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**TERMBRAY INDUSTRIES INTERNATIONAL (HOLDINGS) LIMITED**  
**添利工業國際（集團）有限公司**  
*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 0093)**

**ANNOUNCEMENT OF INTERIM RESULTS**  
**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017**

The board of directors (the “Board”) of Termbray Industries International (Holdings) Limited (the “Company”) presents to shareholders the unaudited condensed consolidated statement of profit or loss and other comprehensive income of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2017 and the Group’s unaudited condensed consolidated statement of financial position at that date together with the comparative figures as follows:

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2017

	Notes	Six months ended	
		30/9/2017 HK\$'000 (unaudited)	30/9/2016 HK\$'000 (unaudited) (restated)
Revenue	4	9,722	14,837
Cost of goods sold and services rendered		(4,392)	(5,908)
Gross profit		5,330	8,929
Other income	5	393	383
Other gains and losses	6	24,393	2,540
Administrative expenses		(9,243)	(6,454)
Gain on assets distributed to shareholders	8	63,866	–
Share of result of an associate		(17,524)	(18,005)
Profit (loss) before taxation		67,215	(12,607)
Taxation	7	(475)	(646)
<b>Profit (loss) for the period</b>	9	<b>66,740</b>	<b>(13,253)</b>
Other comprehensive income (expense):			
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Exchange differences arising from translation of foreign operations		(1,670)	1,250
Share of other comprehensive income (expense) of an associate			
– currency translation differences		5,798	(228)
– revaluation gain on available-for-sale financial asset of an associate		–	428
Reserve released on assets distributed to shareholders		2,038	–
<b>Other comprehensive income for the period</b>		<b>6,166</b>	<b>1,450</b>
<b>Total comprehensive income (expense) for the period attributable to owners of the Company</b>		<b>72,906</b>	<b>(11,803)</b>
<b>Dividend</b>	10	<b>170,511</b>	–
		<i>HK cents</i> (unaudited)	<i>HK cents</i> (unaudited) (restated)
<b>Earnings (loss) per share</b>	11		
Basic		3.41	(0.68)
Diluted		3.41	(0.68)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2017

	<i>Note</i>	<b>30/9/2017</b> <b>HK\$'000</b> <b>(unaudited)</b>	31/3/2017 <b>HK\$'000</b> <b>(audited)</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>363,784</b>	366,592
Investment property	<i>12</i>	<b>180,000</b>	162,300
Interest in an associate	<i>13</i>	–	115,047
Pledged bank deposits		<b>2,000</b>	2,000
		<hr/> <b>545,784</b> <hr/>	<hr/> 645,939 <hr/>
<b>CURRENT ASSETS</b>			
Completed properties for sale		<b>78,465</b>	79,215
Deposits, prepayments and other receivables		<b>1,735</b>	1,851
Held-for-trading investments	<i>8</i>	<b>728</b>	–
Bank balances and cash		<b>284,728</b>	281,659
		<hr/> <b>365,656</b> <hr/>	<hr/> 362,725 <hr/>
<b>CURRENT LIABILITIES</b>			
Other payables and accrued charges		<b>4,211</b>	5,138
Deposits received		<b>8,605</b>	5,064
Amount due to a related company		<b>1,514</b>	3,885
Taxation payable		<b>2,875</b>	2,738
		<hr/> <b>17,205</b> <hr/>	<hr/> 16,825 <hr/>
<b>NET CURRENT ASSETS</b>		<hr/> <b>348,451</b> <hr/>	<hr/> 345,900 <hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<hr/> <b>894,235</b> <hr/>	<hr/> 991,839 <hr/>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities		<b>238</b>	237
<b>NET ASSETS</b>		<hr/> <b>893,997</b> <hr/>	<hr/> 991,602 <hr/>
<b>CAPITAL AND RESERVES</b>			
Share capital		<b>156,611</b>	156,611
Reserves		<b>736,969</b>	834,574
		<hr/> <b>893,580</b> <hr/>	<hr/> 991,185 <hr/>
Equity attributable to owners of the Company		<b>893,580</b>	991,185
Non-controlling interests		<b>417</b>	417
<b>TOTAL EQUITY</b>		<hr/> <b>893,997</b> <hr/>	<hr/> 991,602 <hr/>

## Notes

### 1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “*Interim Financial Reporting*” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

### 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2017 are the same as those followed in the preparation of the Group’s consolidated annual financial statements for the year ended 31 March 2017.

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by HKICPA that are relevant for the preparation of the Group’s condensed consolidated financial statements:

Amendment to HKFRS 12	As part of the Annual Improvements to HKFRSs 2014-2016 Cycle
Amendment to HKAS 7	Disclosure Initiative
Amendment to HKAS 12	Recognition of Deferred Tax Assets for Unrealised losses

The application of the above amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements. Additional disclosures about changes in liabilities arising from financing activities, including both changes from cash flows and non-cash changes on application of amendments to HKAS 7 will be provided in the consolidated financial statements for the year ending 31 March 2018.

### 3. SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICY

The Group has accounted for investment property using the cost model in previous years. In order to more accurately reflect the value of investment property held by the Group and provide more relevant information to the users of the financial statements of the Group, the directors of the Company have approved changes in the accounting policy of the Group for the investment property from cost model to fair value model, with effect from 31 March 2017. The Group has adopted the change in accounting policy of investment property accordingly.

The effects of the changes in the Group’s accounting policy described above on the results for the current and preceding periods by line items presented in the condensed consolidated statement of profit or loss are as follows:

	Six months ended	
	30/9/2017	30/9/2016
	HK\$’000	HK\$’000
<b>Impact on profit or loss for the period</b>		
Decrease in administrative expenses	166	166
Increase in other gains and losses	17,700	9,200
	<hr/>	<hr/>
Net increase in profit (six months ended 30/9/2016: decrease in loss) for the period attributable to owners of the Company	<b>17,866</b>	9,366
	<hr/> <hr/>	<hr/> <hr/>

#### 4. REVENUE AND SEGMENT INFORMATION

An analysis of the Group's revenue for the period is as follows:

	Six months ended	
	30/9/2017 HK\$'000	30/9/2016 HK\$'000
Sales of properties	7,364	12,098
Rental income	2,358	2,739
	<u>9,722</u>	<u>14,837</u>

The following is an analysis of the Group's result from the property investment and development segment:

	Six months ended	
	30/9/2017 HK\$'000	30/9/2016 HK\$'000 (restated)
Segment revenue	<u>9,722</u>	<u>14,837</u>
Segment profit	27,158	11,834
Unallocated other income	269	330
Unallocated other gains and losses	1,879	(1,372)
Unallocated expenses	(8,908)	(6,040)
Share of result of an associate	(17,524)	(18,005)
Gain on assets distributed to shareholders	63,866	—
Profit (loss) for the period	<u>66,740</u>	<u>(13,253)</u>

#### 5. OTHER INCOME

	Six months ended	
	30/9/2017 HK\$'000	30/9/2016 HK\$'000
Interest income from bank balances	358	337
Sundry income	35	46
	<u>393</u>	<u>383</u>

#### 6. OTHER GAINS AND LOSSES

	Six months ended	
	30/9/2017 HK\$'000	30/9/2016 HK\$'000 (restated)
Net exchange gain (loss)	6,463	(6,660)
Change in fair value of held-for-trading investments	230	—
Fair value gain on investment property	17,700	9,200
	<u>24,393</u>	<u>2,540</u>

## 7. TAXATION

	Six months ended	
	30/9/2017 HK\$'000	30/9/2016 HK\$'000
Current tax:		
Hong Kong Profits Tax	138	142
People's Republic of China ("PRC") Enterprise Income Tax	336	475
	<u>474</u>	<u>617</u>
Deferred tax	1	29
	<u>475</u>	<u>646</u>

## 8. GAIN ON ASSETS DISTRIBUTED TO SHAREHOLDERS

On 16 June 2017, the Board of Directors of the Company approved a special interim dividend by way of distribution in specie of all shares of the Company's associate, Petro-king Oilfield Services Limited ("Petro-king"), held by the Group on the basis of 268 shares of Petro-king for every 1,000 shares of the Company held (the "Distribution in Specie"). Out of the total of 526,180,335 shares of Petro-king held by the Group, a total of 524,648,320 shares of Petro-king had been distributed, and the remaining 1,532,015 undistributed shares of Petro-king had been recognised as investment held-for-trading in the condensed consolidated statement of financial position. The gain amounting to approximately HK\$63,866,000 was determined with reference, amongst others, to the market price per share of Petro-king on 14 July 2017, being the date of the distribution, and the carrying value of the Group's interest in Petro-king as an associate.

## 9. PROFIT (LOSS) FOR THE PERIOD

	Six months ended	
	30/9/2017 HK\$'000	30/9/2016 HK\$'000 (restated)
Profit (loss) for the period has been arrived at after charging (crediting) the following items:		
Cost of inventories recognised as expense	3,142	4,584
Depreciation of property, plant and equipment	2,808	515
Gross rental income from investing property	978	942
Less: direct operating expense incurred for investment property that generated rental income during the period	(129)	(232)
	<u>849</u>	<u>710</u>

## 10. DIVIDEND

As detailed in note 8, the Company distributed a special interim dividend of 524,648,320 shares of Petro-king with a carrying amount of HK\$170,511,000 to its shareholders on 14 July 2017.

No dividend was paid in respect of the six months ended 30 September 2016.

## 11. EARNINGS (LOSS) PER SHARE

The calculation of basic and diluted earnings (loss) per share attributable to owners of the Company is based on the following data:

	<b>Six months ended</b>	
	<b>30/9/2017</b>	<b>30/9/2016</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(restated)</b>
Profit (loss) for the period attributable to owners of the Company for the purposes of basic and diluted earnings (loss) per share	<b>66,740</b>	<b>(13,253)</b>
	<b>Number of shares</b>	
	<b>'000</b>	<b>'000</b>
Number of ordinary shares for the purpose of basic and diluted earnings (loss) per share	<b>1,957,643</b>	<b>1,957,643</b>

The computation of the diluted earnings (loss) per share for the current and prior interim periods does not assume the exercise of the associate's share options and convertible bonds, because both the conversion of potential ordinary shares in relation to the share options and the conversion of convertible bonds of the associate have an anti-dilutive effect to the basic earnings (six months ended 30.9.2016: basic loss) per share.

## 12. INVESTMENT PROPERTY

The Group's property interest held under operating leases to earn rentals is measured using the fair value model and is classified and accounted for as investment property.

In estimating the fair value of investment property, it is the Group's policy to engage an independent qualified professional valuer to perform the valuations. The management work closely with the valuer to establish the appropriate valuation techniques and inputs to the model.

On 30 September 2017, independent valuations were undertaken by Vigers Appraisal & Consulting Ltd. ("Vigers"), an independent qualified professional valuer not connected to the Group which has appropriate professional qualifications and recent experience in the valuations of similar properties in the relevant locations.

The valuations have been arrived at using direct comparison method by reference to market evidence of transaction prices for similar properties in the same locations and conditions.

In estimating the fair value of the property, the highest and best use of the property is its current use.

The following table gives information about how the fair value of the investment property is determined (in particular, the valuation techniques and inputs used), as well as the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

**Investment property held by the Group in the condensed consolidated statement of financial position**

<b>Fair value hierarchy</b>	<b>Valuation technique(s) and key input(s)</b>	<b>Significant unobservable input(s)</b>	<b>Relationship of unobservable inputs to fair value</b>
Investment property in Hong Kong	Level 3 Direct comparison method	The key input is (1) Unit sale rate	Unit sale rate, taking into account the time, location, and individual factors, such as frontage and size, between the comparable and the property, of HK\$50,080 (31 March 2017: HK\$45,150) per square feet on gross floor area basis for the property. An increase in the unit sale rate used would result in an increase in the fair value measurement of the investment property by the same percentage increase, and vice versa.

The fair value of the investment property at 30 September 2017 was measured using valuation techniques with significant unobservable inputs and hence were classified as Level 3 of the fair value hierarchy. There were no transfer into or out of Level 3 during the period.

**13. INTEREST IN AN ASSOCIATE**

	<b>30/9/2017</b> <i>HK\$'000</i>	31/3/2017 <i>HK\$'000</i>
Cost of investment in an associate listed in Hong Kong	–	368,847
Share of post-acquisition profit and other comprehensive income and effect on deemed disposal of interest in an associate, net of dividend received	–	18,649
Impairment loss recognized	–	(272,449)
	<u>–</u>	<u>115,047</u>
Market value of interest in an associate	–	236,781

The financial year end date for the associate was 31 December. For the purpose of applying the equity method of accounting, the unaudited condensed consolidated financial statements of the associate for the six months period ended 30 June 2017 had been used as the Group considers that it was impracticable for the associate to prepare a separate set of audited financial statements as of 30 September 2017.

Following the completion of the Distribution in Specie as set out in note 8, the remaining shares of Petro-king held by the Group had been recognised as held-for-trading investments and Petro-king ceased to be the Group's associate. Accordingly, the relevant interest in associate has been derecognized.



## **INTERIM DIVIDEND**

On 16 June 2017, the Board resolved to declare a special interim dividend for the year ending 31 March 2018 in the form of a distribution in specie of the 526,180,335 shares of Petro-king Oilfield Services Limited (“Petro-king”) held by the Group to the qualifying shareholders whose names appear on the register of members of the Company on the record date of 6 July 2017 in proportion to their then respective shareholdings in the Company on the basis of 268 Petro-king shares for every 1,000 shares of the Company held by the qualifying shareholders (“Distribution in Specie”). The share certificates for the Petro-king shares distributed under the Distribution in Specie were despatched on 14 July 2017 to the qualifying shareholders.

The Board has resolved not to declare the payment of an interim dividend for the six months ended 30 September 2017 (six months ended 30/9/2016: Nil).

## **REVIEW OF OPERATIONS**

During the current six months period under review, the Group achieved a turnover of HK\$9,722,000 (six months ended 30/9/2016: HK\$14,837,000) and recorded a profit for the period of HK\$66,740,000 (six months ended 30/9/2016 (restated): loss of HK\$13,253,000).

The profit for the current period under review is mainly due to the gain on assets distributed to shareholders of the Company of approximately HK\$64 million upon completion of the Distribution in Specie of the Petro-king shares and the fair value gain on an investment property of approximately HK\$18 million.

### **Property Investment and Development**

The operating environment for the Group’s property investment and development business improves during the period under review.

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. There are abundant supplies of properties with modern design. The commercial arcades is still vacant. The management has put a lot of effort in marketing the properties and is endeavouring to improve the operation of the commercial arcades.

Due to the planned construction of Shenzhen-Zhongshan sea-crossing bridge connecting the cities of Shenzhen and Zhongshan, the sales of residential properties in Zhongshan market is bloomed. The sale activities of the Group’s property project in Zhongshan is active during the period. Facing the overheated environment of the property market in the People’s Republic of China (“PRC”), the Central government has laid down a series of regulations and rules to restrict the selling price of residential properties and the qualifications of buyers to purchase residential properties. In Zhongshan, all sale and purchase agreements entered into during the period under review have to be approved by the relevant government authorities before they can be registered in the government’s sales system. During the period under review, the Group have entered into sale and purchase agreement with 41 buyers, and out of which, 13 sale transactions are approved and registered in the government’s sale system. The Group has recognized the sale of 13 residential units during the period under review (six months ended 30/9/2016: 21 units). Following the increase in sales of residential units, the number of residential units which are available for earning rental income is decreased during the period. The rental income earned by the Group from Ever Success Plaza during the period decreased by 37.5% from that of last corresponding period. As at 30 September 2017, 125 residential units remained to be sold, out of which 85 residential units were let out.

## Oilfield Engineering and Consultancy Services

The Group held 30.47% interest as at 1 April 2017 and at the date of completion of Distribution in Specie in Petro-king (stock code 2178) listed on The Stock Exchange of Hong Kong Limited as an associate through Termbray Natural Resources Company Limited, a wholly owned subsidiary of the Group.

During the period under review, the Group's has applied equity method of accounting for the results of Petro-king Group as an associate for the six months ended 30 June 2017 ("1H2017").

According to the interim report issued by Petro-king in 1H2017, Petro-king Group recorded a revenue of HK\$132 million, representing a decrease of approximately 50% from that of HK\$266 million for the six months ended 30 June 2016 ("1H2016"). Petro-king Group recorded a loss attributable to owners in 1H2017 of approximately HK\$58 million, compared with a loss of approximately HK\$57 million in 1H2016. The persistently weak sentiment among most of Petro-king Group's customers about investment in exploration and production led to a low level of oilfield service activities in 1H2017 in mainland China and the overseas markets.

The first half of 2017 remained challenging for the oilfield service industry. Low profitability and uncertainty in project cash flow led to Petro-king Group's cautious approach in seeking and agreeing to undertake new projects. Petro-king Group had experienced another challenging half year marked by lower activity levels and continuing pressure on pricing in mainland China and the overseas markets. During the period, Petro-king Group focused on improving its management performance, organizational structure, operational performance and overall competitiveness for its long-term development.

The Board is of the view that the Distribution in Specie is in the interests of the Company and its shareholders as a whole after taking into consideration the followings:–

- (1) As disclosed in the 2016 annual report of Petro-king, the increase in losses of Petro-king Group was mainly attributable to the lower oilfield services activity level and the continued downward pressure on pricing as a result of the downturn of both the China and the overseas oilfield service markets. As shown on the annual results of the Company for the year ended 31 March 2017, the Group recorded a loss for the year of approximately HK\$132 million, which was mainly attributable to the share of loss of Petro-king amounting to approximately HK\$136 million. The Distribution in Specie would relieve the Group from having to account for the operating loss of Petro-king in the consolidated financial statements of the Company as an associate and to unlock the value of the Petro-king shares in the Company's accounts and return the same to the shareholders of the Company.
- (2) The Distribution in Specie would allow the Group to streamline its business activities by focusing on its principal business of property investment and development. The Group's operations would not be affected by the Distribution in Specie. As shown in the annual results of the Company for the year ended 31 March 2017, the Group has consolidated total assets of approximately HK\$1,009 million, and the book carrying amount of the Petro-king shares held by the Group was approximately HK\$115 million.

- (3) Pursuant to the Distribution in Specie, the qualifying shareholders would be entitled to receive their proportionate interest in Petro-king shares, such that they might directly participate in the investment of the Petro-king shares by either holding such shares or realizing their value on market. The Distribution in Specie would provide the shareholders of the Company with the flexibility to determine the level of their participation in investing in Petro-king at their own discretion in comparison to a disposal of the Petro-king shares by the Company followed by a special cash dividend.

Upon completion of the Distribution in Specie on 14 July 2017, Petro-king was no longer be accounted for as an associate in the condensed consolidated financial statements of the Company. The Petro-king shares were distributed at its market value at the date of completion of the Distribution in Specie. Accordingly, there was a gain on assets distributed to shareholders of the Company of approximately HK\$64 million recorded in the condensed consolidated financial statements of the Company for the current period under review.

As no fraction of a Petro-king share had been distributed under the Distribution in Specie, fractional entitlements to the Petro-king shares of 1,532,015 shares was held by the Company as at 30 September 2017. It was classified as held for trading investments in the financial statements of the Company and any net proceed from its subsequent sale will be retained for the benefit of the Company.

## **Others**

There were no acquisitions of major subsidiaries or associates during the period under review.

## **LIQUIDITY AND FINANCIAL RESOURCES**

The Group remains cash-rich and has no material capital expenditure commitments. The operations are financed by capital and reserves.

Foreign currency risk of the Group is not significant as the assets of the Group comprised substantially of cash denominated in Hong Kong dollar. No financial instrument is needed for hedging purposes in respect of interest rate and currency.

## **ORDER BOOK**

Due to its business nature, the Group has no order book at 30 September 2017. The Group has no new product and service to be introduced to the market.

## **STAFF AND EMOLUMENT POLICY**

As at 30 September 2017, the Group employed 40 staff at market remunerations with staff benefits such as insurance, provident fund scheme and discretionary bonus.

The emolument policy regarding the employees of the Group is based on their merit, qualifications and competence. The emoluments of the directors are reviewed by the remuneration committee, having regard to the Company's operating results, individual performance and comparable market statistics. No director, or any of his associates, and executive is involved in dealing his own remuneration.

## **OUTLOOK**

China and United States ("US") are experiencing various challenges after the global economic crisis. All of the factors including debt crisis in Europe, the fluctuation in oil price and Renminbi currency, and the progress of increase in US interest rate have an unpredictable impact on the recovery of global economy. In China, Central government has implemented various tightening monetary policies to cool down the overheated property market. We believe China will continue to play a key role in the future global economic recovery. The Group is confident in capitalising on these opportunities and will grasp every business opportunities available to build up its own distinctive strength and to explore new businesses in China.

Property investment and development has been the principal business of the Group for all these years and the Group is looking for investment opportunities in the property markets in the PRC, especially Guangdong Province. However, due to the intense competition of the property market in Guangdong Province, the Group has not yet acquired any land or properties during the period under review, but the Group will still continue to explore the investment opportunities in the property markets.

The Group will cautiously explore investment opportunities which will result in a steady growth in the Group's long term performance. On the other hand, there exists some underlying risk factors such as oil and commodity price volatility, interest rate movements, the recovery progress of the global economy and natural disasters which cannot be ignored. The Group remains cautiously optimistic about the year ahead in respect of its business and has the confidence to strengthen its competitiveness and to build value for our shareholders.

## **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 six months ended 30 September 2017.

## **CORPORATE GOVERNANCE**

The Company has met the code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) during the six months ended 30 September 2017 save as disclosed below.

Pursuant to code provision A.4.2 of the CG Code, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. The Company is subject to a private act called “The Termbray Industries International (Holdings) Limited Act 1991”. Section 4(g) of the said Act provides that: “Notwithstanding anything contained in the Companies Act or rule of law to the contrary, the directors of the Company shall not be required to be elected at each annual general meeting, but shall (save for any chairman or managing director) be subject to retirement by rotation”. The Company had amended its existing bye-laws to provide that every director of the Company, other than directors holding the office of chairman or managing director, shall be subject to retirement by rotation at least once every three years, while directors holding the office of chairman or managing director shall be subject to re-election every 3 years.

## **DIRECTORS’ SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the “Model Code”), as the code of conduct regarding directors’ securities transactions. The Company have made specific enquiry of all directors that they have complied with the Model Code throughout the six months period ended 30 September 2017.

## **AUDIT COMMITTEE**

The Company has established an audit committee currently comprising three independent non-executive directors and one non-executive director of the Company. The audit committee of the Company has reviewed the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including review of the interim report for the six months ended 30 September 2017.

## **OTHER INFORMATION**

The interim results of the Group for the six months ended 30 September 2017 have been reviewed by Messrs. Deloitte Touche Tohmatsu, Certified Public Accountants.

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

*Executive Directors:*

Mr. Lee Lap (*Chairman*)

Mr. Tommy Lee (*Vice Chairman & Chief Executive Officer*)

Mdm. Leung Lai Ping

Mr. Wong Shiu Kee

*Independent Non-Executive Directors:*

Mr. Lo Yiu Hee

Mr. Tong Hin Wor

Mr. Ching Yu Lung

*Non-Executive Director:*

Mr. Lee Ka Sze, Carmelo

By Order of the Board  
**Termbray Industries International (Holdings) Limited**  
**Lee Lap**  
*Chairman*

Hong Kong, 17 November, 2017