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TRULY®

TRULY INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00732)

DISCLOSEABLE TRANSACTION

Strategic Investment in HannStar Display Corporation

The Company is pleased to announce that its subsidiary, Hong Kong Truly Semiconductors Limited, has entered into a Subscription Agreement and a Sale and Purchase MOU with HannStar Display Corporation* 瀚宇彩晶股份有限公司, a company listed on the Taiwan Stock Exchange, on 19 January 2011.

As two of the applicable percentage ratios exceed 5% but are less than 25%, the transaction under the Subscription Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the announcement requirements under Chapter 14 of the Listing Rules.

The transaction under the Sale and Purchase MOU does not constitute a notifiable transaction under the Listing Rules and is disclosed by the Company voluntarily for investors' information only.

The Board is pleased to announce that, on 19 January 2011, Hong Kong Truly Semiconductors Limited, an indirect wholly-owned subsidiary of the Company, has entered into (1) Subscription Agreement and (2) the Sale and Purchase MOU with HannStar Display Corporation* 瀚宇彩晶股份有限公司 (“**HannStar**”), a company listed on the Taiwan Stock Exchange, in relation to HK Truly Semiconductors' subscription of certain ordinary shares in HannStar, and the supply of certain products including TFT panels and sensors for capacitive touch panel by HannStar to HK Truly Semiconductors.

SUBSCRIPTION AGREEMENT

Date: 19 January 2011

Parties: HK Truly Semiconductors (as the subscriber)
HannStar (as the issuer)

* For identification purposes only

The Subscription

(i) Subscription Shares

116,140,000 Subscription Shares in HannStar, which represent approximately 2.22% of the existing issued share capital of HannStar and approximately 1.98% of the issued share capital of HannStar as enlarged by the issue and allotment of the Subscription Shares pursuant to the Subscription.

The Subscription Shares will be issued pursuant to a resolution in relation to private placement passed by the shareholders of HannStar at its general meeting held in 2010. 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 subject to a statutory lock-up for 3 years from the date of delivery of the Subscription Shares under the applicable laws of Taiwan. The Subscription has also been approved by the board of directors of HannStar on 14 January 2011.

(ii) Subscription Price

The aggregate price for the Subscription is NTD580,700,000 (approximately HK\$155,591,876), based on the Subscription Price of NTD5.0 per Share (which is approximately 85.5% of the reference price of NTD5.85 per Share determined in accordance with the applicable requirements in Taiwan). The aggregate price for the Subscription shall be paid directly to the designated bank account of HannStar and will be financed out of the resources of the Group.

(iii) Conditions

The Subscription is conditional, among other things, upon:-

- (a) the entering into by HannStar and HK Truly Semiconductors of the Sale and Purchase MOU;
- (b) the representations and warranties made by HannStar in the Subscription Agreement are true, complete and accurate as at the date of the Subscription Agreement and as at the Completion Date;
- (c) HannStar and its controlled entities have fulfilled or performed all the conditions, obligations and covenants as required by the Subscription Agreement before the Completion Date;
- (d) HannStar and HK Truly Semiconductors have obtained all the necessary and appropriate approval and authorization (including but not limited to the necessary approvals from the relevant authorities for the investment by HK Truly Semiconductors in HannStar);
- (e) HannStar does not have any litigation or dispute which may affect its execution or performance of the Subscription Agreement; and

- (f) there is no event before the Completion Date involving HannStar and its controlled entities which may materially affect their business, assets and conditions or their ability to perform the Subscription Agreement.

The above conditions may be waived by HK Truly Semiconductors.

(iv) Completion of the Subscription

Subject to fulfilment of the conditions to the Subscription, completion of the Subscription shall take place in the period between 20 January 2011 and 27 January 2011, or as the parties may otherwise agree.

(v) Financial Information on HannStar

As at 30 September 2010, the unaudited consolidated net asset value of HannStar (prepared in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, the requirements of the Business Accounting Law and Guidelines Governing Business Accounting relevant to financial accounting standards, and accounting principles generally accepted in the Republic of China) amounted to approximately NTD47,162.74 million (equivalent to approximately HK\$12,636.71 million).

The audited consolidated net loss before and after taxation and extraordinary items of HannStar (prepared in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, the requirements of the Business Accounting Law and Guidelines Governing Business Accounting relevant to financial accounting standards, and accounting principles generally accepted in the Republic of China) for each of the two years ended 31 December 2008 and 2009 respectively are set out below:

	Year ended 31 December	
	2009	2008
Consolidated net loss before tax and extraordinary items	NTD13,973.43 million (equivalent to approximately HK\$3,744.02 million)	NTD3,888.81 million (equivalent to approximately HK\$1,041.96million)
Consolidated net loss after tax and extraordinary items	NTD13,991.64 million (equivalent to approximately HK\$3,748.89 million)	NTD6,749.95 million (equivalent to approximately HK\$1,808.57 million)

SALES AND PURCHASE MOU

Pursuant to the terms of the Sale and Purchase MOU, HK Truly Semiconductors has agreed to purchase from HannStar, among other things, thin film transistor (TFT) panels and sensors for medium size capacitive touch panel of certain specifications which are produced by HannStar's 5.3 generation TFT production line. HannStar guarantees that it will offer to supply 20% of its 5.3 generation TFT production capacity to the Group for TFT panels

and sensors for medium size capacitive touch panel. The supply of TFT panels and sensors will be further increased annually. The Sale and Purchase MOU represents a strategic co-operation relationship between the Group and HannStar and the supply of TFT panels and sensors for medium size capacitive touch panel secured from HannStar is expected to increase the competitiveness and the market share of TFT modules sold by the Group. The Group and HannStar also intend to expand their strategic co-operation into the use of TFT panels in the E-book, automobile and industrial applications for LCD modules. Under the Sale and Purchase MOU, HannStar has also agreed to use its best endeavors to offer capacity for supplying TFT panels and sensors for medium size capacitive touch panel which are of non-standard/ OEM specifications as required by the Group from time to time. For TFT panels and sensors for medium size capacitive touch panel of OEM specifications for automobile and other industrial uses, the parties agree to set the minimum purchase amount annually, and as long as such annual minimum amount is met, HannStar agrees to offer such products to the Group for a minimum of five years to ensure that the Group will have a reliable supply of TFT panels and sensors for medium size capacitive touch panel.

REASONS FOR ENTERING INTO THE SUBSCRIPTION AGREEMENT AND THE SALES AND PURCHASE MOU

The Board believes that, by entering into the Subscription Agreement and the Sale and Purchase MOU with HannStar, the Group will be able to obtain capacity support from HannStar with its 5.3 generation TFT production line immediately without the need to make further significant investment in TFT production lines in the foreseeable future, hence improving the cashflow of the Group. The Group will also be able, through co-operation with Hannstar, to secure a reliable supply of and to control the quality of TFT panels and sensors for medium size capacitive touch panel for the Group's production of LCD modules for different applications including automobiles, industrial and electronic consumer product LCD displays. The Group will therefore be able to diversify its production lines particularly in medium size TFT panels and capacitive touch panels and increase the market share of the Group in the LCD display market.

INFORMATION ON THE PARTIES

The Group is principally engaged in the manufacture and sale of liquid crystal display products and electronic consumer products.

HannStar is principally engaged in the research and development, design, manufacture and sale of TFT LCD, monitors and related components. Hannstar will be one of major suppliers of TFT panels to the Group.

LISTING RULES IMPLICATIONS

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, HannStar and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

As two of the applicable percentage ratios exceed 5% but are less than 25%, the transaction under the Subscription Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the announcement requirements under Chapter 14 of the Listing Rules.

The transaction under the Sale and Purchase MOU does not constitute a notifiable transaction under the Listing Rules and is disclosed by the Company voluntarily for investors' information only.

The Directors are of the view that the terms of the transactions under the Subscription Agreement and the Sale and Purchase MOU are fair and reasonable, on normal commercial terms, and are in the interests of the Company and the shareholders as a whole.

DEFINITIONS

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

“Board”	the board of Directors;
“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 Hong Kong Stock Exchange;
“Completion Date”	date of completion of the Subscription, which shall be between 20 January 2011 to 27 January 2011 or such other date as the parties may otherwise agree;
“Director(s)”	director(s) of the Company;
“Group”	the Company and its subsidiaries;
“HannStar”	HannStar Display Corporation* 瀚宇彩晶股份有限公司, a company incorporated in Republic of China (Taiwan), the registered shares of which are listed on the Taiwan Stock Exchange;
“HK Truly Semiconductors”	Hong Kong Truly Semiconductors Limited, a company incorporated in Hong Kong and is indirectly wholly-owned by the Company;
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“LCD”	liquid crystal display
“Listing Rules”	Rules Governing the Listing of Securities on the Hong Kong Stock Exchange;

“NTD”	New Taiwanese dollar(s), the lawful currency of Republic of China (Taiwan);
“OEM”	original equipment manufacturer;
“Sale and Purchase MOU”	the memorandum of understanding entered into between HK Truly Semiconductors and HannStar on 19 January 2011 in relation to the purchase of TFT panels and touch sensors by HK Truly Semiconductors from HannStar;
“Share(s)”	ordinary share(s) of NTD10 each in the share capital of HannStar;
“Subscription”	the subscription by HK Truly Semiconductors for the Subscription Shares;
“Subscription Agreement”	the subscription agreement entered into between HK Truly Semiconductors and HannStar on 19 January 2011 in relation to the Subscription;
“Subscription Price”	NTD5.0 per Share;
“Subscription Shares”	the 116,140,000 new Shares to be issued and allotted by HannStar to HK Truly Semiconductors;
“TFT”	thin film transistor;
“%”	per cent.

In this announcement, for reference only and unless otherwise specified, the translation of NTD into HK\$ is based on the exchange rate of HK\$1.00 to NTD3.7322. Payments for the transactions announced herein are proposed to be in NTD and are expressed in HK\$ in this announcement for illustration purposes only.

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

Hong Kong, 19 January 2011

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.