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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 THREE MONTHS ENDED 31 MARCH 2018**

UNAUDITED RESULTS

The Group's unaudited revenue and profit attributable to owners of the Company and its subsidiaries for the three months period from 1 January 2018 to 31 March 2018 were approximately HK\$4,070 million and HK\$12 million which were about 26.3% and 80.0% less than the corresponding period in 2017 (approximately HK\$5,525 million and HK\$62 million) respectively. The unaudited gross profit margin of approximately 11.7% for the period was more than the corresponding period of approximately 9.9% in 2017 while unaudited net profit margin attributable to owners of the Company was decreased from 1.1% for the corresponding period in 2017 to 0.3% during the current period.

FINANCIAL HIGHLIGHTS

For the three months period from 1 January 2018 to 31 March 2018:

	2018	2017	Change
	Unaudited	Unaudited	
	HK\$'000	HK\$'000	
Revenue	4,069,741	5,525,044	-26.3%
Gross profit	475,374	545,325	-12.8%
Profit for the period attributable to owners of the Company	12,461	62,379	-80.0%
Basic EPS	0.4 HK cent	2.1 HK cents	-81.0%
Interim dividend per share	-	1 HK cent	-100%

The Board of Directors (the “Board”) of Truly International Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “Group”) for the period from 1 January 2018 to 31 March 2018 (with comparative figures for the corresponding period in the previous year) as follows:

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

For the three months ended 31 March 2018

	Unaudited For the period from 1.1.2018 to 31.3.2018 HK\$'000	Unaudited For the period from 1.1.2017 to 31.3.2017 HK\$'000
Revenue (<i>Note 2</i>)	4,069,741	5,525,044
Cost of sales	(3,594,367)	(4,979,719)
Gross profit (<i>Note 3</i>)	475,374	545,325
Other income, gains and losses (<i>Note 4</i>)	(37,977)	42,636
Impairment loss on available-for-sale investments	(391)	(2,970)
Administrative, distribution and selling expenses	(211,185)	(184,082)
Finance costs	(81,294)	(80,584)
Share of results of associates	(94,284)	(178,283)
Profit before tax	50,243	142,042
Income tax expense	(18,677)	(53,631)
Profit for the period	31,566	88,411
Other comprehensive income (expense) for the period		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	274,076	196,905
Share of exchange differences arising on translation of associates	50,104	(4,321)
Other comprehensive income for the period	324,180	192,584
Total comprehensive income for the period	355,746	280,995

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

(continued)

For the three months ended 31 March 2018

	Unaudited For the period from 1.1.2018 to 31.3.2018 HK\$'000	Unaudited For the period from 1.1.2017 to 31.3.2017 HK\$'000
Profit for the period attributable to:		
Owners of the Company (<i>Note 5</i>)	12,461	62,379
Non-controlling interests	<u>19,105</u>	<u>26,032</u>
	<u>31,566</u>	<u>88,411</u>
Total comprehensive income for the period attributable to:		
Owners of the Company	321,315	245,881
Non-controlling interests	<u>34,431</u>	<u>35,114</u>
	<u>355,746</u>	<u>280,995</u>
Basic earnings per share (<i>Note 6</i>)	<u>0.4 HK cent</u>	<u>2.1 HK cents</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, which was reviewed by the Audit Committee and approved by the Board on 30 May 2018, are the same as those used in the annual financial statements for the year ended 31 December 2017.
2. Unaudited consolidated revenue for the three months ended 31 March 2018 was approximately HK\$4,070 million which was about 26.3% less than the same period last year (2017: approximately HK\$5,525 million).
3. Gross profit margin for the period was approximately 11.7% (approximately 9.9% for the same period in 2017).
4. The Group has recorded approximately HK\$40 million net loss on fair value changes of derivative financial instruments mainly for hedging Renminbi currency depreciation for the 3 months ended 31 March 2018 (2017Q1: net gain approximately HK\$48 million).
5. Net profit margin attributable to owners of the Company for the period was around 0.3% (approximately 1.1% for the same period in 2017).
6. The calculation of the basic earnings per share is based on the profit for the period attributable to owners of the Company of HK\$12,461,000 (same period in 2017: HK\$62,379,000) and on the weighted average number of 3,120,429,398 ordinary shares in issue during the period (same period in 2017: 2,907,099,398 shares).

DIVIDEND

The Board does not recommend the payment of the interim quarterly dividend for the three months ended 31 March 2018 (2017: 1 HK cent)

As the unaudited results for the three months ended 31 March 2018 may not reflect the interim and final results for the six months ended 30 June 2018 and the full year ended 31 December 2018 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, 30 May 2018

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 Hu 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.