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If you have sold or transferred all your Shares in **Termbray Industries International (Holdings) Limited**, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or to the bank or stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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TERMBRAY INDUSTRIES INTERNATIONAL (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

website: termbray.com.hk

(Stock Code: 0093)

**CONTINUING CONNECTED TRANSACTION
AND
RE-ELECTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR**

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**


Optima Capital Limited

A letter from the Board is set out on pages 3 to 9 of this circular. A letter from the Independent Board Committee is set out on page 10 of this circular. A letter from Optima Capital containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 11 to 16 of this circular.

A notice convening the Special General Meeting of the Company to be held at 10:00 a.m., on 18 April 2008, at Flat B, 8th Floor, Waylee Industrial Centre, 30–38 Tsuen King Circuit, Tsuen Wan, New Territories, Hong Kong is set out on pages 27 to 28 of this circular. Whether or not you are able to attend the Special General Meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to 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 as soon as possible but in any event not less than 48 hours before the time appointed for holding such meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting should you wish.

27 March 2008

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DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context requires otherwise:

“Annual Caps”	the annual caps for the continuing connected transaction contemplated under the Lease Agreement
“Board”	the board of Directors of the Company
“Bye-laws”	the existing Bye-laws of the Company
“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
“Existing Lease Agreement”	the lease agreement dated 11 March 2005 between Termbray (Fujian) and Mr. Lee Wing Keung whereby Termbray (Fujian) has agreed to lease to Mr. Lee Wing Keung the Property for a term of three years from 16 March 2005 to 15 March 2008, details of which had previously been disclosed by the Company in the announcement of the Company dated 11 March 2005
“Group”	the Company together with its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the committee of the board of the Directors, consisting of independent non-executive Directors, to advise the Independent Shareholders in respect of the Lease Agreement
“Independent Financial Adviser” or “Optima Capital”	Optima Capital Limited, a corporation licensed to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities as defined under the SFO, the independent financial adviser to the Independent Board Committee and the Independent Shareholders
“Independent Shareholders”	the Shareholders of the Company other than Mr. Lee Wing Keung, Mr. Lee Lap and their respective associates and excluding any Shareholders who have a material interest in the Lease Agreement

DEFINITIONS

“Latest Practicable Date”	25 March 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Lease”	the transaction contemplated under the Lease Agreement
“Lease Agreement”	the lease agreement relating to the Property which was made between Termbray (Fujian) and Mr. Lee Wing Keung on 14 March 2008
“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
“SFO”	the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.08 each in the share capital of the Company
“Shareholders”	the holders of Shares of the Company
“Special General Meeting”	the special general meeting of the Company to be held to approve the Lease Agreement, the Lease and the Annual Caps, and the proposed re-election of the independent non-executive Director
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Termbray (Fujian)”	Termbray (Fujian) Land Development Company Limited, a wholly owned subsidiary of the Company

LETTER FROM THE BOARD



TERMBRAY INDUSTRIES INTERNATIONAL (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

website: termbray.com.hk

(Stock Code: 0093)

Directors:

Executive Directors:

Lee Lap (*Chairman*)

Leung Lai Ping

Tommy Lee (*Vice Chairman*)

Wang Jinlong (*Chief Executive Officer*)

Wong Shiu Kee

Independent Non-executive Directors:

Chan Siu Kang

Lo Yiu Hee

Tong Hin Wor

Non-executive Director:

Lee Ka Sze, Carmelo

Registered office:

Clarendon House

Church Street

Hamilton HM11

Bermuda

**Head office and principal place
of business:**

Flat B, 8th Floor

Waylee Industrial Centre

30–38 Tsuen King Circuit

Tsuen Wan

New Territories

Hong Kong

27 March 2008

To the Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTION AND RE-ELECTION OF INDEPENDENT EXECUTIVE DIRECTOR

INTRODUCTION

In an announcement of the Company dated 14 March 2008 published on 14 March 2008, the Company announced that on 14 March 2008, Termbay (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\$190,000 for domestic purposes.

As Mr. Lee Wing Keung is a connected person of the Company, the signing of the Lease Agreement constitutes a continuing connected transaction subject to the reporting, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules for the Company.

LETTER FROM THE BOARD

The purpose of this circular is to:

- (i) provide the Shareholders with further details of the Lease Agreement, the Lease and the Annual Caps;
- (ii) to set out the opinion of Optima Capital in respect of the terms of the Lease Agreement, the Lease and the Annual Caps;
- (iii) to set out the recommendation of the Independent Board Committee in respect of the terms of the Lease Agreement, the Lease and the Annual Caps;
- (iv) to provide the Shareholders with information relating to the proposed re-election of the independent non-executive Director; and
- (v) to give notice of the Special General Meeting to the Shareholders.

RELATIONSHIP BETWEEN THE COMPANY AND THE CONNECTED PERSON

Mr. Lee Wing Keung is the son of Mr. Lee Lap, an executive Director and the Chairman of the Company, and, as such, is treated as a connected person under Rule 14A.11(4)(b) of the Listing Rules.

THE LEASE AGREEMENT

Parties

Lessor: Termbray (Fujian)

Lessee: Mr. Lee Wing Keung, the son of Mr. Lee Lap, an executive Director and the Chairman of the Company

Date

14 March 2008

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.

Condition

The Lease Agreement is conditional upon the obtaining of the approval of the Independent Shareholders.

LETTER FROM THE BOARD

If the above condition is not fulfilled within 3 months immediately after the date of the Lease Agreement (or such a later date as may be agreed by the parties), the Lease Agreement will lapse.

Term

Conditional on the Independent Shareholders' approval, the term of the Lease Agreement is three years commencing on 16 March 2008 and expiring on 15 March 2011.

User

The Property shall be used for domestic purposes.

Rent and payment terms

The monthly rent for the Property is HK\$190,000.00 (inclusive of rates, management fees and utility charges), amounting to a rent of HK\$2,280,000 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 31 January 2008, the current market monthly rental value of the Property is HK\$190,000, inclusive of rates, management fees and utilities charges, which is comparable to similar properties in the vicinity.

HISTORICAL FIGURES AND ANNUAL CAPS

The aggregate rental income received by the Group in respect of the Existing Lease Agreement for the two years ended 31 March 2006 and 2007 were HK\$1,440,000 and HK\$1,440,000 respectively.

It is expected that the annual amount receivable under the Lease Agreement will not exceed the Annual Caps as set out below:

For the year ending 31 March		
2009	2010	2011
HK\$2,280,000	HK\$2,280,000	HK\$2,280,000

Such Annual Caps are determined based on the monthly rental of HK\$190,000, being the monthly rental prescribed under the Lease Agreement and the Directors (including members of the Independent Board Committee whose view has been given in page 10 of this circular after taking into account of the advice of Optima Capital which is set out in pages 11 to 16 of this circular) have confirmed that such Annual Caps are fair and reasonable. The above Annual Caps are subject to the approval of the Independent Shareholders.

LETTER FROM THE BOARD

REASONS AND BENEFITS FOR ENTERING INTO THE LEASE AGREEMENT

The Group is principally engaged in property development, and investment and the provision of oilfield engineering and consultancy services. The Directors (including members of the Independent Board Committee whose view has been given in page 10 of the circular after taking into account of the advice of Optima Capital) believe that the Lease will provide additional stable income for the Company and are of the view that the terms of the Lease Agreement are fair and reasonable and that the Lease Agreement is on normal commercial terms and in the ordinary and usual course of business of the Company and in the best interests of the Company and the Shareholders as a whole.

SPECIAL GENERAL MEETING

Mr. Lee Wing Keung is the son of Mr. Lee Lap, an executive Director and the Chairman 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 subject to the reporting, announcement and the approval of the Independent Shareholders by way of poll at the Special General Meeting. The Company is also required to comply with the annual review requirements under Rules 14A.37 to 14A.41 of the Listing Rules in respect of the continuing connected transaction contemplated under the Lease Agreement.

Mr. Lee Wing Keung, Mr. Lee Lap and their respective associates are required to abstain from voting in respect of the resolution(s) on the Lease Agreement, the Lease and the Annual Caps. As at the Latest Practicable Date, Mr. Lee Wing Keung and his associates are interested in 76,887,120 Shares in the Company, which represent approximately 3.93% of the issued share capital of the Company. Mr. Lee Lap and his associates are interested in 1,252,752,780 Shares in the Company, which represent approximately 63.99% of the issued share capital of the Company.

The Special General Meeting will be held at 10:00 a.m., on 18 April 2008, at Flat B, 8th Floor, Waylee Industrial Centre, 30–38 Tsuen King Circuit, Tsuen Wan, New Territories, Hong Kong to consider and, if though fit, approve, among other matters, the Lease Agreement and the transactions and matters contemplated thereunder.

A notice convening the Special General Meeting is set out on pages 27 to 28 of this circular. Whether or not you are able to attend the Special General Meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to 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 as soon as possible but in any event not less than 48 hours before the time appointed for holding such meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting should you wish.

LETTER FROM THE BOARD

The Independent Board Committee has been constituted to make recommendation to the Independent Shareholders in respect of the ordinary resolution to approve the Lease Agreement and the transactions and matters contemplated thereunder. Optima Capital has been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders as to whether the Lease Agreement is fair and reasonable so far as the Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole.

PROCEDURES FOR DEMANDING A POLL

Pursuant to Bye-law 66 of the Bye-laws and the Listing Rules, a resolution put to the vote of a meeting shall be decided on a show of hands unless a poll is required by the Listing Rules or is demanded (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) by:

- (i) the chairman of such meeting; or
- (ii) at least three Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (iii) a Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (iv) a Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy and holding Shares in the Company conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right; or
- (v) if required by the Listing Rules, any Director or Directors who, individually or collectively, hold proxies in respect of Shares representing five per cent (5%) or more of the total voting right at such meeting provided that a meeting votes (on a show of hands) in the opposite manner to that instructed in those proxies.

A demand by a person as proxy for a Shareholder or in the case of a Shareholder being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a Shareholder.

LETTER FROM THE BOARD

RECOMMENDATION

The Independent Board Committee, having taken into account the advice of Optima Capital, considers that the terms of the Lease Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolution in respect of the Lease Agreement to be proposed at the Special General Meeting to approve, if thought fit, the Lease Agreement, the Lease and the Annual Caps.

The Board considers that the terms of the Lease Agreement, the Lease and the Annual Caps are fair and reasonable so far as the Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board also recommends the Independent Shareholders to vote in favour of the ordinary resolution in respect of the Lease Agreement, the Lease and the Annual Caps to be proposed at the Special General Meeting.

RE-ELECTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

Reference is made to the announcement of the Company dated 22 February 2008 in relation to the change of independent non-executive Directors, whereby, amongst the others, Mr. Tong Hin Wor has been appointed as an independent non-executive Director with effect from 22 February 2008.

Pursuant to Bye-law 102(B) of the Bye-laws, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board but so that the maximum number of Directors so appointed shall not exceed the number determined from time to time by the Shareholders in general meeting. Any Director so appointed shall hold office only until the next following general meeting of the Company (in case of filling a casual vacancy) or until the next following annual general meeting of the Company (in case of an addition to the Board), and shall then be eligible for re-election at the meeting.

Pursuant to Rule 13.74 of the Listing Rules, a listed issuer is required to disclose the details required under Rule 13.51(2) of the Listing Rules of any directors proposed to be re-elected or proposed new directors in the notice or accompanying circular to its shareholders of the relevant general meeting, if such re-election or appointment is subject to shareholders' approval at that relevant general meeting.

As such, an ordinary resolution will be proposed at the Special General Meeting for the re-election of Mr. Tong Hin Wor as an independent non-executive Director in accordance with Bye-law 102(B) of the Bye-laws and details of Mr. Tong are set out in Appendix I of this circular.

LETTER FROM THE BOARD

ADDITIONAL MATTERS

Your attention is drawn to the letters from the Independent Board Committee and Optima Capital which are respectively set out on page 10 and pages 11 to 16 of this circular, and the additional information set out in Appendix I, Appendix II and Appendix III to this circular.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



TERMBRAY INDUSTRIES INTERNATIONAL (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

website: termbray.com.hk

(Stock Code: 0093)

27 March 2008

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTION

We refer to the circular (the “Circular”) dated 27 March 2008 issued by the Company of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless otherwise specified.

The Independent Board Committee has been formed to advise the Independent Shareholders in respect of the Lease Agreement, the Lease and the Annual Caps, details of which are set out in the letter from the Board in the Circular. Optima Capital has been appointed as the independent financial adviser to advise us in this respect. Your attention is drawn to the letter from the Board set out in pages 3 to 9 of the Circular and the letter of advice from the Optima Capital as set out in pages 11 to 16 of the Circular.

The Independent Board Committee, having taken into account the factors and reasons considered by Optima Capital regarding the Lease Agreement and its conclusion and advice, considers the terms of the Lease Agreement, the Lease and the Annual Caps to be fair and reasonable so far as the Company and the Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. On this basis, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the Special General Meeting to approve the Lease Agreement and the transactions and matters contemplated thereunder.

Yours faithfully,
for an on behalf of the

Independent Board Committee

Chan Siu Kang

Lo Yiu Hee

Tong Hin Wor

Independent non-executive Directors

LETTER FROM OPTIMA CAPITAL

The following is the text of a letter of advice from Optima Capital to the Independent Board Committee and the Independent Shareholders prepared for incorporation in this Circular.



Unit 3618, 36th Floor
Bank of America Tower
12 Harcourt Road
Central, Hong Kong

27 March 2008

*To the Independent Board Committee and
the Independent Shareholders of
Termbray Industries International (Holdings) Limited*

Dear Sirs,

CONTINUING CONNECTED TRANSACTION

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Lease Agreement, the Lease and the Annual Caps, details of which are set out in the circular of the Company dated 27 March 2008 (the "Circular") to the Shareholders of which this letter forms part. Capitalized terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 14 March 2008, the Board announced that Termbray (Fujian), as lessor, has entered into the Lease Agreement with Mr. Lee Wing Keung, as lessee, pursuant to which Mr. Lee Wing Keung agreed to lease the Property from Termbray (Fujian) for a term of three years at a monthly rental of HK\$190,000 for domestic purposes.

Since Mr. Lee Wing Keung is the son of Mr. Lee Lap, an executive Director and the Chairman of the Company and thus is treated as a connected person of the Company 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 and is subject to the requirements under the Listing Rules on reporting, announcement and the approval of the Independent Shareholders by way of poll at the Special General Meeting. Mr. Lee Wing Keung, Mr. Lee Lap and their respective associates are required to abstain from voting in respect of the proposed resolution to approve the Lease Agreement, the Lease and the Annual Caps. As at the Latest Practicable Date, Mr. Lee Wing Keung and his associates are interested in 76,887,120 Shares in the Company, which represent approximately 3.93% of the issued share capital of the Company. Mr. Lee Lap and his associates are interested in 1,252,752,780 Shares in the Company, which represent approximately 63.99% of the issued share capital of the Company.

LETTER FROM OPTIMA CAPITAL

The Independent Board Committee comprising Mr. Chan Siu Kang, Mr. Lo Yiu Hee and Mr. Tong Hin Wor, all being independent non-executive Directors, has been formed to advise the Independent Shareholders on whether the Lease Agreement, the Lease and the Annual Caps are fair and reasonable so far as the Company and the Shareholders are concerned and as to whether the Lease Agreement, the Lease and the Annual Caps are in the interests of the Company and the Shareholders as a whole. In our capacity as the Independent Financial Adviser, our role is to provide the Independent Board Committee and Independent Shareholders with an independent opinion and recommendation in this regard.

In formulating our recommendation, we have relied on the information and facts contained or referred to in the Circular and supplied to us by the Company, and the opinion expressed by and the representations of the Directors and management of the Company. We have assumed that all the information and representations provided to us or contained or referred to in the Circular were true, accurate and complete in all respects at the time they were made and continue to be so up to the date of the Special General Meeting and may be relied upon. We have also assumed that all opinions made by the Directors in the Circular were made reasonably after due and careful enquiry and were based on honestly-held opinion. We have also relied on the responsibility statement set out in Appendix II to the Circular that the Directors collectively and individually accept full responsibility for the accuracy of the information contained in the Circular. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors. We have also been advised by the Directors and believe that no material facts have been omitted from the information provided and referred to in the Circular misleading.

We have reviewed currently available information and documents, which are available under the present circumstances, and have performed all reasonable steps to enable us to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our recommendation. We have no reason to suspect that any relevant information or reports have been withheld, nor are we aware of any facts or circumstances which would render the information provided and the representations made to us to be untrue, inaccurate or misleading. We have not, however, carried out an independent verification of the information provided, nor have we conducted an independent investigation into the Property or business, affairs, operations, financial position or future prospects of the Company and any of its respective subsidiaries or associates.

LETTER FROM OPTIMA CAPITAL

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our recommendation regarding the terms of the Lease Agreement, we have taken into consideration the following principal factors and reasons:

Background of and reasons for the Lease Agreement

As referred to in the announcement of the Company dated 11 March 2005, Termbray (Fujian) entered into the Existing Lease Agreement with Mr. Lee Wing Keung pursuant to which Termbray (Fujian) agreed to lease the Property to Mr. Lee Wing Keung for a term of three years from 16 March 2005 to 15 March 2008 at a monthly rental of HK\$120,000. Since the Existing Lease Agreement has expired on 15 March 2008, Termbray (Fujian) and Mr. Lee Wing Keung have agreed to renew the Existing Lease Agreement and enter into the Lease Agreement.

On 14 March 2008, Termbray (Fujian) has entered into the Lease Agreement with Mr. Lee Wing Keung pursuant to which Mr. Lee Wing Keung agreed to lease the Property from Termbray (Fujian) for a term of three years from 16 March 2008 to 15 March 2011 at a monthly rental of HK\$190,000 for domestic purposes.

We note from the annual report of the Company for the year ended 31 March 2007 that the turnover of the Group represents rental income from leasing of properties, which amounted to approximately HK\$3,095,000, HK\$5,399,000 and HK\$6,576,000 respectively for each of the three financial years ended 31 March 2005, 31 March 2006 and 31 March 2007. The Directors confirm that leasing of properties forms a major part of the operating businesses of the Group and will continue to generate stable incomes for the Group in the near future. Pursuant to the Lease Agreement, the Company is entitled to receive a monthly rental of HK\$190,000 during the leasing period.

Having considered that the Group principally engaged in, among others, property development and property investment, we concur with the view of the Directors that the Lease is in the ordinary and usual course of business of the Company and will provide additional stable income for the Company.

Principal terms of the Lease Agreement

Parties

Lessor: Termbray (Fujian)

Lessee: Mr. Lee Wing Keung, the son of Mr. Lee Lap, an executive Director and the Chairman of the Company

Date

14 March 2008

LETTER FROM OPTIMA CAPITAL

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.

Rental and payment terms

The monthly rental for the Property is HK\$190,000 (inclusive of rates, management fees and utility charges), amounting to a rental of HK\$2,280,000 per annum.

As referred to the valuation report (the "Valuation Report") dated 3 March 2008 prepared by DTZ Debenham Tie Leung Limited (the "Independent Valuer"), the Property is a 3-storey semi-detached townhouse of reinforced concrete construction with ceramic tiled exteriors completed in 1986. The Property is currently occupied for residential use. As measured from the registered floor plan, the Property has a saleable area of about 3,298 square feet (306.39 square metres), excluding the open area, carport and flat roof.

We have reviewed the Valuation Report and have discussed with the Independent Valuer regarding the methodology adopted in arriving at the current market rent of the Property. Having regard to the prevailing market conditions, the Independent Valuer considered that the current market rent of the Property, assuming that it is available for letting on a fully furnished basis for a term of three years on usual lease covenants, is in the sum of about HK\$190,000 per month inclusive of rates, management fees and utility charges, as at 31 January 2008, which is comparable to similar properties in the vicinity of the Property. Furthermore, based on our discussion with the Independent Valuer, the average rental cost per square feet per month of the Property of approximately HK\$57.61 is in line with the current market rental cost per square feet per month for similar properties in the vicinity of the Property. We are of the view that the basis of determining the rental value with reference to the prevailing market condition and similar properties in the vicinity of the Property is fair and reasonable.

Historical figures and Annual Caps

We have reviewed the Existing Lease Agreement and note that the aggregate rental incomes received by the Group pursuant to the said agreement for each of the two years ended 31 March 2006 and 31 March 2007 were HK\$1,440,000 and HK\$1,440,000 respectively.

LETTER FROM OPTIMA CAPITAL

As stated in the letter from the Board contained in the Circular, it is expected that the annual amount receivable under the Lease Agreement will not exceed the Annual Caps as set out below:

For the year ending 31 March		
2009	2010	2011
HK\$2,280,000	HK\$2,280,000	HK\$2,280,000

The above Annual Caps are determined with reference to the monthly rental of HK\$190,000 prescribed under the Lease Agreement for the three financial years ending 31 March 2011 and is subject to the approval of the Independent Shareholders.

Term

The term the Lease Agreement is three years commencing from 16 March 2008 and expiring on 15 March 2011 and subject to the approval of the Independent Shareholders.

In addition, Mr. Lee Wing Keung shall on the signing of the Lease Agreement deposit and at all time throughout the term of tenancy or any renewal thereof maintain with Termbray (Fujian) the sum of HK\$380,000 as security for the due observance and performance by Mr. Lee Wing Keung. The deposit serves as a protection to the Company from credit risk which may arise in case of unable to collect rent from Mr. Lee Wing Keung or any repair and maintenance costs on the Property incurred by Mr. Lee Wing Keung.

Having considered the above, we are of the opinion that the terms of the Lease Agreement, the Lease and the Annual Caps are fair and reasonable so far as the Company and the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

RECOMMENDATION

Having taken into account the above principal factors and reasons, in particular that,

- (i) the Lease will provide additional stable income for the Company;
- (ii) the monthly rental of the Property is in line with the current market rental of similar properties in the vicinity of the Property; and
- (iii) the deposit serves as a protection to the Company from possible credit risks,

we are of the opinion that (i) the Lease is fair and reasonable and is entered into on normal commercial terms, is carried out in the ordinary and usual course of business of the Company and the entering into of which is in the interests of the Company and the

LETTER FROM OPTIMA CAPITAL

Shareholders as a whole; (ii) the Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders and also recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the Special General Meeting to approve the Lease Agreement, the Lease and the Annual Caps.

Yours faithfully,
For and on behalf of
Optima Capital Limited
Gary Mui
Executive Director
Head of Corporate Finance

Mr. Tong Hin Wor, aged 63, was appointed as an independent non-executive Director and a member of audit committee of the Board on 22 February 2008. Mr. Tong holds a diploma in management studies from Hong Kong Polytechnic University. Mr. Tong has over 30 years of working experience in financial management. Mr. Tong was the financial controller of Termbray Electronics Co. Ltd. in 1991. He was the financial controller of Karrie Industrial Co. Ltd., a company principally engaged in electronics and sheet metal manufacturing in 1993, the group controller of Elec & Eltek (International) Ltd. in 1995 and the group vice president of Elec & Eltek Corporate Services Ltd. from 1995 to 2004.

Mr. Tong does not hold any other major appointments or qualifications and has not held any position nor directorship in any other listed public companies during the last three years. Save as disclosed above, he did not hold any other position in the Company or any subsidiary of the Company.

Pursuant to a letter of appointment entered into between the Company and Mr. Tong, the Company appointed Mr. Tong for a term until 31 December 2008 and he will be subject to retirement and re-election at annual general meeting of the Company in accordance with the Bye-laws. There is no agreement on the amount of the remuneration payable to Mr. Tong. His director's fee will be determined with reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market situation and subject to the approval of the Shareholders at the annual general meeting.

Mr. Tong is and was not connected with any other Directors, senior management or substantial or controlling shareholders of the Company as defined in the Listing Rules. As at the date of this circular, Mr. Tong does not have any interests in the Shares within the meaning of Part XV of the SFO.

Mr. Tong confirmed that there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

The Board is not aware of any matters relating to the appointment of Mr. Tong as an independent non-executive Director that need to be brought to the attention of the Shareholders.

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of each Directors and the chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required to be entered in the register maintained by the Company pursuant to section 352 of the SFO; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as contained in the Listing Rules, were as follows:

(i) Long positions and short position in Shares, underlying Shares and debentures

Name of Directors	Long position/(Short position)				Total	Type of securities	Percentage of total issued shares
	Personal interest	Family interest	Corporate interest	Other interest			
Mr. Lee Lap	-	-	-	1,252,752,780 (Note 1)	1,252,752,780	Shares	63.99%
Mdm. Leung Lai Ping	-	-	-	1,252,752,780 (Note 1)	1,252,752,780	Shares	63.99%
Mr. Wang Jinlong	-	-	HK\$133,692,000 (Note 2)	-	HK\$133,692,000	Debentures	-
	-	-	111,410,000	-	111,410,000	Underlying Shares	5.69%
	-	-	(111,410,000) (Note 3)	-	(111,410,000)	Underlying Shares	5.69%

Notes:

- (1) The 1,252,752,780 Shares included under the other interest of Mr. Lee Lap and Mdm. Leung Lai Ping are held by Lee & Leung (B.V.I.) Limited, which is wholly owned by First Trend Management Limited as trustee for Lee & Leung Family Unit Trust. All the units in Lee & Leung Family Unit Trust are held by HSBC International Trustee Limited as trustee for Lee & Leung Family Trust. Mr. Lee Lap is the settlor of the Lee & Leung Family Trust. The discretionary beneficiaries of the Lee & Leung Family Trust are Mdm. Leung Lai Ping, the children of Mr. Lee Lap and Mdm. Leung Lai Ping and the offspring of such children.
- (2) King Shine Group Limited, which is beneficially owned by Mr. Wang Jinlong as to 55.28%, is the holder of the convertible notes in the aggregate principal amount of HK\$133,692,000 pursuant to which King Shine Group Limited is entitled to convert into an aggregate of 111,410,000 new Shares upon exercise of the conversion right.
- (3) The convertible notes referred to in Note 2 above is charged to the Company as security for King Shine Group Limited and its guarantors' liabilities in respect of the representation and warranties and the profit guarantee given under the agreement for the acquisition of Petro-king International Co., Limited.

(ii) Long positions in shares of associated corporations

Name of Directors	Name of subsidiary	Number of non-voting deferred shares held <i>(Note)</i>	% of total issued non-voting deferred shares
Mr. Lee Lap	Applied Industrial Company Limited	1,000	40%
	Lee Plastics Manufacturing Company Limited	250,000	50%
	Magnetic Electronics Limited	5,000	100%
	Termbray Electronics Company Limited	7,000	70%
Mdm. Leung Lai Ping	Applied Industrial Company Limited	1,500	60%
	Lee Plastics Manufacturing Company Limited	250,000	50%
	Termbray Electronics Company Limited	3,000	30%

Note: All the above non-voting deferred shares are held by the above Directors personally as beneficial owner.

Name of Directors	Name of subsidiary	Number of ordinary shares	% of total issued ordinary shares
Mr. Wang Jinlong	Termbray Petro-king Oilfield Services (BVI) Limited (formerly known as Termbray Oilfield Services (BVI) Ltd.)	98	49.00%
	Petro-king Holding Limited (formerly known as Termbray Oilfield Services Limited)	10,000	100.00%
	Petro-king International Co. Limited	100	100.00%
	深圳市百勤石油技術有限公司	5,000,000	100.00%

Note: The above 49% ordinary shares in Termbray Petro-king Oilfield Services (BVI) Limited (formerly known as Termbray Oilfield Services (BVI) Ltd.) are held directly by King Shine Group Limited, which is beneficially owned by Mr. Wang Jinlong as to 55.28%. Termbray Petro-king Oilfield Services (BVI) Limited (formerly known as Termbray Oilfield Services (BVI) Ltd.) is interested in 100% of the issued shares of Petro-king Holding Limited (formerly known as Termbray Oilfield Services Limited), which in turn is interested in 100% of the issued shares of Petro-king International Co. Limited and 深圳市百勤石油技術有限公司 respectively. Mr. Wang Jinlong is therefore deemed to be interested in 49% of the issued shares of Termbray Petro-king Oilfield Services (BVI) Limited (formerly known as Termbray Oilfield Services (BVI) Ltd.), 100% of the issued shares of Petro-king Holding Limited (formerly known as Termbray Oilfield Services Limited), Petro-king International Co. Limited and 深圳市百勤石油技術有限公司 respectively.

(iii) *Long positions in share options*

Name of Director	Number of share options as at the Latest Practicable Date	Approximate percentage of the Company's issued share capital (%)
Mr. Wang Jinlong (<i>Note</i>)	20,000,000	1.02%

Note: On 3 March 2008, the Company granted to Mr. Wang Jinlong option in 20,000,000 new Shares at the exercise price of HK\$1.20 per Share (subject to adjustment) pursuant to the share option agreement (the "Share Option Agreement") entered into between Mr. Wang Jinlong and the Company on 14 January 2008.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required to be entered in the register maintained by the Company pursuant to section 352 of the SFO; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as contained in the Listing Rules.

(b) Persons or corporations who have an interest or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial shareholders

So far as is known to each Director or the chief executive of the Company, as at the Latest Practicable Date, the following persons (other than the Directors as disclosed above) or corporations had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who/which was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group and the amount of each of such person's/corporate's interest in such securities, together with particulars of any options in respect of such capital, were as follows:

Name of Shareholders	Capacity	Long position in number of Shares	Long position/ (Short position) in number of underlying Shares	Percentage of the issued share capital of the Company
Lee & Leung (B.V.I.) Limited (note 1)	Beneficial owner	1,252,752,780	–	63.99%
First Trend Management Limited (note 1)	Held by controlled corporations as trustee for Lee & Leung Family Unit Trust	1,252,752,780	–	63.99%
HSBC International Trustee Limited (note 1)	Held by controlled corporation as trustee for Lee & Leung Family Trust	1,252,752,780	–	63.99%
Cosmo Telecommunication Inc. (note 2)	Beneficial owner	151,202,960	–	7.72%
Ms. Jing Xiao Ju	Interest of controlled corporation	151,202,960	–	7.72%
East Glory Trading Limited (note 3)	Beneficial owner	103,397,540	–	5.28%
Master Winner Limited (note 3)	Interest of controlled corporation	103,397,540	–	5.28%
Mr. Yuan Qinghua	Interest of controlled corporation	103,397,540	–	5.28%
King Shine Group Limited (note 4)	Beneficial owner	–	111,410,000 (111,410,000)	5.69% (5.69%)

Notes:

- (1) These 1,252,752,780 Shares are held by Lee & Leung (B.V.I.) Limited, which is wholly owned by First Trend Management Limited as trustee for Lee & Leung Family Unit Trust. All the units in Lee & Leung Family Unit Trust are held by HSBC International Trustee Limited as trustee for Lee & Leung Family Trust. Mr. Lee Lap is the settlor of the Lee & Leung Family Trust. The discretionary beneficiaries of the Lee & Leung Family Trust are Mdm. Leung Lai Ping, the children of Mr. Lee Lap and Mdm. Leung Lai Ping and the offspring of such children.
- (2) Cosmo Telecommunication Inc. is a wholly owned by Ms. Jing Xiao Ju.
- (3) East Glory Trading Limited is wholly owned by Master Winner Limited, which in turn is wholly owned by Mr. Yuan Qinghua.
- (4) King Shine Group Limited, which is beneficially owned by Mr. Wang Jinlong as to 55.28%, is the holder of the convertible notes in the aggregate principal amount of HK\$133,692,000 pursuant to which King Shine Group Limited is entitled to convert into an aggregate of 111,410,000 new Shares upon exercise of the conversion right.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company was aware of any other person or corporation who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who/which was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group, or any options in respect of such capital.

3. SERVICE CONTRACTS

Mr. Chan Siu Kang and Mr. Lo Yiu Hee, being the independent non-executive Directors, have entered into an appointment letter with the Company pursuant to which each of them is appointed for service with the Company as an independent non-executive Director from 1 January 2007 to 31 December 2008, which appointment shall terminate on the earlier of (i) 31 December 2008; or (ii) the date on which the Director concerned ceases to be an independent non-executive Director for any reasons pursuant to the Bye-laws or any other applicable laws. Each of the aforesaid independent non-executive Directors shall be entitled to a director fee to be determined by the Board or shareholders of the Company, as appropriate, from time to time.

Mr. Tong Hin Wor has been appointed by the Company as an independent non-executive Director pursuant to a letter of appointment dated 22 February 2008, details of which are set out in Appendix I to this circular.

Mr. Wang Jinlong has entered into a service contract with the Company pursuant to which Mr. Wang is appointed for service with the Company as an executive Director for a term of three years from 31 December 2007 to 30 December 2010. Mr. Wang will not be entitled to any remuneration for his service as the executive Director of the Company. Mr. Wang Jinlong has further entered into a service contract with the Company pursuant to which Mr. Wang is appointed as the chief executive officer of the Company with effect

from 22 February 2008 for a term of three years. Apart from the above, Mr. Wang Jinlong has entered into a service contract with Petrol-king International Co., Limited (“Petrol-king HK”) under which he is appointed as an executive director and chief executive of Petrol-king HK for a term of three years with effect from 1 January 2008, and has entered into a service contract with Petro-king Oilfield Technology Limited (“Petro-king PRC”) under which he is appointed as the chief executive of Petro-king PRC for a term of three years with effect from 1 January 2008. Mr. Wang will be entitled to an annual remuneration of HK\$1,200,000 payable by the Company, which amount will represent the total remuneration receivable by him for all positions held with members of the Group which shall include the remuneration receivable by him pursuant to his service contracts with Petrol-king HK and Petro-king PRC respectively.

Other than the aforesaid, as at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

4. COMPETING INTEREST

Pursuant to paragraph 8.10 of the Listing Rules, the Company hereby discloses that Mr. Lee Lap and Mdm. Leung Lai Ping are interested in companies engaged in property investment and development in the People’s Republic of China and Hong Kong (the “Competing Business”).

The Board has established procedures to identify any conflicts of interest due to the aforesaid interests of Mr. Lee Lap and Mdm. Leung Lai Ping. If conflict of interest arises, Mr. Lee Lap and Mdm. Leung Lai Ping will abstain from participating in making any decisions. The Company is therefore capable of carrying on its business independently of, and at arm’s length from the Competing Business.

Save as disclosed in this Circular, as at the Latest Practicable Date, none of the Directors nor their respective associates had any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

5. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse changes in the financial or trading position of the Group since 31 March 2007, the date to which the latest published audited accounts of the Group were made up.

6. EXPERT AND CONSENT

- (a) The following is the qualification of the expert who has given opinions and advice which are included in this circular:

Name	Qualification	Nature of the Advice	Date of Advice
Optima Capital Limited	A corporation licensed to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities as defined under the SFO.	Letter to the Independent Board Committee and the Independent Shareholders	27 March 2008

- (b) Optima Capital does not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.
- (c) Optima Capital has given and has not withdrawn its written consent to the issue of this circular, with the inclusion of the references to its name and/or its opinion in the form and context in which they are included.
- (d) Optima Capital does not have any direct or indirect interest in any asset which had been acquired, or disposed of by, or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group since 31 March 2007, the date to which the latest published audited financial statements of the Group were made up.

7. MISCELLANEOUS

- (a) The registered office of the Company is located at Clarendon House, Church Street, Hamilton, HM 11, Bermuda.
- (b) The head office and principal place of business of the Company in Hong Kong is at Flat B, 8th Floor, Waylee Industrial Centre, 30–38 Tsuen King Circuit, Tsuen Wan, New Territories, Hong Kong.
- (c) The secretary of the Company is Mr. Lo Tai On, who is an associate member of the Hong Kong Institute of Certified Public Accountants.
- (d) The qualified accountant of the Company is Mr. Wong Shiu Kee, who is a fellow member of both the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants.

- (e) The Company's branch registrar and transfer office in Hong Kong is Tricor Standard Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (f) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.
- (g) As at the Latest Practicable Date, there was no contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date in which any Director was materially interested and which was significant in relation to the business of the Group save for the following:
 - (i) the convertible notes in the principal amount of HK\$133,692,000 which were issued by the Company on 31 December 2007 in favour of King Shine Group Limited, a company beneficially owned by Mr. Wang Jinlong as to 55.28%, which is convertible into an aggregate of 111,410,000 new Shares in the company upon the exercise of the conversion rights under the Convertible Notes;
 - (ii) the Share Option Agreement between Mr. Wang Jinlong and the Company in relation to the 20,000,000 share options referred to under the heading of "Disclosure of Interests" in this Appendix II;
 - (iii) the letter of appointment between Mr. Tong Hin Wor and the Company referred to in Appendix I; and
 - (iv) the service contracts between the Directors and the Company and/or the Group referred to under the heading of "Service Contracts" in this Appendix II.
- (h) As at the Latest Practicable Date, none of the Directors has any direct or indirect interest in any assets which had been acquired, disposed of or leased to, or which are proposed to be acquired, disposed of or leased to, the Company or any of its subsidiaries since 31 March 2007, the date to which the latest published audited financial statements of the Company were made up.
- (i) Mr. Lee Ka Sze, Carmelo, the non-executive Director, is a partner of Woo Kwan Lee & Lo, legal adviser to the Company with respect to Hong Kong law in connection with the Lease Agreement, which firm will receive normal professional fees.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at 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, up to and including the date of the Special General Meeting.

- (a) a copy of the Lease Agreement;
- (b) the letter of recommendation from the Independent Board Committee containing its advice to the Independent Shareholders, the text of which is set out in the section headed “Letter from the Independent Board Committee” in this circular;
- (c) the letter from Optima Capital containing its advice to the Independent Board Committee and the Independent Shareholders, the text of which is set out in the section headed “Letter from Optima Capital” in this circular;
- (d) the letter of consent of Optima Capital referred to under the paragraph headed “Expert and Consent” in this Appendix II;
- (e) a copy of the letter of appointment between the Company and Mr. Tong Hin Wor dated 22 February 2008; and
- (f) a copy of each of the service contracts referred to in paragraph headed “Service Contracts” in this Appendix II.

**TERMBRAY INDUSTRIES INTERNATIONAL (HOLDINGS) LIMITED**

(Incorporated in Bermuda with limited liability)

website: termbray.com.hk

(Stock Code: 0093)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting of Termbray Industries International (Holdings) Limited (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 18 April 2008 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions as ordinary resolutions of the Company, with or without amendments:

ORDINARY RESOLUTIONS

1. **"THAT:**
 - (a) the lease agreement (the "Lease Agreement", a copy of which marked "A" has been produced to the meeting and signed by the Chairman of the meeting for the purpose of identification) dated 14 March 2008 entered into between Termbray (Fujian) Land Development Company Limited ("Termbray (Fujian)"), a wholly owned subsidiary of the Company, as lessor and Mr. Lee Wing Keung as lessee, pursuant to which, the lessee will lease the Property from the lessor for a term of three years at a monthly rent of HK\$190,000 for domestic purpose and the transaction and matters contemplated thereunder be and are hereby approved, ratified and confirmed. For the purpose of this resolution 1(a), "Property" means the residential property situated on Hong Kong Island with a saleable area of approximately 306 square metres; and
 - (b) the proposed annual caps in relation to the Lease Agreement in the amount of HK\$2,280,000 for each of the three years ending 31 March 2009, 31 March 2010 and 31 March 2011 be and are hereby approved."
2. **"THAT** Mr. Tong Hin Wor be and is hereby re-elected as an independent non-executive director of the Company."

By order of the Board

Termbray Industries International (Holdings) Limited

Lee Lap

Chairman

Hong Kong, 27 March 2008

Notes:

- (1) The ordinary resolution in relation to the Lease Agreement to be considered at the meeting will be decided by poll. Mr. Lee Wing Keung, Mr. Lee Lap together with their respective associates will abstain from voting on such ordinary resolution.
- (2) A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or, if he is the holder of two or more shares, more than one proxy to attend and, on a poll, to vote instead of him. A proxy need not be a member of the Company.
- (3) Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share, shall alone be entitled to vote in respect thereof.
- (4) A form of proxy for use at the meeting is enclosed.
- (5) To be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority, must be deposited at 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 adjourned meeting. Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting.
- (6) As at the date of this notice, the executive directors of the Company are Mr. Lee Lap, Mdm. Leung Lai Ping, Mr. Tommy Lee, Mr. Wang Jinlong and Mr. Wong Shiu Kee; the non-executive director of the Company is Mr. Lee Ka Sze, Carmelo; and the independent non-executive directors of the Company are Mr. Chan Siu Kang, Mr. Lo Yiu Hee and Mr. Tong Hin Wor.