription Shares and other transactions contemplated under the Subscription Agreement; and (iii) those who are involved in or interested in the Subscription and/or the Whitewash Waiver

“independent third party(ies)”	independent third party who is not connected person (as defined in the Listing Rules) of the Company and is independent of and not connected with the connected persons of the Company
“Last Trading Day”	30 July 2018, being the last trading day of the Shares immediately prior to the entering into of the Subscription Agreement
“Listing Committee”	has the meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	28 September 2018, or any other date to be agreed by the Subscriber and the Company in writing
“SFC”	The Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary shares of HK\$0.02 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Specific Mandate”	the specific mandate to be sought from the Independent Shareholders at the EGM to grant the authority to the Board for the allotment and issue of the Subscription Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Mr. Lam Wai Wah, the Chairman and Managing Director of the Company, being a controlling shareholder of the Company
“Subscription”	the subscription of the Subscription Shares by the Subscriber pursuant to the terms of the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 31 July 2018 entered into between the Company and the Subscriber in relation to the Subscription
“Subscription Price”	HK\$1.18 per Subscription Share
”Subscription Share(s)”	168,800,000 new Shares to be allotted and issued to the Subscriber pursuant to the Subscription Agreement
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers issued by the SFC, as amended, supplemented or otherwise modified from time to time

“Whitewash Waiver”

a waiver from the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of the obligations of the Subscriber to make a mandatory general offer for all the issued securities of the Company not already owned, or controlled or agreed to be acquired by the Subscriber and any parties acting in concert with them under Rule 26 of the Takeovers Code which would, if the Subscription proceeds, otherwise arise as a result of the Subscription

“%”

per cent

By order of the Board  
**Truly International Holdings Limited**  
**Ma Wai Tong**  
*Company Secretary*

Hong Kong, 31 July 2018

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

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm having made all reasonable inquiries, that to the best of their knowledge, their opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.*