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# **TRULY<sup>®</sup>**

## **TRULY INTERNATIONAL HOLDINGS LIMITED**

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

**(Stock Code: 00732)**

### **PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE AND RESUMPTION OF TRADING**

#### **PLACING AND SUBSCRIPTION AGREEMENT**

On 11 March 2010, the Company, Mr. Lam Wai Wah (as Vendor) and Yardley Securities Limited (as Placing Agent) entered into a Placing Agreement, and on the same day the Company and the Vendor entered into a Subscription Agreement, under which (i) the Vendor agreed to sell, and the Placing Agent agreed to act as agent for the Vendor, on a best efforts basis, to procure Placees to purchase, 30,000,000 Shares, representing approximately 6.34% of the existing issued share capital of the Company and approximately 5.96% of the issued share capital of the Company as enlarged by the issue and allotment of the Subscription Shares pursuant to the Subscription, at the price of HK\$8.10 per Placing Share; (ii) the Company has agreed to issue, and the Vendor has agreed to subscribe for, 30,000,000 new Shares, representing approximately 6.34% of the existing issued share capital of the Company and approximately 5.96% of the issued share capital of the Company as enlarged by the issue and allotment of the Subscription Shares pursuant to the Subscription, at the same price of HK\$8.10 per Subscription Share.

## **RESUMPTION OF TRADING**

Trading in the Shares on the Stock Exchange was suspended as from 9:30 a.m. on 11 March 2010. Application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 2:30 p.m. on 12 March 2010.

## **PLACING AGREEMENT**

Date: 11 March 2010

Parties: Mr. Lam Wai Wah (as Vendor)  
Yardley Securities Limited (as Placing Agent)  
The Company

### **Vendor**

The Vendor is a Director, chairman and controlling shareholder (as defined in the Listing Rules) of the Company currently holding 220,680,000 Shares (13,608,000 Shares of which are held beneficially by his spouse) (as at the date of this announcement prior to the completion of the Placing and/or the Subscription), representing approximately 46.64% of the existing issued share capital of the Company.

### **Placing Agent**

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Placing Agent is a third party independent of the Company and its connected persons (as defined in the Listing Rules). The Placing Agent is wholly owned by Mr. Chan Kin Sun, who is interested in 38,756,000 Shares (as at the date of this announcement prior to the completion of the Placing and/or the Subscription), representing approximately 8.19% of the existing issued share capital of the Company.

### **Placees**

The Placees and their ultimate beneficial owners will be (i) third parties independent from and not acting in concert with any of the Vendor or parties acting in concert with him and (ii) are independent of and not connected with any of the Company, its subsidiaries, their respective directors, chief executives, substantial shareholders, and their respective associates, and (iii) otherwise are not connected persons of the Company. It is also expected that the Placing Shares will be placed to not less than six Placees. The Company currently anticipates that none of the Placees will become a substantial shareholder of the Company upon completion of the Placing.

## **The Placing**

### *(i) Placing Shares*

The Placing Shares represent approximately 6.34% of the existing issued share capital of the Company and approximately 5.96% of the issued share capital of the Company as enlarged by the issue and allotment of the Subscription Shares pursuant to the Subscription.

### *(ii) Placing Price*

The Placing Price of HK\$8.10 per Share was determined with reference to the prevailing market price of the Shares and was arrived at after arm's length negotiations between the Company, the Vendor and the Placing Agent. The Placing Price represents:

- (a) a discount of approximately 8.06% to the closing price of HK\$8.81 per Share on the Last Trading Day;
- (b) a discount of approximately 10.20% to the average closing price of the Shares of approximately HK\$9.024 per Share over the last five consecutive trading days up to and including the Last Trading Day; and
- (c) a discount of approximately 11.86% to the average closing price of the Shares of approximately HK\$9.185 per Share over the last ten consecutive trading days up to and including the Last Trading Day.

### *(iii) Condition of the Placing*

The Placing is not subject to any condition.

### *(iv) Completion of the Placing*

Completion of the Placing is expected to take place on 17 March 2010, or such other date as may be agreed by the Vendor and the Placing Agents.

## **SUBSCRIPTION AGREEMENT**

Date: 11 March 2010

Parties: The Vendor  
The Company

## **The Subscription**

### *(i) Subscription Shares*

The Subscription Shares represent approximately 6.34% of the existing issued share capital of the Company and approximately 5.96% of the issued share capital of the Company as enlarged by the issue and allotment of the Subscription Shares pursuant to the Subscription.

The Subscription Shares will be issued under the general mandate granted to the Directors pursuant to a resolution passed by the shareholders of the Company at the Company's annual general meeting held on 11 June 2009. As such, the issue of the Subscription Shares is not subject to further approval of the shareholders of the Company. Under this general mandate, the maximum number of new Shares that can be issued is 47,287,952 Shares. No Share has been issued under the general mandate since it was granted on 11 June 2009. The Subscription Shares, when fully paid, will rank pari passu in all respects with the existing Shares in issue as at the date of issue of the Subscription Shares.

The Company will submit an application to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares in due course.

### *(ii) Subscription Price*

The Subscription Price of HK\$8.10 per Share is the same as the Placing Price.

The Directors (including the independent non-executive Directors) are of the view that the Subscription Price is fair and reasonable to the Company and its shareholders.

### *(iii) Conditions*

The Subscription is conditional upon:

- (a) the completion of the Placing pursuant to the Placing Agreement;
- (b) the Stock Exchange granting listing of, and permission to deal in, the Subscription Shares; and
- (c) the Executive granting a waiver to the Vendor from the obligation to make a general offer under Rule 26 of the Hong Kong Code on Takeovers and Mergers as a result of the Placing and the Subscription.

The above conditions may not be waived by either party.

(iv) *Completion of the Subscription*

Subject to fulfilment of the conditions to the Subscription, completion of the Subscription will take place within two Business Days following fulfilment of all such conditions or such other time as the Company and the Vendor may agree. In the event that the conditions are not fulfilled on or before the date which is 14 days commencing on the date of the Placing Agreement, the Subscription will constitute a non-exempt connected transaction under the Listing Rules and shareholders' approval from the independent shareholders of the Company for the Subscription will be required. In that event, the Company will convene a meeting to seek the approval from the independent shareholders of the Company for the Subscription and an appropriate announcement will be made accordingly.

## EFFECT OF THE PLACING AND THE SUBSCRIPTION

The table below sets out the changes to the shareholding structure of the Company as a result of the completion of the Placing and the Subscription:

	Existing Shareholding		Immediately after the Placing but before completion of the Subscription		Immediately after the Placing but before completion of the Subscription (assuming the Outstanding Options are exercised in full and no granting of options under the Share Option Schemes)		Immediately after completion of the Placing and the Subscription		Immediately after completion of the Placing and the Subscription (assuming the Outstanding Options are exercised in full and no granting of options under the Share Option Schemes)	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<b>Vendor and parties acting in concert with him (Note 1)</b>	220,680,000	46.64	190,680,000	40.30	190,680,000	36.00	220,680,000	43.86	220,680,000	39.42
<b>Directors</b>										
Wong Pong Chun, James (Note 2)	8,270,000	1.75	8,270,000	1.75	17,170,000	3.24	8,270,000	1.64	17,170,000	3.07
Cheung Tat Sang, James	920,000	0.19	920,000	0.19	9,950,000	1.88	920,000	0.18	9,950,000	1.78
Li Jian Hua (Note 3)	1,640,000	0.35	1,640,000	0.35	10,190,000	1.92	1,640,000	0.33	10,190,000	1.82
<b>Public shareholders</b>										
Existing public shareholders	241,644,527	51.07	241,644,527	51.07	271,769,527	51.30	241,644,527	48.03	271,769,527	48.55
Placees	–	–	30,000,000	6.34	30,000,000	5.66	30,000,000	5.96	30,000,000	5.36
<b>Total</b>	<b>473,154,527</b>	<b>100.00</b>	<b>473,154,527</b>	<b>100.00</b>	<b>529,759,527</b>	<b>100.00</b>	<b>503,154,527</b>	<b>100.00</b>	<b>559,759,527</b>	<b>100.00</b>

*Notes:*

- (1) The Vendor is interested in 207,072,000 Shares and is deemed to be interested in 13,608,000 Shares, being the interests held beneficially by his spouse, Chung King Yee, Cecilia.

- (2) Wong Pong Chun, James is interested in 7,970,000 Shares and is deemed to be interested in 300,000 Shares, being the interests held beneficially by his spouse, Lai Ching Mui, Stella.
- (3) Li Jian Hua is interested in 4,150,000 share options of the Company and 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.

As of the date of this announcement, save as disclosed herein, there were no other Outstanding Options or convertible securities issued by the Company.

## **REASONS FOR THE PLACING AND SUBSCRIPTION AND USE OF PROCEEDS**

The Company estimates that the gross proceeds of the Subscription will amount to approximately HK\$243 million. The net proceeds will amount to approximately HK\$237 million. The Company intends to use the net proceeds from the Subscription for the repayment of certain borrowings that are repayable within a year from the date of the 2009 interim report of the Company.

The Directors consider that the Placing and the Subscription represents an opportunity to raise capital for the Company and decrease the total gross borrowings of the Company while broadening the shareholder base and capital base of the Company. The Directors (including the independent non-executive Directors) are of the view that the terms of the Placing and the Subscription are on normal commercial terms and are fair and reasonable to the Company based on the current market conditions and are in the interests of the Company and its shareholders as a whole.

## **TAKEOVERS CODE IMPLICATIONS**

As a result of the Placing, the aggregate percentage shareholding of the Vendor and parties acting in concert with him will reduce from 46.64% to 40.30% and will as a result of the Subscription increase from 40.30% to 43.86%, which will give rise to an obligation to make a general offer under Rule 26 of the Takeovers Code. Application for a waiver under Note 6 on dispensations from Rule 26 of the Takeovers Code from the obligation to make a general offer under Rule 26 of the Takeovers Code as a result of the Subscription will be made by the Vendor to the Executive.

## **FUND RAISING ACTIVITIES OF THE COMPANY IN THE 12 MONTHS ENDING ON THE DATE OF THIS ANNOUNCEMENT**

The Group has not conducted any equity fund raising activities in the past 12 month period immediately before the date of this announcement.

## **RESUMPTION OF TRADING**

Trading in the Shares was suspended from 9:30 a.m. on 11 March 2010. Application has been made by the Company for the resumption of trading in the Shares with effect from 2:30 p.m. on 12 March 2010.

## DEFINITIONS

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

“acting in concert”	as defined in the Hong Kong Code on Takeovers and Mergers;
“Board”	the board of Directors;
“Business Day”	any day excluding Saturdays, Sundays and public holidays in Hong Kong) on which licensed banks generally are open for business in Hong Kong;
“Closing Date”	17 March 2010, or such other date as the Vendor and the Placing Agent may agree;
“Company”	Truly International Holdings Limited (信利國際有限公司), a company incorporated in the Cayman Islands with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange;
“Director(s)”	director(s) of the Company;
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any delegate of the Executive Director;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Last Trading Day”	10 March 2010, being the last full trading day prior to the issue of this announcement;
“Placees”	independent professional, institutional or other investors selected and procured by the Placing Agents to subscribe for any of the Placing Shares pursuant to the obligations of the Placing Agent under the Placing;
“Placing”	the offer by way of private placing of the Placing Shares to the Placees on the terms and subject to the conditions set out in the Placing Agreement;
“Placing Agent”	Yardley Securities Limited;

“Placing Agreement”	the placing agreement entered into among the Company, the Vendor and the Placing Agent on 11 March 2010;
“Placing Price”	the price of HK\$8.10 per Placing Share;
“Placing Shares”	the 30,000,000 existing Shares to be sold by the Vendor to the Placees;
“Listing Committee”	the listing committee of the board of directors of the Stock Exchange;
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange;
“Outstanding Options”	the options granted by the Company to subscribe for an aggregate of 56,605,000 Shares pursuant to the Share Options Schemes, which are outstanding as at the date of this announcement;
“SFO”	the Securities and Futures Ordinance (Cap.571 of the laws of Hong Kong);
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Share Option Schemes”	the share option schemes of the Company adopted respectively on 22 May 2001, 22 December 2003 and 15 June 2006;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription”	the subscription by the Vendor for the Subscription Shares;
“Subscription Agreement”	the subscription agreement entered into between the Vendor and the Company on 11 March 2010;
“Subscription Shares”	the 30,000,000 new Shares to be issued and allotted by the Company to the Vendor;
“Subscription Price”	HK\$8.10 per Share;
“Vendor”	Mr. Lam Wai Wah, Director, chairman and controlling shareholder (as defined in the Listing Rules) of the Company;

“HK\$” Hong Kong dollar(s), the lawful currency of Hong Kong; and

“%” per cent.

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

Hong Kong, 12 March 2010

*As at the date of this announcement, 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.*

*All Directors of the Company jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*