



TERMBRAY INDUSTRIES INTERNATIONAL (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

FINAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2003

RESULTS

The board of directors of TermbRAY Industries International (Holdings) Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31st March, 2003 together with the comparative figures for the last year as follows:

	<i>Notes</i>	2003 <i>HK\$'000</i>	2002 <i>HK\$'000</i>
TURNOVER	<i>1</i>	3,316	2,258
Cost of sales and services		(1,210)	(1,149)
		2,106	1,109
Other operating income	<i>2</i>	13,937	19,495
Unrealised holding gain (loss) on investments in securities		668	(203)
Loss disposal of land	<i>3</i>	–	(2,855)
Administrative expenses		(14,223)	(17,040)
PROFIT BEFORE TAXATION	<i>4</i>	2,488	506
Taxation	<i>5</i>	–	–
PROFIT ATTRIBUTABLE TO SHAREHOLDERS		2,488	506
		<i>HK cents</i>	<i>HK cents</i>
EARNINGS PER SHARE	<i>6</i>		
Basic		0.15	0.03
Diluted		0.15	0.03

Notes:

1 TURNOVER AND SEGMENT INFORMATION

The principal activities of the Group are property development and investment.

The following is an analysis of the turnover and contribution to profit of the Group:

	Turnover		Contribution to profit before taxation	
	2003 HK\$'000	2002 HK\$'000	2003 HK\$'000	2002 HK\$'000
Property development and investment				
Property letting	3,004	1,631	2,113	1,032
Sale of completed properties	312	627	(7)	77
Disposal of land	—	—	—	(2,855)
	<u>3,316</u>	<u>2,258</u>		
Segment results			2,106	(1,746)
Other activities			14,605	19,292
Less: Unallocated administrative and other expenses			<u>(14,223)</u>	<u>(17,040)</u>
			<u>2,488</u>	<u>506</u>

Notes:

- (i) The Group's property development and investment activities were carried out in the Mainland China ("PRC").
- (ii) Other activities comprise mainly of treasury activities, including investments in debt securities and money market funds operating in the United States of America, European countries and Hong Kong and placement of bank deposits in Hong Kong.

2 OTHER OPERATING INCOME

	2003 <i>HK\$'000</i>	2002 <i>HK\$'000</i>
Interest income from		
– investment in money market funds	8,384	13,054
– debt securities	4,846	986
– bank deposits	136	5,436
Realised gain on disposal of investment in debt securities	550	–
Other income	21	19
	<u>13,937</u>	<u>19,495</u>

3 LOSS ON DISPOSAL OF LAND

In last year, a portion of the land in the PRC held by the Group for development was resumed by the local municipal government for the development of a highway project, which has given rise to a loss on disposal of HK\$2,855,000.

4 PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging:

	2003 <i>HK\$'000</i>	2002 <i>HK\$'000</i>
Depreciation on property, plant and equipment	3,053	4,104
Loss on disposal of property, plant and equipment	197	52
	<u>3,250</u>	<u>4,156</u>

5 TAXATION

No provision for Hong Kong Profits Tax and overseas taxation has been made in the financial statements for either of the years presented as the Group has no assessable profit for these years.

6 EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	2003 <i>HK\$'000</i>	2002 <i>HK\$'000</i>
Profit attributable to shareholders for the purpose of basic and diluted earnings per share	<u>2,488</u>	<u>506</u>
	Number of shares <i>'000</i>	<i>'000</i>
Number of ordinary shares for the purpose of basic earnings per share	1,664,643	1,664,643
Effect of dilutive potential ordinary shares – share options	<u>20,168</u>	<u>12,413</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>1,684,811</u>	<u>1,677,056</u>

DIVIDENDS

No dividend was paid or proposed in respect of either of the years presented.

REVIEW OF OPERATIONS

The Group recorded a profit attributable to shareholders for the year ended 31st March, 2003 of HK\$2,488,000 compared with HK\$506,000 for the last year.

Property Investment & Development

The current year under review is still a year of challenges to the Group. The operating environment for the Group's core business – property investment and development remains tough during the year under review. Property market in Guangdong Province, the PRC is still generally slack. The activities of the Group's property projects, which are mainly located in Guangdong Province, continue at a low level during the year.

The Group's completed properties for sale – Ever Success Plaza, comprising of over 440 residential units standing on 3 levels of commercial arcades and car parks, is located at a convenient and prime location with a river view in Zhongshan, Guangdong Province. The competition of the property market in Zhongshan is keen. During the year, 1 residential unit was sold, and all the floor areas of the commercial arcades were let out. As at 31st March, 2003, 32 residential units were let out, and 229 residential units remained to be sold. The opening of the commercial arcades in early 2002 has brought positive stimulus to the location.

Regarding other vacant land reserve, there are no development plans yet.

Treasury Investment Activity

The Group still holds a substantial amount of funds of approximately HK\$0.6 billion which have been placed as short term bank deposits or invested in money market funds with international financial institutions or fixed income notes generating a stable source of income to the Group. Due to the low interest rate environment during the year, the relevant income earned by the Group from these assets remains at a low level.

PROSPECTS

Although the global economic outlook remains uncertain for the coming year, the PRC's vigorous growth performance, averaging between 7%–8% in recent years, is expected to continue. With its accession to the World Trade Organisation, the PRC's role as a major player in international trade is more prominent. The emerging domestic demand in the region also bring benefits for the PRC. The Group is confident to capitalise on these opportunities and will grasp every business opportunities available to build up its own distinctive strength and to explore new businesses in the PRC.

With the substantial available fund on hand, the Group is actively seeking investment opportunities in order to achieve a diversification in business activities which will result in a steady growth in the Group's long term performance. The Group is open minded on what areas the funds will be invested, but will always take a cautious and prudent approach in making investment decisions.

The Group remain cautiously optimistic about the year ahead and has the confidence to build value for our shareholders.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31st March, 2003, the Group remain cash-rich and has no bank borrowings and no material capital expenditure commitments or financial obligations.

Exchange risk of the Group is minimal as the assets of the Group comprised substantially of cash, fixed income notes or money market funds denominated in United States currency which is officially pegged to the Hong Kong currency.

STAFF

As at 31st March, 2003, the Group employed 51 staff at market remunerations with staff benefits such as insurance, provident fund scheme, discretionary bonus and share option scheme.

CAPITAL STRUCTURE

As at 31st March, 2003, the Group had no long term borrowings and its operations were financed entirely by shareholders' funds.

There is no change in the share capital of the Group during the year under review.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

OTHER INFORMATION

The annual report of the Group for the year ended 31st March, 2003 containing all the information required by paragraphs 45(1) to 45(3) of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Exchange") will be published in the Exchange's website in due course.

By order of the Board
Lee Lap
Chairman & CEO

Hong Kong, 11th July, 2003

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting of the Company will be held at Flat B, 8th Floor, Waylee Industrial Centre, 30–38 Tsuen King Circuit, Tsuen Wan, New Territories, Hong Kong on Friday, 29th August, 2003 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements for the year ended 31st March, 2003 together with the directors' report and auditors' report thereon.
2. To re-elect directors and to fix remuneration of directors.
3. To re-appoint auditors and to authorise the directors to fix their remuneration.

By Order of the Board
LEE Ka Sze, Carmelo
Company Secretary

Hong Kong, 11th July, 2003.

Notes:

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend vote in his stead. A proxy need not be a member of the Company.
2. To be valid, the proxy form, together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be lodged with the Head Office and Principal Place of Business of the Company at Flat B, 8th Floor, Waylee Industrial Centre, 30–38 Tsuen King Circuit, Tsuen Wan, New Territories, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.