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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Truly International Holdings Limited, you should at once hand this circular to the purchaser or transferee, or to the bank, licensed dealer or other agent through whom the sale or the transfer was effected for transmission to the purchaser or transferee.

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TRULY[®]

TRULY INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 732)

DISCLOSEABLE TRANSACTION

PURCHASE OF EQUIPMENT

5 February 2008

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DEFINITIONS

In this circular, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of Directors
“Company”	Truly International Holdings Limited, a company incorporated in the Cayman Islands and the shares of which are listed on the Main Board of the Stock Exchange
“Consideration”	the aggregate consideration for the purchase of the Equipment pursuant to the Purchase Orders
“Directors”	the directors of the Company
“Equipment”	(1) colour STN LCD production equipment; and (2) transfective LCD production machine & equipment
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of the Group and connected person(s) (as defined in the Listing Rules) of the Group
“Latest Practicable Date”	31 January 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“LCD”	liquid crystal displays
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Purchase Orders”	two purchase orders dated 21 January 2008 placed by the Purchaser with the Supplier for the purchase of the Equipment
“Purchaser”	Truly Semiconductors Limited, a wholly-owned subsidiary of the Company
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“STN”	super twisted nematic
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Supplier”	Nakan Corporation, a company incorporated in Japan

DEFINITIONS

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“JPY”	Japanese yen, the lawful currency of Japan
“US\$”	United States dollars, the lawful currency of the United States of America

In this circular, for the purpose of illustration only, amounts quoted in JPY and US\$ have been converted into HK\$ at the rate of JPY100 to HK\$7.26 and US\$1.00 to HK\$7.80 respectively, and vice versa. Such exchange rate has been used, where applicable, for the purposes of illustration only and do not constitute a representation that any amounts were or may have been exchanged at such rate or any other rates or at all.

LETTER FROM THE BOARD

TRULY®

TRULY INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 732)

Executive Directors

Mr. Lam Wai Wah, Steven (*Chairman*)
Mr. Wong Pong Chun, James
Mr. Cheung Tat Sang, James
Mr. Li Jian Hua

Registered office:

P.O. Box 309
Grand Cayman
Cayman Islands
British West Indies

Independent Non-Executive Directors

Mr. Ip Cho Ting, Spencer
Mr. Heung Kai Sing
Mr. Chung Kam Kwong

*Head office and principal place
of business:*

2nd Floor, Chung Shun Knitting Centre
1-3 Wing Yip Street
Kwai Chung
New Territories
Hong Kong

5 February 2008

To the Shareholders

Dear Sir or Madam,

**DISCLOSEABLE TRANSACTION
PURCHASE OF EQUIPMENT**

The Directors announced on 21 January 2008 that two orders were placed by the Purchaser for the purchase of the Equipment amounting to an aggregate consideration of approximately HK\$776,340,000. Both Purchase Orders were confirmed and accepted by the Supplier on 21 January 2008.

The transactions contemplated under the Purchase Orders constitute discloseable transaction of the Company under Chapter 14 of the Listing Rules. The purpose of this circular is to provide you with further information on such transactions.

THE PURCHASE ORDERS

Date : 21 January 2008
Supplier : Nakan Corporation
Purchaser : Truly Semiconductors Limited, a wholly-owned subsidiary of the Company

LETTER FROM THE BOARD

- Equipment : (1) colour STN LCD production equipment; and (2) transfective LCD production machine & equipment
- Consideration : (1) US\$26,000,000 for the colour STN LCD production equipment and (2) JPY7,900,000,000 for the transfective LCD production machine & equipment (approximately HK\$776,340,000 in aggregate)
- Payment Terms : (1) For the colour STN LCD production equipment, 10% of the consideration will be settled after entering into the relevant Purchase Order and the balance will be settled at the end of January 2009 against the final acceptance of the relevant Equipment to the satisfaction of the Company. (2) For the transfective LCD production machine & equipment, 20% of the consideration will be paid after the signing of the relevant Purchase Order, 70% of the consideration will be paid by a 90-day letter of credit and the remaining balance will be paid against the final acceptance of the relevant Equipment to the satisfaction of the Company.

As at the Latest Practicable Date, the Company has not settled the initial installment of the Equipment as mentioned above, being the 10% of the consideration for the color STN LCD production equipment, and 20% of the consideration for the transfective LCD production machine & equipment. Such initial installment will be settled by the Company on or before 16 February 2008.

The Directors confirm that the Consideration was determined after arm's length negotiations between the Supplier and the Purchaser by reference to the market value of similar type of Equipment.

REASONS FOR AND BENEFITS OF THE PURCHASE OF THE EQUIPMENT

The Group is principally engaged in the manufacture and sale of liquid crystal display products and electronic consumer products including calculators, electric toothbrush and electronic components. The Supplier is a Japanese company principally engaged in the development and production of plant, machinery and equipment for LCDs and related products.

To the best of the Director's knowledge, information and belief after making all reasonable enquiries, the Supplier and its respective ultimate beneficial owners are Independent Third Parties.

The Equipment is to be applied towards the production of colour LCD products by the Group. The Directors believe that the purchase of the Equipment will enhance the production capacity and efficiency of the Group. The purchase of the Equipment will be funded principally by internal resources of the Group.

The Directors are of the view that the purchase of the Equipment is in the interest of the Company and the terms of the Purchase Orders are on normal commercial terms, and are fair and reasonable and in the interests of the shareholders of the Company as a whole.

LETTER FROM THE BOARD

FINANCIAL EFFECT

Upon completion of the purchase of the Equipment, the Group's fixed assets will increase whilst the current assets will decrease in proportion to the amount of the aggregate Consideration funded from internal resources. The purchase of the Equipment will not have an effect on either the earnings or the liabilities of the Company.

GENERAL

The Company does not have prior transactions with the Supplier and/or its ultimate beneficial owner which would require to be aggregated under Rule 14.22 of the Listing Rules. The Company holds less than 5% in the share capital of the Supplier.

Yours faithfully,
For and on behalf of the Board of
Truly International Holdings Limited
Lam Wai Wah, Steven
Chairman

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

2. DISCLOSURE OF DIRECTORS' INTERESTS

(A) Directors' interests and short positions in the shares and underlying shares of the Company and its associated corporation

As at the Latest Practicable Date, the interests and short positions of each Director or chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange, were as follows:

Interests in shares and underlying shares

(a) *Ordinary shares of HK\$0.10 each of the Company*

Name of director	Position	Capacity	Percentage	
			Number of issued ordinary shares held	of the issued share capital of the Company
Lam Wai Wah, Steven	Long	Beneficial owner	207,072,000	43.80%
	Long	Held by spouse (<i>Note 1</i>)	<u>12,860,000</u>	<u>2.72%</u>
			219,932,000	46.52%
Wong Pong Chun, James	Long	Beneficial owner	6,750,000	1.43%
	Long	Held by spouse (<i>Note 2</i>)	<u>100,000</u>	<u>0.02%</u>
			6,850,000	1.45%
Cheung Tat Sang, James	Long	Beneficial owner	1,554,000	0.33%
Li Jian Hua	Long	Beneficial owner	<u>1,400,000</u>	<u>0.30%</u>
			<u>229,736,000</u>	<u>48.60%</u>

(b) *Share options*

Name of director	Capacity	Number of options held	Number of underlying shares
Wong Pong Chun, James	Beneficial owner	8,900,000	8,900,000
Cheung Tat Sang, James	Beneficial owner	9,300,000	9,300,000
Li Jian Hua	Beneficial owner	4,150,000	4,150,000
	Held by spouse (<i>Note 3</i>)	<u>4,400,000</u>	<u>4,400,000</u>
		<u>8,550,000</u>	<u>8,550,000</u>
		<u>26,750,000</u>	<u>26,750,000</u>

Notes:

1. Lam Wai Wah, Steven is deemed to be interested in 12,860,000 ordinary shares of the Company, being the interests held beneficially by his spouse, Chung King Yee, Cecilia.
2. Wong Pong Chun, James is deemed to be interested in 100,000 ordinary shares of the Company, being the interests held beneficially by his spouse, Lai Ching Mui, Stella.
3. Li Jian Hua is deemed to be interested in 4,400,000 share options of the Company, being the interests held beneficially by his spouse, Guo Yu Yan.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions which he was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listing Companies in the Listing Rules, to be notified to the Company and the Stock Exchange.

(B) Persons who have an interest or a short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial shareholders

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the following persons (not being a Director or chief executive of the Company) had, or were deemed or taken to have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any option in respect of such capital:

Name of shareholder	Position	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Chan Kin Sun (<i>Note 1</i>)	Long	Beneficial owner	28,900,000	6.11%
	Long	Held by spouse	<u>9,856,000</u>	<u>2.09%</u>
			<u>38,756,000</u>	<u>8.20%</u>
Chan Lai Lan	Long	Beneficial owner	<u>25,896,000</u>	<u>5.48%</u>

Note:

- Chan Kin Sun and his spouse, Cheng Kwan Ying, Jennifer, are deemed to be interested in 38,756,000 ordinary shares of the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors knows of any person (not being a Director or chief executive of the Company) who had an interest or short position in shares or underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or held any option in respect of such capital.

3. LITIGATION

As at the Latest Practicable Date, neither the Company nor any other members of the Group was engaged in any litigation or arbitration of material importance and as far as the Directors are aware, no litigation or claim of material importance to be pending or threatened by or against any member of the Group.

4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any member of the Group (excluding contracts expiring or determinable by the Company within one year without payment of compensation other than statutory compensation).

5. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or their respective associates has any interest in other business which competes or is likely to compete with the business of the Group.

6. GENERAL

1. The registered office of the Company is at P.O. Box 309, Grand Cayman, Cayman Islands, British West Indies.
2. The head office and principal place of business of the Company in Hong Kong is at 2nd Floor, Chung Shun Knitting Centre, 1-3 Wing Yip Street, Kwai Chung, New Territories, Hong Kong.
3. The company secretary and the qualified accountant of the Company is Mr. Ng Sui Wa, Thomas. He is a fellow of the Association of Chartered Certified Accountants.
4. The branch share registrar of the Company in Hong Kong is Tricor Secretaries Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
5. The English text of this circular shall prevail over the Chinese text in the case of inconsistency.