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TRULY®

TRULY INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0732)

RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2010

UNAUDITED RESULTS

The unaudited revenue and profit of the Company and its subsidiaries for the three month period from 1 January 2010 to 31 March 2010 was approximately HK\$1.60 billion and HK\$102 million which was about 47% and 37% more than the corresponding period in 2009 (approximately HK\$1.09 billion and HK\$75 million) respectively. The unaudited gross profit margin (13.3%) for the period was less than the corresponding period in 2009 (14.9%) while unaudited net profit margin was decreased from 6.9% for the corresponding period in 2009 to 6.4% during the current period.

The unaudited total net assets of the Group as at 31 March 2010 was increased to HK\$3.82 billion (HK\$3.48 billion as at 31 December 2009) which was mainly attributable to the placement of new shares and unaudited profit for the period. The unaudited current ratio as at 31 March 2010 was maintained at 0.89 (0.75 as at 31 December 2009). At 31 March 2010, the unaudited outstanding bank and other borrowings, net of bank and cash balances were approximately HK\$1,227 million (HK\$1,535 million as at 31 December 2009).

FINANCIAL HIGHLIGHTS

For the three months from 1 January 2010 to 31 March 2010

| | 2010 Unaudited HK\$'000 | 2009 Unaudited HK\$'000 | Change % |
|----------------------------|-------------------------------|-------------------------------|-------------|
| Revenue | 1,596,432 | 1,087,075 | +47 |
| Gross profit | 211,729 | 162,254 | +30 |
| Profit for the period | 102,462 | 74,959 | +37 |
| Basic EPS | HK\$0.22 | HK\$0.16 | +38 |
| Interim dividend per share | 5 HK cents | 2 HK cents | +150 |

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 2010 to 31 March 2010 (with comparative figures for the corresponding period in the previous year) and the unaudited condensed consolidated statement of financial position ("balance sheet") at 31 March 2010 (with comparative audited figures as at 31 December 2009) as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the three months ended 31 March 2010

| | Unaudited For the period from 1.1.2010 to 31.3.2010 HK\$'000 | Unaudited For the period from 1.1.2009 to 31.3.2009 HK\$'000 |
|---|---|---|
| Revenue (<i>Note 2</i>) | 1,596,432 | 1,087,075 |
| Cost of sales | (1,384,703) | (924,821) |
| Gross profit (<i>Note 3</i>) | 211,729 | 162,254 |
| Other income | 3,022 | 3,951 |
| Administrative expenses | (60,276) | (41,231) |
| Distribution and selling costs | (26,034) | (20,797) |
| Finance costs | (7,979) | (9,218) |
| Profit before tax | 120,462 | 94,959 |
| Income tax expense | (18,000) | (20,000) |
| Profit for the period (<i>Note 4</i>) | 102,462 | 74,959 |
| Other comprehensive income for the period | | |
| Exchange differences arising on translation | 392 | (12,264) |
| Total comprehensive income for the period | 102,854 | 62,695 |
| Profit for the period attributable to: | | |
| Equity holders of the Company | 102,462 | 74,959 |
| Minority interests | - | - |
| | 102,462 | 74,959 |
| Total comprehensive income attributable to: | | |
| Equity holders of the Company | 102,854 | 62,695 |
| Minority interests | - | - |
| | 102,854 | 62,695 |
| Interim dividend | 25,159 | 9,458 |
| Basic earnings per share (<i>Note 5</i>) | HK\$0.22 | HK\$0.16 |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2010

| | Unaudited | Audited |
|--|------------------|------------------|
| | 31.3.2010 | 31.12.2009 |
| | HK\$'000 | HK\$'000 |
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 4,129,756 | 4,168,872 |
| Other non-current assets | 195,638 | 196,694 |
| | <u>4,325,394</u> | <u>4,365,566</u> |
| CURRENT ASSETS | | |
| Inventories (Note 6) | 701,532 | 692,870 |
| Trade and other receivables (Note 7) | 840,092 | 1,098,279 |
| Bank balances and cash (Note 8) | 584,264 | 503,086 |
| | <u>2,125,888</u> | <u>2,294,235</u> |
| CURRENT LIABILITIES | | |
| Trade and other payables | 744,688 | 1,057,693 |
| Tax liabilities | 35,868 | 45,087 |
| Bank and other borrowings, unsecured (Note 8) | 1,605,281 | 1,963,286 |
| | <u>2,385,837</u> | <u>3,066,066</u> |
| NET CURRENT LIABILITIES (Note 9) | <u>(259,949)</u> | <u>(771,831)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | <u>4,065,445</u> | <u>3,593,735</u> |
| NON-CURRENT LIABILITIES | | |
| Bank and other borrowings, unsecured (Note 8) | 206,135 | 74,784 |
| Deferred tax liabilities | 35,270 | 34,897 |
| | <u>241,405</u> | <u>109,681</u> |
| | <u>3,824,040</u> | <u>3,484,054</u> |
| CAPITAL AND RESERVES | | |
| Share capital (Note 10) | 50,315 | 47,294 |
| Share premium and reserves | 3,773,663 | 3,436,698 |
| Equity attributable to equity holders of the Company | 3,823,978 | 3,483,992 |
| Minority interests | 62 | 62 |
| Total equity | <u>3,824,040</u> | <u>3,484,054</u> |

Notes:

- The accounting policies and basis used in the preparations of the statements of comprehensive income and financial position respectively, which were reviewed by the Audit Committee are the same as those used in the annual financial statements for the year ended 31 December 2009.
- Unaudited consolidated revenue for the three months ended 31 March 2010 was approximately HK\$1.60 billion which was about 47% more than the same period last year (2009: approximately HK\$1.09 billion).
- Gross profit margin for the period was around 13.3% (approximately 14.9% for the same period in 2009).
- Net profit margin for the period was around 6.4% (approximately 6.9% for the same period in 2009).
- The calculation of the basic earnings per share is based on the profit for the period of HK\$102,462,000 (2009: HK\$74,959,000) and on the weighted average number of 474,213,000 ordinary shares in issue during the period (2009: 472,880,000 shares).
- The inventory turnover was around 47 days (51 days for the year ended 31 December 2009).
- The trade debtor turnover was around 39 days (52 days for the year ended 31 December 2009).
- As at 31 March 2010, the outstanding bank and other borrowings, net of bank and cash balances were about HK\$1,227 million (HK\$1,535 million as at 31 December 2009).
- The current ratio as at 31 March 2010 was maintained at 0.89 (0.75 as at 31 December 2009).
- The share capital of the Company was increased by HK\$3,021,000 by the placement of 30,000,000 new shares and the exercise of 215,000 staff options during the period.
- As at the balance sheet date, except for purely natural hedging purpose in the normal course of operations, the Group did not have any other outstanding derivative and structured contracts.

DIVIDEND

The Board has resolved to pay an interim quarterly dividend of 5 HK cents per share for the three months ended 31 March 2010 (2009: 2 HK cents) to shareholders whose names appear on the Register of Members as at the close of business on 25 June 2010. It is expected that the interim dividend payments will be made to shareholders on 28 July 2010.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from 23 June 2010 to 25 June 2010, both dates inclusive, during which period no transfer of shares can be registered. In order to qualify for the interim quarterly dividend, all transfers accompanied by relevant share certificates must be lodged with the Company's Branch Share Registrars, Tricor Secretaries Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 22 June 2010.

As the unaudited balance sheet at 31 March 2010 and the unaudited results for the three months then ended may not reflect the balance sheets at 30 June 2010 and 31 December 2010 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, 25 May 2010