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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)**

### **RESULTS ANNOUNCEMENT**

### **FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2016**

#### **UNAUDITED RESULTS**

The unaudited revenue and profit attributable to owners of the Company and its subsidiaries for the nine months period from 1 January 2016 to 30 September 2016 were approximately HK\$15,760 million and HK\$566 million which were about 8.7% more than and 3.9% less than the corresponding period in 2015 (approximately HK\$14,492 million and HK\$589 million) respectively. The unaudited gross profit margin (10.9%) for the period was more than the corresponding period in 2015 (10.8%) while unaudited net profit margin attributable to owners of the Company was decreased from 4.1% for the corresponding period in 2015 to 3.6% during the current period.

The unaudited total net assets of the Group as at 30 September 2016 was slightly increased to approximately HK\$7,816 million (approximately HK\$7,596 million as at 31 December 2015). The unaudited current ratio as at 30 September 2016 was increased to 1.27 (1.13 as at 31 December 2015). At 30 September 2016, the unaudited outstanding bank and other borrowings, net of restricted bank deposits, bank balances and cash were approximately HK\$4,253 million (approximately HK\$2,755 million as at 31 December 2015).

#### **FINANCIAL HIGHLIGHTS**

For the nine months from 1 January 2016 to 30 September 2016

|   | <b>2016</b>       | 2015       | Change |
|---|-------------------|------------|--------|
|   | <b>Unaudited</b>  | Unaudited  |        |
|   | <b>HK\$'000</b>   | HK\$'000   |        |
| Revenue   | <b>15,759,730</b> | 14,492,339 | +8.7%  |
| Gross profit  | <b>1,715,696</b>  | 1,569,566  | +9.3%  |
| EBITDA and before share of results of associates            | <b>1,762,832</b>  | 1,614,860  | +9.2%  |
| Profit for the period attributable to owners of the Company | <b>566,023</b>    | 589,221    | -3.9%  |
| Basic EPS (HK cents)  | <b>19.47</b>      | 20.27      | -3.9%  |
| Third interim dividend per share (HK cents)                 | <b>2</b>          | 2          | -      |
| Total interim dividends per share (HK cents)                | <b>7</b>          | 7          | -      |

The Board of Directors (the “Board”) of Truly International Holdings Limited (the “Company”) and its subsidiaries (collectively the “Group”) is pleased to announce the Group’s third quarter unaudited consolidated results for the period from 1 January 2016 to 30 September 2016 (with comparative figures for the corresponding period in the previous year) and the unaudited condensed consolidated statement of financial position at 30 September 2016 (with comparative audited figures as at 31 December 2015) as follows:

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the nine months ended 30 September 2016*

|   | <b>Unaudited<br/>For the period<br/>from 1.1.2016<br/>to 30.9.2016<br/>HK\$’000</b> | Unaudited<br>For the period<br>from 1.1.2015<br>to 30.9.2015<br>HK\$’000 |
|---|---|--|
| Revenue ( <i>Note 2</i> )   | <b>15,759,730</b>   | 14,492,339   |
| Cost of sales   | <b>(14,044,034)</b>   | (12,922,773)   |
| Gross profit ( <i>Note 3</i> )  | <b>1,715,696</b>  | 1,569,566  |
| Other income, gains and losses  | <b>(42,668)</b>   | (9,121)  |
| Impairment loss on available-for-sale investments                     | <b>(313)</b>  | (28,353)   |
| Administrative, distribution and selling expenses                     | <b>(608,994)</b>  | (599,734)  |
| Finance costs   | <b>(107,570)</b>  | (78,804)   |
| Share of result of associates   | <b>(158,265)</b>  | (29,073)   |
| Profit before tax   | <b>797,886</b>  | 824,481  |
| Income tax expense  | <b>(159,677)</b>  | (189,631)  |
| Profit for the period   | <b>638,209</b>  | 634,850  |
| <b>Other comprehensive expense for the period</b>                     |   |  |
| <i>Items that may be reclassified subsequently to profit or loss:</i> |   |  |
| Exchange differences arising on translation of foreign operations     | <b>(222,304)</b>  | (257,173)  |
| Fair value gain (loss) on available-for-sale investments              | <b>53,286</b>   | (48,653)   |
| Share of exchange differences arising on translation of associates    | <b>(29,494)</b>   | (30,014)   |
| Other comprehensive expense for the period                            | <b>(198,512)</b>  | (335,840)  |
| <b>Total comprehensive income for the period</b>                      | <b>439,697</b>  | 299,010  |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME**

**(continued)**

*For the nine months ended 30 September 2016*

|   | <b>Unaudited<br/>For the period<br/>from 1.1.2016<br/>to 30.9.2016<br/>HK\$'000</b> | Unaudited<br>For the period<br>from 1.1.2015<br>to 30.9.2015<br>HK\$'000 |
|---|---|--|
| <b>Profit for the period attributable to:</b>                         |   |  |
| Owners of the Company (Note 4)  | <b>566,023</b>  | 589,221  |
| Non-controlling interests   | <b>72,186</b>   | 45,629   |
|   | <b>638,209</b>  | 634,850  |
| <b>Total comprehensive income for the period<br/>attributable to:</b> |   |  |
| Owners of the Company   | <b>380,596</b>  | 264,602  |
| Non-controlling interests   | <b>59,101</b>   | 34,408   |
|   | <b>439,697</b>  | 299,010  |
| Basic earnings per share (Note 5)                                     | <b>19.47 HK cents</b>   | 20.27 HK cents   |

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2016

|   | Unaudited<br>30.9.2016<br>HK\$'000 | Audited<br>31.12.2015<br>HK\$'000 |
|---|------------------------------------|-----------------------------------|
| <b>NON-CURRENT ASSETS</b>                                 |                                    |                                   |
| Property, plant and equipment                             | 7,328,042                          | 6,968,996                         |
| Interest in associates                                    | 1,220,884                          | 1,223,727                         |
| Available-for-sale investments (Note 6)                   | 129,621                            | 76,648                            |
| Other non-current assets                                  | 1,130,566                          | 234,825                           |
|   | <u>9,809,113</u>                   | <u>8,504,196</u>                  |
| <b>CURRENT ASSETS</b>                                     |                                    |                                   |
| Inventories (Note 7)                                      | 2,704,576                          | 1,775,706                         |
| Trade and other receivables (Note 8)                      | 6,035,910                          | 5,004,135                         |
| Tax recoverable   | 46,656                             | 42,153                            |
| Amount due from an associate                              | 317,423                            | 768,600                           |
| Other current assets                                      | 26,815                             | 11,798                            |
| Restricted bank deposits, bank balances and cash (Note 9) | 3,727,924                          | 2,127,856                         |
|   | <u>12,859,304</u>                  | <u>9,730,248</u>                  |
| <b>CURRENT LIABILITIES</b>                                |                                    |                                   |
| Trade and other payables                                  | 6,740,250                          | 5,652,125                         |
| Tax liabilities   | 49,390                             | 1,490                             |
| Bank and other borrowings, unsecured (Note 9)             | 3,294,619                          | 2,882,553                         |
| Other current liabilities                                 | 19,130                             | 42,571                            |
|   | <u>10,103,389</u>                  | <u>8,578,739</u>                  |
| NET CURRENT ASSETS (Note 10)                              | <u>2,755,915</u>                   | <u>1,151,509</u>                  |
| TOTAL ASSETS LESS CURRENT LIABILITIES                     | <u>12,565,028</u>                  | <u>9,655,705</u>                  |
| <b>NON-CURRENT LIABILITIES</b>                            |                                    |                                   |
| Bank and other borrowings, unsecured (Note 9)             | 3,821,587                          | 2,000,056                         |
| Corporate bonds   | 865,069                            | -                                 |
| Other non-current liabilities                             | 62,803                             | 60,068                            |
|   | <u>4,749,459</u>                   | <u>2,060,124</u>                  |
|   | <u>7,815,569</u>                   | <u>7,595,581</u>                  |
| <b>CAPITAL AND RESERVES</b>                               |                                    |                                   |
| Share capital   | 58,142                             | 58,142                            |
| Share premium and reserves                                | 7,175,403                          | 7,027,375                         |
| Equity attributable to owners of the company              | 7,233,545                          | 7,085,517                         |
| Non-controlling interests                                 | 582,024                            | 510,064                           |
| Total equity  | <u>7,815,569</u>                   | <u>7,595,581</u>                  |

Notes:

1. The accounting policies and basis used in the preparations of the unaudited condensed consolidated statement of profit or loss and other comprehensive income and the condensed consolidated statement of financial position respectively, which were reviewed by the Audit Committee are the same as those used in the interim financial statements for the six month ended 30 June 2016.
2. Unaudited consolidated revenue for the nine months ended 30 September 2016 was approximately HK\$15,760 million which was about 8.7% more than the same period last year (2015: approximately HK\$14,492 million).
3. Gross profit margin for the period was around 10.9 % (approximately 10.8% for the same period in 2015).
4. Net profit margin attributable to owners of the Company for the period was around 3.6% (approximately 4.1% for the same period in 2015).
5. The calculation of the basic earnings per share is based on the profit for the period attributable to owners of the Company of HK\$566,023,000 (2015: HK\$589,221,000) and on the weighted average number of 2,907,099,398 ordinary shares in issue during the period (2015: 2,907,099,398 shares)
6. The investments include equity interests in companies incorporated in Taiwan and in Cayman Islands with their registered shares listed on the Taiwan Stock Exchange and on the Hong Kong Stock Exchange respectively, which are stated at fair value. The fair value of listed equity securities is determined based on quoted market bid price available from the relevant stock exchange. During the nine months ended 30 September 2016, net fair value gain of approximately HK\$52,973,000 (same period in 2015: net fair value loss of approximately HK\$77,006,000) has been recognised.
7. The inventory turnover was around 53 days (38 days for the year ended 31 December 2015).
8. The trade debtor turnover was around 95 days (78 days for the year ended 31 December 2015).
9. As at 30 September 2016, the outstanding bank and other borrowings, net of restricted bank deposits, bank balances and cash were about HK\$4,253 million (HK\$2,755 million as at 31 December 2015).
10. The current ratio as at 30 September 2016 was 1.27 (1.13 as at 31 December 2015).

## **DIVIDEND**

The Board has resolved to pay a third interim dividend of 2 HK cents per share for the three months ended 30 September 2016 (2015: 2 HK cents) to shareholders whose names appear on the Register of Members as at the close of business on 8 December 2016. Together with the first (2 HK cents per share) and the second (3 HK cents per share) interim dividends paid and payable during the year, the total interim dividends paid and payable were 7 HK cents per share (2015: 7 HK cents per share). It is expected that the third interim dividend payments will be made to shareholders on 8 March 2017.

## **CLOSURE OF REGISTER OF MEMBERS**

The Register of Members will be closed on 8 December 2016, during which day no transfer of shares can be registered. In order to qualify for the third interim dividend, all transfers accompanied by relevant share certificates must be lodged with the Company's Branch Share Registrars, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 7 December 2016.

**As the unaudited condensed consolidated statement of financial position at 30 September 2016 and the unaudited results for the nine months then ended may not reflect the consolidated statement of financial position at 31 December 2016 and the final results for the full year then ended respectively, investors and shareholders are advised to exercise extreme caution when dealing in the shares of the Company.**

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

Hong Kong, 16 November 2016

*As at the date of this announcements, 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.*