

*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 AND CONNECTED TRANSACTIONS  
ACQUISITIONS OF SHAREHOLDING INTERESTS IN A SUBSIDIARY**

The Board is pleased to announce that Truly Electronics HK (a direct wholly-owned subsidiary of the Company) (as purchaser) entered into the Agreement L and Agreement C on 17 January 2023 to acquire approximately 0.2829% and 0.0879% shareholding interests of Truly Opto (an indirect non wholly-owned subsidiary of the Company), respectively. The Agreement L and Agreement C are not inter-conditional upon each other.

**ACQUISITIONS**

On 17 January 2023 (after trading hours), Truly Electronics HK (as purchaser) entered into the Agreement L with Mr. Lam (as vendor), pursuant to which Mr. Lam has agreed to transfer 1,043,460 Truly Opto Shares (representing approximately 0.2829% of the total shareholding interests of Truly Opto) to Truly Electronics HK at the consideration of RMB10,000.

On 17 January 2023 (after trading hours), Truly Electronics HK (as purchaser) entered into the Agreement C with Mr. Cheung (as vendor), pursuant to which Mr. Cheung has agreed to transfer 324,020 Truly Opto Shares (representing approximately 0.0879% of the total shareholding interests of Truly Opto) to Truly Electronics HK at the consideration of RMB10,000.

Upon completion of the Acquisitions which are expected to take place by 18 January 2023, Truly Opto will remain as an indirect non wholly-owned subsidiary of the Company and will be owned as to approximately 99.2976% by wholly-owned subsidiaries of the Company and as to approximately 0.7024% by Mr. Wong Pong Chun, James, a director of the Company.

## **LISTING RULE IMPLICATIONS**

Each of Acquisition L and Acquisition C on a standalone basis does not constitute a discloseable transaction of the Company. Pursuant to Rules 14.22 and 14.23 of the Listing Rules, acquisitions of the shareholding interests of Truly Opto since 11 January 2021 shall be aggregated as if they were one transaction for the purpose of Chapter 14 of the Listing Rules. 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%, each of the Acquisition L and the Acquisition C 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.

Mr. Lam is an executive Director and a controlling shareholder of the Company. Mr. Cheung is an executive Director and a shareholder of the Company. Each of the Acquisition L and the Acquisition C constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. Upon aggregate of Acquisition L and Acquisition C, all relevant applicable percentage ratios (as defined under the Listing Rules), are less than 5% and the total consideration is below HK\$3 million, therefore each of the Acquisition L and Acquisition C is fully exempt under Chapter 14A of the Listing Rules, and will not be subject to reporting, announcement and shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **INTRODUCTION**

The Board is pleased to announce that Truly Electronics HK (a direct wholly-owned subsidiary of the Company) (as purchaser) entered into the Agreement L and Agreement C on 17 January 2023 to acquire approximately 0.2829% and 0.0879% shareholding interests of Truly Opto (an indirect non wholly-owned subsidiary of the Company), respectively. The Agreement L and Agreement C are not inter-conditional upon each other.

Upon completion of the Acquisitions which are expected to take place by 18 January 2023, Truly Opto will remain as an indirect non wholly-owned subsidiary of the Company and will be owned as to approximately 99.2976% by wholly-owned subsidiaries of the Company and as to approximately 0.7024% by Mr. Wong Pong Chun, James, a director of the Company.

## **ACQUISITION L**

On 17 January 2023 (after trading hours), Truly Electronics HK (as purchaser) entered into the Agreement L with Mr. Lam (as vendor). Set out below are the principal terms of the Agreement L:

### **Date:**

17 January 2023 (after trading hours)

**Parties:**

- (1) Mr. Lam, an executive Director and a controlling shareholder of the Company (as vendor)
- (2) Truly Electronics HK, a direct wholly-owned subsidiary of the Company (as purchaser)

**Nature of the transaction and assets to be acquired:**

Pursuant to the Agreement L, Mr. Lam agreed to transfer 1,043,460 Truly Opto Shares (representing approximately 0.2829% of the total shareholding interests of Truly Opto) to Truly Electronics HK.

**Consideration:**

The consideration for the Acquisition L is RMB10,000, payable in cash on or before 18 January 2023, and was arrived at after arm's length negotiations and with reference to the expected investment return of Mr. Lam and net asset value of Truly Opto. The original acquisition cost of Mr. Lam is RMB1,447,927.

The said consideration will be funded by internal resources of the Group.

**Completion:**

The completion of the Acquisition L shall take place on or around 18 January 2023 upon settlement of consideration.

**ACQUISITION C**

On 17 January 2023 (after trading hours), Truly Electronics HK (as purchaser) entered into the Agreement C with Mr. Cheung (as vendor). Set out below are the principal terms of the Agreement C:

**Date:**

17 January 2023 (after trading hours)

**Parties:**

- (1) Mr. Cheung, an executive Director and a shareholder of the Company (as vendor)
- (2) Truly Electronics HK, a direct wholly-owned subsidiary of the Company (as purchaser)

**Nature of the transaction and assets to be acquired:**

Pursuant to the Agreement C, Mr. Cheung agreed to transfer 324,020 Truly Opto Shares (representing approximately 0.0879% of the total shareholding interests of Truly Opto) to Truly Electronics HK.

## **Consideration:**

The consideration for the Acquisition C is RMB10,000, payable in cash on or before 18 January 2023, and was arrived at after arm's length negotiations and with reference to the expected investment return of Mr. Cheung and net asset value of Truly Opto. The original acquisition cost of Mr. Cheung is RMB449,292.

The said consideration will be funded by internal resources of the Group.

## **Completion:**

The completion of the Acquisition C shall take place on or around 18 January 2023 upon settlement of consideration.

## **INFORMATION ON THE GROUP, TRULY ELECTRONICS HK AND TRULY OPTO**

### **The Group**

The Group is primarily engaged in the business of, among other things, manufacturing and sales of liquid crystal display ("LCD") products, touch panels, compact camera modules, fingerprint identification modules, printed circuit board products, personal health care products and electrical devices.

### **Truly Electronics HK**

Truly Electronics HK is a company incorporated in Hong Kong and is a direct wholly-owned subsidiary of the Company. It is primarily engaged in the trading of electronic calculators and electronic components.

### **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 panel products, compact camera modules and fingerprint identification modules.

For the two years ended 31 December 2020 and 2021, 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:

|                        | <b>For the<br/>year ended<br/>31 December<br/>2020<br/>RMB'000</b> | <b>For the<br/>year ended<br/>31 December<br/>2021<br/>RMB'000</b> |
|------------------------|--|--|
| Profit before taxation | 405,315  | 286,974  |
| Profit after taxation  | 327,311  | 262,269  |
| Total assets           | 14,087,123   | 14,320,111   |
| Net assets value       | 4,388,075  | 4,621,448  |

## **REASONS FOR AND BENEFITS OF THE ACQUISITIONS**

Truly Opto is the Company's major asset 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 L and the Agreement C 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.

Since Mr. Lam and Mr. Cheung have material interests in the Acquisitions, they have abstained from voting at the Board resolutions for approving the Acquisitions.

## **LISTING RULE IMPLICATIONS**

Each of Acquisition L and Acquisition C on a standalone basis does not constitute a discloseable transaction of the Company. Pursuant to Rules 14.22 and 14.23 of the Listing Rules, acquisitions of the shareholding interests of Truly Opto since 11 January 2021 shall be aggregated as if they were one transaction for the purpose of Chapter 14 of the Listing Rules. 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%, each of the Acquisition L and the Acquisition C 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.

Mr. Lam is an executive Director and a controlling shareholder of the Company. Mr. Cheung is an executive Director and a shareholder of the Company. Each of the Acquisition L and the Acquisition C constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. Upon aggregate of Acquisition L and Acquisition C, all relevant applicable percentage ratios (as defined under the Listing Rules), are less than 5% and the total consideration is below HK\$3 million, therefore each of the Acquisition L and Acquisition C is fully exempt under Chapter 14A of the Listing Rules, and will not be subject to reporting, announcement and shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **TERMS USED IN THIS ANNOUNCEMENT**

|                 |  |
|-----------------|--|
| “Acquisition C” | the acquisition of approximately 0.0879% shareholding interests of Truly Opto contemplated under the Agreement C |
| “Acquisition L” | the acquisition of approximately 0.2829% shareholding interests of Truly Opto contemplated under the Agreement L |
| “Acquisitions”  | collectively, the Acquisition L and Acquisition C  |

|                            |   |
|----------------------------|---|
| “Agreement C”              | the equity transfer agreement entered into between Truly Electronics HK and Mr. Cheung dated 17 January 2023  |
| “Agreement L”              | the equity transfer agreement entered into between Truly Electronics HK and Mr. Lam dated 17 January 2023   |
| “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”                    | 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   |
| “Listing Rules”            | the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange   |
| “Mr. Lam”                  | Mr. Lam Wai Wah, an executive Director and a controlling shareholder of the Company   |
| “Mr. Cheung”               | Mr. Cheung Wing Cheung, an executive Director and a shareholder of the Company  |
| “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   |
| “Share(s)”                 | ordinary share(s) of the Company  |
| “Shareholder(s)”           | holder(s) of the Share(s)   |
| “Truly Electronics HK”     | Truly Electronics Manufacturing Limited (信利電子有限公司), a company incorporated in Hong Kong and a direct 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 98.9268% 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, 17 January 2023

*As at the date of this announcement, the Board comprises Mr. Lam Wai Wah, Mr. Wong Pong Chun, James, Mr. Dai Cheng Yun and Mr. Cheung Wing Cheung as executive directors, Mr. Song Bei Bei 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.*