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**TECHTRONIC INDUSTRIES CO. LTD.**

**創科實業有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 669)**

## **RE-DESIGNATION OF DIRECTOR**

The Board of the Company is pleased to announce that Mr. Vincent Ting Kau Cheung, currently a Non-executive Director of the Company, has been re-designated as an Independent Non-executive Director of the Company with effect from 30 March 2012.

The Board of Directors (the “**Board**”) of Techtronic Industries Company Limited (the “**Company**”) is pleased to announce that Mr. Vincent Ting Kau Cheung, currently a Non-executive Director of the Company, has been re-designated as an Independent Non-executive Director of the Company with effect from 30 March 2012.

As Mr. Cheung’s re-designation is considered a change in the Company’s directorate under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong (the “**Listing Rules**”), information regarding Mr. Cheung and other relevant disclosures prescribed under Rule 13.51(2) of the Listing Rules is set out below.

Mr. Vincent Ting Kau Cheung, aged 70, was appointed as a Director of the Company in 1991. 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 (“**VTKCYC**”). 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 other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

As at the date of this announcement, save for his personal interests of 1,920,000 shares in the Company and share options granted to him to subscribe for 600,000 shares in the Company, Mr. Cheung does not have any other interest in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

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 Articles of Association of the Company. There is no change in the remuneration of Mr. Cheung arising from his re-designation. The director's remuneration payable to Mr. Cheung as an 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 31 December 2011, Mr. Cheung received director's emoluments as a Non-executive Director in the amount of approximately US\$100,000.

Notwithstanding that Mr. Cheung was re-designated as a Non-executive Director with effect from 30 September 2004, the Board is satisfied and has demonstrated to the satisfaction of The Stock Exchange of Hong Kong Limited (the "**Exchange**") that the re-designation of Mr. Cheung as an Independent Non-executive Director is justified due to the following reasons:

- (a) although Mr. Cheung is a Consultant of VTKCYC (which is one of the Hong Kong legal advisers to the Company and its subsidiaries (the "**TTI Group**") since the Company's listing in 1991) and has rendered certain notarial services to the TTI Group in his capacity as a notary public in the past 12 months (the "**Notarial Services**"), the Board confirms that, to the best of its knowledge, information and belief, having made all reasonable enquiries:
  - (i) any fees payable by the TTI Group for the Notarial Services were payable to VTKCYC only and not to Mr. Cheung personally;
  - (ii) Mr. Cheung does not receive any actual income, commission, monetary compensation or other personal interest or benefit which is directly or indirectly related to the payments made by the TTI Group to VTKCYC in respect of the legal advice and services provided by VTKCYC (including the Notarial Services);
  - (iii) the Notarial Services are highly standardised and formalised in nature and are not materially related to the TTI Group's principal business activities, namely the manufacturing and trading of electrical and electronic products;
  - (iv) since his cessation as a partner of VTKCYC with effect from 2 November 2005, Mr. Cheung is no longer involved in, or held any executive office or functions, with respect to VTKCYC's day-to-day management and operations, nor does he is involved in any profit sharing arrangement among the partners of VTKCYC; and
  - (v) Mr. Cheung's current capacity as a Consultant of VTKCYC is to solely manage his personal caseload on his own account in the name of VTKCYC (which do not include the TTI Group). He has not entered into any employment agreement with VTKCYC and is not a director, partner, principal or employee of VTKCYC.

- (b) the Company has made an undertaking to the Exchange that the TTI Group will only engage the other notary publics of VTKCYC for providing notarial services after the re-designation of Mr. Cheung;
- (c) neither Mr. Cheung nor VTKCYC has provided any services in the past 12 months to the Company's connected persons (as defined in the Listing Rules), its holding company and its subsidiaries, or the Company's directors, chief executive or their respective associates (as defined in the Listing Rules);
- (d) since the listing of the Company in Hong Kong, Mr. Cheung has not had and does not have any executive or management role or functions in the TTI Group, nor has he been employed by the TTI Group;
- (e) Mr. Cheung himself is not a substantial shareholder (as defined in the Listing Rules) of the Company;
- (f) Mr. Cheung has been a practising solicitor for over 40 years. The Company believes that he is able to exercise his professional judgment and his long and upstanding professional legal background would enable him to carry out his duties as an Independent Non-executive Director impartially and independently;
- (g) the re-designation can further enhance the independent element of the Board, which will result in additional independent judgment and oversight over the Company's business and operations with the Board comprising of 5 Independent Non-executive Directors out of a total of 11 Directors. This is consistent with the principle in respect of board composition of the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules; and
- (h) save for the disclosure above and Rule 3.13(7) of the Listing Rules which considers whether an individual is independent if he has served as a director (other than an independent non-executive director) of a listed issuer during the two years immediately prior to the date of his proposed appointment, Mr. Cheung is able to confirm his independence to the Exchange in respect of other factors set out in Rule 3.13 of the Listing Rules that the Exchange takes in account in assessing the independence of a non-executive director.

In light of the above, notwithstanding Mr. Cheung's relationship with the Company prior to his re-designation, the Company considers that his current connection with the Company in his capacity as a Consultant of VTKCYC is remote, insignificant and immaterial for assessing his independence as an Independent Non-executive Director of the Company.

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.

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 holders of securities of the Company in respect of the Mr. Cheung's re-designation.

The Board warmly welcomes Mr. Cheung into his new role and expresses its great confidence that his involvement with the Company as an Independent Non-executive Director will be beneficial to the Company and its shareholders as a whole.

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

Hong Kong, 30 March 2012

*As at the date of this announcement, 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.*