
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **TERMBRAY INDUSTRIES INTERNATIONAL (HOLDINGS) LIMITED**, you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**TERMBRAY INDUSTRIES INTERNATIONAL (HOLDINGS) LIMITED**

(Incorporated in Bermuda with limited liability)

(Stock Code: 0093)

**PROPOSALS INVOLVING
GENERAL MANDATES TO REPURCHASE SHARES
AND TO ISSUE SHARES
RE-ELECTION OF RETIRING DIRECTORS AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Termbray Industries International (Holdings) Limited (the "Company") to be held at Flat B, 8th Floor, Waylee Industrial Centre, 30-38 Tsuen King Circuit, Tsuen Wan, New Territories, Hong Kong on Friday, 5 September 2008 at 10:00 a.m. is set out on pages 14 to 17 of this circular. Whether or not you propose to attend the meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same 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 and in any event not later than 48 hours before the time appointed for holding of the meeting or any adjournment thereof. Completion and return of the proxy form will not prevent shareholders of the Company from attending and voting at the meeting if they so wish.

Hong Kong, 23 July 2008

DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held on Friday, 5 September 2008 at 10:00 a.m., notice of which is set out on pages 14 to 17 of this circular
“Bye-laws”	the bye-laws of the Company for the time being
“Companies Act”	the Companies Act 1981 of the laws of Bermuda
“Company”	Termbray Industries International (Holdings) Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Stock Exchange
“Directors” or “Board”	the board of directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of The People’s Republic of China
“Latest Practicable Date”	17 July 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“Repurchase Proposal”	the proposal to give a general mandate to the Directors to exercise the powers of the Company to repurchase Shares up to a maximum of 10 percent of the issued share capital of the Company as at the date of the passing of the Repurchase Resolution
“Repurchase Resolution”	the proposed ordinary resolution as referred to in item 4 of the notice of the Annual General Meeting
“Share(s)”	share(s) of HK\$0.08 each in the share capital of the Company

DEFINITIONS

“Share Repurchase Rules”	the relevant rules set out in the Listing Rules to regulate the repurchase by companies with primary listing on the Stock Exchange of their own securities on the Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

LETTER FROM THE CHAIRMAN



TERMBRAY INDUSTRIES INTERNATIONAL (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(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 HM 11

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

Hong Kong, 23 July 2008

To the shareholders

Dear Sir or Madam,

**PROPOSALS INVOLVING
GENERAL MANDATES TO REPURCHASE SHARES
AND TO ISSUE SHARES
RE-ELECTION OF RETIRING DIRECTORS AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with information and to seek your approval for the proposals involving general mandates to repurchase Shares and to allot, issue and deal with Shares and re-election of retiring Directors at the Annual General Meeting.

LETTER FROM THE CHAIRMAN

2. GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 17 August 2007, resolutions of the shareholders were passed giving general unconditional mandates to the Directors to:

- (i) allot, issue and otherwise deal with Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company in issue as at the date of passing such resolution;
- (ii) to repurchase Shares up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of such resolution; and
- (iii) add to the general mandate for issuing Shares as mentioned in paragraph (i) above an amount representing the total nominal amount of the issued share capital of the Company repurchased by the Company under the general mandate granted to the Directors to repurchase Shares as mentioned in paragraph (ii) above.

The above general mandates adopted on 17 August 2007 will lapse at the conclusion of the forthcoming Annual General Meeting. It is therefore proposed to seek your approval of the ordinary resolutions to be proposed at the Annual General Meeting to give fresh general mandates to the Directors.

The Directors propose to seek your approval of the Repurchase Proposal to be proposed at the Annual General Meeting, details of which are set out in ordinary resolution no.4 of the notice of Annual General Meeting. Subject to the passing of ordinary resolution no.4 and on the basis that no further Shares are issued or repurchase prior to the Annual General Meeting, the Shares which may be repurchased pursuant to the Repurchase Proposal are 195,764,305 Shares representing not more than 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the ordinary resolution approving the Repurchase Proposal.

3. GENERAL MANDATE TO ISSUE NEW SHARES

Two ordinary resolutions will also be proposed at the Annual General Meeting namely ordinary resolutions nos.5 and 6 granting to the Directors a general mandate to allot, issue and deal with Shares not exceeding 20 percent of the issued share capital of the Company as at the date of passing the resolution (i.e. not exceeding 391,528,610 shares based on the issued share capital of the Company of 1,957,643,050 shares as at the Latest Practicable Date and assuming that such issued share capital remains the same as at the date of passing the resolution) and adding to such general mandate so granted to the Directors any Shares representing the aggregate nominal amount of the Shares repurchased by the Company after the granting of the general mandate to repurchase Shares up to 10 percent of the issued share capital of the Company as at the date of the passing of the Repurchase Resolution.

LETTER FROM THE CHAIRMAN

4. RE-ELECTION OF RETIRING DIRECTORS

The Board currently consists of nine Directors, namely Mr. Lee Lap, Mdm. Leung Lai Ping, Mr. Tommy Lee, Mr. Wang Jinlong, Mr. Wong Shiu Kee, Mr. Chan Siu Kang, Mr. Lo Yiu Hee, Mr. Tong Hin Wor and Mr. Lee Ka Sze, Carmelo.

Pursuant to the Bye-laws of the Company, Mdm. Leung Lai Ping, Mr. Tommy Lee, Mr. Wang Jinlong, Mr. Wong Shiu Kee and Mr. Lee Ka Sze, Carmelo shall retire from office at the Annual General Meeting and shall be eligible and offer themselves for re-election. Details of retiring Directors proposed for re-election at the Annual General Meeting are set out in the Appendix II to this circular.

5. ANNUAL GENERAL MEETING

The notice of Annual General Meeting set out on pages 14 to 17 of this circular outlines the proposed ordinary resolutions to grant to the Directors the general mandates to repurchase Shares and to issue Shares and re-election of retiring Directors.

6. ACTION TO BE TAKEN

A proxy form for use at the Annual General Meeting is enclosed herewith. Whether or not you intend to attend the Annual General Meeting, you are requested to complete the proxy form 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 not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the proxy form will not prevent shareholders of the Company from attending and voting at the Annual General Meeting if they so wish.

7. RIGHT TO DEMAND A POLL

Bye-laws 70 to 73 set out the procedures under which a poll may be demanded. A resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is taken as may from time to time be required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong or unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

- (i) by the chairman of the meeting; or
- (ii) by at least three members of the Company present in person or by a duly authorized corporate representative or by proxy for the time being entitled to vote at the meeting; or
- (iii) by any member or members of the Company present in person or by a duly authorized corporate representative or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or

LETTER FROM THE CHAIRMAN

- (iv) by a member or members of the Company present in person or by a duly authorized corporate 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 the shares conferring that right; or
- (v) if required by the Listing Rules, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five percent or more of the total voting rights of all the members having the right to vote at the meeting.

On a show of hands, every member of the Company who is present in person or by a duly authorized corporate representative or by proxy shall have one vote, and on a poll every member of the Company present in person or, by a duly authorized corporate representative or by proxy shall have one vote for every share of which he is the holder which is fully paid up or credited as fully paid up. On a poll, a member of the Company entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

8. RECOMMENDATION

The Directors are pleased to recommend Mdm. Leung Lai Ping, Mr. Tommy Lee, Mr. Wang Jinlong, Mr. Wong Shiu Kee and Mr. Lee Ka Sze, Carmelo, the retiring Directors, details of whom are set out in Appendix II of this circular, for re-election at the Annual General Meeting. The Directors believe that the Repurchase Proposal, the general mandate for Directors to issue new Shares and the extension of the general mandate to issue Shares are all in the best interests of the Company and its shareholders. Accordingly, the Directors recommend that all shareholders should vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

By Order of the Board
Lee Lap
Chairman

This appendix serves as an explanatory statement, as required by the Share Repurchase Rules, to provide requisite information to you for your consideration of the Repurchase Proposal.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,957,643,050 Shares.

Subject to the passing of the Repurchase Resolution and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Repurchase Resolution to repurchase a maximum of 195,764,305 Shares.

2. REASONS FOR REPURCHASE

The Directors believe that the Repurchase Proposal is in the best interests of the Company and its shareholders. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and its shareholders.

3. FUNDING OF REPURCHASE

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and bye-laws and the applicable laws of Bermuda. Bermuda law provides that the amount of capital repaid in connection with a share repurchase may only be paid out of the capital paid up on the relevant shares, or the funds of the Company that would otherwise be available for dividend or distribution or the proceeds of a fresh issue of shares made for the purpose. The amount of premium payable on repurchase may only be paid out of either the funds of the Company that would otherwise be available for dividend or distribution or out of the share premium account of the Company.

The Directors at present have not decided which proposed source of funding is to be used when the Repurchase Proposal is exercised.

There might be an adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 March 2008 in the event that the Repurchase Proposal was to be exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Proposal to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

4. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous twelve months before the Latest Practicable Date are as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
July 2007	1.00	0.72
August 2007	2.90	0.80
September 2007	2.58	1.52
October 2007	2.85	1.80
November 2007	2.00	1.49
December 2007	1.90	1.58
January 2008	1.62	1.32
February 2008	1.38	1.31
March 2008	1.33	1.00
April 2008	1.21	1.08
May 2008	1.15	1.07
June 2008	1.15	1.10
July 2008 (up to the Latest Practicable Date)	1.15	1.09

5. GENERAL

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Resolution and in accordance with the Listing Rules and the applicable laws of Bermuda and Hong Kong.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company if the Repurchase Proposal is approved by the shareholders of the Company.

No connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Proposal is approved by the shareholders of the Company.

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Resolution, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a shareholder or group of shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, Lee & Leung (B.V.I.) Limited held on a beneficial basis a total of 1,252,752,780 shares representing approximately 63.99% of the issued share capital of the Company. Based on such shareholdings and in the event that the Directors exercise in full the power to repurchase Shares pursuant to the Repurchases Proposal, the aggregate shareholdings of Lee & Leung (B.V.I.) Limited would be increased to approximately 71.1% of the issued share capital of the Company. The Directors are not aware of any consequences which may arise under the Takeover Code as a result of any repurchases made under the Repurchase Proposal. In the event that the Repurchase Proposal is exercised in full, the number of Shares held by the public would not fall below 25%.

6. SHARE REPURCHASE MADE BY THE COMPANY

The Company had not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

The following are the particulars of the retiring Directors proposed to be re-elected at the Annual General Meeting to be held on 5 September 2008:

1. **Madam Leung Lai Ping**, aged 59, was appointed as executive director of the Company on 31 October 1990. Mdm. Leung is the wife of Mr. Lee Lap, the director and substantial shareholder of the Company, and the mother of Mr. Tommy Lee, the director of the Company. She has been involved in overall policy and decision making and general administration of the Group since 1968.

In accordance with the service agreement between the Company and Mdm. Leung, she is not appointed for a specific term and is subject to the rotational retirement and re-election requirements at annual general meeting pursuant to the Bye-laws of the Company. She is entitled to annual remuneration of HK\$1,500,000 and management bonus which will be determined by the Board with reference to her duties and responsibilities with the Company, the Company's performance and the prevailing market situation. For the year ended 31 March 2008, the total emoluments paid to Mdm. Leung amounted to HK\$2,652,000.

Save as disclosed herein, Mdm. Leung is and was not connected with any directors, senior management or substantial or controlling shareholders of the Company.

Lee & Leung (B.V.I.) Limited owns 1,252,752,780 shares of the Company. Lee & Leung (B.V.I.) Limited 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. Mdm. Leung is accordingly interested in 1,252,752,780 shares within the meaning of Part XV of the Securities and Futures Ordinance.

Mdm. Leung Lai Ping is also the director of certain subsidiaries of the Company. Save as disclosed, Mdm. Leung does not hold any other positions in the Company or any of its subsidiaries and did not hold any other major appointments or qualifications and has not held any directorships in any other listed public companies in the last three years.

2. **Mr. Tommy Lee**, aged 30, was appointed as executive director and vice chairman of the Company on 14 January 2008. Mr. Tommy Lee is the son of Mr. Lee Lap and Mdm. Leung Lai Ping, the directors and substantial shareholders of the Company. Mr. Tommy Lee studied in Economics in the Seneca College in Canada. Mr. Tommy Lee had been the Vice President of a private company which is principally engaged in the manufacturing industry and he was responsible for the overall management and strategic planning of the private company during the past years.

In accordance with the service agreement between the Company and Mr. Tommy Lee, he is appointed as executive director and vice chairman of the Company for a term of one year from 14 January 2008. He is entitled to an annual remuneration of HK\$1,040,000 which has been determined by the Board with reference to his duties and responsibilities with the Company and prevailing market situation.

Save as disclosed herein, Mr. Tommy Lee does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company as defined in the Listing Rules.

Save for being one of the beneficiaries of the Lee & Leung Family Trust, Mr. Tommy Lee does not have any interests in the securities in the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Tommy Lee is also the director of certain subsidiaries of the Company. Save as disclosed, Mr. Tommy Lee does not hold any other positions in the Company or any of its subsidiaries and did not hold any other major appointments or qualifications and has not held any directorships in any other listed public companies in the last three years.

3. **Mr. Wang Jinlong**, aged 43, was appointed as executive director of the Company on 31 December 2007 and chief executive officer of the Company on 22 February 2008. He holds a bachelor degree in petroleum engineering from Southwest Petroleum Institute, the PRC. He is the executive director and general manager of 深圳市百勤石油技術有限公司 (Petro-king Oilfield Technology Limited) (“Petro-king PRC”) since May 2003 and the director of Petro-king International Co., Limited (“Petro-king HK”) since July 2003. Mr. Wang has over 20 years of working experience in the oilfield exploration industry. Mr. Wang worked for the 5th Drilling Company of Ministry of Geology and Mineral Resources of PRC (“MGMR”) (中國地質礦產部) during the period from June 1986 to July 1994 and was the senior engineer before he left the company. He was transferred to work as the project drilling engineer for the UNDP058 project of the United Nations and MGMR during the period from February 1991 to January 1993. During the period from August 1994 to May 2003, he worked for Phillips China Inc., an integrated oil and gas company headquartered in the U.S., and his last position held therewith was senior drilling/ production engineer.

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. Mr. Wang is not entitled to any remuneration for his service as 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 for a term of three years from 22 February 2008. Apart from the above, Mr. Wang Jinlong has entered into a service contract with Petro-king HK under which he is appointed as an executive director and chief executive of Petro-king HK for a term of three years with effect from 1 January 2008, and has entered into a service contract with Petro-king PRC under which he is appointed as the

chief executive of Petro-king PRC for a term of three years from 1 January 2008. Mr. Wang is entitled to an annual remuneration of HK\$1,200,000 payable by the Company, which amount represents the total remuneration receivable by him for all positions held with members of the Group and includes the remuneration receivable by him pursuant to his service contracts with Petro-king HK and Petro-king PRC respectively. The remuneration has been determined by the Board with reference to his duties and responsibility with to Company and the prevailing market situation.

Save as disclosed herein, Mr. Wang does not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company as defined in the Listing Rules.

King Shine Group Limited, which is beneficially owned by Mr. Wang as to 55.28%, is the holder of the Convertible Notes in an 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 rights under the Convertible Notes from 1 July 2009 up to the third anniversary of the date of the issue of the Convertible Note. He is also interested in 37,000,000 share options of the Company. Save for the aforesaid, Mr. Wang was not interested in any other Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Wang does not hold any other major appointments or qualifications and has not held any position nor directorship in any other listed public companies in the last three years.

4. **Mr. Wong Shiu Kee**, aged 44, was appointed as executive director of the Company on 18 January 2001. He is the Finance Director of the Company. He first joined the Company in 1991 and rejoined the Company in October 2000. With over 20 years of experience in financial management, he is a fellow member of both the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants, and is also a qualified Chartered Secretary designated as ACIS and ACS.

There is no director's service contract between the Company and Mr. Wong. He has not been appointed for a specific term and is subject to the rotational retirement and re-election requirements at annual general meeting pursuant to the Bye-laws of the Company. There is no agreement on the amount of the remuneration payable to Mr. Wong. His remuneration will be reviewed annually by the Board with reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market situation. For the year ended 31 March 2008, total emoluments paid to Mr. Wong amounted to HK\$1,134,000.

Mr. Wong is and was not connected with any directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Wong does not have any interest in Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Wong is a director of Shenzhen Nanshan Power Company Limited 深圳南山熱電股份有限公司, a company listed in the Shenzhen Stock Exchange. Save as disclosed, he does not hold any other positions in the Company or any of its subsidiaries and did not hold any other major appointments or qualifications and has not held any directorships in any other listed public companies in the last three years.

5. **Mr. Lee Ka Sze, Carmelo**, aged 48, has been an independent non-executive director of the Company since March 1997 and was re-designated as a non-executive director of the Company on 30 September 2004. He holds a Bachelor of Laws degree from the University of Hong Kong. He is a practicing solicitor and a partner of Woo Kwan Lee & Lo.

Pursuant to a letter of appointment between Mr. Lee and the Company, his term of as a non-executive director with the Company is for a period of two years from 1 January 2007 and is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association of the Company. His director's fee is to be determined by the board of directors and to be authorized by the shareholders of the Company at the annual general meeting with reference to the prevailing market practice, the Company's remuneration policy, his duties and responsibilities with the group and his contribution to the group. He received director's fee of HK\$100,000 for the year ended 31 March 2008.

Mr. Lee is and was not connected with any directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Lee does not have any interest in Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Lee is a non-executive director of Hopewell Holdings Limited, The Cross-Harbour (Holdings) Limited, Yugang International Limited, Y.T. Realty Group Limited, Safety Godown Company, Limited, China Pharmaceutical Group Limited and Taifook Securities Group Limited and an independent non-executive director of KWG Property Holding Limited, all of which are companies whose shares are listed on The Stock Exchange of Hong Kong Limited.

Save as a member of the audit committee, he does not hold other positions in the Company or any of its subsidiaries and save as disclosed, he has not held any other major appointments or qualifications and any directorship in any other listed public companies in the last three years.

Save as disclosed above, there are no other matters that need to be brought to the attention of the shareholders in connection with the re-election of the above retiring directors and there are no information that should be disclosed pursuant to rules 13.51(2) of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING



TERMBRAY INDUSTRIES INTERNATIONAL (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 0093)

NOTICE IS HEREBY GIVEN that the annual 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 Friday, 5 September 2008 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the report of the directors and independent auditor’s report for the year ended 31 March 2008.
2. To re-elect the retiring directors and to authorise the board of directors to fix the remuneration of directors.
3. To re-appoint auditors and to authorise the board of directors to fix the remuneration of auditors.
4. As special business, to consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION

“THAT:

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of HK\$0.08 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company which the Company is authorised to repurchase pursuant to the approval in paragraph (a) above shall not exceed 10 percent of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution, and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(c) for the purposes of this Resolution,

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the bye-laws of the Company to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company.”

5. As special business, to consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION

“**THAT:**

- (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.08 each in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than (i) a Rights Issue (as hereinafter defined), (ii) an issue of shares as scrip dividends pursuant to the bye-laws of the Company from time to time, (iii) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue of shares or rights to acquire shares of the Company; or (iv) an issue of shares upon the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company, shall not exceed 20 percent of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this Resolution, and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(d) for the purpose of this Resolution,

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the bye-laws of the Company to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company; and

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to the holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

6. As special business, to consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION

“**THAT** subject to the passing of the Resolutions set out in items 4 and 5 of the notice convening this meeting, the general mandate granted to the directors of the Company to allot, issue and deal with additional shares pursuant to the Resolution set out in item 5 of the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares in the capital of the Company repurchased by the Company under the authority granted pursuant to the Resolution set out in item 4 of the notice convening this meeting, provided that such amount of shares so repurchased shall not exceed 10 percent of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of the said Resolution.”

By Order of the Board
LO Tai On
Secretary

Hong Kong, 23 July 2008

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Any 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 vote instead of him. A proxy need not be a member of the Company.
2. To be valid, a proxy form, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be lodged with 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 any adjournment thereof.
3. With regard to item no.2 in this notice, the Board of Directors of the Company proposes that the retiring Directors, namely Mdm. Leung Lai Ping, Mr. Tommy Lee, Mr. Wang Jinlong, Mr. Wong Shiu Kee and Mr. Lee Ka Sze, Carmelo be re-elected as Directors of the Company. Details of the said Directors are set out in Appendix II of the circular to shareholders dated 23 July 2008.