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TRULY®

TRULY INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00732)

DISCLOSEABLE TRANSACTION

LOAN AGREEMENT

Reference is made to the announcements dated 17 December 2013 and 11 November 2014 in relation to the establishment of the JV Company and the subsequent capital increase.

LOAN AGREEMENT

On 19 August 2015, Truly Semiconductors and the JV Company entered into the Loan Agreement, pursuant to which Truly Semiconductors agreed to provide the Loan to the JV Company for a term of six months from the first drawdown date for the purpose of financing the JV Company's construction of AMOLED products manufacturing line.

LISTING RULES IMPLICATIONS

Since the JV Company is not a subsidiary of the Company, the transaction under the Loan Arrangement constitutes financial assistance under Chapter 14 of the Listing Rules.

Since (1) the Loan Agreement was entered into by the parties on 19 August 2015 (within 12 months from the signing date of the Capital Increase Agreement), and (2) the Loan Agreement and the Capital Increase Agreement, together lead to substantial involvement by the Company in AMOLED technologies related business which did not previously form part of the Company's principal business activities, the transactions under the Loan Agreement and the Capital Increase Agreement have been aggregated.

As certain applicable percentage ratios of the transaction under the Loan Agreement and that under the Capital Increase Agreement, on an aggregate basis, are more than 5% but less than 25%, the transaction under the Loan Agreement constitutes a discloseable transaction of the Company under the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

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LOAN AGREEMENT

Date	19 August 2015
Lender	Truly Semiconductors
Borrower	the JV Company
Loan	RMB500,000,000
Term	A term of six months from the first drawdown date within one month after the signing date of the Loan Agreement. Truly Semiconductors shall provide the Loan to the account of the JV Company by singular or multiple drawdown(s) within one month after the signing date of the Loan Agreement.
Interest rate	4.85% per annum
Repayment	<p>The JV Company shall repay the principal together with the interest to Truly Semiconductors on maturity date.</p> <p>Subject to the consent of Truly Semiconductors, the JV Company can repay the principal and the interest actually accrued prior to the maturity date.</p>

REASONS FOR AND BENEFITS OF ENTERING INTO THE LOAN ARRANGEMENT

The Company considers that AMOLED is very likely to be the mainstream technology for the next generation displays. The provision of the Loan under the Loan Agreement will enable the JV Company to enhance its working capital in a timely manner to satisfy its construction of AMOLED products manufacturing line and to facilitate the Company's strategic objective in relation to the new generation display technology.

Accordingly, the Board considers that it is in the interests of the Group to enter into the Loan Agreement. The Directors, including the independent non-executive Directors, consider that the Loan Agreement has been entered into on normal commercial terms and the terms of the Loan Agreement are fair and reasonable and in the interests of the Shareholders as a whole.

As no Director has a material interest in the Loan Agreement, none of the Directors has abstained from voting on the relevant board resolution approving the Loan Agreement.

It is expected that the JV Company might enter into loan agreement(s) with commercial banks to further finance the construction of AMOLED products manufacturing line and the Company might provide guarantee accordingly. Once the JV Company has obtained the loan from the commercial banks, the JV Company will use part of the loan to repay the Loan. As at the date of this announcement, the JV Company is still negotiating with the commercial banks on the further financing but no definitive agreements have been entered into. The Company will comply with the Listing Rules and make further announcement(s) in connection with any additional financial assistance to the JV Company as and when appropriate or if required under the Listing Rules.

INFORMATION OF THE GROUP

The Group is principally engaged in the manufacture and sale of liquid crystal display products including touch panel products and electronic consumer products including compact camera module, personal health care products and electrical devices.

INFORMATION OF THE JV COMPANY

The JV Company is principally engaged in development and production of AMOLED display products. As at the date of this announcement, the JV Company is held by Truly Semiconductors as to 53.00%, Huizhou Zhongkai as to 24.5% and Huizhou Investment as to 22.5%.

Huizhou Zhongkai is a state-owned enterprise and is wholly-owned by Huizhou Management Committee. It is primarily engaged in investment activities.

Huizhou Investment is a state-owned enterprise and is wholly-owned by the State-owned Assets Supervision and Administration Commission of Huizhou Municipal Government. It is primarily engaged in investment activities.

To the best of the Directors' knowledge, information and having made all reasonable enquiries, Huizhou Zhongkai and Huizhou Investment and their respective ultimate beneficial owners are Independent Third Parties.

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DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context otherwise requires:

“AMOLED”	active-matrix organic light-emitting diode, a type of semiconductor product
“Board”	the board of Directors
“Capital Increase Agreement”	the capital increase agreement dated 11 November 2014, entered into by Truly Semiconductors, Huizhou Zhongkai and Huizhou Investment in relation to capital increase in the JV Company
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented, or otherwise modified from time to time
“Company”	Truly International Holdings Limited (信利國際有限公司), a company incorporated in the Cayman Islands, the shares of which are listed on the Stock Exchange
“connected person”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the directors of the Company
“Group”	the Company and its subsidiaries
“Huizhou Investment”	Huizhou Investment Holdings Limited* (惠州市投資控股有限公司), a company incorporated in the PRC and wholly-owned by the State-owned Assets Supervision and Administration Commission of Huizhou Municipal Government* (惠州市人民政府國有資產監督管理委員會)
“Huizhou Management Committee”	Huizhou Zhongkai High-tech Industry Development District Management Committee* (惠州仲愷高新技術產業開發區管理委員會), the sole shareholder of Huizhou Zhongkai
“Huizhou Zhongkai”	Huizhou Zhongkai High-tech District Investment and Development Company Limited* (惠州仲愷高新區投資開發有限責任公司), a company incorporated in the PRC and wholly-owned by Huizhou Management Committee

“Independent Third Party(ies)”	person(s) or company(ies) which is (are) not a connected person(s) of the Company
“JV Company” or “Borrower”	a limited liability company to be jointly formed by the Parties in the PRC pursuant to the shareholders agreement dated 17 December 2013
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Loan”	the amount of RMB500,000,000 of the Group which would be lent to the JV Company pursuant to the Loan Agreement
“Loan Agreement”	the loan agreement dated 19 August 2015 entered into between Truly Semiconductors and the JV Company respectively in relation to the Loan
“Loan Arrangement”	the arrangement in relation to the provision of the Loan by Truly Semiconductors to the JV Company as contemplated under the Loan Agreement
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the Share(s) of the Company from time to time
“subsidiary(ies)”	has the meaning ascribed thereto in section 15 of the Companies Ordinance
“Truly Semiconductors” or “Lender”	Truly Semiconductors Limited (信利半導體有限公司), a company incorporated in the PRC, an indirectly wholly-owned subsidiary of the Company
“%”	per cent
*	for identification only

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

Hong Kong, 19 August 2015

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 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.