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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, 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 Techtronic Industries Company Limited (the “Company”), you should at once hand this circular with the accompanying form of proxy to the purchaser or other 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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**Techtronic Industries Co. Ltd.**  
*(Incorporated in Hong Kong with limited liability)*  
**(Stock Code: 669)**

**PROPOSALS INVOLVING  
RE-ELECTION OF DIRECTORS,  
GRANT OF GENERAL MANDATES  
TO ISSUE SHARES AND TO BUY BACK SHARES,  
ADOPTION OF NEW ARTICLES OF ASSOCIATION  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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The notice convening the annual general meeting of the Company (the “Annual General Meeting”) to be held at Plaza Meeting Room, Regus Conference Centre, 35th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on May 22, 2015 at 10:00 a.m., at which, among other things, the above proposals will be considered is set out on pages 19 to 23 of this circular.

Whether or not you propose to attend the Annual General Meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the registered office of the Company at 24th Floor, CDW Building, 388 Castle Peak Road, Tsuen Wan, New Territories, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjourned meeting if you so wish.

April 10, 2015

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## DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at Plaza Meeting Room, Regus Conference Centre, 35th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on May 22, 2015 at 10:00 a.m.
“associates”	has the meaning ascribed to it in the Listing Rules
“Awarded Shares”	the Shares awarded under the Share Award Scheme adopted by the Company on January 9, 2008
“Board”	the board of Directors
“business day”	any day on which the Stock Exchange is open for the business of dealing in securities
“Buy-back Resolution”	the proposed ordinary resolution as referred to in resolution no. 6 as set out in the Notice
“Companies Ordinance”	Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Company”	Techtronic Industries Company Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Existing Articles of Association”	the existing articles of association 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”	April 2, 2015, being the latest practicable date prior to the printing of this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“New Articles of Association”	the articles of association of the Company proposed to be adopted under the special resolution as referred to in resolution no. 8 as set out in the Notice
“Notice”	the notice of Annual General Meeting set out on pages 19 to 23 of this circular

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## DEFINITIONS

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“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of the Company
“Shareholder(s)”	holder(s) of Shares
“Share Options”	the share options granted under the relevant share option schemes adopted by the Company, entitling holders thereof to subscribe for new Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs published by the Securities and Futures Commission
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

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## LETTER FROM THE BOARD

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Techtronic Industries Co. Ltd.  
(Incorporated in Hong Kong with limited liability)  
(Stock Code: 669)

*Group Executive Directors:*

Mr. Horst Julius Pudwill (*Chairman*)  
Mr. Joseph Galli Jr. (*Chief Executive Officer*)  
Mr. Patrick Kin Wah Chan  
Mr. Frank Chi Chung Chan  
Mr. Stephan Horst Pudwill

*Registered Office:*

24th Floor  
CDW Building  
388 Castle Peak Road  
Tsuen Wan  
New Territories  
Hong Kong

*Non-executive Director:*

Prof. Roy Chi Ping Chung BBS JP

*Independent Non-executive Directors:*

Mr. Joel Arthur Schleicher  
Mr. Christopher Patrick Langley OBE  
Mr. Manfred Kuhlmann  
Mr. Peter David Sullivan  
Mr. Vincent Ting Kau Cheung

April 10, 2015

*To the Shareholders and  
for information only to the holders of the  
Share Options*

Dear Sir or Madam,

**PROPOSALS INVOLVING  
RE-ELECTION OF DIRECTORS,  
GRANT OF GENERAL MANDATES  
TO ISSUE SHARES AND TO BUY BACK SHARES,  
ADOPTION OF NEW ARTICLES OF ASSOCIATION  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with information regarding the proposals involving the re-election of Directors, the grant of general mandates to issue Shares and to buy back Shares and the adoption of the New Articles of Association.

**FINAL DIVIDEND AND BOOK CLOSURES (RESOLUTION 2 OF THE NOTICE)**

To ascertain Shareholders' eligibility to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from May 21, 2015 to May 22, 2015 (both days

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## LETTER FROM THE BOARD

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inclusive), during which period no transfers of Shares will be effected. In order to qualify to attend and vote at the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrars, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on May 20, 2015.

The Board has recommended a final dividend for the year ended December 31, 2014 of HK19.00 cents per Share and if such dividend is approved by the Shareholders at the Annual General Meeting, it is expected to be paid on or about June 26, 2015 to those Shareholders whose names appear on the register of Shareholders on May 29, 2015.

To ascertain Shareholders' entitlement to the final dividend, the register of members of the Company will be closed on May 29, 2015 when no transfers of Shares will be effected. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrars, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on May 28, 2015.

### **RE-ELECTION OF DIRECTORS (RESOLUTION 3 OF THE NOTICE)**

As at the Latest Practicable Date, the Board comprises five Group Executive Directors, namely, Mr. Horst Julius Pudwill (Chairman), Mr. Joseph Galli Jr. (Chief Executive Officer), Mr. Patrick Kin Wah Chan, Mr. Frank Chi Chung Chan and Mr. Stephan Horst Pudwill, one Non-executive Director, namely, Prof. Roy Chi Ping Chung BBS JP and five Independent Non-executive Directors, namely, Mr. Joel Arthur Schleicher, Mr. Christopher Patrick Langley OBE, Mr. Manfred Kuhlmann, Mr. Peter David Sullivan and Mr. Vincent Ting Kau Cheung.

Pursuant to article 103 of the Existing Articles of Association, Mr. Frank Chi Chung Chan, Mr. Stephan Horst Pudwill, Mr. Joel Arthur Schleicher and Mr. Vincent Ting Kau Cheung shall retire from office at the Annual General Meeting. With the exception of Mr. Joel Arthur Schleicher who will not stand for re-election, all the other retiring Directors, being eligible, will offer themselves for re-election at the Annual General Meeting. Details of the Directors proposed to be re-elected at the Annual General Meeting are set out in Appendix II to this circular.

Pursuant to code provision A.4.3 of the Corporate Governance Code set out in Appendix 14 of the Listing Rules, any further appointment of an Independent Non-executive Director who has served more than 9 years should be subject to a separate resolution to be approved by shareholders.

Mr. Vincent Ting Kau Cheung was appointed as a Director in 1991 and was re-designated as an Independent Non-executive Director in 2012. As far as the Board is aware, Mr. Cheung has no familial or contractual relationships with any other directors, senior management or substantial or controlling shareholders of the Company. In addition, Mr. Cheung has provided an annual confirmation of independence to the Company, in which he confirmed that he has fully complied with each of the factors for assessing independence set out in Rule 3.13 of the Listing Rules. Thus, the Board considers Mr. Cheung to be suitably independent and believes that his valuable knowledge and experience will continue to contribute to the Board.

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## LETTER FROM THE BOARD

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### **GENERAL MANDATE TO ISSUE SHARES (RESOLUTIONS 5 AND 7 OF THE NOTICE)**

At the annual general meeting of the Company held on May 23, 2014, general mandates were granted by the Company to the Directors to exercise the powers of the Company to issue Shares and buy back Shares. Such mandates will lapse at the conclusion of the Annual General Meeting. The Directors, therefore, propose to seek your approval of two ordinary resolutions respectively granting to the Directors a general mandate to allot, issue and deal with Shares not exceeding, (i) in the case of an allotment and issue of Shares for cash, 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing the resolution (i.e. a maximum of 183,145,694 Shares on the assumption that no additional Shares will be issued and/or bought back between the Latest Practicable Date and the Annual General Meeting); and (ii) in the case of an allotment and issue of Shares for a consideration other than cash, 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing the resolution (i.e. a maximum of 366,291,388 Shares on the assumption that no additional Shares will be issued and/or bought back between the Latest Practicable Date and the Annual General Meeting less any Shares allotted and issued for cash) and adding to such general mandate so granted to the Directors any Shares representing the aggregate nominal amount of the Shares bought back by the Company after the granting of the general mandate to buy back up to 10% of the issued share capital of the Company at the date of passing the Buy-back Resolution.

The full text of the ordinary resolutions to be proposed at the Annual General Meeting in relation to the proposed grant of a general mandate to the Directors to issue Shares are set out in resolutions 5 and 7 in the Notice set out on pages 19 to 22 of this circular.

### **GENERAL MANDATE TO BUY BACK SHARES (RESOLUTION 6 OF THE NOTICE)**

At the annual general meeting of the Company held on May 23, 2014, a general mandate was given by the Company to the Directors to exercise the powers of the Company to buy back Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. The Directors, therefore, propose to seek your approval of the Buy-back Resolution to be proposed at the Annual General Meeting. An explanatory statement as required under the Listing Rules to provide the requisite information of the Buy-back Resolution is set out in Appendix I to this circular.

The full text of the Buy-back Resolution is set out in resolution 6 in the Notice set out on pages 21 to 22 of this circular.

### **ADOPTION OF NEW ARTICLES OF ASSOCIATION (RESOLUTION 8 OF THE NOTICE)**

The Companies Ordinance has come into effect on March 3, 2014. In response to the introduction of the Companies Ordinance, the Company considers it appropriate and desirable to propose the adoption of the New Articles of Association of the Company in order to incorporate the key changes under the Companies Ordinance as well as to update and modernise the Articles of Association of the Company.

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## LETTER FROM THE BOARD

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Accordingly, a special resolution will be proposed at the Annual General Meeting for the shareholders to consider and, if thought fit, approve the adoption of the New Articles of Association by the Company.

A summary of the principal amendments that would be incorporated in the New Articles of Association in substitution for, and the exclusion of, the Existing Articles of Association in their entirety, is set out in Appendix III to this Circular. A copy of the full text of the New Articles of Association and the Existing Articles of Association will be available for inspection by the Shareholders during normal business hours at the registered office of the Company at 24th Floor, CDW Building, 388 Castle Peak Road, Tsuen Wan, New Territories, Hong Kong from the date of this circular up to and including the date of the Annual General Meeting. The Chinese translation of the New Articles of Association is for the Shareholders' reference only. In case there is any inconsistency between the English version and the Chinese version, the English version shall prevail.

Our legal advisers, Messrs. Vincent T.K. Cheung, Yap & Co., have confirmed that the proposed amendments to the Existing Articles of Association comply with the requirements of the Listing Rules and the laws of Hong Kong. The Company also confirms that there is nothing unusual about the proposed amendments to the Existing Articles of Association for a company listed in Hong Kong.

### **ANNUAL GENERAL MEETING**

Notice has been set out on pages 19 to 23 of this circular.

There is enclosed a form of proxy for use at the Annual General Meeting. A member entitled to attend and vote at the Annual General Meeting may appoint one or more proxies to attend and vote instead of him. Whether or not you intend to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the registered office of the Company at 24th Floor, CDW Building, 388 Castle Peak Road, Tsuen Wan, New Territories, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish.

### **VOTING BY POLL**

Pursuant to Rule 13.39 of the Listing Rules, any votes of shareholders at a general meeting must be taken by poll, except where the chairman may, in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted by a show of hands. Therefore, the chairman of the Annual General Meeting will demand a poll for each and every resolution put forward at the Annual General Meeting pursuant to article 74 of the Existing Articles of Association. The Company will appoint scrutineers to handle vote-taking procedures at the Annual General Meeting. The results of the poll will be published on the HKExnews website at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.ttigroup.com](http://www.ttigroup.com) no later than the business day following the Annual General Meeting.



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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Board considers that the proposals mentioned above, including the proposals for the re-election of Directors, the grant of general mandates to issue Shares and to buy back Shares and the adoption of the New Articles of Association are in the interest of the Company and the Shareholders as a whole. Accordingly, the Board recommends that the Shareholders to vote in favour of the resolutions to be proposed at the Annual General Meeting.

Yours faithfully,  
For and on behalf of  
**Techtronic Industries Company Limited**  
**Veronica Ka Po Ng**  
*Company Secretary*

This appendix serves as an explanatory statement, as required under Rule 10.06(1)(b) of the Listing Rules, to provide requisite information to you for your consideration of the proposal to permit the buy-back of Shares up to a maximum of 10% of the issued share capital of the Company as at the date of passing the Buy-back Resolution. This appendix also constitutes the memorandum required under Section 239 of the Companies Ordinance.

### **(1) BUY-BACK PROPOSAL**

Resolution No. 6 to be proposed at the Annual General Meeting relates to the granting of a general mandate to the Directors to buy back Shares representing up to a maximum of 10% of the issued share capital of the Company as at the date of passing the Buy-back Resolution at any time until the earlier of (a) the conclusion of the next annual general meeting of the Company; or (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws to be held; or (c) the revocation or variation of the authority given under this resolution by ordinary resolution of the Shareholders in general meeting.

The Shares to be bought back by the Company are fully paid up. As at the Latest Practicable Date, the number of Shares in issue was 1,831,456,941. Subject to the passing of the Buy-back Resolution and on the assumption that no additional Shares will be issued and/or bought back between the Latest Practicable Date and the Annual General Meeting, the Company would be allowed under the mandate to buy back a maximum of 183,145,694 Shares, representing approximately 10% of the issued share capital of the Company.

The Directors believe that the Buy-back Resolution is in the interest of the Company and its Shareholders. Trading conditions on the Stock Exchange have sometimes been volatile in recent years and there have been occasions when Shares were trading at a substantial discount to their underlying net asset value. Buy-back of Shares may enhance the Company's net asset value per Share and earnings per Share. In these circumstances, the ability of the Company to buy back Shares can be beneficial to those Shareholders who retain their investment in the Company since their possible percentage interest in the assets of the Company would increase in proportion to the number of Shares bought back by the Company.

### **(2) FUNDING OF BUY-BACKS**

Buy-backs of Shares would be financed entirely from the Company's available cashflow or working capital facilities. Any buy-backs of Shares will be made out of funds of the Company legally available for such purpose in accordance with the Articles of Association of the Company and the laws of Hong Kong, including profits otherwise available for distribution. Under the Companies Ordinance, a company's profits available for distribution are its accumulated, realised profits, so far as not previously utilised by distribution or capitalisation, less its accumulated, realised losses, so far as not previously written off in a reduction or reorganisation of capital duly made.

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 for the year ended December 31, 2014 in the event that the Buy-back Resolution was to be carried out in full at any time during the proposed

buy-back period. However, the Directors do not propose to exercise the Buy-back Resolution to such an extent as would, in the circumstances, have a material adverse effect on the working capital position of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

### **(3) UNDERTAKING OF DIRECTORS**

The Directors have undertaken to the Stock Exchange to exercise the powers of the Company to make buy-backs pursuant to the Buy-back Resolution and in accordance with the Listing Rules and the applicable laws of Hong Kong.

### **(4) DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS**

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates presently intend to sell Shares to the Company under the Buy-back Resolution in the event that the Buy-back Resolution is approved by the Shareholders.

The Company has not been notified by any core connected persons of the Company that they have a present intention to sell any Shares, nor that they have undertaken not to sell any Shares held by them to the Company in the event that the Buy-back Resolution is approved by the Shareholders.

### **(5) EFFECT OF TAKEOVERS CODE**

If on the exercise of the power to buy back Shares pursuant to the Buy-back Resolution, a shareholder's proportionate interest in the voting capital 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, Mr. Horst Julius Pudwill, together with his spouse and his controlled corporations, were beneficially interested in 364,769,294 Shares (excluding Share Options and Awarded Shares) representing approximately 19.92% of the issued share capital of the Company, Prof. Roy Chi Ping Chung BBS JP, together with his controlled corporations, were beneficially interested in 49,005,948 Shares (excluding Share Options and excluding the 37,075,030 Shares held by Cordless Industries Company Limited, which is a company beneficially owned by Mr. Horst Julius Pudwill and Prof. Roy Chi Ping Chung BBS JP and which Shares were included in the shareholdings of Mr. Horst Julius Pudwill controlled corporations as aforesaid) representing approximately 2.68% of the issued share capital of the Company and Mr. Stephan Horst Pudwill (son of Mr. Horst Julius Pudwill), together with his trust interest, were beneficially interested in 38,867,000 Shares (excluding Share Options) representing approximately 2.12% of the issued share capital of the Company. In the event that the Directors exercise in full the power to buy back Shares under the Buy-back Resolution, the shareholdings of Mr. Horst Julius Pudwill, Prof. Roy Chi Ping Chung BBS JP and Mr. Stephan Horst Pudwill, together with their respective spouse, trust interest and controlled corporations in the Company, would be increased to approximately 22.13%, 2.97% and 2.36% of the issued share capital of the Company respectively, which would constitute an aggregate shareholding of 27.46% of the

issued share capital of the Company. In the opinion of the Directors, an increase in such an aggregate shareholding shall not give rise to an obligation on the part of all of Mr. Horst Julius Pudwill, Prof. Roy Chi Ping Chung BBS JP and Mr. Stephan Horst Pudwill, whom shall be consider as parties acting in concert pursuant to the Takeovers Code, to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Furthermore, the Company may not buy back Shares which would result in the amount of Shares held by the public being reduced to less than 25%.

#### (6) MARKET PRICES

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

	Prices of Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2014</b>		
May	26.95	22.70
June	25.20	22.90
July	26.25	23.05
August	25.90	23.10
September	24.85	20.65
October	24.45	21.05
November	25.70	23.50
December	26.50	23.50
<b>2015</b>		
January	25.75	23.20
February	27.75	24.70
March	27.65	25.85
April (up to the Latest Practicable Date)	27.30	26.20

**(7) BUY-BACKS OF SHARES MADE BY THE COMPANY**

The Company has bought back a total of 580,000 Shares on the Stock Exchange in the six months preceding the Latest Practicable Date, details of which are as follows:

<b>Date of buy-back</b>	<b>Number of Shares bought back</b>	<b>Prices paid</b>	
		<b>Highest HK\$</b>	<b>Lowest HK\$</b>
October 3, 2014	180,000	22.05	21.10
October 14, 2014	150,000	22.50	22.25
November 14, 2014	100,000	24.15	24.00
November 24, 2014	50,000	24.00	24.00
December 3, 2014	<u>100,000</u>	<u>23.65</u>	<u>23.60</u>
<b>Total:</b>	<u>580,000</u>		

The Directors have no present intention to exercise the power to buy back the Shares under the Buy-back Resolution in the event that the Buy-back Resolution is approved by the Shareholders to such extent as to result in the amount of Shares held by the public being reduced to less than 25%.

Details of Directors proposed to be re-elected at the Annual General Meeting are as follows:

**Mr. Frank Chi Chung Chan — Group Chief Financial Officer, Group Executive Director**

Mr. Frank Chi Chung Chan, aged 61, joined the Group in 1991 and was appointed as Executive Director in 1992. He is now responsible for corporate affairs and financial management of the Group.

Mr. Chan is a fellow member of The Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants, a member of The Institute of Chartered Accountants in England & Wales, an associate of the Taxation Institute of Hong Kong and qualified to practise as a Certified Public Accountant in Hong Kong.

Mr. Chan is currently an Independent Non-executive Director of Gold Peak Industries (Holdings) Limited which is listed on the stock exchange of Hong Kong and was an Independent Director of Tsit Wing International Holdings Limited which is listed on the stock exchange of Singapore. Save as disclosed herein, Mr. Chan had not held any directorship in the last three years preceding the Latest Practicable Date in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

As at the Latest Practicable Date, Mr. Chan had personal interests of 300,000 Shares and had personal interests in Share Options to subscribe for 1,000,000 Shares. Such interests are required to be notified to the Stock Exchange pursuant to Part XV of the SFO. Other than these Shares and Share Options, Mr. Chan does not have any other interests (within the meaning of Part XV of the SFO) in the Shares. As far as the Board is aware, Mr. Chan does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company.

Pursuant to the service contract between Mr. Chan and the Company, Mr. Chan is not appointed for any specific term but shall be subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the Existing Articles of Association. The director's remuneration payable to Mr. Chan as Executive Director will be fixed by the Board after recommendation by the Remuneration Committee of the Board with reference to his experience and the Company's performance. For the year ended December 31, 2014, Mr. Chan received director's emoluments in the amount of approximately US\$2,951,000.

Save for the information disclosed above, the Board and Mr. Chan have indicated that there is no other information to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules, and there are no other matters that need to be brought to the attention to the Shareholders.

**Mr. Stephan Horst Pudwill — President of Strategic Planning, Group Executive Director**

Mr. Stephan Horst Pudwill, aged 38, joined the Group in 2004 and was appointed as Executive Director in 2006. He is mainly responsible for managing, improving and monitoring internal operations and identifying synergistic business opportunities within the Group.

Prior to joining the Group, Mr. Pudwill held managerial positions at Daimler Chrysler AG that included product marketing and strategic planning for the Mercedes-Benz car group.

Mr. Pudwill holds a Bachelor of Arts Degree from the University of British Columbia. Save as disclosed herein, Mr. Pudwill had not held any directorship in the last three years preceding the Latest Practicable Date in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

As at the Latest Practicable Date, Mr. Pudwill had personal interests of 4,859,500 Shares, trust interest of 34,007,500 Shares and had personal interests in Share Options to subscribe for 2,000,000 Shares. Such interests are required to be notified to the Stock Exchange pursuant to Part XV of the SFO. Other than these Shares and Share Options, Mr. Pudwill does not have any other interest (within the meaning of Part XV of the SFO) in the Shares. Mr. Pudwill is the son of Mr. Horst Julius Pudwill, Chairman and Group Executive Director of the Company. Save as disclosed herein, Mr. Pudwill does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company.

Pursuant to the service contract between Mr. Pudwill and the Company, Mr. Pudwill is not appointed for any specific term but shall be subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the Existing Articles of Association. The director's remuneration payable to Mr. Pudwill as Executive Director will be fixed by the Board after recommendation by the Remuneration Committee of the Board with reference to his experience and the Company's performance. For the year ended December 31, 2014, Mr. Pudwill received director's emoluments in the amount of approximately US\$1,454,000.

Save for the information disclosed above, the Board and Mr. Pudwill have indicated that there is no other information to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules, and there are no other matters that need to be brought to the attention to the Shareholders.

#### **Mr. Vincent Ting Kau Cheung — Independent Non-executive Director**

Mr. Vincent Ting Kau Cheung, aged 73, was appointed as a Director in 1991 and was re-designated as an Independent Non-executive Director on March 30, 2012. He is a Non-executive Director of Gold Peak Industries (Holdings) Limited, listed on The Stock Exchange of Hong Kong Limited.

Mr. Cheung is a graduate in law from University College London and has been a practising solicitor since 1970. He is qualified to practice law in Hong Kong and England and Wales and he is now a Consultant of Vincent T.K. Cheung, Yap & Co. He is also a Fellow of University College London and a Commandeur de l'Ordre du Mérite Agricole from France. Save as disclosed herein, Mr. Cheung had not held any directorship in the last three years preceding the Latest Practicable Date in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

As at the Latest Practicable Date, Mr. Cheung had personal interests of 2,920,000 Shares and had personal interests in Share Options to subscribe for 850,000 Shares. Such interests are required to be notified to the Stock Exchange pursuant to Part XV of the SFO. Other than these Shares and Share Options, Mr. Cheung does not have any other interest (within the meaning of Part XV of the SFO) in the Shares. As far as the Board is aware, Mr. Cheung does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company.

Pursuant to the service contract between Mr. Cheung and the Company, Mr. Cheung is not appointed for a specific term but shall be subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the Existing Articles of Association. The director's remuneration payable to Mr. Cheung as Independent Non-executive Director will be fixed by the Board after recommendation by the Remuneration Committee of the Board with reference to his experience and the prevailing market conditions in respect of directors' fee for independent non-executive directors. For the year ended December 31, 2014, Mr. Cheung received director's emoluments as Independent Non-executive Director in the amount of approximately US\$68,000.

Save for the information disclosed above, the Board and Mr. Cheung have indicated that there is no other information to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules, and there are no other matters that need to be brought to the attention to the Shareholders.



This appendix contains a summary of the major areas of amendments that would be incorporated in the New Articles of Association that are proposed to be adopted by the Company to replace the Existing Articles of Association in their entirety.

**(1) MANDATORY AMENDMENTS UNDER THE COMPANIES ORDINANCE**

The New Articles of Association are based on the Existing Articles of Association with changes primarily made to incorporate mandatory changes effected under the Companies Ordinance. Some of the principal changes are as follows:

**Abolition of memorandum of association**

Under the Companies Ordinance, Hong Kong companies are no longer required to have a memorandum of association. In view that there is no longer a need for Hong Kong incorporated companies to have an objects clause to define the scope of its corporate capacity, the Companies Ordinance has therefore removed the requirement for companies to have a memorandum of association as a separate constitutional document. In line with the Companies Ordinance, the memorandum of association of the Company would be removed.

Certain consequential amendments would be incorporated in the New Articles of Association as a result of the abolition of the memorandum of association of the Company, including the migration of relevant provisions from the memorandum of association into the New Articles of Association, such as (i) the new article 2 to state the Company's name; (ii) the new article 3 to state that the liability of members is limited; and (iii) the table included at the end of the New Articles of Association stating the initial shareholders' capital and initial shareholding in the Company upon incorporation.

**No par regime for share capital**

The Companies Ordinance has adopted a mandatory system of no-par for all Hong Kong companies having a share capital, and therefore retires the concept of par value for all shares. This is in line with international trends to provide companies with greater flexibility in structuring their share capital. It is generally recognised that the previous requirement of shares having a par value, being the minimum amount at which a share can be issued, does not serve its original purpose for companies to maintain a minimum level of capital. This is because the par value is often set at a very low level and does not necessarily give an indication of the real value of the shares.

The effect of the adoption of a no par regime is that when the Company issues additional Shares in the future, there will be flexibility in deciding the issue price of each Share and such issue price is not restricted to, nor referenced to, a minimum par value. In addition, a sub-division or consolidation of Shares by the Company will no longer be effected by changing the par value, but simply by increasing or reducing the number of Shares that have already been issued. Upon any issue of new Shares, the subscriber's obligation remains to be the payment of the issue price of the Shares to the Company, notwithstanding that the new Shares will no longer have a minimum par value.

As a result of the adoption of the no par regime, the New Articles of Association would remove references to the par or nominal value of the Shares and the new article 61 would reflect the new provisions concerning the alteration of share capital.

**Removal of references to authorised share capital, share premium, share premium account and capital redemption reserve**

The adoption of the no par regime, as described above, also leads to the following changes being incorporated into the New Articles of Association: (i) removal of references to authorised share capital; (ii) removal of references to unissued Shares as a consequential change resulting from the removal of the concept of authorised share capital; (iii) removal of references to share premium and the share premium account as Shares will no longer be issued at a premium to par value; and (iv) removal of references to the capital redemption reserve as Shares will no longer have a par value and therefore no transfer will be made to a capital redemption reserve when Shares are redeemed or bought back by the Company.

**Repeal of powers to issue stock and bearer warrants**

The Companies Ordinance has repealed a company's power to issue stock and bearer warrants. Accordingly, the New Articles of Association reflect these changes and will no longer contain such references.

**Scope of director's disclosure of interests**

The Companies Ordinance has widened the ambit of disclosure of interests by a director. Where a director is interested, directly or indirectly, in a transaction, contract or arrangement (or proposed transaction, contract or arrangement) with the Company that is significant in relation to the Company's business, and the director's or the connected entities' interest is material, he will be required to declare the "nature and extent" of the interest of himself and his connected entities in the transaction, contract or arrangement (or proposed transaction, contract or arrangement) in accordance with the timing and procedural requirements under the Companies Ordinance. These changes would be incorporated into the New Articles of Association under the new article 106.

**(2) RELEVANT AMENDMENTS UNDER THE COMPANIES ORDINANCE**

In addition to the above mandatory amendments, the New Articles of Association will also incorporate other requirements under the Companies Ordinance. The changes include the following:

**Special business in general meetings**

The Companies Ordinance has abolished the distinction between general business and special business in a general meeting. Accordingly, the New Articles of Association will remove the relevant references to align with the provisions under the Companies Ordinance.

**References to extraordinary general meetings**

Under the Companies Ordinance, the meetings of shareholders of a company, other than annual general meetings, are simply referred to as “general meetings”. Accordingly, the references to “extraordinary general meetings” in the Existing Articles of Association, including, but not limited to, the existing articles 65 and 66, would be amended to “general meetings” in the New Articles of Association.

**Appointment and termination of proxy by electronic means**

Under the Companies Ordinance, given that a company has provided an electronic address in the instrument of proxy issued by a company, a shareholder may send an instrument appointing a proxy or a notice of termination of a proxy to the company through electronic means. The power for the Company to provide an electronic address for such electronic means of appointing and terminating a proxy by Shareholders would be incorporated into the New Articles of Association under the new article 87(B).

**Timing of holding of annual general meetings**

Under the Companies Ordinance, each annual general meeting of a public company (and a company that is a subsidiary of a public company) must be held within 6 months after the end of the accounting reference period to which the financial year is to be determined. Accordingly, the new article 62 would reflect this amendment.

**Multiple locations for holding general meetings**

The Companies Ordinance expressly permits a general meeting to be held at more than one location through the use of electronic technology. The new article 71 would reflect this amendment to enhance the flexibility of the Company when convening general meetings.

**Request for a statement of reasons for the refusal to register a transfer of shares**

The Companies Ordinance provides that if a company refuses to register a transfer of shares in the company, the transferee or transferor may request the company to provide a statement of the reasons for the refusal. In such a case, the company must provide the statement of reasons within 28 days after receiving such request. Accordingly, the new articles 41 and 44 would reflect these requirements.

**Execution of documents as deed**

The Companies Ordinance contains specific provisions on how a company could execute a document by way of deed and such provisions provide for a number of ways a company could execute a document as a deed effectively. Accordingly, the new article 143(B) would reflect this amendment to enhance the flexibility of the Company when executing documents by way of deed.

**Replacement of lost share certificates**

The Companies Ordinance has introduced a streamlined procedure for the publication of notice of intention to issue a new share certificate for listed companies. The new article 22 would reflect this amendment so that the Company could utilise this new publication procedure for the replacement of lost share certificates.

**(3) MISCELLANEOUS ANCILLARY AMENDMENTS**

The New Articles of Association would also incorporate other consequential changes resulting from the above changes. Certain definitions and references in the Existing Articles of Association would be amended to align with the definitions under, and the section references to, the Companies Ordinance.

In addition, certain provisions in the New Articles of Association have been updated with reference to the Listing Rules currently in force, including the replacement of “associate” with “close associate” in the relevant areas to reflect the amendments to the Listing Rules which came into effect on July 1, 2014.



**Techtronic Industries Co. Ltd.**  
*(Incorporated in Hong Kong with limited liability)*  
**(Stock Code: 669)**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the shareholders of the Company will be held at Plaza Meeting Room, Regus Conference Centre, 35th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on May 22, 2015 at 10:00 a.m. for the following purposes:

1. To receive and consider the Statement of Accounts and the Reports of the Directors and Auditors for the year ended December 31, 2014.
2. To declare a final dividend of HK19.00 cents per share to shareholders whose names appear on the Register of Members of the Company on May 29, 2015.
3. To re-elect Directors and to authorise the Board of Directors of the Company to fix the Directors' remuneration.
4. To appoint Auditors and to authorise the Board of Directors of the Company to fix their remuneration.

As special business, to consider and, if thought fit, pass, with or without amendments, the following resolutions as ordinary resolutions, as indicated below:

**ORDINARY RESOLUTIONS**

5. **“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 the Company and to make or grant offers, agreements and options (including bonds, notes, warrants, debentures and securities convertible into shares of the Company) which would or might require the exercise of such powers be and it is hereby generally and unconditionally approved;
  - (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options (including bonds, notes, warrants, debentures and securities convertible into shares of the Company) which would or might require the exercise of such powers during and 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 pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued

by the Company or any bonds, notes, debentures and securities which are convertible into shares of the Company; or (iii) the exercise of any options granted under any share option scheme or similar arrangement for the time being adopted for the grant or issue of options to subscribe for, or rights to acquire, shares of the Company; or (iv) an issue of shares by way of scrip dividends pursuant to the Articles of Association of the Company from time to time, shall not exceed:

- (A) in the case of an allotment and issue of shares for cash, 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution; and
- (B) in the case of an allotment and issue of shares for a consideration other than cash, 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution (less any shares allotted and issued pursuant to sub-paragraph (A) above),

provided that any shares to be allotted and issued pursuant to the approval in paragraph (a) above shall not be issued at a discount of more than 5% to the Benchmarked Price (as hereinafter defined) of the shares, and the said approval shall be limited accordingly; and

- (d) for the purposes of this resolution:

“Benchmarked Price” shall be a price which is the higher of:

- (i) the closing price of the shares of the Company as stated in the daily quotations sheet of the Stock Exchange (as hereinafter defined) on the date of signing of the agreement to which the transaction relates; and
- (ii) the average closing price of the shares of the Company as stated in the Stock Exchange’s daily quotations sheet for the five trading days immediately preceding the earliest of:
  - (A) the date of signing of the agreement to which the transaction relates;
  - (B) the date on which the relevant transaction is announced; or
  - (C) the date on which the price of the shares of the Company to be issued pursuant to the transaction is fixed;

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier 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 the articles of association of the Company or any applicable laws to be held; and
- (iii) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares of the Company or any class thereof (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to overseas shareholders or fractional entitlement 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); and

“Stock Exchange” means The Stock Exchange of Hong Kong Limited.”

6. **“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 buy back shares of the Company on the Stock Exchange (as hereinafter defined) or on any other 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 regulations, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of share capital of the Company purchased or agreed conditionally or unconditionally to be purchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier 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 the articles of association of the Company or any applicable laws to be held; and

(iii) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meeting; and

“Stock Exchange” means The Stock Exchange of Hong Kong Limited.”

7. “**THAT** conditional upon the passing of the ordinary resolutions numbered 5 and 6 in the notice convening the annual general meeting of the Company at which this resolution is proposed, the aggregate nominal amount of the shares in the capital of the Company which are bought back by the Company pursuant to and in accordance with the said resolution numbered 6 shall be added to the aggregate nominal amount of the share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to and in accordance with the said resolution numbered 5.”

#### **SPECIAL RESOLUTION**

8. “**THAT** the new articles of association of the Company produced to the meeting and initialled by the Chairman for the purpose of identification, be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the memorandum and articles of association of the Company in force immediately before the passing of this Special Resolution; and **THAT** any director or the company secretary of the Company be authorised to do all things necessary to effect and record the adoption of the new articles of association of the Company.”

By Order of the Board  
**Veronica Ka Po Ng**  
*Company Secretary*

Hong Kong  
April 10, 2015

#### **Notes:**

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member.
2. A form of proxy for the meeting is enclosed. In order to be valid, the form of proxy, together with a power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney or authority, must be deposited at the registered office of the Company at 24/F., CDW Building, 388 Castle Peak Road, Tsuen Wan, New Territories, Hong Kong not later than 48 hours before the time appointed for holding the meeting or any adjournment thereof.



3. Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting or any adjourned meeting or upon the poll concerned if the members so wish. In such event, the instrument appointing proxy shall be deemed to be revoked.
4. To ascertain Shareholders' eligibility to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from May 21, 2015 to May 22, 2015 (both days inclusive), during which period no transfers of Shares will be effected. In order to qualify to attend and vote at the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrars, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on May 20, 2015.

To ascertain Shareholders' entitlement to the proposed final dividend upon passing of resolution numbered 2 set out in this notice, the register of members of the Company will be closed on May 29, 2015 when no transfers of Shares will be effected. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrars, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on May 28, 2015.

5. The Directors standing for re-election under Resolution No. 3 are Mr. Frank Chi Chung Chan, Mr. Stephan Horst Pudwill and Mr. Vincent Ting Kau Cheung.
6. A circular containing the information regarding, inter alia, the Directors proposed to be re-elected, the general mandate to issue shares, the general mandate to buy back shares of the Company and the adoption of the new articles of association has been sent to the members of the Company.

*As at the Latest Practicable Date, the Board comprised five Group Executive Directors, namely, Mr. Horst Julius Pudwill (Chairman), Mr. Joseph Galli Jr. (Chief Executive Officer), Mr. Patrick Kin Wah Chan, Mr. Frank Chi Chung Chan and Mr. Stephan Horst Pudwill, one Non-executive Director, namely, Prof. Roy Chi Ping Chung BBS JP and five Independent Non-executive Directors, namely, Mr. Joel Arthur Schleicher, Mr. Christopher Patrick Langley OBE, Mr. Manfred Kuhlmann, Mr. Peter David Sullivan and Mr. Vincent Ting Kau Cheung.*