



TRULY INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 0732)

RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2007

UNAUDITED RESULTS

The unaudited revenue and net profit of the Company and its subsidiaries for the three month period from 1 January 2007 to 31 March 2007 was approximately HK\$1.26 billion and HK\$189 million which was about 15% and 3% more than the corresponding period in 2006 (approximately HK\$1.09 billion and HK\$184 million) respectively. The unaudited gross profit margin (21.9%) for the period was less than the corresponding period in 2006 (24.1%) while unaudited net profit margin was decreased from 16.8% for the corresponding period in 2006 to 15.0% during the current period.

The unaudited total net assets of the Group as at 31 March 2007 was increased to HK\$2.60 billion (HK\$2.37 billion as at 31 December 2006) which was mainly attributable to the unaudited profit for the period. The unaudited current ratio as at 31 March 2007 was maintained at 1.6 times (1.4 times as at 31 December 2006). At 31 March 2007, the unaudited surplus cash and bank balances, net of outstanding bank borrowings were approximately HK\$97 million (HK\$244 million as at 31 December 2006).

FINANCIAL HIGHLIGHTS

For the three months from 1 January 2007 to 31 March 2007

	2007	2006	Change
	Unaudited	Unaudited	
	HK\$'000	HK\$'000	%
Revenue	1,255,638	1,094,151	+15
Gross profit	274,370	263,894	+4
Net profit for the period	188,553	183,593	+3
Basic EPS	40.2 HK cents	40.1 HK cents	+0.3

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 2007 to 31 March 2007 (with comparative figures for the corresponding period in the previous year) and the unaudited condensed consolidated balance sheet at 31 March 2007 (with comparative audited figures as at 31 December 2006) as follows:

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the three months ended 31 March 2007

	Unaudited For the period from 1.1.2007 to 31.3.2007 HK\$'000	Unaudited For the period from 1.1.2006 to 31.3.2006 HK\$'000
Revenue (<i>Note 2</i>)	1,255,638	1,094,151
Cost of sales	(981,268)	(830,257)
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Gross profit (<i>Note 3</i>)	274,370	263,894
Other income	6,544	10,758
Distribution costs	(18,707)	(17,280)
Administrative expenses	(34,644)	(35,686)
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Profit from operations	227,563	221,686
Finance costs	(10,510)	(7,225)
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Profit before taxation	217,053	214,461
Income tax expense	(28,500)	(30,868)
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Net profit for the period (<i>Note 4</i>)	188,553	183,593
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Basic earnings per share (<i>Note 5</i>)	40.2 HK cents	40.1 HK cents

CONDENSED CONSOLIDATED BALANCE SHEET
As at 31 March 2007

	Unaudited 31.3.2007 HK\$'000	Audited 31.12.2006 HK\$'000
NON-CURRENT ASSETS		
Property, plant and equipment	2,037,744	1,403,720
Other non-current assets	125,080	552,269
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	2,162,824	1,955,989
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CURRENT ASSETS		
Inventories (Note 6)	544,501	519,078
Trade and other receivables (Note 7)	638,844	601,246
Bank balances and cash (Note 8)	942,742	1,018,228
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	2,126,087	2,138,552
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CURRENT LIABILITIES		
Trade and other payables	767,879	863,786
Tax liabilities	39,290	51,308
Bank borrowings (Note 8)	504,860	566,696
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	1,312,029	1,481,790
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NET CURRENT ASSETS (Note 9)	814,058	656,762
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TOTAL ASSETS LESS CURRENT LIABILITIES	2,976,882	2,612,751
NON-CURRENT LIABILITIES		
Deferred tax liabilities	38,905	38,905
Bank borrowings (Note 8)	340,844	207,844
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	379,749	246,749
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	2,597,133	2,366,002
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CAPITAL AND RESERVES		
Share capital (Note 10)	46,900	46,830
Reserves	2,550,233	2,319,172
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	2,597,133	2,366,002
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Notes:

1. The accounting policies and basis used in the preparations of the income statement and balance sheet, which were reviewed by the Audit Committee are the same as those used in the annual financial statements for the year ended 31 December 2006.
2. Unaudited consolidated revenue for the three months ended 31 March 2007 was approximately HK\$1.26 billion which was about 15% more than the same period last year (2006: approximately HK\$1.09 billion).

3. Gross profit margin for the period was around 21.9% (approximately 24.1% for the same period in 2006).
4. Net profit margin for the period was around 15.0% (approximately 16.8% for the same period in 2006).
5. The calculation of the basic earnings per share is based on the net profit for the period of HK\$188,553,000 (2006: HK\$183,593,000) and on the weighted average number of 468,997,000 ordinary shares in issue during the period (2006: 458,392,000 shares).
6. The inventory turnover was around 51 days (52 days for the year ended 31 December 2006).
7. The trade debtor turnover was around 40 days (44 days for the year ended 31 December 2006).
8. As at 31 March 2007, the surplus cash and bank balances, net of outstanding bank borrowings were about HK\$97 million (HK\$244 million as at 31 December 2006).
9. The current ratio as at 31 March 2007 was maintained at 1.6 times (1.4 times as at 31 December 2006).
10. The increase in share capital was due to a total of 700,000 ordinary shares issued as a result of the same number of staff options being exercised during the period.

As the unaudited balance sheet at 31 March 2007 and the unaudited results for the three months then ended may not reflect the balance sheets at 30 June 2007 and 31 December 2007 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, 31 May 2007

*“Please also refer to the published version of this announcement in **South China Morning Post**.”*