

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**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, 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, together with the enclosed form of proxy, to the purchaser or other transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**TRULY**<sup>®</sup>

**TRULY INTERNATIONAL HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 0732)**

**GENERAL MANDATES  
TO ISSUE AND REPURCHASE SHARES  
AND  
RE-ELECTION OF DIRECTORS**

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A letter from the Board of Directors of Truly International Holdings Limited is set out on pages 2 to 4 of this circular. A notice convening the Annual General Meeting of Truly International Holdings Limited to be held at 2nd Floor, Chung Shun Knitting Centre, 1-3 Wing Yip Street, Kwai Chung, New Territories, Hong Kong on Thursday, 22 May 2008 at 10:00 a.m. (or any adjournment thereof), is set out on pages 10 to 12 of this circular.

Whether or not they intend to attend the said meeting, Shareholders are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's principal office at 2nd Floor, Chung Shun Knitting Centre, 1-3 Wing Yip Street, Kwai Chung, New Territories, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting thereof. Completion and return of the form of proxy shall not preclude Shareholders from attending and voting at the meeting or any adjourned meeting should they so desire.

29 April 2008

# CONTENTS

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board of Directors</b> .....	2
<b>Appendix I — Explanatory Statement</b> .....	5
<b>Appendix II — Details of Directors proposed to be Re-elected at the AGM</b> .....	7
<b>Appendix III — Procedures by which a poll may be demanded</b> .....	9
<b>Notice of AGM</b> .....	10

## DEFINITIONS

*In this circular, the following expressions have the following meanings unless the context requires otherwise:*

“AGM”	the annual general meeting of the Company to be held at 2/F., Chung Shun Knitting Centre, 1–3 Wing Yip Street, Kwai Chung, N.T., Hong Kong on Thursday, 22 May 2008 at 10:00 a.m., notice of which is set out on pages 10 to 12 of this circular
“Company”	Truly International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Latest Practicable Date”	25 April 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing The Listing of Securities on the Stock Exchange
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	at any time means the holder(s) of Shares at that time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region

**TRULY**<sup>®</sup>

**TRULY INTERNATIONAL HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

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*Directors:*

Lam Wai Wah, Steven  
Wong Pong Chun, James  
Cheung Tat Sang, James  
Li Jian Hua  
Ip Cho Ting, Spencer\*  
Heung Kai Sing\*  
Chung Kam Kwong\*

*Registered Office:*

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

*(\* independent non-executive directors)*

29 April 2008

*To the Shareholders*

Dear Sir or Madam,

**GENERAL MANDATES  
TO ISSUE AND REPURCHASE SHARES  
AND  
RE-ELECTION OF DIRECTORS**

**INTRODUCTION**

The purpose of this circular is to provide Shareholders with information relevant to the proposed general mandates to be given to the Directors for the issue and repurchase of Shares. A notice of the AGM to be convened which contains ordinary resolutions to approve the above proposed general mandates is set out on pages 10 to 12 of this circular. Resolutions will also be proposed to re-elect the retiring Directors in accordance with the articles of association of the Company (the "Articles of Association").

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES**

Ordinary resolutions will be proposed at the AGM to (i) grant a general mandate to the Directors to issue, allot and otherwise deal with Shares up to a maximum of 20 per cent. of the aggregate nominal amount of the issued and fully-paid share capital of the Company as at the date of passing of the resolution (the "Issue Mandate") and (ii) approve the addition to the Issue Mandate so granted to the Directors any Shares with a nominal amount equal to the Shares repurchased by the Company under the authority and upon the granting of the Repurchase Mandate (as defined below). The Directors have no present intention to issue any new Shares.

## LETTER FROM THE BOARD OF DIRECTORS

An ordinary resolution will be proposed at the AGM to grant to the Directors to exercise the powers of the Company to repurchase its own securities on the Stock Exchange at any time during the period ended on the earliest of (i) the conclusion of the next annual general meeting of the Company, (ii) the date upon which such authority is revoked or varied at a general meeting of the Shareholders and (iii) the date by which the next annual general meeting of the Company is required to be held by laws or the Articles of Association, provided that the aggregate nominal amount of Shares to be purchased shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of the relevant resolution (the “Repurchase Mandate”).

As at the Latest Practicable Date, the number of Shares in issue was 472,754,527. Accordingly, assuming no repurchase or issue of Shares prior to the AGM, the exercise of the Repurchase Mandate in full would enable the Company to repurchase up to 47,275,452 Shares and the exercise of the Issue Mandate in full would enable the Company to allot and issue up to 94,550,904 Shares.

An explanatory statement to provide relevant information in respect of the Repurchase Mandate is set out in Appendix I to this circular.

### RE-ELECTION OF DIRECTORS

According to Article 120 of the Articles of Association, not less than one-third of the Directors for the time being shall retire from office by rotation at every annual general meeting of the Company and the retiring Directors shall be eligible for re-election.

In accordance with Article 120, Mr. Lam Wai Wah, Steven (“Mr. Lam”), Mr. Ip Cho Ting, Spencer (“Mr. Ip”) and Mr. Wong Pong Chun, James (“Mr. Wong”) shall retire from their offices by rotation at the AGM.

Being eligible, Mr. Lam, Mr. Ip and Mr. Wong will offer themselves for re-election as Directors. At the AGM, ordinary resolutions will be proposed for their respective re-election.

Particulars relating to Mr. Lam, Mr. Ip and Mr. Wong are set out in Appendix II to this circular.

### ANNUAL GENERAL MEETING

A notice convening the AGM for the purpose of considering and, if thought fit, passing the above-mentioned ordinary resolutions is set out on pages 10 to 12 of this circular. A form of proxy is enclosed for use by Shareholders at the AGM. Shareholders are requested to complete and return the form of proxy to the Company’s principal place of business in Hong Kong at 2nd Floor, Chung Shun Knitting Centre, 1–3 Wing Yip Street, Kwai Chung, New Territories, Hong Kong as soon as possible, but in any event not later than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. The lodging of a form of proxy will not preclude a Shareholder from attending the AGM and voting in person should he so wish.

## LETTER FROM THE BOARD OF DIRECTORS

### RECOMMENDATION

The Directors believe that the Issue Mandate to issue Shares and the Repurchase Mandate to repurchase Shares and the re-election of Directors are in the best interests of the Company. Accordingly the Directors recommend that you vote in favour of the resolutions to be proposed at the AGM.

Yours faithfully,  
For and on behalf of the Board of  
**Truly International Holdings Limited**  
**LAM WAI WAH, STEVEN**  
*Chairman*

*The following is the Explanatory Statement required to be sent to Shareholders for their consideration by the Listing Rules in relation to the Repurchase Mandate.*

## REPURCHASE MANDATE

It is proposed that, pursuant to the Repurchase Mandate, up to 10 per cent. of the fully-paid Shares in issue as at the date of the passing of the resolution for the grant of the Repurchase Mandate.

As at the Latest Practicable Date, the number of Shares in issue was 472,754,527. Accordingly, assuming that no Shares will be issued or repurchased prior to the AGM, the exercise of the Repurchase Mandate in full would enable the Company to repurchase up to 47,275,452 fully-paid Shares in issue.

## Reasons for repurchases

The Directors believe that it is in the best interests of the Company and its Shareholders for the Directors to have a general authority from Shareholders to repurchase Shares in the market. Repurchases of Shares will only be made when and to the extent that the Directors believe that such repurchases will benefit the Company and its Shareholders. Repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the value of the Shares and/or the earnings per Share.

## Funding of repurchases

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum and Articles of Association and the laws of the Cayman Islands. It is envisaged that the funds required for any repurchase would be derived from the capital paid up on the Shares to be repurchased and/or from the distributable profits of the Company.

## Market prices

The highest and lowest market prices at which the Shares have been traded on the Stock Exchange in the previous twelve months preceding the Latest Practicable Date are as follows:

	Per Share	
	Highest HK\$	Lowest HK\$
<b>2007</b>		
April	8.02	7.13
May	9.65	7.90
June	13.40	9.50
July	14.30	11.90
August	14.52	11.50
September	21.00	14.22
October	31.50	18.80
November	29.35	18.00
December	20.20	16.00

	Per Share	
	Highest HK\$	Lowest HK\$
<b>2008</b>		
January	19.10	9.96
February	12.48	10.86
March	11.88	9.00
April (up to the latest practicable date)	9.44	8.10

No repurchases of Shares have been made by the Company whether on the Stock Exchange or otherwise during the six months prior to 25 April 2008.

### General

The Repurchase Mandate, if exercised in full, may have a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the Company's audited financial statements for the year ended 31 December 2007. The Directors, however, do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse impact on the working capital requirements or the gearing levels of the Company at the time of the relevant purchases.

None of the Directors nor, to the best of the knowledge and belief of the Directors (having made all reasonable enquiries), any of their associates, has any present intention to sell any Shares to the Company in the event that the Repurchase Mandate is granted by shareholders.

No connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Mandate is granted by shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

If as a result of a share repurchase, a Shareholder's proportionate interest in the voting rights of the Company will increase, such increase will be treated as an acquisition for the purposes of Rules 26 and 32 of the Hong Kong Code on Takeovers and Mergers (the "Takeovers Code"). As a result, a Shareholder, or group of Shareholders acting in concert, could obtain or consolidate control of the Company and may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. As at the Latest Practicable Date, Mr. Lam Wai Wah, Steven ("Mr. Lam") and his family are beneficially interested in approximately 46.59 per cent. of the issued share capital of the Company. In the event the Directors exercised in full the power to repurchase Shares pursuant to the Repurchase Mandate, the percentage of the issued share capital of the Company in which Mr. Lam and his family would be beneficially interested would increase to 51.76 per cent.. Such an increase would give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. In the event that any exercise of the Repurchase Mandate would, to the knowledge of the Directors, have such a consequence under Rule 26 of the Takeovers Code, the Directors would not exercise the mandate to such an extent.

The details of the retiring Directors who offer themselves to be re-elected at the AGM are as follows:

Mr. Lam Wai Wah, Steven (“Mr. Lam”), aged 55, is the Chairman and Managing Director of the Company. He is the founder of the Group and has over 31 years of experience in the electronics industry. He is primarily responsible for the formulation of the Group’s overall strategic planning and business development. Mr. Lam does not have any relationship with any Director, senior management, substantial or controlling shareholder of the Company, and, as at the date hereof, he is beneficially interested in 220,240,000 ordinary shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (“Part XV”). Save as disclosed, Mr. Lam does not have any interest of short position in the shares, underlying shares or debentures of the Company or any of its association corporation within Part XV.

Mr. Lam has entered into a service contract with the Company. His total remuneration was in the total sum of HK\$7,137,000 for the financial year ended 31 December 2007. The amount comprised basic salary of HK\$2,113,000 per annum, a discretionary bonus of HK\$5,000,000 and contribution to Mandatory Provident Fund of HK\$24,000. The level of this remuneration was determined on the basis of his responsibilities to be involved in the Company, the prevailing market conditions and the performance of the Company’s results. This service contract does not provide for a fixed term of service and may be terminated by either party at any time upon one party giving to the other party three months’ prior notice in writing or payment in lieu of notice.

Mr. Wong Pong Chun, James (“Mr. Wong”), aged 49, is an Executive Director of the Company. He is responsible for the Group’s operations and external affairs. He joined the Group in 1987. Mr. Wong does not have any relationship with any Director, senior management, substantial or controlling shareholder of the Company, and, as at the date hereof, he is beneficially interested in 6,850,000 ordinary shares of the Company within the meaning of Part XV. Save as disclosed, Mr. Wong does not have any interest of short position in the shares, underlying shares or debentures of the Company or any of its association corporation within Part XV.

There is no service contract between the Company and Mr. Wong. His total remuneration was in the total sum of HK\$1,296,000 for the financial year ended 31 December 2007. The amount comprised basic salary of HK\$1,272,000 per annum and contribution to Mandatory Provident Fund of HK\$24,000. The level of this remuneration was reviewed by the Remuneration Committee and determined on the basis of his responsibilities involved in the Company, the prevailing market conditions and the performance of the Company’s results. His employment with the Company may be terminated by either party at any time upon one party giving to the other party three months’ prior notice in writing or payment in lieu of notice.

Mr. Ip Cho Ting, Spencer (“Mr. Ip”), aged 49, is an independent non-executive Director and a member of the Group’s Audit Committee. He is the holder of a Bachelor of Science degree from the University of Wisconsin, Green Bay, U.S.A. Mr. Ip is a member of the Institute of Financial Planner of Hong Kong and is the Senior Financial Advisor of a professional insurance company in Hong Kong. Mr. Ip does not have any relationship with any Director, senior management, substantial or controlling shareholder of the Company, and, as at the date hereof, he does not have any interests in the shares of the Company within the meaning of Part XV.

There is no service contract between the Company and Mr. Ip. With effect from 1 January 2005, the appointment of Mr. Ip as an independent non-executive director of the Company is for a term of one year. The term shall continue thereafter for successive terms of one year unless terminated by either party giving not less than one month but not more than one year's notice in writing to the other party. For the financial year ended 31 December 2007, Mr. Ip received an annual director's fee of HK\$50,000. The amount of director's fee of Mr. Ip is determined by reference to his duties and responsibilities within the Group and will be reviewed by the Board of Directors during 2008.

Other than the directorships with the Company, Mr. Lam, Mr. Wong and Mr. Ip did not have other directorships held in listed public companies in the last three years.

Save as disclosed above, there is no other matter that needs to be brought to the attention of the Shareholders or any information that is required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

The procedures by which the Shareholders may demand a poll at general meeting of the Company are set out in this Appendix.

According to Article 81, at any general meeting a resolution put to the vote at the meeting shall be determined in the first instance by a show of hands of the members present in person or by proxy or (in the case of a member being a corporation) by its duly authorised representative and entitled to vote unless a poll is required under the Listing Rules or (before or on the declaration of the result of the show of hands) is duly demanded:

- (1) by the Chairman; or
- (2) by at least five members present in person or by proxy or (in the case of a member being a corporation) by its duly authorised representative for the time being entitled to vote at the meeting; or
- (3) by any member or members present in person or by proxy or (in the case of a member being a corporation) by its duly authorised representative and representing not less than one-tenth of the total voting rights of all members having the right to vote at the meeting.

Unless a poll is required or duly demanded in accordance with the foregoing provisions, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by any particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.

# **TRULY<sup>®</sup>**

## **TRULY INTERNATIONAL HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

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**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the Company will be held at 2/F., Chung Shun Knitting Centre, 1-3 Wing Yip Street, Kwai Chung, New Territories, Hong Kong on Thursday, 22 May 2008 at 10:00 a.m. for the following purposes:

1. To receive and consider the Financial Statements and the Reports of the Directors and the Auditors for the year ended 31 December 2007.
2. To declare a final dividend for the year ended 31 December 2007.
3. To re-elect retiring Directors and to authorise the Board of Directors to fix their remuneration.
4. To appoint Auditors and to authorise the Board of Directors to fix their remuneration.
5. As special business, to consider and, if thought fit, pass the following resolutions, with or without modifications, as Ordinary Resolutions:

A. **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares in the capital of the Company in accordance with all the applicable laws and the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares which may be repurchased by the Directors of the Company pursuant to the approval in paragraph (a) above shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution “Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:
  - (i) the conclusion of the next Annual General Meeting of the Company;
  - (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; and

## NOTICE OF AGM

(iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the Company in general meeting.”

**B. “THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company, and to make or grant offers, agreements and options which might require the exercise of such power, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined), (ii) the exercise of any option granted under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries and/or other persons of options to subscribe for, or rights to acquire, shares of the Company, or (iii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company, or any other securities which are convertible into shares of the Company, and from time to time outstanding, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next Annual General Meeting of the Company;
- (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the Company in general meeting; and

“Rights Issue” means an offer of shares or other securities open for a period fixed by the Directors of the Company to holders of shares on the Register of Members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements

## NOTICE OF AGM

or having regard to any restrictions or obligations under the laws or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

- C. “**THAT**, subject to the passing of the Resolutions set out as Resolutions A and B in paragraph 5 of the notice convening this meeting, the general mandate granted to the Directors of the Company to exercise the powers of the Company to allot, issue and deal with additional shares in the capital of the Company pursuant to Resolution B referred to above be and is hereby extended by adding thereto an amount representing the aggregate nominal amount of shares in the capital of the Company repurchased by the Company pursuant to Resolution A referred to above (provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution).”

By Order of the Board  
**Ng Sui Wa, Thomas**  
*Company Secretary*

Hong Kong, 29 April 2008

*Notes:*

- (1) The Register of Members of the Company will be closed from 5 May 2008 to 9 May 2008, both days inclusive, during which period no transfers of shares will be registered.
- (2) A member entitled to attend and vote at the above Meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
- (3) In order to be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power of attorney or other authority, must be lodged at the Company’s principal office in Hong Kong at 2nd Floor, Chung Shun Knitting Centre, 1–3 Wing Yip Street, Kwai Chung, New Territories, Hong Kong not less than 48 hours before the time fixed for holding the Meeting or any adjournment thereof.
- (4) Concerning the ordinary resolutions set out in paragraphs 5B and 5C of the above notice, the approval is being sought from members as a general mandate in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Directors of the Company have no immediate plans to issue any new shares of the Company.
- (5) Concerning the resolutions set out in paragraph 5 of the above notice, a circular containing particulars of the proposed resolutions, a notice of the Annual General Meeting and an explanatory statement containing information regarding the resolution set out as Resolution A in paragraph 5 will be sent to shareholders with the Company’s 2007 Annual Report.