

THOMAS BRYSON  
INTERNATIONAL LIMITED

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Australia

**Australian Securities Exchange Announcement**

27 March 2009

The Manager  
Companies Announcement Officer  
Australian Securities Exchange  
Electronic Lodgement

Dear Sir/Madam

**Thomas Bryson International Limited (Company) (ASX:TBI) – Term Sheet for Outsourcing Opportunity**

TBI is pleased to announce that it has signed a **non-binding** Term Sheet with Global Sourcing Group Ltd, a company incorporated in Hong Kong SAR (**GSG**), Johnstone H Walker and Myron T Mann, and Captive Services Pty Ltd (**CSW**). The Term Sheet was entered into by TBI's wholly owned subsidiary Don International Trading Co Ltd (**Don Dragon**).

**Outsourcing experience**

GSG is a company formed with the business objective of offering sourcing of home textile and textile products, to major US and European mass-merchants and buyers. Don Dragon and CSW both have experience and connections in the international sourcing of such products, primarily from China and other home-textile producing countries.

Johnstone Walker and Myron 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 directors of GSG.

**Term Sheet**

TBI and the other parties have agreed to consider the commercial advantages of co-operating on outsourcing matters, using GSG as the eventual vehicle. GSG is intended to be eventually owned 33.33% by Don Dragon, 33.33% by CSW, and 33.33% by Johnstone Walker and Myron Mann, subject to various conditions being fulfilled.

CSW and Don Dragon propose to provide sufficient funding to GSG for one year, as working capital to pursue the business of GSG. CSW and Don Dragon will each contribute half of these funds, which will form the working capital of GSG, and will be treated as an advance by them to GSG.

GSG is intended to be managed by all of the parties, with the primary responsibilities as follows:-

- Johnstone Walker and Myron Mann – business development and sourcing and securing major international contracts; and
- Don Dragon and CSW – business operations and management, resourcing, operational and accounting supports and financing.

Don Dragon will become 33.3% shareholder of GSG together with CSW and Johnstone Walker and Myron Mann, assuming the proposal proceeds.

The parties intend to now negotiate a formal agreement, and will negotiate exclusively with each other for the next 3 months. Assuming that the parties reach agreement, further details will be released to the market in due course.

The term sheet is non-binding (apart from the exclusivity arrangements and other related clauses), and there is no guarantee that the parties will negotiate a binding agreement.

Mr Wei Huang is a director and shareholder of CSW, as well as a director of TBI. Mr Wei Huang has been discussing outsourcing arrangements with the other parties, before bringing this opportunity to TBI for consideration.

### **Background - Commercial Strategy – Chinese Government**

TBI's Board is aware that outsourcing among the global mass-merchants is becoming more important in the economic downturn, with merchants facing decreasing profit margins. Other large Chinese based companies have successfully focused on outsourcing, with impressive results.

The Chinese government is also encouraging outsourcing in China, and has recently announced tax breaks and subsidies to promote the growth of the outsourcing industry. It is expected that various tax incentives, flexible labour conditions and other non-fiscal policies will be introduced in China, with effect from next year.

TBI is keen to take advantage of these opportunities, and build on its existing expertise and knowledge of international markets.

On behalf of the board



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Company Secretary

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