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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)

**MAJOR TRANSACTION
FORMATION OF THE AMOLED JV COMPANY**

FRAMEWORK AGREEMENT FOR THE TFT-LCD PROJECT AND AMOLED PROJECT

Reference is made to the TFT-LCD JV Announcement dated 16 June 2017 in relation to the TFT-LCD JV Agreement and the formation of the TFT-LCD JV Company.

The Board is pleased to announce that on 14 July 2017 (after trading hours), Truly Electronics, an indirectly wholly-owned subsidiary of the Company, entered into the Framework Agreement with Meishan City People's Government for the TFT-LCD Project and the AMOLED Project.

The total investment of the JV Companies will be RMB40,400 million for the TFT-LCD Project and the AMOLED Project. The designated investors of Meishan City People's Government and Truly Electronics will further enter into agreements such as cooperation agreements and shareholders' agreements to set out the rights and obligations of each party, and the terms of such agreements will prevail.

Please refer to the TFT-LCD JV Announcement for details on the formation of the TFT-LCD JV Company.

FORMATION OF THE AMOLED JV COMPANY

The Board is pleased to announce that on 14 July 2017 (after trading hours), Truly Electronics, an indirectly wholly-owned subsidiary of the Company, has entered into the AMOLED JV Agreement with Meishan City People's Government, Renshou County People's Government and Renshou Industries in relation to the formation of the AMOLED JV Company in Renshou County, Meishan City, Sichuan Province, the PRC as the project company for the AMOLED Project.

The total investment of the AMOLED JV Company will be RMB27,900 million and production facilities for the sixth generation of AMOLED will be established. The registered capital of the AMOLED JV Company will be RMB15,000 million, of which, Truly Electronics will contribute RMB2,000 million for 13.3% equity interest, and Renshou Industries (and the Designated Investor(s)) will contribute RMB13,000 million for 86.7% equity interest.

LISTING RULES IMPLICATIONS

As the Framework Agreement is for the formation of the JV Companies, the formation of the TFT-LCD JV Company as announced in the announcement of the Company dated 16 June 2017, which is a discloseable transaction, will be aggregated with the formation of the AMOLED JV Company to calculate the percentage ratios for the formation of the AMOLED JV Company.

As certain percentage ratios for the formation of the AMOLED JV Company as aggregated with the formation of TFT-LCD JV Company are more than 25% but less than 100%, the transactions contemplated under the AMOLED JV Agreement constitutes a major transaction of the Company under the Listing Rules, and is subject to reporting, announcement, circular and shareholders' approval requirements under the Listing Rules.

EGM

The Company will hold the EGM to approve the AMOLED JV Agreement and the transactions contemplated under the AMOLED JV Agreement. A circular containing, among other things, further details of the AMOLED JV Agreement and the transactions contemplated under the AMOLED JV Agreement, and the notice convening the EGM, is expected to be despatched to the Shareholders on or before 28 July 2017.

Shareholders and potential investors of the Company should note that the AMOLED JV Agreement will become effective and legally binding on the AMOLED JV Parties upon fulfilment (or waiver) of certain conditions and is subject to the approval from the Shareholders at the EGM. As such, the formation of the AMOLED JV Company and the transactions contemplated under the AMOLED JV Agreement may or may not be proceed. Accordingly, Shareholders and investors of the Company shall exercise caution when dealing in the Company's securities.

FRAMEWORK AGREEMENT FOR THE TFT-LCD PROJECT AND THE AMOLED PROJECT

Reference is made to the TFT-LCD Announcement dated 16 June 2017 in relation to the TFT-LCD JV Agreement and the formation of the TFT-LCD JV Company.

The Board is pleased to announce that on 14 July 2017 (after trading hours), Truly Electronics, an indirectly wholly-owned subsidiary of the Company, entered into a framework agreement with Meishan City People's Government for the TFT-LCD Project and the AMOLED Project.

PRINCIPAL TERMS OF THE FRAMEWORK AGREEMENT

- Date : 14 July 2017
- Parties : (1) Meishan City People's Government
(2) Truly Electronics
- Formation of joint venture companies : Designated investor(s) of Meishan City People's Government and Truly Electronics to establish joint venture companies for the investment, construction and operation of the TFT-LCD Project and the AMOLED Project. The JV Companies shall be established in Wenlin Industrial Park (文林工業園區), Renshou County, Meishan City, Sichuan Province in the PRC
- Total investment : RMB40,400 million
- Exit of investment : Separate agreement(s) will be entered into for exit of equity interest investment by the designated investor(s) of Meishan City People's Government in the TFT-LCD Project and the AMOLED Project.
- Timetable of the projects : The parties shall follow the timetable of the projects as follows:

TFT-LCD Project

- (i) TFT-LCD JV Company shall be established by end of July 2017;
- (ii) constructions to commence by the third quarter of 2017; and
- (iii) mass production to commence by the end of 2019.

AMOLED Project

- (i) AMOLED JV Company shall be established by end of March 2018;
- (ii) constructions to commence by the end of October 2018; and
- (iii) mass production to commence by the second half of 2021.

- Responsibilities of Meishan City People's Government : Meishan City People's Government shall seek to, among other things, ensure the property for the project will be in the required state for constructions, and to seek to provide incentives, subsidies and other government grants as provided in the Framework Agreement.
- Responsibilities of Truly Electronics : Truly Electronics shall be responsible to procure from Truly Semiconductors Limited and its subsidiaries and other affiliates to provide the high-end display manufacturing technology, management system, professional team and the relevant written consent for the intellectual property rights. During the subsistence of the JV Companies, the JV Companies shall be entitle to use intellectual property rights including all patents, technologies, market entries certifications and naming rights free of charge.
- Adjustment of investment : If the size of investment is required to be adjusted based on factors such as exchange rate, the parties shall negotiate the adjustment according to the actual situation.
- Execution of agreements : The designated investors of Meishan City People's Government and Truly Electronics shall enter into agreements such as cooperation agreements and shareholders' agreements to set out the rights and obligations of the parties, and the terms of such agreements shall prevail.

Please refer to the TFT-LCD JV Announcement for details on the formation of the TFT-LCD JV Company.

FORMATION OF THE AMOLED JV COMPANY

The Board is pleased to announce that on 14 July 2017 (after trading hours), Truly Electronics, an indirectly wholly-owned subsidiary of the Company, entered into the AMOLED JV Agreement with Meishan City People's Government, Renshou County People's Government and Renshou Industries in relation to the formation of the AMOLED JV Company in Renshou County, Sichuan Province, the PRC as the project company for the Project.

PRINCIPAL TERMS OF THE AMOLED JV AGREEMENT

The principal terms of the AMOLED JV Agreement are set out below:

Date	:	14 July 2017
Parties to the AMOLED JV Agreement	:	(1) Meishan City People's Government (2) Renshou County People's Government (3) Truly Electronics (4) Renshou Industries
Purpose of the AMOLED JV Company formation	:	for the AMOLED Project, being the sixth generation AMOLED production line with a designed processing capacity of 30,000 pieces per month of 1,500mm x 1,850mm array glass substrate
Timeframe for establishing the AMOLED JV Company	:	Before the end of March 2018
Location of production facilities and timeframe	:	Wenlin Industrial Park (文林工業園區), Renshou County, Meishan City, Sichuan Province, the PRC. It is expected that the construction will commence by the end of October 2018 and production will commence in the second half of 2021.
Registered capital	:	RMB15,000 million
Estimated total investment	:	RMB27,900 million
Capital contribution and shareholding proportions	:	(1) Truly Electronics shall contribute RMB2,000 million in cash for an equity interest of 13.3% in the AMOLED JV Company. (2) Renshou Industries (and the Designated Investor(s)) shall contribute RMB13,000 million for an equity interest of 86.7% in the AMOLED JV Company. Truly Electronics' capital contribution to the registered capital will be funded by internal resources of the Group.
Capital contribution timetable	:	Within six months from the Registration Date, Truly Electronics shall contribute RMB300 million and Renshou Industries (and the Designated Investor(s)) shall contribute RMB2,000 million as part of their respective capital contribution to the AMOLED JV Company.

In 2019, Truly Electronics shall contribute RMB700 million and Renshou Industries (and the Designated Investor(s)) shall contribute RMB4,500 million as part of their respective capital contribution to the AMOLED JV Company.

In 2020, Truly Electronics shall contribute RMB1,000 million and Renshou Industries (and the Designated Investor(s)) shall contribute RMB6,500 million as part of their respective capital contribution to the AMOLED JV Company.

Depending on the progress of the AMOLED Project, Truly Electronics, Renshou Industries (and the Designated Investor(s)) may adjust the capital contribution amount and timetable accordingly.

- Financing :
- AMOLED JV Company plans to obtain RMB12,900 million financing for the constructions of the production facilities through, including but not limited to, its own credit loans, loans secured by constructions in progress, production facilities and equipment, and loans guaranteed by shareholders of the AMOLED JV Company proportional to their shareholdings.
- Option to purchase by Truly Electronics and repurchases :
- Truly Electronics shall have the option to purchase equity interests equivalent to RMB11,000 million from Renshou Industries (and the Designated Investor(s)) as follows:
- (i) within three years from the eighth anniversary of the Registration Date, Truly Electronics has the option to purchase the equity interest of Renshou Industries (and the Designated Investor(s)) of at least 20% of the total equity interest of AMOLED JV Company (being RMB3,000 million of the contribution from Renshou Industries and the Designated Investor(s)); and

- (ii) within five years from the eleventh anniversary of the Registration Date, Truly Electronics has the option to purchase the remaining equity interest agreed to be acquired from Renshou Industries (and the Designated Investor(s)) (equivalent to RMB11,000 million contributed by Renshou Industries and the Designated Investor(s) less the amount of equity interest already acquired).

The purchase may be carried out as follows:

- (1) Truly Electronics or its nominated third party entity to effect the purchase; or
- (2) the exit of investment by Renshou Industries (or the Designated Investor(s)) for the purpose of initial public offering whereby Truly Electronics' affiliate(s) will establish or incorporate a new company for initial public offering and Truly Electronics will be responsible to organise the company, which will be considered Truly Electronics has carried out the acquisition; or
- (3) repurchases to be made by the AMOLED JV Company by distributable profits.

If Truly Electronics fails to carry out or procure the purchase or repurchase based on the timeframe by means of (1) to (3) above, Renshou Industries (and the Designated Investor(s), as the case may be) shall have the right to:

- (i) adjust the management of the business;
- (ii) freely transfer their respectively equity interests as they see fit despite any restrictive covenants in the AMOLED JV Agreement or other related agreements; and
- (iii) demand Truly Electronics to acquire the equity interests from them in any event.

- Management of the AMOLED JV Company : Truly Electronics shall be responsible for the management of the AMOLED JV Company (other than major decisions), and Meishan City People's Government, Renshou People's Government and Renshou Industries shall not interfere (whose participation will be limited to as a shareholder, and through its nominated directors and supervisors to supervise the exercise of management power of Truly Electronics' nominated directors and management team).
- Responsibility of Meishan City People's Government and Renshou County People's Government : Meishan City People's Government and Renshou County People's Government shall be responsible to, among others, ensure the property for the project will be in the required state based on the timeframe, provide incentives, subsidies and other government grants as provided in the AMOLED JV Agreement.
- Responsibly of Truly Electronics : Truly Electronics to take lead in establishing the AMOLED JV Company (with its best endeavour to establish the AMOLED JV before 31 March 2018, but the Registration Date depends on the relevant authorities' approval process) with the support of the other parties to the AMOLED JV Agreement.
- Truly Electronics shall be responsible to procure from Truly Semiconductors Limited and its subsidiaries and other affiliates to provide the high-end display manufacturing technology from, management system and professional team, and the relevant written consent for intellectual property rights. During the subsistence of the AMOLED JV Company, the AMOLED JV Company shall be entitle to use intellectual property rights including all patents, technologies, market entries, certifications and naming rights free of charge.
- Procurement and sales : Truly Electronics agrees that the AMOLED JV Company shall, as long as the terms are identical:
- (i) to first procure products from enterprises in Meishan City; and
 - (ii) to first sell its products to enterprises in Meishan City.

- Adjustment of investment : If the size of investment is required to be adjusted based on factors such as exchange rate, the parties shall negotiate the adjustment according to the actual situation.
- Conditions precedent : The AMOLED JV Agreement will only become effective on the date that the approvals from the decision making body(ies) of all of the parties have been obtained.

It is expected that the AMOLED JV Company will be an associate of the Company, and the results of the AMOLED JV Company will not be consolidated into the results of the Group.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AMOLED JV AGREEMENT

The establishment of the AMOLED JV Company will enable the Group to enhance its production capacities for supplying AMOLED display products to satisfy the demand from the Group's customers.

Accordingly, the Board considers that it is in the best interest of the Group and its shareholders to enter into the AMOLED JV Agreement. The terms of the AMOLED JV Agreement were negotiated through arm's length negotiations between the parties to the AMOLED JV Agreement with reference to normal commercial terms. The Directors, including independent non-executive Directors, consider that the AMOLED JV Agreement has been entered into on normal commercial terms and the terms of which are fair and reasonable, and in the best interests of the Shareholders as a whole.

INFORMATION OF THE PARTIES TO THE JV AGREEMENT

Truly Electronics is principally engaged in the business of manufacture and sale of electronic consumer products.

Meishan City People's Government (眉山市人民政府) is the People's Government of Meishan City, Sichuan Province in the PRC, a prefecture level People's Government.

Renshou County People's Government (仁壽縣人民政府) is the People's Government of the Renshou County, Meishan City, Sichuan Province in the PRC, a county level People's Government and under the Meishan City People's Government.

Renshou Industries is principally engaged in participating Renshou County major investments and construction.

To the best knowledge, information and belief of the Directors, and having made all reasonable enquiry, Meishan City People's Government, Renshou County People's Government and Renshou Industries, and their respective ultimate beneficial owners, are third parties independent of the Company and its connected persons.

LISTING RULES IMPLICATIONS

As the Framework Agreement is for the formation of the JV Companies, the formation of the TFT-LCD JV Company as announced in the announcement of the Company dated 16 June 2017, which is a discloseable transaction, will be aggregated with the formation of the AMOLED JV Company to calculate the percentage ratios for the formation of the AMOLED JV Company.

As certain percentage ratios for the formation of the AMOLED JV Company as aggregated with the formation of TFT-LCD JV Company are more than 25% but less than 100%, the transactions contemplated under the AMOLED JV Agreement constitutes a major transaction of the Company under the Listing Rules, and is subject to reporting, announcement, circular and shareholders' approval requirements under the Listing Rules.

EGM

The Company will hold the EGM to approve the AMOLED JV Agreement and the transactions thereunder. A circular containing, among other things, further details of the AMOLED JV Agreement and the transactions thereunder and the notice convening the EGM, is expected to be despatched to the Shareholders on or before 28 July 2017.

Shareholders and potential investors of the Company should note that the AMOLED JV Agreement will become effective and legally binding on the AMOLED JV Parties upon fulfilment (or waiver) of certain conditions and is subject to the approval from the Shareholders at the EGM. As such, the formation of the AMOLED JV Company and the transactions contemplated under the AMOLED JV Agreement may or may not be proceed. Accordingly, Shareholders and investors of the Company shall exercise caution when dealing in the Company's securities.

DEFINITIONS AND GLOSSARIES

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

“AMOLED”	active-matrix organic light-emitting diode, a display technology
“AMOLED JV Agreement”	the cooperation agreement dated 14 July 2017 entered into between Truly Electronics, Meishan City People’s Government, Renshou County People’s Government and Renshou Industries Investment in relation to the formation of the AMOLED JV Company as the project company for the AMOLED Project
“AMOLED JV Company”	the joint venture company to be established by the AMOLED JV Parties in Renshou County, Meishan City, Sichuan Province, the PRC pursuant to the AMOLED JV Agreement
“AMOLED JV Parties”, or each a “AMOLED JV Party”	joint venture parties of AMOLED JV Company, being Truly Electronics, Renshou Industries and the Designated Investor(s)
“AMOLED Project”	the sixth generation AMOLED production line with a designed processing capacity of 30,000 pieces per month of 1,500mm x 1,850mm array glass substrate
“Board”	the board of Directors
“connected person”	has the same meaning as ascribed to it under the Listing Rules
“Designated Investor(s)”	the investor(s) designated by Meishan City People’s Government, Renshou County People’s Government or Renshou Industries
“Director(s)”	the director(s) of the Company
“Framework Agreement”	the framework agreement entered into between Truly Electronics and Meishan City People’s Government in relation to the TFT-LCD Project and the AMOLED Project
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong Special Administrative Region

“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which is/are independent of and not connected with (within the meaning of the Listing Rules) any Director, chief executive or substantial shareholder (within the meaning of the Listing Rules) of the Company, its subsidiaries or any of their associates
“JV Companies”	TFT-LCD JV Company and AMOLED JV Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“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
“Registration Date”	the date of registration of the AMOLED JV Company
“Renshou Industries”	仁壽縣產業投資有限公司 (Renshou County Industries Investment Co., Ltd.*), a limited liability company established in the PRC, one of the AMOLED JV Parties and an Independent Third Party
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company from time to time
“Sichuan IC Fund”	四川省集成電路和信息安全產業投資基金有限公司 (Sichuan Integrated Circuit and Information Safety Investment Fund Co., Ltd.*), a limited liability company established in the PRC, one of the TFT-LCD JV Parties and an Independent Third Party
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TFT-LCD”	the fifth generation of thin-film-transistor liquid-crystal display
“TFT-LCD JV Agreement”	the cooperation agreement dated 16 June 2017 entered into between Truly Electronics, Renshou County People’s Government, Renshou Industries and Sichuan IC Fund in relation to the formation of the TFT-LCD JV Company
“TFT-LCD JV Announcement”	the announcement of the Company dated 16 June 2017 in relation to the TFT-LCD JV Agreement and the formation of the TFT-LCD JV Company

“TFT-LCD JV Company”	the joint venture company to be established by the TFT-LCD JV Parties in Renshou County, Meishan City, Sichuan Province, the PRC as the project company for the TFT-LCD Project
“TFT-LCD JV Parties”	joint venture parties of the TFT-LCD JV Company, being Truly Electronics, Renshou Industries and Sichuan IC Fund
“TFT-LCD Project”	the fifth generation of thin-film-transistor liquid-crystal display (TFT-LCD) production project with designed processing capacity of 140,000 pieces per month of 1,100mm x 1,300mm array glass substrate
“Truly Electronics”	信利電子有限公司 (Truly Electronics Manufacturing Limited), 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, 14 July 2017

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.