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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 TRANSACTION
L5 SECOND PHASE EQUIPMENT SALES AGREEMENT**

Reference is made to the announcement of the Company dated 22 January 2016 in relation to the acquisition of Equipment by Truly Semiconductors; and the announcement of the Company dated 11 March 2016 in relation to Truly Semiconductors entered into the L5-Equipment Disassembly and Assembly Services Agreement and the L5-Equipment Transportation, Packing and Warehouse Keeping Services Agreement. On 31 March 2016, Truly Semiconductors entered into the L5 Second Phase Equipment Sales Agreement.

L5 SECOND PHASE EQUIPMENT SALES AGREEMENT

On 31 March 2016, Truly Semiconductors, an indirectly wholly-owned subsidiary of the Company, entered into the L5 Second Phase Equipment Sales Agreement with Samsung, pursuant to which Samsung agreed to sell and Truly Semiconductors agreed to purchase the Second Phase Equipment at a consideration of USD31,300,000.

LISTING RULES IMPLICATIONS

Since (1) the L5 Second Phase Equipment Sales Agreement was entered into on 31 March 2016 (within 12 months from the signing date of the L5-Equipment Sales Agreement), and (2) the L5-Equipment Sales Agreement, the L5-Equipment Disassembly and Assembly Services Agreement, the L5-Equipment Transportation, Packing and Warehouse Keeping Services Agreement and the L5 Second Phase Equipment Sales Agreement together lead to substantial involvement by the Company in the fifth generation TFT-LCD related business which did not previously form part of the Company's principal business activities, therefore, the transactions under the L5-Equipment Sales Agreement, the L5-Equipment Disassembly and Assembly Services Agreement, the L5-Equipment Transportation, Packing and Warehouse Keeping Services Agreement and the L5 Second Phase Equipment Sales Agreement shall be aggregated pursuant to Rule 14.23 of the Listing Rules.

As certain applicable percentage ratios stipulated under Chapter 14 of the Listing Rules in respect of the L5-Equipment Sales Agreement, the L5-Equipment Disassembly and Assembly Services Agreement, the L5-Equipment Transportation, Packing and Warehouse Keeping Services Agreement, and the L5 Second Phase Equipment Sales Agreement, as aggregated, are more than 5% but less than 25%, the transaction under L5 Second Phase Equipment Sales Agreement constitutes a discloseable transaction of the Company under the Listing Rules and is subject to the notification and announcement requirements under Chapter 14 of the Listing.

L5 SECOND PHASE EQUIPMENT SALES AGREEMENT

Principal Terms

- Date: 31 March 2016
- Parties: (1) Truly Semiconductors as purchaser; and
(2) Samsung as seller.
- Subject: The Second Phase Equipment to be purchased from Samsung by Truly Semiconductors comprise certain parts, components, machinery and equipment for the fifth generation TFT- LCD production line.
- Consideration: Pursuant to the L5 Second Phase Equipment Sales Agreement, Truly Semiconductors will purchase the Second Phase Equipment from Samsung at a consideration of USD31,300,000 (exclusive of taxes, shipping or handling charges).
- The consideration was determined on an arm's length basis and normal commercial terms. It is expected that the consideration would be funded by internal resources and bank loans of the Group. The consideration will be settled by four installments as set out below.
- Terms of Payment: First installment of USD3,130,000, representing 10% of the consideration, shall be paid by 15 April 2016.
- Second installment of USD9,390,000, representing 30% of the consideration, shall be paid by the end of July 2016.
- Third installment of USD9,390,000, representing 30% of the consideration, shall be paid by the end of September 2016.
- Fourth installment of the remaining USD9,390,000, representing 30% of the consideration, shall be paid by 15 December 2016.
- All payments will be in the form of wire transfer only.

Delivery:

The Second Phase Equipment are sold on an “as is — where is” basis with all faults, latent and patent. Samsung shall have no responsibility for the disassembly and removal of the Equipment from Samsung’s location.

Truly Semiconductors shall inspect the Equipment before and during the process of disassembly and removal of the Equipment from Samsung’s location. Truly Semiconductors will be responsible for the shipping and handling charges of the Equipment.

Delivery schedule and other details with respect to delivery of the Equipment will be negotiated and agreed upon between Truly Semiconductors and Samsung.

REASONS FOR AND BENEFITS OF ENTERING INTO THE L5 SECOND PHASE EQUIPMENT SALES AGREEMENT

The Board considers that the investment in the fifth generation TFT-LCD Second Phase Equipment can further help the Group to develop into the high-end automotive and smart home market and is expected to lead to continued growth in revenue and profits to the Company, and to stabilize the Group’s supply to meet its customers’ product requirements. The Group decides to invest in the fifth generation TFT-LCD Second Phase Equipment for specializing in the field of display for the target market, mainly used in automobiles, home appliances, industrial and medical markets. The production capacity of this fifth generation TFT-LCD Second Phase Equipment is around 50,000 pieces (1,100 mm x 1,250 mm) per month.

The Board considers that the L5 Second Phase Equipment Sales Agreement has been entered into on normal commercial terms and that the terms of the L5 Second Phase Equipment Sales Agreement are fair and reasonable and in the interests of the Shareholders as a whole.

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 SAMSUNG

Samsung develops and offers display products, technology and solutions to customers in South Korea and other countries internationally. It provides OLED and LCD displays for smartphones and mobile phones; displays for mobile devices and automotive products; TFT-LCD and AMOLED displays for tablet PCs; TFT-LCD displays for note PCs and monitors; ultra-slim LED TVs; and commercial LED panels for public information display.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, Samsung and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

LISTING RULES IMPLICATIONS

Since (1) the L5 Second Phase Equipment Sales Agreement was entered into on 31 March 2016 (within 12 months from the signing date of the L5- Equipment Sales Agreement), and (2) the L5-Equipment Sales Agreement, the L5-Equipment Disassembly and Assembly Services Agreement, the L5-Equipment Transportation, Packing and Warehouse Keeping Services Agreement and the L5 Second Phase Equipment Sales Agreement together lead to substantial involvement by the Company in the fifth generation TFT-LCD related business which did not previously form part of the Company's principal business activities, therefore, the transactions under the L5-Equipment Sales Agreement, the L5-Equipment Disassembly and Assembly Services Agreement, the L5-Equipment Transportation, Packing and Warehouse Keeping Services Agreement and the L5 Second Phase Equipment Sales Agreement shall be aggregated pursuant to Rule 14.23 of the Listing Rules.

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DEFINITIONS

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

“Board”	the board of Directors
“Company”	Truly International Holdings Limited, a company incorporated in the Cayman Islands, the shares of which are listed on The Stock Exchange of Hong Kong Limited
“Directors”	the directors of the Company
“Second Phase Equipment”	the parts, components, machinery and equipment purchased from Samsung by Truly semiconductors under the appendix of L5 Second Phase Equipment Sales Agreement which include the machinery and parts of the fifth generation TFT-LCD production line
“Group”	the Company and its subsidiaries
“L5-Equipment Disassembly and Assembly Services Agreement”	the L5-Equipment disassembly and assembly services agreement dated 11 March 2016 entered into between YMC Co., Ltd and Truly Semiconductors in respect of the provision of certain Equipment disassembly and assembly services by YMC Co., Ltd to Truly Semiconductors, details of which are set out in the announcement of the Company dated 11 March 2016

“L5-Equipment Sales Agreement”	the L5-equipment sales agreement dated 22 January 2016 entered into between Samsung and Truly Semiconductors in respect of the purchase of the Equipment, details of which are set out in the announcement of the Company dated 22 January 2016
“L5-Equipment Transportation, Packing and Warehouse Keeping Services Agreement”	the L5-Equipment transportation, packing and warehouse keeping services agreement dated 11 March 2016 entered into between YMC Co., Ltd and Truly Semiconductors in respect of the provision of certain Equipment transportation, packing and warehouse keeping services by YMC Co., Ltd to Truly Semiconductors, details of which are set out in the announcement of the Company dated 11 March 2016
“L5 Second Phase Equipment Sales Agreement”	the L5 Second Phase Equipment sales agreement dated 31 March 2016 entered into between Samsung Display Co., Ltd. and Truly Semiconductors in respect of the purchase of the Equipment
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Samsung”	Samsung Display Co., Ltd., a company incorporated in Korea, which engages in the development and sales of display products for televisions, personal computers, monitors and devices such as smartphones and tablets
“Shareholder(s)”	holder(s) of the Share(s) of the Company from time to time
“TFT-LCD”	Thin Film Transistor Liquid Crystal Display
“Truly Semiconductors”	Truly Semiconductors Limited, a company incorporated in Hong Kong, an indirectly wholly-owned subsidiary of the Company
“USD”	the lawful currency of the United States of America
“%”	per cent

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

Hong Kong, 31 March 2016

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.