



SEPARATION OF ROLES OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

APPOINTMENT OF NEW CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The board of directors (the “**Board**”) of Techtronic Industries Co. Ltd. (the “**Company**”) is pleased to announce certain changes to the Board and the day to day management of the businesses of the Techtronic Group (the “**Group**”). These changes are made to respond to the ongoing expansion and development of the Group and to bring the Company in compliance with the requirement of the recommended code provision A.2.1 of the Code on Corporate Governance Practices (the “**CG Code**”) set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) that the roles of chairman and chief executive officer should be separate and not be performed by the same individual. These changes will take place with effect from 1 February 2008 and comprise the following:

- (i) Mr. Horst Julius Pudwill, currently chairman, chief executive officer and executive director of the Company will continue in his role as chairman and executive director but will no longer be the chief executive officer of the Company. This is to allow Mr. Pudwill to focus on the strategic planning and development of the Group (in particular the unique opportunities China provides as one of the fastest growing and most dynamic economies in the world for the commercial exploitation of the Group’s world renowned brand portfolio in both the professional and consumer markets). Mr. Pudwill will continue to have oversight of the operations with the new chief executive officer reporting directly to him;
- (ii) Mr. Joseph Galli Jr. will be appointed as the new chief executive officer and an executive director of the Company. Mr. Galli has been with the Group since 1 November 2006 and served as the chief executive officer of Techtronic Appliances Holdings Company Limited, the Company’s Floor Care Appliances Division, immediately before his new appointment; and
- (iii) Mr. Peter David Sullivan will be appointed as an independent non-executive director of the Company.

The Company will make further announcements to update shareholders of the Company and public investors should there be any change in information relating to the new directors set out in this announcement between the date hereof and the effective date of appointment.

The Board is pleased to announce certain changes to the Board and the day to day management of the businesses of the Group. These changes are made to respond to the ongoing expansion and development of the Group and to bring the Company in compliance with the requirement of the recommended code provision A.2.1 of the CG Code that the roles of chairman and chief executive officer should be separate and not be performed by the same individual. These changes will take place with effect from 1 February 2008:

- (i) Mr. Horst Julius Pudwill, currently chairman, chief executive officer and executive director of the Company will continue in his role as chairman and executive director but will no longer be the chief executive officer of the Company. This is to allow Mr. Pudwill to focus on the strategic planning and development of the Group (in particular the unique opportunities China provides as one of the fastest growing and most dynamic economies in the world for the commercial exploitation of the Group's world renowned brand portfolio in both the professional and consumer markets). Mr. Pudwill will continue to have oversight of the operations with the new chief executive officer reporting directly to him;
- (ii) Mr. Joseph Galli Jr. will be appointed as the new chief executive officer and an executive director of the Company. Mr. Galli has been with the Group since 1 November 2006 and served as the chief executive officer of Techtronic Appliances Holdings Company Limited, the Company's Floor Care Appliances Division, immediately before his new appointment; and
- (iii) Mr. Peter David Sullivan will be appointed as an independent non-executive director of the Company.

Further details of the changes are set out as follows.

SEPARATION OF ROLES OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Board is pleased to announce that Mr. Joseph Galli, Jr. will substitute Mr. Horst Julius Pudwill as chief executive officer of the Company with effect from 1 February 2008. Mr. Pudwill, currently chairman, chief executive officer and executive director of the Company, will continue in his role as chairman and executive director but will no longer be the chief executive officer of the Company with effect from 1 February 2008. Further information in relation to Mr. Galli's appointment is set out below in the paragraph headed "Appointment of new chief executive officer and executive director".

The separation of the roles of chairman and chief executive officer is a response to the ongoing expansion and development of the Group and allows Mr. Pudwill to focus on the strategic planning and development of the Group (in particular the unique opportunities China provides as one of the fastest growing and most dynamic economies in the world for the commercial exploitation of the Group's world renowned brand portfolio in both the professional and consumer markets). Mr. Pudwill will continue to have oversight of the operations with the new chief executive officer reporting directly to him. In addition, the separation of roles reflects the Group's emphasis on good corporate governance and brings the Company in compliance with the requirement of the recommended code provision A.2.1 of the CG Code.

Mr. Pudwill confirms there is no other matter relating to the separation of the roles of chairman and chief executive officer that needs to be brought to the attention of the shareholders of the Company.

APPOINTMENT OF NEW CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR

The Board is pleased to announce the appointment of Mr. Joseph Galli Jr. as the new chief executive officer and an executive director of the Company.

(i) Education and experience

Mr. Joseph Galli, Jr., aged 49, graduated from the University of North Carolina in 1980 with a Bachelor of Science in Business Administration. In 1987, he obtained an MBA from Loyola College in Baltimore, Maryland.

In 1980 Mr. Galli joined Black & Decker where he worked for over 19 years and held various high level management positions, rising to the position of president of its worldwide power tools and accessory division. During his tenure at Black & Decker, he was responsible for the highly successful launch of the “DeWalt®” Brand heavy duty power tools in 1992. After leaving Black & Decker, Mr. Galli joined Amazon.com where he was president and the chief operating officer from 1999 to 2000. From 2001 to 2005, he was a director and the chief executive officer of Newell Rubbermaid Inc., a company listed on the New York Stock Exchange.

(ii) Previous positions held with the Group

On 1 November 2006, Mr. Galli was appointed by the Company as the chief executive officer of Techtronic Appliances Holdings Company Limited, the Company’s Floor Care Appliances Division. His responsibilities encompass every facet of the Company’s consumer floor care products in retail markets worldwide, including the promotion and development of the leading brands “Dirt Devil®” and “Vax®”.

(iii) Previous directorships

Save as disclosed herein, Mr. Galli had not held any directorship in any other listed companies during the three years preceding the date of this announcement.

(iv) Interest in shares of the Company

As at the date of this announcement, Mr. Galli has personal interests in 814,500 shares of the Company (the “**Shares**”) and 2,500,000 underlying Shares in respect of the share options granted by the Company. The share options were granted to him on 1 November 2006 and 6 March 2007 (under the Company’s share option scheme adopted on 28 March 2002, which expired on 27 March 2007), pursuant to which he is entitled to subscribe for (i) 1,500,000 Shares exercisable at HK\$11.252 from 1 January 2008 and all expiring on 31 October 2011 and (ii) 1,000,000 Shares exercisable at HK\$10.572 and they vest in equal tranches on 6 March 2008 and 6 March 2009 and all expiring on 5 March 2012, respectively. Other than the Shares and share options, and the Restricted Shares (as defined in sub-paragraph (vi) below), Mr. Galli does not have any other interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

(v) Relationship with directors, senior management and substantial shareholders

As far as the Board is aware, Mr. Galli does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

(vi) Emoluments and terms of service contract

Mr. Galli has entered into a service contract (the “**Service Contract**”) with the Company in respect of his capacity as chief executive officer of the Company which has an initial fixed term from 1 February 2008 up to 31 January 2011 or such longer period as the Company may at its sole discretion determine (upon the recommendation of the chairman and Board

approval) under the service contract, and which may thereafter be terminated by either Mr. Galli or the Company by giving six months' prior written notice. Under the Service Contract, Mr. Galli will receive a basic annual salary of US\$1,200,000 (equivalent to approximately HK\$9,360,000), subject to review by the Company from time to time.

Under the Service Contract, Mr. Galli shall be entitled to performance-related annual bonus payments (the “**Bonus Payments**”) and performance-related restricted share awards (the “**Restricted Shares**”)

The Bonus Payments will be subject to review by the chairman and to Board approval.

The award of the Restricted Shares will be subject to review by the chairman, to Board approval and to compliance with the rules of the share award scheme adopted by the Company on 9 January 2008.

The maximum number of Restricted Shares (subject to satisfaction of performance criteria) which will vest in Mr. Galli under the Service Contract for the financial year ended 31 December 2008 shall be 4,290,000 shares, which as at the date of this announcement constitutes approximately 0.29% of the Company's issued shares.. Further award of Restricted Shares for any financial year after 31 December 2008 shall be subject to the absolute discretion of the chairman upon consultation with the Board.

Mr. Galli will also be entitled to other benefits-in-kind and allowances under the service contract, including but not limited to participation in the Company's senior executive retirement plan upon the plan's implementation and reimbursement of traveling and entertainment expenses. The emolument package of Mr. Galli has been reviewed and approved by the remuneration committee of the Company and was determined by reference to Mr. Galli's qualifications, experience and responsibilities, the levels of emolument of other senior executives of the Company and prevailing market conditions.

(vii) Other information

Save for the information disclosed in sub-paragraphs (i) to (vi) above, the Board is not aware of any other information that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

The Board would like to welcome Mr. Galli in joining the Board and believes that his extensive experience in the power tools and floor care business will be beneficial to the shareholders and the Company as a whole.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The Board is pleased to announce the appointment of Mr. Peter David Sullivan as an independent non-executive director of the Company with effect from 1 February 2008.

(i) Education and experience

Mr. Sullivan, aged 59, graduated from the University of New South Wales in 1968 with a Bachelor of Science (Physical Education) degree. Mr. Sullivan joined Standard Chartered Bank (Hong Kong) Limited from September 2004 to December 2007. Prior to his retirement, he served as its executive director and chief executive officer. In addition, Mr. Sullivan held governance responsibility for franchises of the Standard Chartered Group in Japan, Australia, the Philippines and Bohai Bank in Tianjin, China. Mr. Sullivan held a

number of other major appointments, including acting as the chairman of the Hong Kong Associate of Banks and the British Chamber of Commerce.

Save as disclosed herein, Mr. Sullivan had not held any directorship in any other listed companies during the three years preceding the date of this announcement.

(ii) Interest in shares of the Company

As at the date of this announcement, Mr. Sullivan does not have any other interest (within the meaning of Part XV of the SFO) in the shares of the Company.

(iii) Relationship with directors, senior management and substantial shareholders

As far as the Board is aware, Mr. Sullivan does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

(iv) Emoluments and terms of service contract

There is no service contract entered into between the Company and Mr. Sullivan. Mr. Sullivan is not appointed for a specific term. He will hold office until the next general meeting of the Company and will retire at that general meeting but will be eligible for re-election pursuant to the memorandum and articles of association of the Company. The remuneration of Mr. Sullivan will be determined with reference to his duties and responsibilities as determined by the Board.

(v) Other information

Save for the information disclosed in sub-paragraphs (i) to (iv) above, the Board is not aware of any information which is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

The Company would like to welcome Mr. Sullivan in joining the Board and believes that his extensive experience will be beneficial to the shareholders and the Company as a whole.

The Company will make further announcements to update shareholders of the Company and public investors should there be any change in information relating to the new directors set out above between the date hereof and the effective date of appointment.

For and on behalf of
Techtronic Industries Company Limited
Frank Chi Chung Chan
Company Secretary

Hong Kong, 25 January 2008

As at the date of this announcement, the Board comprises five executive directors, namely Mr. Horst Julius Pudwill (Chairman and Chief Executive Officer), Dr. Roy Chi Ping Chung JP (Vice Chairman), Mr. Patrick Kin Wah Chan, Mr. Frank Chi Chung Chan and Mr. Stephan Horst Pudwill, one non-executive director, namely Mr. Vincent Ting Kau Cheung, and three independent non-executive directors, namely Mr. Joel Arthur Schleicher, Mr. Christopher Patrick Langley OBE and Mr. Manfred Kuhlmann

All trademarks used are intellectual property of their respective owners and are protected under trademark law.