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**Australian Securities Exchange Announcement**

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The Manager  
Companies Announcement Officer  
Australian Securities Exchange  
Electronic Lodgement

Dear Sir/Madam

**Thomas Bryson International Limited (TBI) (ASX:TBI) – Update on Outsourcing Opportunity with Global Sourcing Group Ltd**

Further to the announcement on 27 March 2009 by TBI, the Company is pleased to provide an update on the outsourcing opportunity.

**Background**

On 27 March 2009, TBI announced that its wholly owned subsidiary Don International Trading Co Limited (**Don International**) entered into a Term Sheet with Global Sourcing Group Ltd (**GSG**), Johnstone H Walker and Myron T Mann, and Captive Services Pty Ltd (**CSW**). The parties have now negotiated a Shareholders' Agreement relating to GSG (a company incorporated in Hong Kong SAR), and it has been executed by all parties.

Don International will become a 33.3% shareholder of GSG, together with CSW (33.3%), Myron Mann (22.2%) and Johnstone Walker (11.1%).

**Outsourcing experience**

GSG is a company formed with the business objective of offering sourcing of home textile and textile products to buyers globally, including the US, Europe, Middle East, China and Australasia. GSG has representatives in China, India, Pakistan, Bangladesh, Thailand, Vietnam and Indonesia. Don International and CSW both have experience and connections in the international sourcing of such products, primarily from China and other home-textile producing countries.

Mr Walker and Mr Mann have both worked in the international home textile industry, and have extensive connections and relationships with key buyers in the US and Europe. Both are shareholders and the current directors of GSG.

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Mr Mann has over 35 years experience in branded consumer goods internationally, focusing on supply chain management, creating and directing brand activity and building value in companies. Mr Mann was the chief executive officer of Sheridan International Pty Ltd for over 8 years, and was formerly the interim managing director of a major UK home textile company, Dorma Group Ltd. Sheridan is a global home textile company based in Sydney, Australia. Mr Walker also has extensive experience in home textiles internationally. He has held a number of senior executive appointments in the home textile industry, including International Marketing Director for Fieldcrest Cannon Inc and Li & Fung Group, and is now involved with GSG.

In summary, the key terms of the Shareholders' Agreement are:

- **(Ownership of GSG)** GSG will be owned by Don International (33.3%), CSW (33.3%), Myron Mann (22.2%) and Johnstone Walker (11.1%).
- **(Consideration for shares)** Don International and CSW are each required to pay GSG AUD\$400,000 in 5 equal instalments over two and a half years (free of interest and any other associated costs), commencing one year after the date of receiving the Shares **(Subscription Price)**. Don International and CSW may elect to fund all or a portion of their respective instalments from any accrued accumulated profits of GSG.
- **(Working capital)** Don International and CSW will provide funding to GSG, via a working capital advance, which is anticipated to be in the range of approximately AUD\$150,000 to \$200,000 each. Any funding must be approved by a special majority of shareholders (75%) of GSG.
- **(Option not to proceed)** GSG has granted Don International and CSW an option to elect not to proceed to pay the Subscription Price for the shares, at their absolute discretion, on the first anniversary of the agreement. If Don International and CSW exercise this option, then their shares will be transferred to the remaining shareholders of GSG. CSW is not entitled to exercise the option without Don International.

Don International and CSW would be entitled to a refund of any working capital advanced by them, from any accumulated profits of GSG at that date, and would then be entitled to their respective proportion of any remaining accumulated profits, split between the shareholders. Those payments are conditional on GSG holding any accumulated profits.

After exercising the option, Don International and CSW would only have limited obligations concerning GSG (in particularly confidentiality and restraint obligations), and would no longer be shareholders of GSG.

- **(Board representation)** The Board of GSG will be comprised of Wei Huang, nominated by both Don International and CSW, and either Mr Walker or Mr Mann (as nominated by Mr Walker and Mr Mann). Don International and CSW are entitled to appoint a second nominee director.
- **(Managing Director)** Wei Huang will be appointed as the managing director of GSG. Mr Huang will not receive any remuneration, costs or expenses for the first year of operation from the commencement of the agreement, unless sufficient profit is generated in the first year of operation. Any payment would need to be approved by a special majority of shareholders of GSG.
- **(Competition with the Company)** The Shareholders' Agreement provides that each shareholder must first obtain the written consent of the other parties to the

agreement, if the shareholder wishes to be involved in any business similar to GSG's business, within Australia and China. This does not apply to any pre-existing distribution arrangements, which have been entered into by the shareholder before the Shareholders' Agreement. The prohibition lasts until the first anniversary of the date the shareholder ceases to hold shares in GSG.

- **(Restraint)** Each party to the agreement is prohibited from engaging in a business activity that is:
  - the same or similar to the business of GSG or any material part of that business; or
  - in competition with the business of GSG or any material part of that business.

This prohibition extends for a maximum period of one year from the date when the shareholder stops being a shareholder, and at its maximum extends to activities within the United States of America, Europe, Middle East, China, India, Pakistan and Australia.

The restraint does not restrict a shareholder from continuing to operate under any of its pre-existing distribution arrangements.

- **(Termination)** The Shareholders' Agreement will automatically terminate:
  - if all parties agree;
  - in the case of a shareholder, when that shareholder ceases to hold shares (directly or indirectly);
  - if GSG is wound up;
  - if shares are allotted/transferred in an IPO; or
  - if an agreement to sell all the shares of GSG is completed.

This is a summary only of the provisions of the Shareholders' Agreement. TBI will keep shareholders informed of its arrangements with GSG, as they progress.

Wei Huang is the chief executive officer of CSW, as well as a director and shareholder of TBI, and will be the managing director of GSG. Mr Huang did not vote on the Board resolution to sign the Shareholders' Agreement. The Board of TBI considered the potential related party issues, and is satisfied that the Shareholders' Agreement was negotiated on terms that would be reasonable if TBI were dealing with Mr Huang and CSW at arms length.

TBI is excited by this strategic initiative, and looks forward to working with GSG and its shareholders in this new venture. TBI is keen to develop the business of GSG so as to take advantage of the global opportunities which TBI has identified, and leverage off TBI's existing expertise and knowledge of international markets.

On behalf of the board



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