

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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
ACQUISITION OF SHAREHOLDING INTERESTS IN A SUBSIDIARY**

ACQUISITION X

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, on 25 August 2021 (after trading hours), Truly Industrial (an indirect wholly-owned subsidiary of the Company) (as purchaser) entered into the Agreement X with Huipeng Investment (as vendor) to further acquire shareholding interests of Truly Opto (an indirect non wholly-owned subsidiary of the Company). Pursuant to the Agreement X, Huipeng 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 VIII and Acquisition IX are not yet completed, upon completion of the Acquisition X which is expected to take place on or before 27 August 2021, Truly Opto will remain as an indirect non wholly-owned subsidiary of the Company and will be owned as to approximately 85.69% 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 4.58% by other shareholders who are independent third parties of the Company.

LISTING RULE IMPLICATIONS

Acquisition X 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 Acquisition X involve the acquisitions of the shareholding interests of Truly Opto, the transactions under the Previous Acquisitions and Acquisition X 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%, the Acquisition X 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

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, on 25 August 2021 (after trading hours), Truly Industrial (an indirect wholly-owned subsidiary of the Company) (as purchaser) entered into the Agreement X with Huipeng Investment (as vendor) to further acquire shareholding interests of Truly Opto (an indirect non wholly-owned subsidiary of the Company). Pursuant to the Agreement X, Huipeng 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 VIII and Acquisition IX are not yet completed, upon completion of the Acquisition X which is expected to take place on or before 27 August 2021, Truly Opto will remain as an indirect non wholly-owned subsidiary of the Company and will be owned as to approximately 85.69% 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 4.58% by other shareholders who are independent third parties of the Company.

Agreement X

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

Date:

25 August 2021 (after trading hours)

Parties:

- (1) Huipeng 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, Huipeng Investment was 100% held by Huang Jinxiong (黃錦雄) who is an independent third party of the Company.

Nature of the transaction and assets to be acquired:

Pursuant to the Agreement X, Huipeng 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 X is RMB449,291.64, payable in cash on or before 27 August 2021, and was arrived at after arm's length negotiations. In determining the consideration for the Acquisition X, 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 X shall take place on or before 27 August 2021 upon settlement of consideration.

INFORMATION ON THE GROUP, HUIPENG 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.

Huipeng Investment

Huipeng 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 X and 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

Acquisition X 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 Acquisition X involve the acquisitions of the shareholding interests of Truly Opto, the transactions under the Previous Acquisitions and Acquisition X 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%, the Acquisition X 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 X”	the acquisition of 0.0879% shareholding interests of Truly Opto contemplated under the Agreement X
“Agreement X”	the equity transfer agreement entered into between Truly Industrial and Huipeng Investment dated 25 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
“Director(s)”	the director(s) of the Company
“Huipeng Investment”	Lhasa Development Zone Huipeng Investment Management Company Limited* (拉薩開發區輝鵬投資管理有限公司), 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
“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, Acquisition IV, Acquisition V, Acquisition VI, Acquisition VII, Acquisition VIII and Acquisition IX as defined in the Announcements
“Previous Agreements”	collectively, the Agreement I, Agreement II, Agreement III, Agreement IV, Agreement V, Agreement VI, Agreement VII, Agreement VIII and Agreement IX as defined in the Announcements
“Previous Announcements”	collectively, the announcements of the Company dated 2, 9 and 30 July, 13 and 20 August 2021 in relation to acquisitions of additional shareholding interests in Truly Opto.
“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 85.60% 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, 25 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.