



TRULY INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0732)

RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007

UNAUDITED RESULTS

The unaudited revenue and net profit of the Company and its subsidiaries for the nine month period from 1 January 2007 to 30 September 2007 was approximately HK\$4.58 billion and HK\$610 million which was about 38% and 23% more than the corresponding period in 2006 (approximately HK\$3.31 billion and HK\$496 million) respectively. The unaudited gross profit margin (20.3%) for the period was less than the corresponding period in 2006 (22.6%) while unaudited net profit margin was decreased from 15.0% for the corresponding period in 2006 to 13.3% during the current period.

The unaudited total net assets of the Group as at 30 September 2007 was increased to HK\$2.86 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 30 September 2007 was maintained at 1.3 times (1.4 times as at 31 December 2006). At 30 September 2007, the unaudited outstanding bank borrowings, net of cash and bank balances, were approximately HK\$625 million (net cash position of HK\$244 million as at 31 December 2006).

FINANCIAL HIGHLIGHTS

For the nine months from 1 January 2007 to 30 September 2007

	2007	2006	Change
	Unaudited	Unaudited	%
	HK\$'000	HK\$'000	
Revenue	4,577,934	3,311,678	+38
Gross profit	927,335	749,187	+24
Net profit for the period	610,053	496,479	+23
Basic EPS	130.0 HK cents	107.6 HK cents	+21

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 third quarter unaudited consolidated results for the period from 1 January 2007 to 30 September 2007 (with comparative

figures for the corresponding period in the previous year) and the unaudited condensed consolidated balance sheet at 30 September 2007 (with comparative audited figures as at 31 December 2006) as follows:

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the nine months ended 30 September 2007

	Unaudited For the period from 1.1.2007 to 30.9.2007 HK\$'000	Unaudited For the period from 1.1.2006 to 30.9.2006 HK\$'000
Revenue (<i>Note 2</i>)	4,577,934	3,311,678
Cost of sales	<u>(3,650,599)</u>	<u>(2,562,491)</u>
Gross profit (<i>Note 3</i>)	927,335	749,187
Other income	13,983	15,530
Distribution costs	(76,047)	(56,480)
Administrative expenses	<u>(126,675)</u>	<u>(106,452)</u>
Profit from operations	738,596	601,785
Finance costs	(36,395)	(20,607)
Share of results of an associate	<u>(148)</u>	<u>(199)</u>
Profit before taxation	702,053	580,979
Income tax expense	<u>(92,000)</u>	<u>(84,500)</u>
Net profit for the period (<i>Note 4</i>)	<u><u>610,053</u></u>	<u><u>496,479</u></u>
Basic earnings per share (<i>Note 5</i>)	<u><u>130.0 HK cents</u></u>	<u><u>107.6 HK cents</u></u>

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 September 2007

	Unaudited 30.9.2007 HK\$'000	Audited 31.12.2006 HK\$'000
NON-CURRENT ASSETS		
Property, plant and equipment	2,976,341	1,403,720
Other non-current assets	<u>128,356</u>	<u>552,269</u>
	<u>3,104,697</u>	<u>1,955,989</u>
CURRENT ASSETS		
Inventories (Note 6)	656,815	519,078
Trade and other receivables (Note 7)	898,865	601,246
Bank balances and cash (Note 8)	<u>525,205</u>	<u>1,018,228</u>
	<u>2,080,885</u>	<u>2,138,552</u>
CURRENT LIABILITIES		
Trade and other payables	1,092,756	863,786
Tax liabilities	44,747	51,308
Bank borrowings (Note 8)	<u>467,690</u>	<u>566,696</u>
	<u>1,605,193</u>	<u>1,481,790</u>
NET CURRENT ASSETS (Note 9)	<u>475,692</u>	<u>656,762</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	3,580,389	2,612,751
NON-CURRENT LIABILITIES		
Deferred tax liabilities	38,905	38,905
Bank borrowings (Note 8)	<u>682,682</u>	<u>207,844</u>
	<u>721,587</u>	<u>246,749</u>
	<u>2,858,802</u>	<u>2,366,002</u>
CAPITAL AND RESERVES		
Share capital (Note 10)	47,184	46,830
Reserves	<u>2,811,618</u>	<u>2,319,172</u>
	<u>2,858,802</u>	<u>2,366,002</u>

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 interim financial statements for the six months ended 30 June 2007.
2. Unaudited consolidated revenue for the nine months ended 30 September 2007 was approximately HK\$4.58 billion which was about 38% more than the same period last year (2006: approximately HK\$3.31 billion).
3. Gross profit margin for the period was around 20.3% (approximately 22.6% for the same period in 2006).
4. Net profit margin for the period was around 13.3% (approximately 15.0% 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\$610,053,000 (2006: HK\$496,479,000) and on the weighted average number of 469,286,000 ordinary shares in issue during the period (2006: 461,387,000 shares).
6. The inventory turnover was around 49 days (52 days for the year ended 31 December 2006).
7. The trade debtor turnover was around 42 days (44 days for the year ended 31 December 2006).
8. As at 30 September 2007, the outstanding bank borrowings, net of cash and bank balances were about HK\$625 million (net cash position of HK\$244 million as at 31 December 2006).
9. The current ratio as at 30 September 2007 was maintained at 1.3 times (1.4 times as at 31 December 2006).
10. The increase in share capital was due to a total of 3,538,000 ordinary shares issued as a result of the same number of staff options being exercised during the period.

As the unaudited balance sheet at 30 September 2007 and the unaudited results for the nine months then ended may not reflect the balance sheet at 31 December 2007 and the final results for 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, 1 November 2007

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