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TRULY[®]

TRULY INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0732)

ANNOUNCEMENT

The Company sets out in this announcement certain information which should have been disclosed in the separate Corporate Governance Report forming part of the Company's annual report for each of the years ended 31 December 2005, 31 December 2006 and 31 December 2007.

It is provided in paragraph 1 of Appendix 23 to the Listing Rules that listed issuers shall include a Corporate Governance Report prepared by the board of directors in their annual reports and that such Corporate Governance Report prepared by the board of directors in their annual reports shall contain all the information set out in paragraph 2 of Appendix 23.

Upon review by the Board, the Board has come to realize that not all of the information set out in paragraph 2 of Appendix 23 was included in the 2005 Annual Report, 2006 Annual Report and 2007 Annual Report. Such missing information is now disclosed below in this announcement.

The Board will ensure that a Corporate Governance Report is included in the Company's annual report for the year ending 31 December 2008 and in future annual reports to comply with the mandatory disclosure requirements under Appendix 23 and will, in case of doubt, consult professionals.

BOARD OF DIRECTORS AND BOARD COMMITTEES

The following information should have appeared in the 2005 Annual Report, the 2006 Annual Report and the 2007 Annual Report

The Board

The Board was responsible for the Company's corporate governance, and was ultimately accountable for the Company's activities, strategies and financial performance.

The Board was mainly responsible for formulating and approving the business strategies, objectives, policies and plans of the Company, and monitoring the execution of the Company's strategies. It was also responsible for overseeing the operating and financial performance of the Company and

establishing appropriate risk control policies and procedures in order to ensure that the strategic objectives of the Company are materialized. In addition, the Board was also responsible for improving the corporate governance structure and enhancing communications with shareholders.

The Board has delegated the responsibilities for the execution of strategies and decision-making for day-to-day operation of the Company to the management team headed by the Managing Director, Mr. Lam Wai Wah, Steven.

The management reported regularly to the Board on the operating and financial performance of the Company. Development, expansion and other major capital expenditure and commitment, as well as major financing decisions were all reviewed and approved by the Board.

Connections between members of the Board

None of the members of the Board have any connections (including financial, business, family relationship and other material/related relationships) with each other during the period under review.

Director's dealing in securities

Having made specific enquiry of all the Directors, the Company confirmed that all Directors had complied with their obligations regarding dealings in securities under the Model Code set out in Appendix 10 of the Listing Rules during the period under review.

Non-executive Directors

The non-executive Directors were not appointed for a specific term but were subject to retirement by rotation in accordance with the Company's Articles of Association.

Independent non-executive Directors

The Company has received confirmation from each of the independent non-executive Directors as regards his independence to the Company and considered that each of the independent non-executive Directors was independent to the Company during the period under review.

Board committees

The Board was supported by three Board Committees. Each Board Committee has its own responsibilities, power and functions. The chairman of the respective Board Committees reported to the Board from time to time and made recommendations on matters discussed when appropriate.

The roles and functions of the Remuneration Committee were as follows:

- 1) to make recommendations to the Board on the Company's policy and structure for remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing the policy on such remuneration;

- 2) to determine the specific remuneration packages of all executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board of the remuneration of non-executive Directors;
- 3) to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;
- 4) to review and approve the compensation payable to executive directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company; and
- 5) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate.

The main role of the Nomination Committee was to assure the process of appointments and re-election of the Board members were transparent and to assess effectiveness of the Board as a whole and the contribution of individual directors to the effectiveness of the Board. The responsibilities of the Nomination Committee were as follows:

- 1) to regularly review the structure, size and composition (including skills, knowledge and experience) of the Board and make recommendations to the Board in relation to any proposed changes;
- 2) to identify individuals suitably qualified to become board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- 3) to evaluate the independence of independent non-executive directors; and
- 4) to evaluate the performance of directors and make recommendations to the Board in respect of the appointment or re-appointment of directors and succession planning for directors in particular the Chairman and CEO.

The roles and functions of the Audit Committee were as follows:

- 1) primarily responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of that auditor;
- 2) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standard. The Audit Committee should discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;

- 3) to develop and implement policies on the engagement of an external auditor to supply non-audit services. The Audit Committee should report to the Board, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps may be taken;
- 4) to monitor integrity of financial statements, accounts, annual reports and interim reports of the Company and to review significant financial reporting judgments contained in them, including:
 - a) any changes in accounting policies and practices;
 - b) major judgment areas;
 - c) significant adjustments resulting from audit;
 - d) the going concern assumptions and any qualifications;
 - e) compliance with accounting standards; and
 - f) compliance with the Listing Rules and other legal requirements in relation to financial reporting;
- 5) to review the Company's financial controls, internal control and risk management systems;
- 6) to discuss with the management the system of internal control and ensure that the management has discharged its duty to have an effective internal control system;
- 7) to consider any findings of major investigations of internal control matters as delegated by the Board or on its own initiative and management's response;
- 8) to ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company; and
- 9) to review and monitor the effectiveness of the internal audit function.

The following information should have appeared in the 2005 Annual Report

Meetings of the Board and Board Committees

The Directors' attendances at the meetings of the Board and the Board Committees for the year ended 31 December 2005 were as follows:

Director	Board	Board Committees		
		Audit	Remuneration	Nomination
		(Number of meetings attended)		
Executive directors:				
Lam Wai Wah, Steven	4	n/a	n/a	n/a
Wong Pong Chun, James	4	4	0	0
Cheung Tat Sang, James	3	n/a	n/a	n/a
Li Jian Hua	1	n/a	n/a	n/a
Independent non-executive directors:				
Chung Kam Kwong	0	4	0	0
Heung Kai Sing	0	4	0	0
Ip Cho Ting, Spencer	0	4	0	0
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Total number of meetings held	4	4	0	0

The following information should have appeared in the 2006 Annual Report

The Directors' attendances at the meetings of the Board and the Board Committees for the year ended 31 December 2006 were as follows:

Director	Board	Board Committees		
		Audit	Remuneration	Nomination
		(Number of meetings attended)		
Executive directors:				
Lam Wai Wah, Steven	4	n/a	n/a	n/a
Wong Pong Chun, James	6	4	0	0
Cheung Tat Sang, James	4	n/a	n/a	n/a
Li Jian Hua	1	n/a	n/a	n/a
Independent non-executive directors:				
Chung Kam Kwong	2	4	0	0
Heung Kai Sing	2	3	0	0
Ip Cho Ting, Spencer	<u>2</u>	<u>4</u>	<u>0</u>	<u>0</u>
Total number of meetings held	<u>6</u>	<u>4</u>	<u>0</u>	<u>0</u>

The following information should have appeared in the 2007 Annual Report

The Directors' attendances at the meetings of the Board and the Board Committees for the year ended 31 December 2007 were as follows:

Director	Board	Board Committees		
		Audit	Remuneration	Nomination
		(Number of meetings attended)		
Executive directors:				
Lam Wai Wah, Steven	2	n/a	n/a	n/a
Wong Pong Chun, James	4	5	1	0
Cheung Tat Sang, James	4	n/a	n/a	n/a
Li Jian Hua	1	n/a	n/a	n/a
Independent non-executive directors:				
Chung Kam Kwong	2	4	1	0
Heung Kai Sing	0	1	0	0
Ip Cho Ting, Spencer	<u>1</u>	<u>4</u>	<u>1</u>	<u>0</u>
Total number of meetings held	<u>4</u>	<u>5</u>	<u>1</u>	<u>0</u>

AUDITOR'S REMUNERATION

For the years ended 31 December 2005, 2006 and 2007, the fees paid to the Company's external auditors amounted to HK\$1,853,000, HK\$2,169,168 and HK\$2,118,500 respectively, of which fees paid for non-audit services amounted to HK\$110,000, HK\$327,168 and HK\$141,500 respectively.

INTERNAL CONTROL

The Board was fully responsible for the maintenance of a sound and effective internal control system within the Group. Throughout the three year period from 1 January 2005 to 31 December 2007, the Board conducted reviews of the effectiveness of the internal control system in all material respects including but not limited to operational, financial, risk management and compliance controls. The Group's system of internal control comprised a well-defined organizational and management structure with levels and limits of authority which was established to help achieve business objectives, safeguard assets against unauthorized access or disposal, ensure the maintenance of proper accounting records to produce reliable management and financial information for internal use and for publication purpose, help management mitigate potential risk factors and ensure compliance with relevant rules and regulations. The system was designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage rather than eliminate risks of failure in operational systems so as to achieve the Group's objectives and long-term goals.

The Group's internal control system comprised the following five components:

- (1) Organizational and Management Structure — the Group has established an organizational and management structure with operating policies and procedures, lines of responsibilities and delegated authority has already been established.
- (2) Authority and Control — the relevant executive Directors and senior management have been delegated with respective levels of authorities with regard to key corporate strategy and policy, contractual commitments and the dealing of price sensitive information.
- (3) Budgetary Control and Management and Financial Reporting — budgets have been prepared by senior management including various department heads and were subject to review and approval by the executive Directors on a regular basis prior to being adopted. Operating results against budgets have been analyzed and reported to the executive Directors as a reference to monitor the Group's strategy and policy. Regular reviews by the Audit Committee and audits by external auditors respectively have been carried out to ensure the preparation of the management information and financial statements are in accordance with the generally accepted accounting principles, the Group's accounting policies and applicable laws and regulations.
- (4) Systems and Procedures — systems and procedures have been established to identify, measure, manage and control various risks including business, compliance, operational, financial and information that may have an impact on the Group and each major department. Exposure to these risks was monitored by the executive Directors and the management with reference to the regular reports produced by the Audit Committee and the external auditors.
- (5) Internal Audit — the Audit Committee has performed independent reviews of the controls and risks identified to ensure that adequate controls have been put in place and risk elements have been properly addressed.

According to the review results of the Audit Committee and the external auditors for the three year period from 1 January 2005 to 31 December 2007, the Group's internal control system was functioning effectively and there was no significant weakness found in the course of the review processes. The Board had reviewed the effectiveness of the Group's internal control systems and was of the opinion that there were no suspected frauds, irregularities, internal control deficiencies or suspected infringement of laws, rules and regulations that caused the Board to believe that the systems of internal control were ineffective or inadequate. The Board was satisfied that the Company and the Group had fully complied with the code provisions on internal control as set out in the Corporate Governance Code for the aforesaid three year period.

DEFINITIONS

The following expressions have the meanings set out below when used in this announcement:

- “2005 Annual Report” the annual report of the Company for the year ended 31 December 2005
- “2006 Annual Report” the annual report of the Company for the year ended 31 December 2006
- “2007 Annual Report” the annual report of the Company for the year ended 31 December 2007
- “Audit Committee” the audit committee of the Company, which comprised, throughout the three years ended 31 December 2005, 2006 and 2007, all three independent non-executive Directors namely Mr. Chung Kam Kwong (being the Chairman), Mr. Ip Cho Ting, Spencer and Mr. Heung Kai Sing, and Mr. Wong Pong Chun, James, an executive Director, as members
- “Board” the board of directors of the Company
- “Board Committee(s)” the audit committee, the remuneration committee and the nomination committee of the Company
- “Company” Truly International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
- “Director(s)” the directors of the Company
- “Listing Rules” the Rules Governing the Listing of Securities on the Stock Exchange
- “Nomination Committee” the nomination committee of the Company, which comprised, throughout the three years ended 31 December 2005, 2006 and 2007, all three independent non-executive Directors namely Mr. Chung Kam Kwong (being the Chairman), Mr. Ip Cho Ting, Spencer and Mr. Heung Kai Sing, and Mr. Wong Pong Chun, James, an executive Director, as members
- “Remuneration Committee” the remuneration committee of the Company, which comprised, throughout the three years ended 31 December 2005, 2006 and 2007, all three independent non-executive Directors namely Mr. Chung Kam Kwong (being the Chairman), Mr. Ip Cho Ting, Spencer and Mr. Heung Kai Sing, and Mr. Wong Pong Chun, James, an executive Director, as members

“Stock Exchange” the Stock Exchange of Hong Kong Limited

By Order of the Board
Truly International Holdings Limited
Lam Wai Wah, Steven
Chairman

Hong Kong, 31 July 2008

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.