
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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.

The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



Techtronic Industries Co. Ltd.

(Incorporated in Hong Kong with limited liability)

(Stock Code : 669)

**PROPOSALS INVOLVING
GRANT OF GENERAL MANDATES
TO REPURCHASE SHARES AND TO ISSUE NEW SHARES,
RE-ELECTION OF DIRECTORS
AND
REFRESHMENT OF SCHEME MANDATE LIMIT**

The notice convening the annual general meeting of the Company (the "Annual General Meeting") to be held at Harbour Room, 3rd Floor, The Ritz-Carlton, Hong Kong, 3 Connaught Road Central, Hong Kong on 30th May, 2005 at 9:30 a.m, at which, among other things, the above proposals will be considered is set out on pages 95 to 98 of the annual report of the Company for the year ended 31st December, 2004 sent together with this circular.

Whether or not you propose to attend the Annual General Meeting, you are requested to complete the accompanying form of proxy enclosed with the annual report of the Company for the year ended 31st December, 2004 sent together with this circular 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.

28th April, 2005

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DEFINITIONS

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 Harbour Room, 3rd Floor, The Ritz-Carlton, Hong Kong, 3 Connaught Road Central, Hong Kong on 30th May, 2005 at 9:30 a.m. or any adjourned meeting
“associates”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“business day”	a day (excluding Saturday) on which banks are open for general banking business in Hong Kong
“Companies Ordinance”	Companies Ordinance (Chapter 32 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
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	26th April, 2005, 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
“Repurchase Resolution”	the proposed ordinary resolution as referred to in Resolution no. 6 as set out in the notice of the Annual General Meeting
“Scheme Mandate Limit”	the maximum number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme as at the date of adoption on 28th March, 2002 at a general meeting of the Company approving the scheme mandate limit
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 28th March, 2002
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers
“Terminated Scheme”	the share option scheme adopted by the Company on 25th May, 2001 which was terminated on 28th March, 2002 pursuant to a resolution of the Shareholders passed on 28th March, 2002
“HK\$”	Hong Kong dollars
“%”	per cent.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made reasonable enquiries, that to the best of their knowledge and belief, the opinions expressed by them herein are fair and reasonable and have been arrived at after due and careful consideration and there are no other facts not contained herein the omission of which would make any statement contained in this circular misleading.

LETTER FROM THE BOARD



Techtronic Industries Co. Ltd.

(Incorporated in Hong Kong with limited liability)

(Stock Code : 669)

Group Executive Directors:

Mr Horst Julius Pudwill

(Chairman and Chief Executive Officer)

Mr Roy Chi Ping Chung

(Group Managing Director)

Mr Kin Wah Chan

Mr Chi Chung Chan

Registered Office:

24th Floor

CDW Building

388 Castle Peak Road

Tsuen Wan

New Territories

Hong Kong

Non-executive Directors:

Dr Akio Urakami

Mr Vincent Ting Kau Cheung

28th April, 2005

Independent Non-executive Directors:

Mr Joel Arthur Schleicher

Mr Christopher Patrick Langley

Mr Manfred Kuhlmann

To the Shareholders

Dear Sir or Madam,

**PROPOSALS INVOLVING
GRANT OF GENERAL MANDATES
TO REPURCHASE SHARES AND TO ISSUE NEW SHARES,
RE-ELECTION OF DIRECTORS
AND
REFRESHMENT OF SCHEME MANDATE LIMIT**

INTRODUCTION

The purpose of this circular is to provide you with information regarding the proposals involving the grant of general mandates to repurchase and issue new Shares, re-election of Directors and refreshment of Scheme Mandate Limit.

LETTER FROM THE BOARD

GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 28th May, 2004, a general mandate was given by the Company to the Directors to exercise the powers of the Company to repurchase Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. The Directors, therefore, propose to seek your approval of the Repurchase 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 Repurchase Resolution is set out in the Appendix I to this circular.

GENERAL MANDATE TO ISSUE NEW SHARES AND REPURCHASE SHARES

At the annual general meeting of the Company held on 28th May, 2004, general mandates were granted by the Company to the Directors to exercise the powers of the Company to issue new Shares and repurchase 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, 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; and 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 (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 repurchased by the Company after the granting of the general mandate to repurchase up to 10% of the issued share capital of the Company at the date of passing the Repurchase Resolution.

The Directors have no present intention to issue new Shares or repurchase Shares pursuant to the mandates proposed to be granted to them at the Annual General Meeting.

RE-ELECTION OF DIRECTORS

As at the Latest Practicable Date, the Board comprised four Group executive Directors, namely, Mr Horst Julius Pudwill (Chairman and Chief Executive Officer), Mr Roy Chi Ping Chung (Managing Director), Mr Patrick Kin Wah Chan and Mr Frank Chi Chung Chan, two non-executive Directors, namely, Dr Akio Urakami and Mr Vincent Ting Kau Cheung and three independent non-executive Directors, namely, Mr Joel Arthur Schleicher, Mr Christopher Patrick Langley and Mr Manfred Kuhlmann.

Pursuant to article 103 of the articles of association of the Company, Mr Horst Julius Pudwill, Mr Vincent Ting Kau Cheung and Mr Christopher Patrick Langley and pursuant to article 94 of the articles of association of the Company, Mr Manfred Kuhlmann, shall retire from office at the Annual General Meeting and they being eligible, 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.

LETTER FROM THE BOARD

REFRESHMENT OF SCHEME MANDATE LIMIT UNDER THE SHARE OPTION SCHEME

The Share Option Scheme was approved and adopted by the Shareholders in general meeting on 28th March, 2002. The purpose of the Share Option Scheme is to enable the Company to grant options to selected persons as incentives or rewards for their contribution to the Group or any entity in which the Group holds any equity interest.

The existing Scheme Mandate Limit under the Share Option Scheme is 116,543,364 Shares (as adjusted following the subdivision of the shares of HK\$0.20 each in the share capital of the Company into 2 shares of HK\$0.10 each in the share capital of the Company with effect from 31st May, 2004), being 10% of the Shares in issue as at the date of adoption of the Share Option Scheme on 28th March, 2002. As at the Latest Practicable Date, the Company had granted options carrying rights to subscribe for 111,386,000 Shares, of which options carrying rights to subscribe for 2,810,000 Shares have lapsed in accordance with the terms of the Share Option Scheme which are not counted for the purpose of calculating the 10% limit. As a result, the balance of share options carrying rights to subscribe for 7,967,364 Shares may be granted under the Share Option Scheme. Under the Share Option Scheme, 107,976,000 Shares have been issued pursuant to the exercise of such options, options carrying rights to subscribe for 600,000 Shares remain outstanding and yet to be exercised. No option remain outstanding under the Terminated Scheme. Apart from the Share Option Scheme and the Terminated Scheme, the Company has no other share option scheme in issue as at the Latest Practicable Date. The issue of share options by the Company complies with the Scheme Mandate Limit at all material times.

Given that the existing Scheme Mandate Limit is nearing depletion, the Share Option Scheme cannot continue to serve its intended purpose for the Group unless the Scheme Mandate Limit is refreshed. Accordingly, the Directors consider that the refreshment of the Scheme Mandate Limit will be in the interests of the Company as the Scheme Option Scheme can continue to serve its purpose of providing incentives to the participants to work towards achieving the goals of the Group.

Pursuant to paragraph 8.1(iii) of the Share Option Scheme, the Company may seek approval from Shareholders in general meeting to refresh the Scheme Mandate Limit provided that the total number of Shares which may be issued upon exercise all options to be granted under the Share Option Scheme and any other share option schemes of the Company must not exceed 10% of the Share in issue as at the date of approval to refresh the Scheme Mandate Limit. Options previously granted under the Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with such schemes or exercised share options) will not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed.

The limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme, the Terminated Schemes and other share option schemes of the Company (adopted by the Company in general meeting from time to time) must not exceed 30% of the Shares in issue from time to time.

On the basis of 1,357,119,152 Shares in issue as at the Latest Practicable Date and assuming there is no change in the issued share capital of the Company between the period from the Latest Practicable Date and the date of the Annual General Meeting, the Scheme Mandate Limit may be refreshed to enable grant of further share options to subscribe up to 135,711,915 Shares, representing 10% of the Shares in issue as at the Latest Practicable Date.

LETTER FROM THE BOARD

The refreshment of the Scheme Mandate Limit is conditional upon:

1. the passing of an ordinary resolution by the Shareholders to approve the refreshment of Scheme Mandate Limit at the Annual General Meeting; and
2. the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares to be issued and allotted pursuant to the exercise of the share options granted under the Scheme Mandate Limit as refreshed.

Application will be made to the Stock Exchange for the listing of and permission to deal in the Shares to be issued pursuant to the exercise of share options granted under the Scheme Mandate Limit as refreshed.

ANNUAL GENERAL MEETING

Notice of the Annual General Meeting to be held on 30th May, 2005 has been set out on pages 95 to 98 of the annual report of the Company for the year ended 31st December, 2004 sent together with this circular, at which, inter alia,

- an ordinary resolution will be proposed to grant to the Directors a general mandate to exercise all the powers of the Company to purchase on the Stock Exchange Shares representing up to a maximum of 10% of the issued share capital of the Company as at the date of passing the Repurchase Resolution;
- an ordinary resolution will be proposed to grant to the Directors a general mandate to authorise the Directors to issue, allot and deal with Shares with an aggregate nominal value not exceeding 20% of the issued share capital as at the date of passing the resolution;
- an ordinary resolution will be proposed to extend the general mandate to issue Shares which will be granted to the Directors to issue, allot and deal with additional Shares by adding to it the number of Shares purchased under the Repurchase Resolution after the granting of the above general mandates; and
- an ordinary resolution will be proposed to approve the refreshment of the Scheme Mandate Limit.

A form of proxy is enclosed with the annual report for the year ended 31st December, 2004 sent together with this circular. 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.

LETTER FROM THE BOARD

PROCEDURE FOR DEMANDING A POLL

Pursuant to article 74 of the articles of association of the Company, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

- (i) by the chairman of the meeting; or
- (ii) by at least three members present in person or by proxy for the time being entitled to vote at the meeting; or
- (iii) by any member of members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (iv) by a member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

RECOMMENDATIONS

The Board considers that the grant of general mandates to repurchase the Shares and to issue new Shares are beneficial to the Company and the Shareholders as a whole and recommend that the Shareholders to vote in favour of the ordinary resolutions to be proposed at the Annual General Meeting.

The Board also considers that the proposal to refresh the Scheme Mandate Limit is beneficial to the Company and the Shareholders as a whole. Accordingly, the Board recommends that the Shareholders to vote in favour of the relevant ordinary resolution to be proposed at the Annual General Meeting.

Yours faithfully,
By order of the Board of
Techtronic Industries Company Limited
Chi Chung Chan
Company Secretary

This appendix serves as an explanatory statement, as required under Rule 10.06(b) of the Listing Rules, to provide requisite information to you for your consideration of the proposal to permit the repurchase of Shares up to a maximum of 10% of the issued share capital of the Company as at the date of passing the Repurchase Resolution. This appendix also constitutes the memorandum required under Section 49BA(3) of the Companies Ordinance.

(1) REPURCHASE PROPOSAL

Resolution no. 6 to be proposed at the Annual General Meeting relates to the granting of a general mandate to the Directors to repurchase Shares representing up to a maximum of 10% of the issued share capital of the Company as at the date of passing the Repurchase Resolution.

The Shares to be purchased by the Company are fully paid up. As at the Latest Practicable Date, the number of Shares in issue was 1,357,119,152. Subject to the passing of the Repurchase Resolution and on the assumption that no additional Shares will be issued and/or repurchased between the Latest Practicable Date and the Annual General Meeting, the Company would be allowed under the mandate to repurchase a maximum of 135,711,915 Shares, representing approximately 10% of the issued share capital of the Company.

The Directors believe that the Repurchase 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. Repurchases 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 repurchase 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 repurchased by the Company.

(2) FUNDING OF REPURCHASES

Repurchases of Shares would be financed entirely from the Company's available cashflow or working capital facilities. Any repurchases of Shares will be made out of funds of the Company legally available for such purpose in accordance with its memorandum and articles of association 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 31st December, 2004 in the event that the Repurchase Resolution was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Resolution to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements 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 purchases pursuant to the Repurchase 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 associates presently intend to sell Shares to the Company under the Repurchase Resolution in the event that the Repurchase Resolution is approved by the Shareholders.

The Company has not been notified by any connected persons of the Company that they have a present intention to sell any Shares, or that they have undertaken not to sell any Shares held by them to the Company in the event that the Repurchase Resolution is approved by the Shareholders.

(5) EFFECT OF TAKEOVERS CODE

If on the exercise of the power to repurchase Shares pursuant to the Repurchase 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 associates were beneficially interested in 299,973,794 Shares representing approximately 22.10% of the issued share capital of the Company and Mr Roy Chi Ping Chung together with his associates (excluding the 37,075,030 Shares held by Cordless Industries Company Limited, which is a company beneficially owned by Mr Horst Julius Pudwill and Mr Roy Chi Ping Chung and which Shares were included in the shareholdings of Mr Horst Julius Pudwill and his associates as aforesaid) were beneficially interested in 113,677,948 Shares representing approximately 8.38% of the issued share capital of the Company. In the event that the Directors should exercise in full the power to repurchase Shares under the Repurchase Resolution, the shareholdings of Mr Horst Julius Pudwill and Mr Roy Chi Ping Chung, together with their respective associates, in the Company would be increased to approximately 24.56% and 9.31% of the issued share capital of the Company respectively. In the absence of any special circumstances, no obligation to make a mandatory offer as referred to above as a result of a repurchase of Shares pursuant to the Repurchase Resolution would arise for so long as the aggregate shareholding of Mr Horst Julius Pudwill, Mr Roy Chi Ping Chung and their respective associates remain in the range of 30% to less than 35% of the issued share capital of the Company and until 10 years after 19th October, 2001 on the basis of Rule 26.6 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any purchases made under the Repurchase Resolution.

(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 HK\$	Lowest HK\$
2004		
April	13.600 <i>(Note)</i>	10.300 <i>(Note)</i>
May	12.300 <i>(Note)</i>	9.375 <i>(Note)</i>
June	13.150	10.000
July	12.950	11.100
August	12.450	10.600
September	15.600	13.000
October	17.100	14.950
November	17.000	14.850
December	17.100	15.300
2005		
January	17.800	15.750
February	18.450	16.800
March	18.700	16.950
April (up to the Latest Practicable Date)	18.200	16.800

Note: Adjustments have been made to the prices of the Shares following the subdivision of the shares of HK\$0.20 each in the share capital of the Company into 2 shares of HK\$0.10 each in the share capital of the Company with effect from 31st May, 2004.

(7) PURCHASES OF SHARES MADE BY THE COMPANY

No purchase of Shares has been made by the Company during the last six months prior to the date of this circular, whether on the Stock Exchange or otherwise.

The Directors have no present intention to exercise the power to purchase the Shares under the Repurchase Resolution in the event that the Repurchase Resolution is approved by the Shareholders to such extent as to results 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 Horst Julius Pudwill

Mr Pudwill, aged 59, a founding partner of the Company, has been the Chairman and Chief Executive Officer since 1985. He is responsible for the formulation of the Company's strategic vision, focusing on the continual growth and profitable development of the Group's organization, products and services. He is active in aligning the activities of the Group with customer needs. Mr Pudwill's background includes a Master's degree in Engineering and a General Commercial Degree, together with extensive experience in international business. Mr Pudwill is also a director of various members of the Group. He is currently a director of NovAtel Wireless Inc. and was a director of NovAtel Inc. until July 2002, both companies are listed on the NASDAQ market of the New York Stock Exchange. Save as disclosed herein, Mr Pudwill had not held any directorship in any other listed companies during the three years preceding the Latest Practicable Date.

As at the Latest Practicable Date, Mr Pudwill had personal interests of 76,554,000 Shares, family interests of 760,000 Shares and corporate interests of 222,659,794 Shares in the share capital of the Company and had personal interests in the share option to subscribe for 26,688,000 Shares. Such interests are required to be notified to the Stock Exchange pursuant to Part XV of the SFO. Mr Pudwill does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company.

There is no service contract between the Company and Mr Pudwill. He is not appointed for a specific term since he is subject to retirement by rotation and re-election in accordance with the articles of association of the Company. The director's remuneration payable to Mr Pudwill as an executive director of the Company is to be determined by the Board with reference to his experience and the Company's performance. For the year ended 31st December, 2004, Mr Pudwill received a director's emoluments of approximately HK\$12,157,000.

There are no other matters that need to be brought to the attention to the Shareholders.

Mr Vincent Ting Kau Cheung

Mr Cheung, aged 63, is currently a non-executive director of the Company. He was appointed as Director in 1991. Mr Cheung does not hold any positions in other members of the Group. Mr Cheung is also a non-executive director of Gold Peak Industries (Holdings) Limited and Paul Y.-ITC Construction Holdings Limited. Mr Cheung was an executive director of Jade Dynasty Group Limited until January 2005. He was also an independent non-executive director of Datronix Holdings Limited and Sing Pao Media Group Limited (now known as Leadership publishing Group Limited) until August 2002 and February 2003 respectively. Save as disclosed herein, Mr Cheung had not held any directorship in any other listed companies during the three years preceding the Latest Practicable Date. Mr Cheung is a graduate in law from University College, London and has been a practising solicitor since 1970. He is qualified to practise law in Hong Kong and the UK and he is now the Managing partner of Vincent T. K. Cheung, Yap & Co.

As at the Latest Practicable Date, Mr Cheung had personal interests of 1,920,000 Shares in the share capital of the Company and had personal interests in the share option to subscribe for 800,000 Shares. Such interests are required to be notified to the Stock Exchange pursuant to Part XV of the SFO. Mr Cheung does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company.

There is no service contract between the Company and Mr Cheung. He is not appointed for a specific term since he is subject to retirement by rotation and re-election in accordance with the articles of association of the Company. The director's fee payable to Mr Cheung will be fixed by the Board with reference to his experience and the prevailing market conditions. For the year ended 31st December, 2004, Mr Cheung did not receive any director's fee.

There are no other matters that need to be brought to the attention to the Shareholders.

Mr Christopher Patrick Langley

Mr Langley, aged 60, was appointed Director in May 2001. He was formerly an Executive Director of The Hongkong and Shanghai Banking Corporation Limited. Mr Langley does not hold any position in other members of the Group. Mr Langley is also an independent non-executive director of The Wharf (Holdings) Limited, Dickson Concepts (International) Limited and Winsor Properties Holdings Limited and a non-executive director of Lei Shing Hong Limited, all of which are companies listed on the Stock Exchange. Mr Langley is also a non-executive director of Wing Tai Holdings Limited, which is listed on the Singapore Stock Exchange. Save as disclosed herein, Mr Langley had not held any directorship in any other listed companies during the three years preceding the Latest Practicable Date.

As at the Latest Practicable Date, Mr Langley had personal interests of 400,000 Shares in the share capital of the Company and had personal interests in the share option to subscribe for 300,000 Shares. Such interests are required to be notified to the Stock Exchange pursuant to Part XV of the SFO. Mr Langley does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company.

There is no service contract between the Company and Mr Langley. He is not appointed for a specific term since he is subject to retirement by rotation and re-election in accordance with the articles of association of the Company. The director's fee payable to Mr Langley will be fixed by the Board with reference to his experience and the prevailing market conditions of director's fee for independent non-executive director. For the year ended 31st December, 2004, Mr Langley received a director's fee of HK\$156,000.

There are no other matters that need to be brought to the attention to the Shareholders.

Mr Manfred Kuhlmann

Mr Kuhlmann, aged 60, is currently an independent non-executive Director of the Company. He was appointed as a Director in September 2004 and does not hold any position in other members of the Group. Mr Kuhlmann was a General Manager of Dresdner Bank AG Hong Kong Branch during the period from 1994 to 1998 and was a General Manager of Dresdner Bank AG Dubai before his retirement in August 2004. Mr Kuhlmann was a graduate of Banking Academy, Hamburg and has extensive experience in the finance and banking industry. Mr Kuhlmann had not held any directorship in any other listed companies during the three years preceding the Latest Practicable Date.

As at the Latest Practicable Date, Mr Kuhlmann had personal interests in the share option to subscribe for 100,000 Shares. Such interests are required to be notified to the Stock Exchange pursuant to Part XV of the SFO. Mr Kuhlmann does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company.

There is no service contract between the Company and Mr Kuhlmann. He is not appointed for a specific term since he is subject to retirement by rotation and re-election in accordance with the articles of association of the Company. The director's fee payable to Mr Kuhlmann will be fixed by the Board with reference to his experience and prevailing market conditions of director's fee for independent non-executive director. For the year ended 31st December, 2004, Mr Kuhlmann received a director's fee of HK\$39,000.

There are no other matters that need to be brought to the attention to the Shareholders.



Techtronic Industries Co. Ltd.

(Incorporated in Hong Kong with limited liability)

(Stock Code : 669)

Form of Proxy

Form of proxy for use at the Annual General Meeting of the Company on 30th May, 2005 and at any adjournment thereof

I/We⁽¹⁾ _____
of _____,
being the registered holder(s) of⁽²⁾ _____ shares of HK\$0.10 each in the capital of Techtronic Industries Co. Ltd. (the "Company"), HEREBY APPOINT⁽³⁾ the Chairman of the meeting or⁽³⁾ _____
of _____,
as my/our proxy to act for me/us and on my/our behalf at the Annual General Meeting (or at any adjournment thereof) of the Company to be held at Harbour Room, 3rd Floor, The Ritz-Carlton, Hong Kong, 3 Connaught Road, Central, Hong Kong, on 30th May, 2005 at 9:30 a.m., for the purpose of considering and, if thought fit, passing, with or without amendments, the resolutions as set out in the notice convening the said meeting and at such meeting (or at any adjournment thereof) to vote for me/us in my/our name(s) in respect of the said resolutions as hereunder indicated, and, if no such indication is given, as my/our proxy thinks fit.

Ordinary Resolutions	For ⁽⁴⁾	Against ⁽⁴⁾
1. To receive and consider the audited Statement of Accounts and the reports of the Directors and the Auditors of the Company for the year ended 31st December, 2004.		
2. To declare a final dividend of HK12.50 cents per share for the year ended 31st December, 2004.		
3. (a) To re-elect Mr Horst Julius Pudwill as Group Executive Director.		
(b) To re-elect Mr Vincent Ting Kau Cheung as Non-executive Director.		
(c) To re-elect Mr Christopher Patrick Langley as Independent Non-executive Director.		
(d) To re-elect Mr Manfred Kuhlmann as Independent Non-executive Director.		
(e) To authorise the Directors to fix their remuneration for the year ending 31st December, 2005.		
4. To re-appoint Deloitte Touche Tohmatsu as Auditors of the Company and authorise the Directors to fix their remuneration.		
5. Special business: To grant a general mandate to the Directors to allot, issue and deal with additional shares not exceeding (i) in the case of an allotment and issue of shares for cash, 10% of the share capital of the Company in issue at the date of the resolution and (ii) in the case of an allotment and issue of shares for a consideration other than cash, 20% of the share capital of the Company in issue at the date of the resolution. *		
6. Special business: To grant a general mandate to the Directors to repurchase shares not exceeding 10% of the share capital of the Company in issue at the date of the resolution. *		
7. Special business: Conditional on the passing of Resolution nos.5 and 6, to grant a general mandate to the Directors to add the shares repurchased pursuant to Resolution no.6 to the amount of issued share capital of the Company which may be allotted pursuant to Resolution no.5. *		
8. Special business: To refresh the scheme mandate limit of the share option scheme of the Company. *		

* The full text of the Resolutions is set out in the notice of Annual General Meeting which is included in the Annual Report of the Company for the year ended 31st December, 2004 despatched to the members of the Company.

Date: _____

Signature⁽⁵⁾: _____

Notes:

- Full name(s) and address(es) to be inserted in BLOCK CAPITALS.
- Please insert the number of shares in which the proxy relates registered in your name(s). If no number is inserted, this form of proxy will be deemed to relate to all the shares in the Company registered in your name(s).
- If any proxy other than the Chairman of the meeting is preferred, strike out the words "the Chairman of the meeting or" and insert the name and address of the proxy desired in the space provided. **ANY ALTERATION MADE TO THIS FORM OF PROXY MUST BE INITIALLED BY THE PERSON WHO SIGNS IT.**
- IMPORTANT: IF YOU WISH TO VOTE FOR THE RESOLUTION, TICK IN THE BOX MARKED "FOR". IF YOU WISH TO VOTE AGAINST THE RESOLUTION, TICK IN THE BOX MARKED "AGAINST".** Failure to tick either box will entitle your proxy to cast your vote at his discretion. Your proxy will also be entitled to vote at his discretion on any resolution properly put to the meeting other than those referred to in the notice convening the meeting.
- This form of proxy must be signed by you or your attorney duly authorised in writing or, in the case of a corporation, must be either under its common seal or under the hand of an officer or attorney duly authorised.
- You are requested to lodge this form of proxy, together with the power of attorney (if any) or other authority (if any) under which it is signed or a notarially certified copy thereof, at the registered office of the Company at 24th Floor, CDW Building, 388 Castle Peak Road, Tsuen Wan, New Territories, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting (or any adjournment thereof).
- In the case of joint holders of any share, any one of such persons may vote at the said meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders are present at the said meeting, personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.
- A proxy need not be a member of the Company but must attend the meeting in person to represent you. Completion and return of the form of proxy will not preclude you from attending and voting at the said meeting if you so wish.