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TRULY[®]

TRULY INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00732)

RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011

UNAUDITED RESULTS

The unaudited revenue and profit of the Company and its subsidiaries for the nine months period from 1 January 2011 to 30 September 2011 was approximately HK\$7.22 billion and HK\$364 million which was about 34.9% and 38.6% higher than the corresponding period in 2010 (approximately HK\$5.35 billion and HK\$263 million) respectively. The unaudited gross profit margin (12.5%) for the period was higher than the corresponding period in 2010 (12.0%) while unaudited net profit margin was increased from 4.9% for the corresponding period in 2010 to 5.0% during the current period.

The unaudited total net assets of the Group as at 30 September 2011 was increased to approximately HK\$4.34 billion (approximately HK\$3.95 billion as at 31 December 2010) which was mainly attributable to the unaudited profit for the period, exchange difference arising on translation and fair value loss on available-for-sale investment. The unaudited current ratio as at 30 September 2011 was maintained at 1.05 (1.05 as at 31 December 2010). At 30 September 2011, the unaudited outstanding bank and other borrowings, net of bank and cash balances were approximately HK\$1,964 million (approximately HK\$1,412 million as at 31 December 2010).

FINANCIAL HIGHLIGHTS

For the nine months from 1 January 2011 to 30 September 2011

	2011	2010	Change
	Unaudited	Unaudited	%
	HK\$'000	HK\$'000	
Revenue	7,218,285	5,351,611	+34.9
Gross profit	899,099	641,328	+40.2
EBITDA	972,775	679,408	+43.2
Profit for the period	364,442	262,899	+38.6
Basic EPS (HK cents)	13.17	9.66	+36.3
		(Remark 1)	
Third interim dividend per share (HK cents)	1	1.45	
		(Remark 1)	
Total interim dividends per share (HK cents)	3	4	
		(Remark 1)	

Remark 1: After the effect of the subdivision of shares and bonus share in January 2011.

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 third quarterly unaudited consolidated results for the period from 1 January 2011 to 30 September 2011 (with comparative figures for the corresponding period in the previous year) and the unaudited condensed consolidated statement of financial position at 30 September 2011 (with comparative audited figures as at 31 December 2010) as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the nine months ended 30 September 2011

	Unaudited For the period from 1.1.2011 to 30.9.2011 HK\$’000	Unaudited For the period from 1.1.2010 to 30.9.2010 HK\$’000
Revenue (<i>Note 2</i>)	7,218,285	5,351,611
Cost of sales	(6,319,186)	(4,710,283)
Gross profit (<i>Note 3</i>)	899,099	641,328
Other income	34,490	17,067
Administrative expenses	(199,287)	(212,423)
Distribution and selling costs	(140,362)	(96,564)
Finance costs	(47,872)	(28,509)
Profit before tax	546,068	320,899
Income tax expense (<i>Note 4</i>)	(181,626)	(58,000)
Profit for the period (<i>Note 5</i>)	364,442	262,899
Other comprehensive income for the period		
Exchange differences arising on translation	201,549	150,565
Fair value loss on available-for-sale investment	(95,237)	—
Total comprehensive income for the period	470,754	413,464
Interim dividends	83,041	110,713
Basic earnings per share (<i>Note 6</i>)	13.17 HK cents	9.66 HK cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2011

	Unaudited 30.9.2011 HK\$'000	Audited 31.12.2010 HK\$'000
NON-CURRENT ASSETS		
Property, plant and equipment	4,534,627	4,228,878
Available-for-sale investment (Note 7)	60,606	—
Other non-current assets	250,351	201,082
	<u>4,845,584</u>	<u>4,429,960</u>
CURRENT ASSETS		
Inventories (Note 8)	1,085,823	748,872
Trade and other receivables (Note 9)	2,589,491	1,853,826
Other current assets	15,344	15,878
Bank balances and cash (Note 10)	926,951	851,945
	<u>4,617,609</u>	<u>3,470,521</u>
Non-current assets held for sale	2,653	14,535
	<u>4,620,262</u>	<u>3,485,056</u>
CURRENT LIABILITIES		
Trade and other payables	1,994,550	1,568,532
Tax liabilities (Note 4)	206,654	97,165
Bank and other borrowings, unsecured (Note 10)	2,189,251	1,653,287
	<u>4,390,455</u>	<u>3,318,984</u>
NET CURRENT ASSETS (Note 11)	<u>229,807</u>	<u>166,072</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>5,075,391</u>	<u>4,596,032</u>
NON-CURRENT LIABILITIES		
Bank and other borrowings, unsecured (Note 10)	701,496	610,185
Other non-current liabilities	35,757	35,442
	<u>737,253</u>	<u>645,627</u>
	<u>4,338,138</u>	<u>3,950,405</u>
CAPITAL AND RESERVES		
Share capital	55,361	50,327
Share premium and reserves	4,282,777	3,900,078
Total equity	<u>4,338,138</u>	<u>3,950,405</u>

Notes:

1. The accounting policies and basis used in the preparations of the unaudited condensed consolidated statements of comprehensive income and the condensed consolidated statement of financial position respectively, which were reviewed by the Audit Committee are the same as those used in the interim financial statements for the six month ended 30 June 2011.
2. Unaudited consolidated revenue for the nine months ended 30 September 2011 was approximately HK\$7.22 billion which was about 34.9% higher than the same period last year (2010: approximately HK\$5.35 billion).
3. Gross profit margin for the period was around 12.5% (approximately 12.0% for the same period in 2010).
4. The Group received a notice of determination from the IRD dated 10 March 2011 for the additional profits tax assessments amounting to HK\$135,889,000 in respect of the disallowance of offshore profit claims HK\$55,000,000 together with the non-deduction of management fees, prescribed fixed assets and statutory depreciation allowance amounting to HK\$80,889,000 for the years of assessment 2001/2002 to 2005/2006. The Group has lodged an appeal (the "Tax Appeal") to the Board of Review as the Group believes that there are reasonable grounds to substantiate the claims.

Nature of tax dispute	Year of Assessment 2001/2002 to 2005/2006 Tax Dispute HK\$'000	(a)	(b)	= (a) + (b)	
		Provision made as at 31.12.2010 HK\$'000	Provision made in the third quarter 2011 HK\$'000	Provision made as at 30.9.2011 HK\$'000	Unprovided as at 30.9.2011 HK\$'000
Disallowance of offshore profit claims	55,000	55,000	—	55,000	—
Non-deduction of prescribed fixed assets	50,000	—	50,000	50,000	—
Non-deduction of management fees and statutory depreciation allowance	30,889	—	—	—	30,889
	<u>135,889</u>	<u>55,000</u>	<u>50,000</u>	<u>105,000</u>	<u>30,889</u>

5. Net profit margin for the period was around 5.0% (approximately 4.9% for the same period in 2010).
6. The calculation of the basic earnings per share is based on the profit for the period of HK\$364,442,000 (2010: HK\$262,899,000) and on the weighted average number of 2,768,016,446 ordinary shares in issue during the period (2010: 2,721,658,500 shares, it has reflected the subdivision of ordinary shares and issue of bonus ordinary shares as approved in the extraordinary general meeting held on 19 January 2011).
7. As at 30 September 2011, equity security included in available-for-sale investment is 116,140,000 Ordinary shares of HarmStar Display Corporation, which is stated at fair value and represented as approximately 2% of investee's capital owned. HarmStar Display Corporation is listed in Taiwan.
8. The inventory turnover was around 47 days (41 days for the year ended 31 December 2010).
9. The trade debtor turnover was around 73 days (75 days for the year ended 31 December 2010).

10. As at 30 September 2011, the outstanding bank and other borrowings, net of bank balances and cash were about HK\$1,964 million (HK\$1,412 million as at 31 December 2010).
11. The current ratio as at 30 September 2011 was maintained at 1.05 (1.05 as at 31 December 2010).
12. 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.

INTERIM DIVIDENDS

The Board has resolved to pay a third interim dividend of 1 HK cent per share for the three months ended 30 September 2011 (2010: 1.45 HK cents) to shareholders whose names appear on the Register of Members as at the close of business on 20 December 2011. Together with the first (1 HK cent per share) and the second (1 HK cent per share) interim dividends paid during the year, the total interim dividends paid and payable were 3 HK cents per share (2010: 4 HK cents per share). It is expected that the third interim dividend payments will be made to shareholders on 11 January 2012.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from 16 December 2011 to 20 December 2011, both dates inclusive, during which period no transfer of shares can be registered. In order to qualify for the third interim 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 15 December 2011.

As the unaudited condensed consolidated statement of financial position at 30 September 2011 and the unaudited results for the nine months then ended may not reflect the consolidated statement of financial position at 31 December 2011 and the final results for 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, 16 November 2011