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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)

**LITIGATION
IN RELATION TO
DISCLOSABLE TRANSACTION
THE INVESTMENT IN LESHI ZHIXIN**

Reference is made to the Company's announcements dated 14 February 2017 and 29 August 2017 in relation to the Group's investment in Leshi Zhixin.

On 19 November 2021 (after trading hours), Truly Electronics entered into the Mediation Agreement with Leshi Zhixin and Leshi Holding. The Mediation Agreement shall be submitted to the relevant PRC court and become effective upon the effective date of the relevant mediation order.

Reference is made to the Company's announcements dated 14 February 2017 and 29 August 2017 in relation to the Group's investment in Leshi Zhixin.

On 19 November 2021 (after trading hours), Truly Electronics entered into the Mediation Agreement with Leshi Zhixin and Leshi Holding pursuant to which the parties agreed, amongst other things, that:

- (i) The parties shall, on the effective date of the Mediation Agreement, agree and confirm that the Investment Agreement was released on 3 July 2017 (being the date when Leshi Zhixin received the termination notice from Truly Electronics);
- (ii) Upon release of the Investment Agreement, Truly Electronics undertakes not to claim against Leshi Zhixin for refund of the investment amount of RMB240 million;
- (iii) Leshi Zhixin undertakes not to have any claim against Truly Electronics in relation to the remaining investment amount of RMB480 million under the Investment Agreement; and

(iv) In respect of the investment amount of RMB240 million received by Leshi Zhixin, Truly Electronics shall be entitled to approximately 2.6667% equity interest in Leshi Zhixin (the “**Rights and Interests**”).

In addition, Truly Electronics shall assign the Rights and Interests to Jiarui (a shareholder of Leshi Zhixin) at a consideration of RMB1 upon the relevant mediation order becoming effective.

After performance of the above, Truly Electronics and Leshi Zhixin shall have no claims against each other in relation to the civil complaint disclosed in the Company’s announcement dated 29 August 2017.

The Mediation Agreement shall be submitted to the relevant PRC court and become effective upon the effective date of the relevant mediation order.

As disclosed in the Company’s 2020 annual report, the Group has made one-off provision for the receivables of RMB240 million from Leshi Zhixin for the year ended 31 December 2020. Accordingly, the Mediation Agreement and the transactions therein will not have material impact to the Group’s business or financial performance for the year ending 31 December 2021.

TERMS USED IN THIS ANNOUNCEMENT

“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
“Group”	collectively, the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Investment Agreement”	the agreement entered into, among others, Truly Electronics, Leshi Zhixin and Leshi Holding in February 2017 as defined and further described in the Company’s announcement dated 14 February 2017
“Jiarui”	天津嘉睿匯鑫企業管理有限公司 (Tianjin Jiarui Huixin Corporate Management Co., Ltd.*), a company established in the PRC with limited liability and an independent third party of the Company

“Leshi Holding”	樂視控股(北京)有限公司 (Leshi Holding (Beijing) Co., Ltd.*), a company established in the PRC with limited liability and an independent third party of the Company
“Leshi Zhixin”	樂融致新電子科技(天津)有限公司 (Lerong Zhixin Electronic Technology (Tianjin) Limited*), previously known as 樂視致新電子科技(天津)有限公司 (Leshi Zhixin Electronic Technology (Tianjin) Limited*), a company established in the PRC with limited liability and an independent third party of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Mediation Agreement”	the mediation agreement (調解協議) dated 19 November 2021 entered into among Truly Electronics, Leshi Zhixin and Leshi Holding
“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
“Truly Electronics”	Truly Electronics Manufacturing Limited (信利電子有限公司), a company incorporated in the PRC and an indirectly wholly owned subsidiary of the Company
“%”	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, 19 November 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, and Mr. Chung Kam Kwong, Mr. Ip Cho Ting, Spencer, and Mr. Heung Kai Sing as independent non-executive directors.