

Chairman's Statement



Chairman & CEO **LEE LAP**

*The Group has
the confidence
and
determination to meet with
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with a view to maximize returns for
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RESULTS

I am pleased to report the results of Termbray Industries International (Holdings) Limited (the "Company") together with its subsidiaries (the "Group") for the financial year ended 31st March, 2001.

The Group recorded a profit attributable to shareholders for the year ended 31st March, 2001 of HK\$9,959,000 compared with HK\$1,386,545,000 in last year. The phenomenal record profit in last year was mainly due to the exceptional profit on disposal of the printed circuit board ("PCB") operations amounted to HK\$1,296,778,000, while both the turnover and results of the PCB operations was accounted for a period of approximately four months up to 5th August, 1999 in last year.

DIVIDENDS

No interim dividend was paid in the current year (2000: first special interim dividend of HK\$10 per share of HK\$0.8 each and second special interim dividend of HK\$0.08 per share of HK\$0.08 each). The board of directors of the Company does not recommend the payment of a final dividend (2000: Nil).

REVIEW OF OPERATIONS

Property Development & Investment

Following the disposal of the PCB operations in August 1999, property development and investment and treasury operations have become the core business of the Group. Against a generally slack property market in the People's Republic of China ("PRC"), the Group's property projects, which are mainly located in the PRC, have low activity during the year under review.

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. During the year, 13 residential units were sold and 11 residential units were let out under short leases. As at 31st March, 2001, there remains 230 residential units to be sold, while the commercial arcades remained unoccupied. Regarding other vacant land reserve, there is no development plan yet.

Treasury Investment Activity

After the payments of special interim dividends in last year, the Group still holds a substantial amount of funds of approximately HK\$0.6 billion which have been placed as short term bank deposits generating a stable source of interest income to the Group.

PROSPECTS

Implementing housing reform policies such as home mortgage and commercialization of welfare housing, the Central Government has boosted a healthy growth of the residential property market in the PRC. At the same time, the entry of PRC into the World Trade Organisation will certainly lead to a positive stimulation and impact on the economy and demand in all sectors of property markets in the PRC. The close relationship between Hong Kong and the PRC will enable the Group to grasp every business opportunity available to build up its own distinctive strength and to explore new businesses in the PRC, as well as maximizing the returns on its property development and investment operations.



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

The Group has the confidence and determination to meet with challenges in the new millennium, with a view to maximize returns for our shareholders.

Finally, I would like to thank my fellow directors for their invaluable advice and the staff members for their hard work and dedication to the Group during the past year.

Lee Lap
Chairman & CEO

Hong Kong, 6th July, 2001