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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 TRANSACTIONS
ACQUISITIONS OF SHAREHOLDING INTERESTS IN A SUBSIDIARY

Reference is made to the Previous Announcements in relation to acquisitions of additional shareholding interests in Truly Opto.

The Board is pleased to announce that Truly Industrial (an indirect wholly-owned subsidiary of the Company) (as purchaser) entered into the Agreement V, Agreement VI and Agreement VII on 13 August 2021 to acquire approximately 0.0879%, 0.1755%, 0.1074% shareholding interests of Truly Opto (an indirect non wholly-owned subsidiary of the Company), respectively. The Agreement V, Agreement VI and Agreement VII are not inter-conditional upon each other.

ACQUISITION V

On 13 August 2021 (after trading hours), Truly Industrial (as purchaser) entered into the Agreement V with Haozhigeng Investment (as vendor), pursuant to which Haozhigeng Investment has agreed to transfer 324,020 Truly Opto Shares (representing approximately 0.0879% of the total shareholding interests of Truly Opto) to Truly Industrial at the consideration of RMB449,291.64.

Assuming the Acquisition III, Acquisition VI and Acquisition VII are not yet completed, upon completion of the Acquisition V which is expected to take place on or before 24 August 2021 upon settlement of consideration, Truly Opto will remain as an indirect non wholly-owned subsidiary of the Company and will be owned as to approximately 85.32% by wholly-owned subsidiaries of the Company, as to approximately 9.73% by directors of the Company and Truly Opto or companies in which they have interest, and as to approximately 4.95% by other shareholders who are independent third parties of the Company.

ACQUISITION VI

On 13 August 2021 (after trading hours), Truly Industrial (as purchaser) entered into the Agreement VI with Jianyuan Investment (as vendor), pursuant to which Jianyuan Investment has agreed to transfer 647,360 Truly Opto Shares (representing approximately 0.1755% of the total shareholding interests of Truly Opto) to Truly Industrial at the consideration of RMB898,583.28.

Assuming the Acquisition III, Acquisition V and Acquisition VII are not yet completed, upon completion of the Acquisition VI which is expected to take place on or before 24 August 2021 upon settlement of consideration, Truly Opto will remain as an indirect non wholly-owned subsidiary of the Company and will be owned as to approximately 85.41% by wholly-owned subsidiaries of the Company, as to approximately 9.73% by directors of the Company and Truly Opto or companies in which they have interest, and as to approximately 4.86% by other shareholders who are independent third parties of the Company.

ACQUISITION VII

On 13 August 2021 (after trading hours), Truly Industrial (as purchaser) entered into the Agreement VII with Qiangsheng Investment (as vendor), pursuant to which Qiangsheng Investment has agreed to transfer 396,100 Truly Opto Shares (representing approximately 0.1074% of the total shareholding interests of Truly Opto) to Truly Industrial at the consideration of RMB549,343.98.

Assuming the Acquisition III, Acquisition V and Acquisition VI are not yet completed, upon completion of the Acquisition VII which is expected to take place on or before 24 August 2021 upon settlement of consideration, Truly Opto will remain as an indirect non wholly-owned subsidiary of the Company and will be owned as to approximately 85.34% by wholly-owned subsidiaries of the Company, as to approximately 9.73% by directors of the Company and Truly Opto or companies in which they have interest, and as to approximately 4.93% by other shareholders who are independent third parties of the Company.

LISTING RULE IMPLICATIONS

Each of the Current Acquisitions on a standalone basis does not constitute a discloseable transaction of the Company under the Listing Rules. However, pursuant to Rules 14.22 and 14.23 of the Listing Rules, since the Previous Acquisitions and the Current Acquisitions involve the acquisitions of the shareholding interests of Truly Opto, the transactions under the Previous Acquisitions and the Current Acquisitions shall be aggregated as if they were one transaction for the purpose of Chapter 14 of the Listing Rule. Upon aggregation, as one or more of the relevant applicable percentage ratios (as defined under the Listing Rules), are more than 5% but less than 25%, each of the Current Acquisitions constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and will be subject to reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that Truly Industrial (an indirect wholly-owned subsidiary of the Company) (as purchaser) entered into the Agreement V, Agreement VI and Agreement VII on 13 August 2021 to acquire approximately 0.0879%, 0.1755%, 0.1074% shareholding interests of Truly Opto (an indirect non wholly-owned subsidiary of the Company), respectively. The Agreement V, Agreement VI and Agreement VII are not inter-conditional upon each other.

ACQUISITION V

On 13 August 2021 (after trading hours), Truly Industrial (as purchaser) entered into the Agreement V with Haozhigeng Investment (as vendor), pursuant to which Haozhigeng Investment has agreed to transfer 324,020 Truly Opto Shares (representing approximately 0.0879% of the total shareholding interests of Truly Opto) to Truly Industrial at the consideration of RMB449,291.64.

Assuming the Acquisition III, Acquisition VI and Acquisition VII are not yet completed, upon completion of the Acquisition V which is expected to take place on or before 24 August 2021 upon settlement of consideration, Truly Opto will remain as an indirect non wholly-owned subsidiary of the Company and will be owned as to approximately 85.32% by wholly-owned subsidiaries of the Company, as to approximately 9.73% by directors of the Company and Truly Opto or companies in which they have interest, and as to approximately 4.95% by other shareholders who are independent third parties of the Company.

Agreement V

Set out below are the principal terms of the Agreement V:

Date:

13 August 2021 (after trading hours)

Parties:

- (1) Haozhigeng Investment (as vendor)
- (2) Truly Industrial, an indirect wholly-owned subsidiary of the Company (as purchaser)

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, Haozhigeng Investment was 100% held by Wang Chuanghao (王創浩) who is an independent third party of the Company.

Nature of the transaction and assets to be acquired:

Pursuant to the Agreement V, Haozhigeng Investment has agreed to transfer 324,020 Truly Opto Shares (representing approximately 0.0879% of the total shareholding interests of Truly Opto) to Truly Industrial.

Consideration:

The consideration for the Acquisition V is RMB449,291.64, payable in cash on or before 24 August 2021, and was arrived at after arm's length negotiations. In determining the consideration for the Acquisition V, the Company has considered the consideration proposed by the vendor with reference to its expected investment return and the price-to-earning ratio implied by the share prices of other Hong Kong and PRC listed companies in the same industry in first half of 2021.

The said consideration will be funded by internal resources of the Group.

Completion:

The completion of the Acquisition V shall take place on or before 24 August 2021 upon settlement of consideration.

ACQUISITION VI

On 13 August 2021 (after trading hours), Truly Industrial (as purchaser) entered into the Agreement VI with Jianyuan Investment (as vendor), pursuant to which Jianyuan Investment has agreed to transfer 647,360 Truly Opto Shares (representing approximately 0.1755% of the total shareholding interests of Truly Opto) to Truly Industrial at the consideration of RMB898,583.28.

Assuming the Acquisition III, Acquisition V and Acquisition VII are not yet completed, upon completion of the Acquisition VI which is expected to take place on or before 24 August 2021 upon settlement of consideration, Truly Opto will remain as an indirect non wholly-owned subsidiary of the Company and will be owned as to approximately 85.41% by wholly-owned subsidiaries of the Company, as to approximately 9.73% by directors of the Company and Truly Opto or companies in which they have interest, and as to approximately 4.86% by other shareholders who are independent third parties of the Company.

Agreement VI

Set out below are the principal terms of the Agreement VI:

Date:

13 August 2021 (after trading hours)

Parties:

- (1) Jianyuan Investment (as vendor)
- (2) Truly Industrial, an indirect wholly-owned subsidiary of the Company (as purchaser)

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, Jianyuan Investment was 100% held by Li Jianhua (李建華) who is an independent third party of the Company.

Nature of the transaction and assets to be acquired:

Pursuant to the Agreement VI, Jianyuan Investment has agreed to transfer 647,360 Truly Opto Shares (representing approximately 0.1755% of the total shareholding interests of Truly Opto) to Truly Industrial.

Consideration:

The consideration for the Acquisition VI is RMB898,583.28, payable in cash on or before 24 August 2021, and was arrived at after arm's length negotiations. In determining the consideration for the Acquisition VI, the Company has considered the consideration proposed by the vendor with reference to its expected investment return and the price-to-earning ratio implied by the share prices of other Hong Kong and PRC listed companies in the same industry in first half of 2021.

The said consideration will be funded by internal resources of the Group.

Completion:

The completion of the Acquisition VI shall take place on or before 24 August 2021 upon settlement of consideration.

ACQUISITION VII

On 13 August 2021 (after trading hours), Truly Industrial (as purchaser) entered into the Agreement VII with Qiangsheng Investment (as vendor), pursuant to which Qiangsheng Investment has agreed to transfer 396,100 Truly Opto Shares (representing approximately 0.1074% of the total shareholding interests of Truly Opto) to Truly Industrial at the consideration of RMB549,343.98.

Assuming the Acquisition III, Acquisition V and Acquisition VI are not yet completed, upon completion of the Acquisition VII which is expected to take place on or before 24 August 2021 upon settlement of consideration, Truly Opto will remain as an indirect non wholly-owned subsidiary of the Company and will be owned as to approximately 85.34% by wholly-owned subsidiaries of the Company, as to approximately 9.73% by directors of the Company and Truly Opto or companies in which they have interest, and as to approximately 4.93% by other shareholders who are independent third parties of the Company.

Agreement VII

Set out below are the principal terms of the Agreement VII:

Date:

13 August 2021 (after trading hours)

Parties:

- (1) Qiangsheng Investment (as vendor)
- (2) Truly Industrial, an indirect wholly-owned subsidiary of the Company (as purchaser)

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, Qiangsheng Investment was 100% held by He Jiqiang (何基強) who is an independent third party of the Company.

Nature of the transaction and assets to be acquired:

Pursuant to the Agreement VII, Qiangsheng Investment has agreed to transfer 396,100 Truly Opto Shares (representing approximately 0.1074% of the total shareholding interests of Truly Opto) to Truly Industrial.

Consideration:

The consideration for the Acquisition VII is RMB549,343.98, payable in cash on or before 24 August 2021, and was arrived at after arm's length negotiations. In determining the consideration for the Acquisition VII, the Company has considered the consideration proposed by the vendor with reference to its expected investment return and the price-to-earning ratio implied by the share prices of other Hong Kong and PRC listed companies in the same industry in first half of 2021.

The said consideration will be funded by internal resources of the Group.

Completion:

The completion of the Acquisition VII shall take place on or before 24 August 2021 upon settlement of consideration.

INFORMATION ON THE GROUP, HAOZHIGENG INVESTMENT, JIANYUAN INVESTMENT, QIANGSHENG INVESTMENT AND TRULY OPTO

The Group

The Group is primarily engaged in the business of, among other things, manufacturing and sales of liquid crystal display products and electronic consumer products including compact camera module, personal health care products and electrical devices.

Haozhigeng Investment

Haozhigeng Investment is primarily engaged in the investment management and consulting.

Jianyuan Investment

Jianyuan Investment is primarily engaged in the investment management and consulting.

Qiangsheng Investment

Qiangsheng Investment is primarily engaged in the investment management and consulting.

Truly Opto

Truly Opto is a company incorporated in the PRC and is an indirect non-wholly owned subsidiary of the Company. It is primarily engaged in the business of manufacturing of touch products compact camera modules and fingerprint identification modules.

For the two years ended 31 December 2019 and 2020, extract of key items from the audited consolidated accounts of Truly Opto prepared by its PRC auditors based on the generally accepted accounting principles in the PRC are as follows:

	For the year ended 31 December 2020 RMB'000	For the year ended 31 December 2019 RMB'000
Profit before taxation	405,315	407,878
Profit after taxation	327,311	367,694
Total assets	14,087,123	13,108,512
Net assets value	4,388,075	4,112,080

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

Truly Opto is the Company's major assets and manufacturing plant which has been contributing a reliable income source and support to the Company. The Company has been satisfied with the financial performance of Truly Opto and is optimistic about its future prospects.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Agreement V, Agreement VI and Agreement VII as well as the transactions contemplated thereunder are on normal commercial terms or better and in the ordinary and usual course of business of the Group and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULE IMPLICATIONS

Each of the Current Acquisitions on a standalone basis does not constitute a discloseable transaction of the Company under the Listing Rules. However, pursuant to Rules 14.22 and 14.23 of the Listing Rules, since the Previous Acquisitions and the Current Acquisitions involve the acquisitions of the shareholding interests of Truly Opto, the transactions under the Previous Acquisitions and the Current Acquisitions shall be aggregated as if they were one transaction for the purpose of Chapter 14 of the Listing Rule. Upon aggregation, as one or more of the relevant applicable percentage ratios (as defined under the Listing Rules), are more than 5% but less than 25%, each of the Current Acquisitions constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and will be subject to reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

TERMS USED IN THIS ANNOUNCEMENT

“Acquisition V”	the acquisition of 0.0879% shareholding interests of Truly Opto contemplated under the Agreement V
“Acquisition VI”	the acquisition of 0.1755% shareholding interests of Truly Opto contemplated under the Agreement VI
“Acquisition VII”	the acquisition of 0.1074% shareholding interests of Truly Opto contemplated under the Agreement VII
“Agreement V”	the equity transfer agreement entered into between Truly Industrial and Haozhigeng Investment dated 13 August 2021
“Agreement VI”	the equity transfer agreement entered into between Truly Industrial and Jianyuan Investment dated 13 August 2021
“Agreement VII”	the equity transfer agreement entered into between Truly Industrial and Qiangsheng Investment dated 13 August 2021
“Board”	the board of directors of the Company
“Company”	Truly International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Hong Kong Stock Exchange
“Current Acquisitions”	collectively, the Acquisition V, Acquisition VI and Acquisition VII
“Director(s)”	the director(s) of the Company
“Haozhigeng Investment”	Lhasa Development Zone Haozhigeng Investment Management Company Limited* (拉薩開發區浩之庚投資管理有限公司), a limited company organized and existing under the laws of the PRC
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Jianyuan Investment”	Lhasa Development Zone Jianyuan Investment Management Company Limited* (拉薩開發區建源投資管理有限公司), a limited company organized and existing under the laws of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange

“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
“Previous Acquisitions”	collectively, the Acquisition I, Acquisition II, Acquisition III and Acquisition IV as defined in the Announcements
“Previous Announcements”	collectively, the announcements of the Company dated 2, 9 and 30 July 2021 in relation to acquisitions of additional shareholding interests in Truly Opto
“Qiangsheng Investment”	Lhasa Development Zone Qiangsheng Investment Management Company Limited* (拉薩開發區強勝投資管理有限公司), a limited company organized and existing under the laws of the PRC
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Truly Industrial”	Truly Industrial (Shanwei) Limited* (信利工業(汕尾)有限公司), a company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company
“Truly Opto”	Truly Opto-Electronics Limited* (信利光電股份有限公司), a company incorporated in the PRC and an indirect non wholly owned subsidiary of the Company in which the Company indirectly controls approximately 85.23% of its shareholding interest as at the date of this announcement
“Truly Opto Share(s)”	share(s) of Truly Opto
“%”	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, 13 August 2021

As at the date of this announcement, the Board comprises Mr. Lam Wai Wah, Mr. Wong Pong Chun, James, Mr. Song Bei Bei, Mr. Dai Cheng Yun, and Mr. Cheung Wing Cheung as executive directors, Mr. Ma Wai Tong 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.