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TERMBRAY INDUSTRIES INTERNATIONAL (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 93)

ANNOUNCEMENT

DISCLOSEABLE AND CONTINUING CONNECTED TRANSACTION

The Directors wish to announce that on 11 March 2005, Termbray (Fujian) Land Development Company Limited (“Termbray (Fujian)”), a wholly owned subsidiary of the Company, as lessor and Mr. Lee Wing Keung as lessee entered into the Lease Agreement, pursuant to which the lessee will lease the Property from the lessor for a term of three years at a monthly rent of HK\$120,000 for domestic purposes.

As the appropriate percentage ratio defined under the Listing Rules exceeds 5%, the signing of the Lease Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the disclosure requirements under Chapter 14 of the Listing Rules. The Company will issue a circular containing particulars of the Lease Agreement to the shareholders of the Company as soon as practicable.

Mr. Lee Wing Keung is the son of Mr. Lee Lap, Chairman and Chief Executive Officer of the Company, and, as such, is treated as a connected person under Rule 14A.11(4)(b) of the Listing Rules. Accordingly, the signing of the Lease Agreement constitutes a continuing connected transaction for the Company under the Listing Rules. As the annual rent under the Lease Agreement does not exceed HK\$10 million or 2.5% of each of the appropriate percentage ratios defined under the Listing Rules, it is subject to the disclosure requirements under Rule 14A.34 of the Listing Rules and particulars of the Lease Agreement will be included in the Company’s next published annual report in accordance with the Listing Rules.

THE LEASE AGREEMENT

Parties

Lessor: Termbray (Fujian) Land Development Company Limited, a wholly owned subsidiary of the Company

Lessee: Mr. Lee Wing Keung, the son of Mr. Lee Lap, Chairman and Chief Executive Officer of the Company

Date

11 March 2005

Property to be leased

The Property, the subject of the Lease Agreement, is owned by Termbray (Fujian) and is a residential property situated on Hong Kong Island with a saleable area of approximately 306 square metres.

Term

The term of the Lease Agreement is three years commencing on 16 March 2005 and expiring on 15 March 2008 .

User

The Property shall be used for domestic purposes.

Rent and payment terms

The monthly rent for the Property is HK\$120,000 (inclusive of rates, management fees, utility charges and maintenance fees of security alarm system), amounting to a rent of HK\$1,440,000 per annum.

The terms (including without limitation, the rent) of the Lease Agreement were arrived at after arm's length negotiations between the parties, based on the current market rental value of the Property as valued by DTZ Debenham Tie Leung Limited, an independent property valuer not connected with any Directors, chief executives or substantial shareholders of the Company or any of its subsidiaries or an associate of any of them. According to the valuation conducted by the aforesaid property valuer, as at 4 March 2005, the current market monthly rental value of the Property is HK\$120,000, inclusive of rates, management fees, utilities charges and maintenance fee of security alarm system, which is comparable to similar properties in the vicinity

REASONS FOR ENTERING INTO THE LEASE AGREEMENT

The Group is principally engaged in property development and investment. The Directors (including the independent non-executive Directors) believe that the Lease will provide additional stable income for the Company and consider the terms of the Lease Agreement to be fair and reasonable and in the best interests of the Company and its shareholders as a whole.

GENERAL

As the appropriate percentage ratio defined under the Listing Rules exceeds 5%, the signing of the Lease Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the disclosure requirements under Chapter 14 of the Listing Rules. The Company will issue a circular containing particulars of the Lease Agreement to the shareholders of the Company as soon as practicable.

Mr. Lee Wing Keung is the son of Mr. Lee Lap, Chairman and Chief Executive Officer of the Company, and, as such, is treated as an associate of Mr. Lee Lap under Rule 14A.11(4)(b) of the Listing Rules and thereby is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the signing of the Lease Agreement constitutes a continuing connected transaction for the Company under the Listing Rules. As the annual rent under the Lease Agreement does not exceed HK\$10 million or 2.5% of each of the appropriate percentage ratios defined under the Listing Rules, it is subject to the disclosure requirements under Rule 14A.34 of the Listing Rules and particulars of the Lease Agreement will be included in the Company's next published annual report in accordance with the Listing Rules.

DEFINITIONS

“Company”	Termbray Industries International (Holdings) Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company together with its subsidiaries
“Lease”	the transaction contemplated under the Lease Agreement
“Lease Agreement”	the lease agreement dated 11 March 2005 entered into between Mr. Lee Wing Keung as the lessee and Termbray (Fujian) Land Development Company Limited, a wholly owned subsidiary of the Company, as the lessor
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	the residential property situated on Hong Kong Island with a saleable area of approximately 306 square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

By order of the Board
TERMBRAY INDUSTRIES INTERNATIONAL (HOLDINGS) LIMITED
Lee Lap
Chairman & CEO

Hong Kong, 11 March 2005

As at the date hereof, the board of Directors comprises of three executive Directors, namely Mr. LEE Lap, Mdm. LEUNG Lai Ping and Mr. WONG Shiu Kee; one non-executive Director, namely Mr. LEE Ka Sze, Carmelo and three independent non-executive Directors, namely Dr. LEE Tung Hai, Leo, Mr. CHAN Siu Kang and Mr. LO Yiu Hee.