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If you are in any doubt about 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 and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**TRULY**<sup>®</sup>

**TRULY INTERNATIONAL HOLDINGS LIMITED**

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

**(Stock Code: 0732)**

**PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL  
PROPOSED SUBDIVISION OF SHARES AND  
CHANGE OF BOARD LOT SIZE  
PROPOSED BONUS ISSUE OF SHARES  
PAYMENT DATE OF THE THIRD INTERIM DIVIDEND  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

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A notice convening an extraordinary general meeting (“EGM”) of the Company to be held at 2nd Floor, Chung Shun Knitting Centre, 1-3 Wing Yip Street, Kwai Chung, New Territories, Hong Kong on Wednesday, 19 January 2011 at 11:00 a.m. is set out on pages 16 to 18 of this circular. A form of proxy for use at the EGM is enclosed.

Whether or not shareholders are able to attend the EGM, shareholders should complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company’s branch share registrar and transfer office, Tricor Secretaries Limited, at 26/F, Tesbury Centre, 28 Queen’s Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM or any adjourned meeting. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the EGM or any adjourned meeting, should shareholders so wish.

31 December 2010

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## DEFINITIONS

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

“Articles of Association”	the articles of association of the Company
“CCASS”	Central Clearing and Settlement System established and operated by HKSCC
“Board”	the board of directors of the Company
“Board Lot Change”	the change of the board lot size from 2,000 Existing Shares to 2,000 Subdivided Shares upon the Share Subdivision becoming effective
“Bonus Issue”	the proposed issue of Bonus Shares on the basis of one (1) new Existing Share for every ten (10) Existing Shares held (or, upon the Share Subdivision become unconditional, one (1) new Subdivided Share for every two (2) Existing Shares held)
“Bonus Shares”	the new Existing Shares or, upon the Share Subdivision becoming effective, the new Subdivided Shares to be issued under the Bonus Issue
“Company”	Truly International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited
“Companies Law”	the Companies Law (2010 Revision), as consolidated, amended and revised from time to time of the Cayman Islands
“Directors”	directors of the Company
“EGM”	The extraordinary general meeting of the Company to be held at 2nd Floor, Chung Shun Knitting Centre, 1-3 Wing Yip Street, Kwai Chung, New Territories, Hong Kong on Wednesday, 19 January 2011 at 11:00 a.m. to consider and, if thought fit, to approve the Increase In Authorised Share Capital, the Share Subdivision and the Bonus Issue;

## DEFINITIONS

“Excepted Shareholders”	those Overseas Shareholders to whom the Board, after making enquiries pursuant to Rule 13.36 of the Listing Rules, considers it necessary or expedient on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant body or stock exchange in that place not to extend the Bonus Issue
“Existing Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Group”	the Company and its subsidiaries
“Increase in Authorised Share Capital”	the proposed increase in the existing authorised share capital of the Company from HK\$65,000,000 divided into 650,000,000 Existing Shares to HK\$100,000,000 divided into 1,000,000,000 Existing Shares by the creation of an additional 350,000,000 Existing Shares
“Latest Practicable Date”	24 December 2010, being the latest practicable date for the purpose of ascertaining certain information referred to in this circular
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Overseas Shareholders”	holders of Shares whose addresses as shown on the Register of Members on the Record Date are outside Hong Kong
“Qualifying Shareholders”	holders of Shares not being Excepted Shareholders whose names appear on the Register of Members on the Record Date
“Record Date”	the date of reference to which entitlements to the Bonus Issue are to be determined
“Register of Members”	the principal or branch register of members of the Company maintained in the Cayman Islands or Hong Kong respectively

## DEFINITIONS

“Registrar”	Tricor Secretaries Limited, Hong Kong branch share registrar and transfer office of the Company at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong
“Share(s)”	share(s) in the capital of the Company
“Shareholders”	holders of Shares
“Share Option(s)”	share option(s) granted by the Company to the directors and/ or employees of the Group under the Share Option Schemes
“Share Option Schemes”	the share option schemes of the Company adopted on 22 May 2001 (which has terminated) and 22 December 2003
“Share Subdivision”	the proposed subdivision of each issued and unissued Existing Share into five (5) Subdivided Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subdivided Share(s)”	share(s) of HK\$0.02 each in the share capital of the Company upon the Share Subdivision becoming effective
“Third Interim Dividend”	the third interim dividend of 8 HK cents per Existing Share as announced in the results announcement of the Company dated 30 November 2010
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong.

<b>EXPECTED TIMETABLE</b>
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Expected Timetable for, Share Subdivision and Bonus Issue, including record date and ex-entitlement date for Bonus Issue and Third Interim Dividend, is set out as follows:

**Events** **2010**

Despatch of circular to shareholders  
and notice of EGM . . . . . Friday, 31 December

**2011**

Last day of trading in Shares cum entitlements  
to the Bonus Issue and the Third Interim Dividend . . . . . Wednesday, 12 January

First day of trading in Shares ex entitlements  
to the Bonus Issue and the Third Interim Dividend . . . . . Thursday, 13 January

Latest time for lodging transfer forms of Shares  
to qualify for entitlements to the Bonus Issue and the  
Third Interim Dividend . . . . . 4:00 p.m. on Friday, 14 January

Closure of Register of Members  
of the Company . . . . . Monday, 17 January to  
Wednesday, 19 January  
(both days inclusive)

Latest time for lodging forms of proxy  
for use at the EGM . . . . . 11:00 a.m. on Monday, 17 January

Date and time of EGM . . . . . 11:00 a.m. on Wednesday, 19 January

Publication of EGM results . . . . . Wednesday, 19 January

Record date for determination of entitlement  
to the Bonus Shares and the Third Interim Dividend . . . . . Wednesday, 19 January

Register of Members re-opens . . . . . Thursday, 20 January

Effective date of the Share Subdivision . . . . . Thursday, 20 January

Dealings in the Subdivided Shares commence . . . . . 9:30 a.m. on Thursday, 20 January

Original counter of trading in existing  
Shares in board lots of 2,000 Shares  
temporarily closes . . . . . 9:30 a.m. on Thursday, 20 January

## EXPECTED TIMETABLE

Temporary counter for trading in board lots of 10,000 Subdivided Shares (in the form of existing certificates) opens .....	9:30 a.m. on Thursday, 20 January
First day of free exchange for the new certificates for the Subdivided Shares commences .....	Thursday, 20 January
Payment date of the Third Interim Dividend .....	Wednesday, 26 January
Certificates for the Bonus Shares expected to be dispatched .....	Friday, 28 January
Dealings in Bonus Shares commence .....	Tuesday, 1 February
Original counter for trading in board lots of 2,000 Subdivided Shares (in the form of new certificates) re-opens .....	Monday, 7 February
Parallel trading in Subdivided Shares (in the form of existing and new certificates) commences .....	9:30 a.m. on Monday, 7 February
Parallel trading in Subdivided Shares (in the form of existing and new certificates) ends .....	4:00 p.m. on Friday, 25 February
Temporary counter for trading in board lot of 10,000 Subdivided Shares (in the form of existing certificates) ends .....	4:00 p.m. on Friday, 25 February
Last day for free exchange of existing share certificates for new share certificates .....	Friday, 4 March

*Note:* All times refer to Hong Kong local time in this circular.

The dates and times specified in this circular are indicative only and may be varied by the Company. Any change to the expected timetable will be published or notified to the Shareholders as and when appropriate.



**TRULY INTERNATIONAL HOLDINGS LIMITED**

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

**(Stock Code: 0732)**

*Executive Directors*

Lam Wai Wah, Steven  
Wong Pong Chun, James  
Cheung Tat Sang, James  
Li Jian Hua

*Registered office*

PO Box 309  
Grand Cayman  
Cayman Islands

*Independent non-executive directors*

Chung Kam Kwong  
Ip Cho Ting, Spencer  
Heung Kai Sing

*Principal place of business in Hong Kong*

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

31 December 2010

*To Shareholders  
and, for information only,  
holders of the Share Options*

**PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL  
PROPOSED SUBDIVISION OF SHARES AND  
CHANGE OF BOARD LOT SIZE  
PROPOSED BONUS ISSUE OF SHARES  
PAYMENT DATE OF THE THIRD INTERIM DIVIDEND  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**INTRODUCTION**

Reference is made to the announcements of the Company dated 30 November 2010 and 6 December 2010 respectively, in relation to, among other things, the Increase in Authorised Share Capital, the proposed Share Subdivision and Board Lot Change, the proposed Bonus Issue, and the payment date of the Third Interim Dividend. The purpose of this circular is to provide you with information in respect of the above matters, and the ordinary resolutions to approve the Increase in Authorised Share Capital, the Share Subdivision and the Bonus Issue and to give you notice of the EGM.

## LETTER FROM THE BOARD

### **PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL OF THE COMPANY**

The current authorised share capital of the Company is HK\$65,000,000 divided into 650,000,000 ordinary shares of HK\$0.10 each, of which 503,269,527 Existing Shares were in issue at the Latest Practicable Date. In order to facilitate the proposed Bonus Issue and to accommodate the future expansion and growth of the Group, the Board proposes to increase the authorised share capital of the Company to HK\$100,000,000 divided into 1,000,000,000 ordinary shares of HK\$0.10 each, by the creation of an additional 350,000,000 ordinary shares of HK\$0.10 each.

Immediately after the completion of the Increase in Authorised Share Capital and assuming no new Shares will be issued or repurchased from the Latest Practicable Date up to the date of the EGM, the authorised share capital of the Company will be HK\$100,000,000 divided into 1,000,000,000 ordinary shares of HK\$0.10 each, comprising 503,269,527 issued Existing Shares and 496,730,473 unissued Existing Shares.

The Increase in Authorised Share Capital of the Company is conditional upon the approval of the Shareholders by way of an ordinary resolution at the EGM and no Shareholder is required to abstain from voting on such resolution.

### **PROPOSED SHARE SUBDIVISION AND BOARD LOT CHANGE**

#### **Proposed Share Subdivision**

The Board proposes to subdivide each existing issued and unissued share of HK\$0.10 of the Company into five (5) Subdivided Shares of HK\$0.02 each. Upon the Share Subdivision becoming effective, and assuming that no new Shares will be issued or repurchased from the Latest Practicable Date up to the time when the Share Subdivision becomes effective, the authorised share capital of the Company will be HK\$65,000,000 divided into 3,250,000,000 Subdivided Shares (or, subject to the Increase in Authorised Share Capital having become effective, HK\$100,000,000 divided into 5,000,000,000 Subdivided Shares), consisting of approximately 2,516,347,635 Subdivided Shares which will be in issue and fully paid or credited as fully paid, and 733,652,365 unissued Subdivided Shares (or, upon the Increase in Authorised Share Capital having become effective, 2,483,652,365 unissued Subdivided Shares), assuming that no further Shares are issued or repurchased prior to the Share Subdivision becoming effective. All Subdivided Shares in issue will rank pari passu with each other in all respects.

## LETTER FROM THE BOARD

### Conditions of the Share Subdivision

The Share Subdivision is conditional upon:

- (i) the approval of the Share Subdivision by the Shareholders at the EGM;
- (ii) the Listing Committee granting the listing of, and permission to deal in, the Subdivided Shares; and
- (iii) compliance with the relevant legal procedures and requirements under the Companies Law to effect the Share Subdivision.

### Board Lot Change

The Shares are currently traded on the Stock Exchange in board lot size of 2,000 Shares each. The Board proposes that, subject to and upon the Share Subdivision becoming effective, the board lot size be changed from 2,000 Existing Shares to 2,000 Subdivided Shares. Based on the theoretical adjusted closing price of the Subdivided Shares with reference to the closing price of HK\$12.68 per Existing Share as at the Latest Practicable Date, the new estimated board lot value would be HK\$5,072 in the new board lot size of 2,000 Subdivided Shares.

### Reasons for the Share Subdivision and Board Lot Change

The proposed Share Subdivision will decrease the nominal value of each Share and increase the total number of Shares in issue. The Share Subdivision is expected to result in downward adjustment to the trading price of each Share. The Board considers that the Share Subdivision and the Board Lot Change will improve the liquidity in the trading of the Shares and therefore will enable the Company to attract more investors and broaden its Shareholders' base.

Save for the expenses to be incurred by the Company in relation to the Share Subdivision, the implementation of the Share Subdivision will not, by itself, alter the underlying assets, business operations, management or the financial position of the Company or the proportionate interest of the Shareholders. The Board considers the Share Subdivision and the Board Lot Change are in the interests of the Company and the Shareholders as a whole, and will not have any material adverse effect on the financial position of the Group.

The Share Subdivision and the Board Lot Change will not result in any changes in the relevant rights of the Shareholders. The Share Subdivision and Board Lot Change will not result in any odd lots other than those already exist and from the Bonus Issue.

## LETTER FROM THE BOARD

### **Free Exchange of Share Certificates**

Upon the Share Subdivision becoming effective, the Shareholders can submit their existing share certificates for the Shares to the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at 26/F Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, in exchange for new share certificates for the Subdivided Shares free of charge during the business hours from Thursday, 20 January 2011 to Friday, 4 March 2011 (both days inclusive). After the expiry of such period, existing certificates for the Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) for each existing share certificate cancelled or new share certificate issued (whichever number of share certificates involved is higher).

It is expected that the new share certificates will be available for collection within a period of 10 business days after the submission of the existing share certificates. The new share certificates will be issued in blue colour in order to distinguish them from existing share certificates which are in yellow colour.

Existing share certificates will cease to be acceptable for dealing purpose after 25 February 2011.

### **PROPOSED BONUS ISSUE**

The Board proposes a Bonus Issue to the Shareholders in recognition of their continued support. The Bonus Issue represents the issue by way of bonus to Shareholders of one (1) new Existing Share for every ten (10) Existing Shares held (equivalent to, upon the Share Subdivision becoming effective, one (1) new Subdivided Share for every two (2) Existing Shares held). The Bonus Shares will not rank for the third interim dividend for the three months ended 30 September 2010 but will upon issue rank pari passu in all other respects with all other Shares then in issue. The Bonus Issue is proposed to be made to the Qualifying Shareholders whose names appear on the Register of Members on the Record Date. The terms of the Bonus Issue are set out below.

#### **Basis of Bonus Issue**

Subject to the conditions as set out under the heading "Conditions of the Bonus Issue" below, the Bonus Issue is proposed to be made by way of bonus on the basis of one (1) new Existing Share for every ten (10) Existing Shares (or, subject to the Share Subdivision becoming effective, one (1) new Subdivided Share for every two (2) Existing Shares) held on the Record Date by the Qualifying Shareholders. The Bonus Shares will be issued and credited as fully paid at par. Fractional entitlements will not be distributed but will be aggregated, rounded down to the nearest whole number and sold for the benefit of the Company. The proceeds of sale will be retained for the benefit of the Company.

## LETTER FROM THE BOARD

As at the Latest Practicable Date, there were 503,269,527 Existing Shares in the issued share capital of the Company (which would be equivalent to 2,516,347,635 Subdivided Shares upon the Share Subdivision taking effect). On the basis that no further Shares are issued or repurchased on or before 19 January 2011, being the date of the EGM and the Record Date, it is anticipated that approximately 50.33 million new Existing Shares (or, subject to the Share Subdivision becoming effective, approximately 251.63 million new Subdivided Shares) will be issued under the Bonus Issue and the amount of approximately HK\$5.03 million (or thereabout), being part of the Company's share premium account, will be capitalised and accordingly such sum will be applied in paying up in full at par for approximately 50.33 million new Existing Shares (or, subject to the Share Subdivision becoming effective, approximately 251.63 million new Subdivided Shares). After completion of the Bonus Issue, there will be a total of 553,596,479 (or thereabout) Existing Shares (or, subject to the Share Subdivision becoming effective, approximately 2,767,982,395 new Subdivided Shares) in the enlarged issued share capital of the Company. The Bonus Shares will represent approximately 10% of the existing issued share capital of the Company as at the Latest Practicable Date and the Record Date and approximately 9.09% of the issued share capital of the Company as enlarged by the issue of the Bonus Shares.

The exact total number of Bonus Shares to be issued under the Bonus Issue will not be capable of determination until the Record Date.

### **Reasons for the proposed Bonus Issue**

As a gesture to thank the Shareholders for their loyalty to and support of the Company, the Board has decided to propose the Bonus Issue for Shareholders' approval. The Directors believe that the Bonus Issue will also increase the Company's capital base and enhance the liquidity of the Shares in the market and thereby enlarge the Company's shareholders' base.

### **Overseas Shareholders**

Overseas Shareholders will not be allotted the Bonus Shares if the Directors consider such exclusion to be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place. In such circumstances, arrangements will be made for the Bonus Shares which would otherwise have been issued to the Excepted Shareholders, if any, to be sold in the market as soon as practicable after dealing in the Bonus Shares commences. Any net proceeds of sale, after deduction of expenses, will be distributed in Hong Kong dollars to the Excepted Shareholders, if any, pro rata to their respective shareholdings and remittances therefor will be posted to them, at their own risk, unless the amount falling to be distributed to any such persons is less than HK\$100.00, in which case it will be retained for the benefit of the Company.

## LETTER FROM THE BOARD

Based on the Register of Members as at the Latest Practicable Date, there were 3 Overseas Shareholders with registered addresses which are jurisdictions outside Hong Kong. Details are as follows:

<b>Jurisdiction of registered address of Overseas Shareholders</b>	<b>No. of Overseas Shareholders</b>
United Kingdom	2
Taiwan	1

Pursuant to Rule 13.36 of the Listing Rules, the Board has made enquiries with its legal advisers in the United Kingdom and Taiwan as to whether there is any legal restriction under the applicable securities legislation of the United Kingdom and Taiwan respectively or requirement of any relevant regulatory body or stock exchange with respect to the offer of Bonus Shares to such Overseas Shareholders. Based on the advice of the Company's legal advisers on the laws of the United Kingdom and Taiwan respectively, the Bonus Shares can be issued and allotted to the Overseas Shareholders with registered addresses in the United Kingdom and Taiwan.

### **Conditions of the Bonus Issue**

The Bonus Issue is conditional upon:

- (i) the approval of the Bonus Issue by the Shareholders at the EGM;
- (ii) the Listing Committee granting the listing of, and permission to deal in, the Bonus Shares; and
- (iii) compliance with the relevant legal procedures and requirements under the Companies Law to effect the Bonus Issue.

### **Certificates for Bonus Shares**

In the absence of any specific instruction to the contrary received in writing by the Registrar, certificates in respect of the Bonus Shares will be sent to the persons entitled thereto at their respective addresses shown in the Register of Members on the Record Date or in the case of joint holders, to the address of the joint holder whose name stands first in the Register of Members on the Record Date in respect of the joint holding. It is expected that certificates for the Bonus Shares will be posted to those entitled thereto at their own risk on 28 January 2011.

Dealings in the Bonus Shares are expected to commence on Tuesday, 1 February 2011.

## LETTER FROM THE BOARD

### THIRD INTERIM DIVIDEND

The Board has resolved to pay the Third Interim Dividend of 8 HK cents per Existing Share for the three months ended 30 September 2010.

### RECORD DATE AND CLOSURE OF REGISTER OF MEMBERS – THIRD INTERIM DIVIDEND AND PROPOSED BONUS ISSUE

The Bonus Shares will be issued to the Qualifying Shareholders only. Arrangements for the Excepted Shareholders are further elaborated above under the heading “Overseas Shareholders”.

For the purposes of determining entitlement of the Shareholders to the Third Interim Dividend and to the Bonus Issue, the Register of Members will be closed from Monday, 17 January 2011 to Wednesday, 19 January 2011, both days inclusive, during which period no share transfer will be effected. The record date for the determination of such entitlement will be on Wednesday, 19 January 2011.

Shareholders are reminded that in order to qualify for the Third Interim Dividend and for the Bonus Issue, they must ensure that all transfers accompanied by the relevant share certificates are lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Friday, 14 January, 2011.

### PAYMENT DATE OF THE THIRD INTERIM DIVIDEND

The Third Interim Dividend will be paid on Wednesday, 26 January 2011 to Shareholders whose names appear on the register of members of the Company on Wednesday, 19 January 2011.

### APPLICATION TO THE STOCK EXCHANGE

An application will be made to the Stock Exchange for the listing of and permission to deal in the Subdivided Shares arising from the Share Subdivision (including Subdivided Shares which may be issued under the Share Option Schemes) and the Bonus Shares. The Subdivided Shares (including Subdivided Shares which may be issued under the Share Option Schemes) and the Bonus Shares will not be listed or traded on any other stock exchange other than the Stock Exchange and no such listing or permission to deal is being or proposed to be sought. Dealings in the Subdivided Shares and Bonus Shares will be subject to the payment of stamp duty in Hong Kong. No part of the equity or debt securities of the Company is listed or dealt in, nor is listing or permission to deal in the securities of the Company being proposed to be sought, on any other stock exchange.

## LETTER FROM THE BOARD

Subject to the granting of the listing of and permission to deal in the Subdivided Shares (including Subdivided Shares which may be issued under the Share Option Schemes) and the Bonus Shares on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Subdivided Shares (including Subdivided Shares which may be issued under the Share Option Schemes) and the Bonus Shares will be accepted as eligible securities for deposit, clearance and settlement in CCASS established and operated by HKSCC with effect from the commencement date of dealings in the Subdivided Shares (including Subdivided Shares which may be issued under the Share Option Schemes) and the Bonus Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek the advice of their licensed securities dealers or other professional advisers for details of these settlement arrangements and how such arrangements will affect their rights and interests.

### ADJUSTMENTS TO THE SHARE OPTIONS

As at the Latest Practicable Date, share options for the subscription for 56,490,000 Existing Shares granted by the Company pursuant to the Share Option Schemes were outstanding. Implementation of the Share Subdivision and the Bonus Issue will lead to adjustments to the exercise prices and number of the Shares in respect of which outstanding Share Options are exercisable. The Company will inform each of the holders of outstanding Share Options regarding the adjustments to be made pursuant to the respective terms and conditions of the Share Options. Such adjustments will be certified by the auditors of the Company as fair and reasonable.

Save for the Share Options, the Company has no other outstanding options, warrants, or convertible securities to subscribe for any Share.

### DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at 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 from 9:00 am to 5:00 p.m. on any weekday other than public holidays from Friday, 31 December 2010 to Wednesday, 19 January 2011:

- (a) Memorandum and Articles of Association of the Company;
- (b) The Companies Law of the Cayman Islands; and
- (c) Annual reports of the Company for each of the financial years ended 31 December 2007, 2008, and 2009.

## LETTER FROM THE BOARD

### EXPECTED TIMETABLE

The expected timetable for the Share Subdivision, the Board Lot Change, the Bonus Issue and the Third Interim Dividend is set out on page 4 of this circular. Dates or deadlines specified in this circular are indicative only and may be varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

### EGM

The notice convening the EGM is set out on pages 16 to 18 of the circular. At the EGM, a resolution will be proposed for the Shareholders to consider and, if thought fit, approve the Increase in Authorised Share Capital, the Share Subdivision and Bonus Issue.

The Directors confirm that none of the Shareholders will be required to abstain from voting at the EGM.

Pursuant to Rule 13.39(4) of the Listing Rules and the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll. The chairman of the meeting will therefore demand a poll for every resolution put to the vote at the EGM. The results of the poll shall be deemed to be the resolution of the general meeting in which the poll was demanded or required and the poll results will be published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.truly.com.hk](http://www.truly.com.hk)) after the EGM.

### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## LETTER FROM THE BOARD

### RECOMMENDATION

The Directors believe that the Increase in Authorised Share Capital, the Share Subdivision and the Bonus Issue are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to approve the above matters to be proposed at the EGM.

By Order of the Board  
**Lam Wai Wah, Steven**  
*Chairman*

## NOTICE OF EXTRAORDINARY GENERAL MEETING

# TRULY®

## TRULY INTERNATIONAL HOLDINGS LIMITED

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

(Stock Code: 0732)

### NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting of Truly International Holdings Limited will be held at 2nd Floor, Chung Shun Knitting Centre, 1-3 Wing Yip Street, Kwai Chung, New Territories, Hong Kong on Wednesday, 19 January 2011 at 11:00 a.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions which will be proposed as an ordinary resolutions of the Company:

#### ORDINARY RESOLUTIONS

1. **“THAT** the authorised share capital of the Company be increased from HK\$65,000,000 (divided into 650,000,000 ordinary shares (the **“Shares”**) of HK\$0.10 each) to HK\$100,000,000 (divided into 1,000,000,000 Shares of HK\$0.10 each) by the creation of an additional 350,000,000 Shares of HK\$0.10 each, and that each such new Share, upon issue, shall rank pari passu in all respects with the existing Shares (the **“Increase in Authorised Share Capital”**) and further that any director of the Company be and is hereby authorised to do all things and acts and sign all documents which he or she considers necessary, desirable or expedient in connection with the implementation of the Increase in Authorised Share Capital and the matters contemplated under this resolution.”
2. **“THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the **“Listing Committee”**) granting the listing of and permission to deal in shares of HK\$0.02 each in the issued share capital of the Company, each of the issued and unissued shares of HK\$0.10 each in the share capital of the Company be subdivided into five shares of HK\$0.02 each (the **“Share Subdivision”**) so that the authorised share capital of the Company will be HK\$65,000,000 divided into 3,250,000,000 shares of HK\$0.02 each (or, subject to the Increase in Authorised Share Capital (as defined in the resolution set out as Resolution No. 1 in the notice convening this meeting) having become effective, HK\$100,000,000 divided into 5,000,000,000 shares of HK\$0.02 each) immediately following the Share Subdivision, and any director of the Company be and is hereby authorised to do all things and acts and sign all documents which he or she consider necessary, desirable or expedient in connection with the implementation of the Share Subdivision and the matters contemplated under this resolution.”
3. **“THAT**, subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting and agreeing to grant listing of and permission to deal in the Bonus Shares (as hereinafter defined):

## NOTICE OF EXTRAORDINARY GENERAL MEETING

- (a) upon the recommendation of the Directors, such sum as shall be equal to the aggregate amount required to pay up in full the Bonus Shares referred to below at their nominal amount of HK\$0.10 per share (which would be reduced to HK\$0.02 per share upon the Share Subdivision (as defined in the resolution set out as Resolution No. 2 in the notice convening this meeting) taking effect), being part of the Company's share premium account, be capitalised and accordingly such sum be applied in paying up in full at par the relevant numbers of shares of HK\$0.10 each in the capital of the Company (or, upon the Share Subdivision taking effect, the relevant number of Shares of HK\$0.02 each in the capital of the Company) ("**Bonus Shares**"), such Bonus Shares to be allotted and issued and distributed (subject to paragraph (C) below) credited as fully paid among the persons whose names appear on the registers of members of the Company at the close of business on Wednesday, 19 January 2011 and whose addresses as shown in such registers are in Hong Kong or whose addresses as shown in such registers are outside Hong Kong if the Directors, based on legal advice, do not consider it necessary or expedient to exclude any such shareholder of the Company on account either of the legal restrictions under the laws of the place of that shareholder's registered address or the requirements of the relevant regulatory body or stock exchange in that place, on the basis of one (1) new share of HK\$0.10 each for every ten (10) existing shares of HK\$0.10 each held (equivalent to, upon the Share Subdivision becoming effective, one (1) new share of HK\$0.02 each for every two (2) existing shares of HK\$0.10 each held);
- (b) such Bonus Shares shall not rank for the third quarterly dividend for the three months ended 30 September 2010 or the issue of Bonus Shares pursuant to the authority of this resolution, but shall, subject to the Memorandum of Association and Articles of Association of the Company, rank pari passu in all other respects with the shares in the capital of the Company in issue at the time of the issue of the Bonus Shares;
- (c) no fractional Bonus Shares shall be allotted and distributed as aforesaid, but the fractional entitlements shall be aggregated, rounded down to the nearest whole number and sold for the benefit of the Company; and
- (d) the directors of the Company be authorised to do all such acts and things as may be necessary or expedient in relation to the issue of the Bonus Shares, including, but not limited to, determining the amount to be capitalized out of the share premium account of the Company and the number of Bonus Shares to be allotted and distributed in the manner referred to in paragraph (A) of this resolution."

By Order of the Board  
**Lo Chi Chiu**  
*Company Secretary*

Hong Kong, 31 December 2010

## NOTICE OF EXTRAORDINARY GENERAL MEETING

*Notes:*

1. The register of members of the Company will be closed from Monday, 17 January 2011 to Wednesday, 19 January 2011 (both days inclusive) during which no transfer of shares will be registered, in order to determine the entitlement of the shareholders under the bonus issue of shares and the third interim dividend. Shareholders are reminded that in order to qualify for the bonus issue of shares and the third interim dividend, they must ensure that all transfers accompanied by the relevant share certificates are lodged with the Company's branch share registrar and transfer office, Tricor Secretaries Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on Friday, 14 January 2011.
2. A member entitled to attend and vote at above meeting is entitled to appoint one or more proxies to attend and vote in his stead. 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 branch share registrar and transfer office, Tricor Secretaries Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong not less than 48 hours before the time fixed for holding the meeting or any adjournment thereof.
4. Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he/she were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most, or as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register in respect of the relevant joint holding.
5. The enclosed form of proxy must be signed by the appointor or of his attorney authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person duly authorised to sign the same.
6. Pursuant to the amended Rule 13.39 of the Listing Rules, at any general meeting a resolution put to the vote of the meeting shall be decided by poll.

*As at the date of this notice, the Board comprised Mr. Lam Wai Wah, Steven, Mr. Wong Pong Chun, James, Mr. Cheung Tat Sang, James and Mr. Li Jian Hua as executive directors and Mr. Chung Kam Kwong, Mr. Ip Cho Ting, Spencer and Mr. Heung Kai Sing as independent non-executive directors.*