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TRULY®

TRULY INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00732)

RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2011

UNAUDITED RESULTS

The unaudited revenue and profit of the Company and its subsidiaries for the three months period from 1 January 2011 to 31 March 2011 was approximately HK\$2.12 billion and HK\$122 million which was about 32.8% and 19.5% more than the corresponding period in 2010 (approximately HK\$1.60 billion and HK\$102 million) respectively. The unaudited gross profit margin (12.7%) for the period was less than the corresponding period in 2010 (13.3%) while unaudited net profit margin was decreased from 6.4% for the corresponding period in 2010 to 5.8% during the current period.

The unaudited total net assets of the Group as at 31 March 2011 was increased to approximately HK\$4.08 billion (approximately HK\$3.95 billion as at 31 December 2010) which was mainly attributable to the unaudited profit for the period and gains on fair value changes on available-for-sale financial assets. The unaudited current ratio as at 31 March 2011 was maintained at 1.05 (1.05 as at 31 December 2010). At 31 March 2011, the unaudited outstanding bank and other borrowings, net of bank and cash balances were approximately HK\$1,830 million (approximately HK\$1,412 million as at 31 December 2010).

FINANCIAL HIGHLIGHTS

For the three months from 1 January 2011 to 31 March 2011

	2011	2010	Change
	Unaudited	Unaudited	%
	HK\$'000	HK\$'000	
Revenue	2,119,755	1,596,432	+32.8
Gross profit	269,640	211,729	+27.4
Profit for the period	122,450	102,462	+19.5
Basic EPS	4.4 HK cents	4 HK cents	+10.0
Interim dividend per share	1 HK cent	5 HK cents	Remark 1

Remark 1: The interim quarterly dividend 1 HK cent per share based on 2,768,037,398 ordinary shares in respect of the three months ended 31 March 2011 (2010: interim quarterly dividend of 5 HK cents per share, based on 503,219,527, before subdivision of shares and bonus ordinary shares which took place in January 2011, in respect of the three months ended 31 March 2010) has been resolved to pay by the directors.

The Board of Directors (the “Board”) of Truly International Holdings Limited (the “Company”) and its subsidiaries (collectively the “Group”) is pleased to announce the Group’s first quarter unaudited consolidated results for the period from 1 January 2011 to 31 March 2011 (with comparative figures for the corresponding period in the previous year) and the unaudited condensed consolidated statement of financial position (“balance sheet”) at 31 March 2011 (with comparative audited figures as at 31 December 2010) as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2011

	Unaudited For the period from 1.1.2011 to 31.3.2011 HK\$’000	Unaudited For the period from 1.1.2010 to 31.3.2010 HK\$’000
Revenue (<i>Note 2</i>)	2,119,755	1,596,432
Cost of sales	(1,850,115)	(1,384,703)
Gross profit (<i>Note 3</i>)	269,640	211,729
Other income, gains and losses	7,448	3,022
Administrative expenses	(62,892)	(60,276)
Distribution and selling costs	(39,841)	(26,034)
Finance costs	(11,193)	(7,979)
Profit before tax	163,162	120,462
Income tax expense	(40,712)	(18,000)
Profit for the period (<i>Note 4</i>)	122,450	102,462
Other comprehensive income for the period		
Exchange differences arising on translation	–	392
Gains on fair value changes on available-for-sale financial assets	4,466	–
Total comprehensive income for the period	126,916	102,854
Profit for the period attributable to:		
Equity holders of the Company	122,450	102,462
Minority interests	–	–
	122,450	102,462
Total comprehensive income attributable to:		
Equity holders of the Company	126,916	102,854
Minority interests	–	–
	126,916	102,854
Interim dividend	27,680	25,159
Basic earnings per share (<i>Note 5</i>)	4.4 HK cents	4 HK cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2011

	Unaudited 31.3.2011 HK\$'000	Audited 31.12.2010 HK\$'000
NON-CURRENT ASSETS		
Property, plant and equipment	4,216,003	4,228,878
Available-for-sale financial assets (Note 6)	160,308	–
Other non-current assets	191,914	201,082
	<u>4,568,225</u>	<u>4,429,960</u>
CURRENT ASSETS		
Inventories (Note 7)	1,094,075	748,872
Trade and other receivables (Note 8)	1,766,195	1,853,826
Other current assets	28,842	30,413
Bank balances and cash (Note 9)	742,269	851,945
	<u>3,631,381</u>	<u>3,485,056</u>
CURRENT LIABILITIES		
Trade and other payables	1,406,743	1,568,532
Tax liabilities	108,237	97,165
Bank and other borrowings, unsecured (Note 9)	1,938,106	1,653,287
	<u>3,453,086</u>	<u>3,318,984</u>
NET CURRENT ASSETS (Note 10)	<u>178,295</u>	<u>166,072</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>4,746,520</u>	<u>4,596,032</u>
NON-CURRENT LIABILITIES		
Bank and other borrowings, unsecured (Note 9)	633,915	610,185
Deferred tax liabilities	35,284	35,442
	<u>669,199</u>	<u>645,627</u>
	<u>4,077,321</u>	<u>3,950,405</u>
CAPITAL AND RESERVES		
Share capital	50,327	50,327
Share premium and reserves	4,026,994	3,900,078
Total equity	<u>4,077,321</u>	<u>3,950,405</u>

Notes:

1. The accounting policies and basis used in the preparations of the statements of comprehensive income and financial position respectively, which were reviewed by the Audit Committee are the same as those used in the annual financial statements for the year ended 31 December 2010.
2. Unaudited consolidated revenue for the three months ended 31 March 2011 was approximately HK\$2.12 billion which was about 32.8% more than the same period last year (2010: approximately HK\$1.60 billion).
3. Gross profit margin for the period was around 12.7% (approximately 13.3% for the same period in 2010).
4. Net profit margin for the period was around 5.8% (approximately 6.4% for the same period in 2010).
5. The calculation of the basic earnings per share is based on the profit for the period of HK\$122,450,000 (2010: HK\$102,462,000) and on the weighted average number of 2,767,982,398 ordinary shares in issue during the period (2010: 2,608,171,500 shares, it has reflected the subdivision of ordinary shares and issue of bonus ordinary shares as approved in the extraordinary general meeting held on 19 January 2011).
6. As at 31 March 2011, equity security included in available-for-sale financial assets is 116,140,000 Ordinary shares of HarmStar Display Corporation, which is stated at fair value and represented as approximately 2% of investee's capital owned. HarmStar Display Corporation is listed in Taiwan.
7. The inventory turnover was around 54 days (41 days for the year ended 31 December 2010).
8. The trade debtor turnover was around 60 days (75 days for the year ended 31 December 2010).
9. As at 31 March 2011, the outstanding bank and other borrowings, net of bank and cash balances were about HK\$1,830 million (HK\$1,412 million as at 31 December 2010).
10. The current ratio as at 31 March 2011 was maintained at 1.05 (1.05 as at 31 December 2010).
11. As at the balance sheet date, except for purely natural hedging purpose in the normal course of operations, the Group did not have any other outstanding derivative and structured contracts.

DIVIDEND

The Board has resolved to pay an interim quarterly dividend of 1 HK cent per share for the three months ended 31 March 2011 (2010: 5 HK cents) to shareholders whose names appear on the Register of Members as at the close of business on 20 June 2011. It is expected that the interim dividend payments will be made to shareholders on 11 July 2011.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from 16 June 2011 to 20 June 2011, both dates inclusive, during which period no transfer of shares can be registered. In order to qualify for the interim quarterly dividend, all transfers accompanied by relevant share certificates must be lodged with the Company's Branch Share Registrars, Tricor Secretaries Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 15 June 2011.

As the unaudited balance sheet at 31 March 2011 and the unaudited results for the three months then ended may not reflect the balance sheets at 30 June 2011 and 31 December 2011 and the interim and final results for the six months and the full year then ended respectively, investors and shareholders are advised to exercise extreme caution when dealing in the shares of the Company.

As at the date of this announcement, the Board comprises four executive directors, Mr. Lam Wai Wah, Steven, Mr. Wong Pong Chun, James, Mr. Cheung Tat Sang, James and Mr. Li Jian Hua; and three independent non-executive directors, Mr. Chung Kam Kwong, Mr. Ip Cho Ting, Spencer and Mr. Heung Kai Sing.

By Order of the Board
Lam Wai Wah, Steven
Chairman

Hong Kong, 16 May 2011