



TERMBRAY INDUSTRIES INTERNATIONAL (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 0093)

FINAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2004

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, 2004 together with the comparative figures for the last year as follows:

	<i>Notes</i>	2004 <i>HK\$'000</i>	2003 <i>HK\$'000</i>
TURNOVER	2	3,370	3,316
Cost of sales		–	(319)
Services costs		(1,020)	(891)
		<hr/>	<hr/>
Other operating income	3	2,350	2,106
Unrealised holding (loss) gain on investments in securities		(1,757)	668
Administrative expenses		(13,998)	(14,223)
		<hr/>	<hr/>
PROFIT BEFORE TAXATION	4	1,820	2,488
Taxation	5	–	–
		<hr/>	<hr/>
PROFIT ATTRIBUTABLE TO SHAREHOLDERS		1,820	2,488
		<hr/>	<hr/>
		<i>HK cents</i>	<i>HK cents</i>
EARNINGS PER SHARE	6		
Basic		0.11	0.15
		<hr/>	<hr/>
Diluted		0.11	0.15
		<hr/>	<hr/>

Notes:

1. ADOPTION OF REVISED ACCOUNTING STANDARD

In the current year, the Group has adopted Statement of Standard Accounting Practice 12 (Revised) “Income Taxes” issued by the Hong Kong Society of Accountants. The adoption of the revised accounting standard has had no material effect on the results for the current or prior accounting periods, accordingly no prior period adjustment has been made.

2. 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	
	2004 HK\$'000	2003 HK\$'000	2004 HK\$'000	2003 HK\$'000
Property development and investment				
Property letting	3,370	3,004	2,350	2,113
Sale of completed properties	–	312	–	(7)
	<u>3,370</u>	<u>3,316</u>		
Segment results			2,350	2,106
Other activities			13,468	14,605
Less: Unallocated administrative and other expenses			(13,998)	(14,223)
			<u>1,820</u>	<u>2,488</u>

Notes:

- (i) The Group's property development and investment activities were carried out in the Mainland China (the "PRC").
- (ii) Other activities comprise mainly of investments in 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.

3. OTHER OPERATING INCOME

	THE GROUP	
	2004 HK\$'000	2003 HK\$'000
Interest income from		
– investment in money market funds	3,623	8,384
– investments in securities	8,817	4,846
– bank deposits	70	136
	<u>12,510</u>	<u>13,366</u>
Realised gain on disposal of securities	842	550
Other income	1,873	21
	<u>15,225</u>	<u>13,937</u>

4. PROFIT BEFORE TAXATION

	THE GROUP	
	2004	2003
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit before taxation has been arrived at after charging (crediting):		
Depreciation on property, plant and equipment	2,821	3,053
(Gain) loss on disposal/write-off of property, plant and equipment	<u>(50)</u>	<u>197</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:

	2004	2003
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit attributable to shareholders for the purpose of basic and diluted earnings per share	<u>1,820</u>	<u>2,488</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>20,071</u>	<u>20,168</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>1,684,714</u>	<u>1,684,811</u>

DIVIDENDS

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

REVIEW OF OPERATIONS

The global economy during the year under review is still challenging. The adverse impact of Severe Acute Respiratory Syndrome and the spreading fear of terrorism have created uncertainties in the global economy and investment environment. The Group recorded a profit attributable to shareholders for the year ended 31st March 2004 of HK\$1,820,000 compared with HK\$2,488,000 for the last year.

Property Investment & Development

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 People's Republic of China ("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. All the floor areas of the commercial arcades were let out. As at 31st March, 2004, 23 residential units were let out, and 228 residential units remained to be sold.

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 or equity securities generating a stable source of income to the Group. Due to the prevailing low interest rate environment during the year, the relevant income earned by the Group from these assets remains at a low level.

PROSPECTS

Signs of pick up in global economy environment are seen in early 2004. Indeed, China is able to continue its vigorous economic growth of above 8%. China's economic development has become the focus of the world. China's role as a major player in international trade is more prominent. Its expanding domestic demand provide more investment opportunities for investors. 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 confidence to strengthen its competitiveness and to bring better return for our shareholders.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31st March, 2004, the Group remain cash-rich and has no material bank borrowings, 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, 2004, the Group employed 53 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, 2004, 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, 2004 containing all the information required by paragraphs 45(1) to 45(3) (in force prior to 31st March, 2004) 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.

The Directors of the Company as at the date of this announcement are as follows:

Executive Directors:

Mr. Lee Lap, Chairman & CEO
Mdm. Leung Lai Ping
Mr. Wong Shiu Kee

Independent Non-Executive Directors:

Dr. Lee Tung Hai, Leo, G.B.S., LL.D., J.P.
Mr. Lee Ka Sze, Carmelo

By order of the Board
Lee Lap
Chairman & CEO

Hong Kong, 9th July, 2004