

**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 takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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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 NEW SHARES AND TO REPURCHASE SHARES,  
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 Nathan Room, Lower Lobby, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on May 30, 2008 at 10:00 a.m., at which, among other things, the above proposals will be considered is set out on pages 17 to 21 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.

May 7, 2008

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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 Nathan Room, Lower Lobby, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on May 30, 2008 at 10:00 a.m.
“Articles of Association”	the articles of association of the Company
“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
“Convertible Bonds”	the zero coupon convertible bonds due 2009 in the aggregate principal amount of US\$140.00 million (approximately HK\$1,092.00 million) issued by the Company
“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”	May 5, 2008, 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
“Notice”	the notice of Annual General Meeting set out on pages 17 to 21 of this circular

## DEFINITIONS

“Repurchase Resolution”	the proposed ordinary resolution as referred to in resolution no. 6 as set out in the Notice
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Share Option(s)”	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 Code on Takeovers and Mergers and Share Repurchases 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.



## Techtronic Industries Co. Ltd.

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 669)**

*Group Executive Directors:*

Mr. Horst Julius Pudwill

*(Chairman)*

Dr. Roy Chi Ping Chung JP

*(Vice 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:*

Mr. Vincent Ting Kau Cheung

*Independent Non-executive Directors:*

Mr. Joel Arthur Schleicher

Mr. Christopher Patrick Langley OBE

Mr. Manfred Kuhlmann

Mr. Peter David Sullivan

May 7, 2008

*To the Shareholders and for information only*

*To the holders of the Share Options and Convertible Bonds*

Dear Sir or Madam,

**PROPOSALS INVOLVING  
RE-ELECTION OF DIRECTORS,  
GRANT OF GENERAL MANDATES  
TO ISSUE NEW SHARES AND TO REPURCHASE SHARES,  
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, and the grant of general mandates to issue new Shares and repurchase the Shares.

## **LETTER FROM THE BOARD**

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

The Board has recommended a final dividend for the year ended December 31, 2007 of HK1.50 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 July 31, 2008 to those Shareholders whose names appear on the register of Shareholders on May 30, 2008.

The register of members of the Company will be closed from May 28, 2008 to May 30, 2008 (both days inclusive), during which period 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 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on May 27, 2008.

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

As at the Latest Practicable Date, the Board comprised six Group executive Directors, namely, Mr. Horst Julius Pudwill (Chairman), Dr. Roy Chi Ping Chung JP (Vice 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, Mr. Vincent Ting Kau Cheung and four Independent Non-executive Directors, namely, Mr. Joel Arthur Schleicher, Mr. Christopher Patrick Langley OBE, Mr. Manfred Kuhlmann and Mr. Peter David Sullivan.

Pursuant to article 103 of the Articles of Association, Mr. Horst Julius Pudwill, Mr. Patrick Kin Wah Chan, Mr. Vincent Ting Kau Cheung and Mr. Joel Arthur Schleicher and pursuant to article 94 of the Articles of Association, Mr. Joseph Galli, Jr. and Mr. Peter David Sullivan shall retire from office at the Annual General Meeting and they 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.

### **GENERAL MANDATE TO ISSUE NEW SHARES AND REPURCHASE SHARES (RESOLUTION 5 OF THE NOTICE)**

At the annual general meeting of the Company held on May 29, 2007, 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, (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 150,125,215 Shares on the assumption that no additional Shares will be issued and/or repurchased between the Latest Practicable Date and the Annual General Meeting); and

## LETTER FROM THE BOARD

(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 300,250,430 Shares on the assumption that no additional Shares will be issued and/or repurchased 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 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.

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

At the annual general meeting of the Company held on May 29, 2007, 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 Appendix I to this circular.

### **ANNUAL GENERAL MEETING**

Notice has been set out on pages 17 to 21 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.

### **PROCEDURE FOR DEMANDING A POLL**

Pursuant to article 74 of the Articles of Association, 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

## LETTER FROM THE BOARD

- (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; or
- (v) by the chairman of the meeting or any director in circumstances where voting by poll is required by the rules promulgated from time to time by the designated stock exchange on which the Company is listed or as the laws of such jurisdiction applicable to the Company may require.

### RECOMMENDATION

The Board considers that the proposals mentioned above, including the proposals for the re-election of Directors, and the grant of general mandates to repurchase the Shares and to issue new Shares, 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**  
**Frank 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 at any time until the earlier of (i) the conclusion of the next annual general meeting of the Company; or (ii) expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws to be held; or (iii) the revocation or variation of the authority given under this resolution by ordinary resolution of the Shareholders in general meeting.

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 1,501,252,152. 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 150,125,215, 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 December 31, 2007 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, nor 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 spouse and his controlled corporations were beneficially interested in 337,494,294 Shares (excluding Share Options) representing approximately 22.48% of the issued share capital of the Company and Dr. Roy Chi Ping Chung JP together with his spouse and his controlled corporations were beneficially interested in 126,541,948 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 Dr. Roy Chi Ping Chung JP and which Shares were included in the shareholdings of Mr. Horst Julius Pudwill controlled corporations as aforesaid) representing approximately

8.43% of the issued share capital of the Company. In the event that the Directors exercise in full the power to repurchase Shares under the Repurchase Resolution, the shareholdings of Mr. Horst Julius Pudwill and Dr. Roy Chi Ping Chung JP, together with their respective spouse and controlled corporations, in the Company would be increased to approximately 24.98% and 9.37% of the issued share capital of the Company respectively, which would constitute an aggregate shareholding of 34.35% of the issued share capital of the Company. In the opinion of the Directors, an increase in such an aggregate shareholding shall give rise to an obligation on the part of both of Mr. Horst Julius Pudwill and Dr. Roy Chi Ping Chung JP, whom shall be considered as parties acting in concert pursuant to the Takeovers Code, to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. The Directors have, at present, no intention to exercise the Repurchase Mandate to such extent which would result in Mr. Horst Julius Pudwill and Dr. Roy Chi Ping Chung JP and parties acting in concert with them becoming obliged to make a mandatory offer pursuant to Rule 26 of the Takeovers Code. Furthermore, the Company may not repurchase 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>2007</b>		
May	11.50	10.12
June	12.04	10.24
July	11.22	9.12
August	9.39	7.58
September	9.52	8.37
October	8.90	8.21
November	8.62	6.20
December	8.24	6.42
<b>2008</b>		
January	9.52	7.41
February	8.95	7.38
March	7.94	6.51
April	8.09	7.30
May (up to the Latest Practicable Date)	7.65	7.40

**(7) PURCHASES OF SHARES MADE BY THE COMPANY**

The Company has repurchased a total of 1,718,500 Shares on the Stock Exchange in the six months preceding the Latest Practicable Date, details of which are as follows:

	Number of Shares repurchased	Prices paid	
		Highest HK\$	Lowest HK\$
<b>Date of repurchase</b>			
November 28, 2007	718,500	6.95	6.73
November 30, 2007	<u>1,000,000</u>	6.73	6.48
	<b>Total:</b> <u><u>1,718,500</u></u>		

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 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. Horst Julius Pudwill – Chairman and Group Executive Director**

Mr. Horst Julius Pudwill, aged 63, a founder partner of the Company, has been the Chairman and Chief Executive Officer of the Company from 1985 until January 31, 2008. 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 set out in Appendix 14 of the Listing Rules that the roles of chairman and chief executive officer should be separate and not be performed by the same individual, Mr. Pudwill continues his role as Chairman and an Executive Director but no longer be the Chief Executive Officer of the Company with effect from February 1, 2008. Mr. Pudwill focuses 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 economics in the world for the commercial exploitation of the Group's world renowned brand portfolio in both the professional and consumer markets) and continues to have oversight of the operations of the Company with the Chief Executive Officer reporting directly to him. Mr. Pudwill holds a Master's Degree in Engineering and a General Commercial Degree together with extensive experience in international business. 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 113,574,500 Shares, family interests of 760,000 Shares, corporate interests of 223,159,794 Shares owned via Sunning Inc. (a company which he is a shareholder holding 100% of the issued share capital) as to 186,084,764 Shares and via Cordless Industries Company Limited (a company which he is a shareholder holding 70% of the issued share capital) as to 37,075,030 Shares, and had personal interests in Share Options to subscribe for 400,000 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 father of Mr. Stephan Horst Pudwill, an Executive Director of the Company. Save as disclosed herein and as far as the Board is aware, 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. The director's remuneration payable to Mr. Pudwill as an 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, 2007, Mr. Pudwill received director's emoluments in the amount of approximately HK\$25,559,000.

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.

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

**Mr. Patrick Kin Wah Chan – Group Executive Director**

Mr. Patrick Kin Wah Chan, aged 48, joined the Group in 1988 and was appointed as Executive Director in 1990. He is now in charge of the manufacturing operations 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, an associate of The Professional Validation Council of Hong Kong Industries, Product Innovation Director of the Hong Kong Electrical Appliances Manufacturers Association. Save as disclosed herein, Mr. Chan 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. Chan 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 Share Options, Mr. Chan 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. Chan 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. Chan. 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. The director's remuneration payable to Mr. Chan as an 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, 2007, Mr. Chan received director's emoluments in the amount of approximately HK\$6,337,000.

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.

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

**Mr. Vincent Ting Kau Cheung – Non-executive Director**

Mr. Vincent Ting Kau Cheung, aged 66, was appointed as a Director in 1991. Mr. Cheung is a graduate in law from University College, London and has been a practicing solicitor since 1970. He is qualified to practice law in Hong Kong and the UK and is now a Consultant of Vincent T.K. Cheung, Yap & Co. Mr. Cheung is a non-executive director of Gold Peak Industries (Holdings) Limited, listed on the Stock Exchange. 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.

As at the Latest Practicable Date, Mr. Cheung had personal interests of 1,920,000 Shares. Such interests are required to be notified to the Stock Exchange pursuant to Part XV of the SFO. Other than these Shares, 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.

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. The director's remuneration payable to Mr. Cheung as a 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 Company's performance. For the year ended December 31, 2007, Mr. Cheung received director's emoluments in the amount of approximately HK\$470,000.

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.

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

**Mr. Joel Arthur Schleicher – Independent Non-executive Director**

Mr. Joel Arthur Schleicher, aged 56, was appointed as an Independent Non-executive Director in 1998. He has 28 years of management experience in the manufacturing and technology/telecom services sectors.

Mr. Schleicher is the Founder, Chairman and CEO of Presidio, Inc., one of the largest implementers of advanced IT infrastructure solutions in the United States. Since 1989, he has worked with private equity firms as a consultant, advisor, board member and held portfolio management roles including as Chairman and CEO for Interpath Communications, Inc.; CEO of Expanets, Inc. and President and COO for Nextel Communications, Inc. He currently, or in the past, has served on the board of directors of various North American domestic and international companies. Save as disclosed herein, Mr. Schleicher 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. Schleicher had personal interests of 100,000 Shares, family interests of 60,000 Shares, and personal interests in Share Options to subscribe for 300,000 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. Schleicher 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. Schleicher 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. Schleicher. 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. The director's remuneration payable to Mr. Schleicher 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 Company's performance. For the year ended December 31, 2007, Mr. Schleicher received director's emoluments in the amount of approximately HK\$636,000.

Save for the information disclosed above, the Board and Mr. Schleicher 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.

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

#### **Mr. Joseph Galli, Jr. – Chief Executive Officer and Executive Director**

Mr. Joseph Galli, Jr., aged 50, joined the Group in 2006 as the Chief Executive Officer of Techtronic Appliances and was appointed as Chief Executive Officer and Executive Director of the Company with effect from February 1, 2008. He is responsible for integrating acquisitions in North America and Europe, and enhancing the global sales potential of the Group's strong brand portfolio. He is also responsible for leading the management team in the Group's daily operation.

Mr. Galli 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. Mr. Galli joined Black & Decker in 1980 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. Save as disclosed herein, Mr. Galli 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. Galli had personal interests of 814,500 Shares and had personal interests in Share Options to subscribe for 2,500,000 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, and the Restricted Shares (as defined below), Mr. Galli does not have any other interest (within the meaning of Part XV of the SFO) in the Shares, and, 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.

Mr. Galli has entered into a service contract with the Company (the “**Service Contract**”) in respect of his capacity as Chief Executive Officer of the Company which has an initial fixed term from February 1, 2008 up to January 31, 2011 or such longer period as the Company may at its sole discretion determine (upon the recommendation of the Chairman and Board approval) thereunder, and which may thereafter be terminated by either Mr. Galli or the Company by giving six months’ prior written notice. He currently receives a basic annual salary of US\$1,200,000 (equivalent to approximately HK\$9,360,000) under the Service Contract, subject to review by the Company from time to time, and shall be entitled to (i) performance-related annual bonus payments subject to review by the Chairman and to Board approval and (ii) performance-related restricted share awards 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 January 9, 2008 (the “**Restricted Shares**”). The maximum number of the Restricted Shares (subject to satisfaction of performance criteria) which will vest in Mr. Galli for the financial year ended December 31, 2008 shall be 4,290,000 Shares, which as at the Latest Practicable Date constitutes approximately 0.29% of the issued Shares, where further award of the Restricted Shares for any financial year after December 31, 2008 shall be subject to the absolute discretion of the Chairman upon consultation with the Board. Mr. Galli currently also receives 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 its 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 with reference to his qualifications, experience and responsibilities, the levels of emolument of other senior executives of the Company and prevailing market conditions.

Save for the information disclosed above, the Board and Mr. Galli 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.

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

**Mr. Peter David Sullivan – Independent Non-executive Director**

Mr. Peter David Sullivan, aged 60, was appointed as Independent Non-executive Director with effect from February 1, 2008. He was an Executive Director and Chief Executive Officer of Standard Chartered Bank (Hong Kong) Limited. Mr. Sullivan holds a Bachelor of Science Degree (Physical Education) from the University of New South Wales. He held governance responsibility for franchises of the Standard Chartered Group in Japan, Australia, the Philippines and Bohai Bank in Tianjin, China. Mr. Sullivan also held a number of other major appointments, including 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 Latest Practicable Date.

As at the Latest Practicable Date, Mr. Sullivan does not have any other interest (within the meaning of Part XV of the SFO) in the Shares, and, 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.

There is no service contract between the Company and Mr. Sullivan. 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. Mr. Sullivan will receive from the Company a fee of at least HK\$250,000 per annum as emolument for being an Independent Non-executive Director and at least a fee of HK\$30,000 per annum as emolument for being a member of the Company's remuneration committee, subject to the number of Board meetings and remuneration committee meetings held during the year.

Save for the information disclosed above, the Board and Mr. Sullivan 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.

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)**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the shareholders of the Company will be held at Nathan Room, Lower Lobby, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on May 30, 2008 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, 2007.
2. To declare a final dividend of HK1.50 cents per share to shareholders whose names appear on the Register of Members of the Company on May 30, 2008.
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 HK\$0.10 each in the share capital 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 repurchase shares of HK\$0.10 each in the share capital 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 purchased 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.”

By Order of the Board  
**Frank Chi Chung Chan**  
*Company Secretary*

Hong Kong  
May 7, 2008

**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. The register of members of the Company will be closed from May 28, 2008 to May 30, 2008 both days inclusive, during which period 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 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on May 27, 2008.
5. The Directors standing for re-election under Resolution No. 3 are Mr. Horst Julius Pudwill, Mr. Patrick Kin Wah Chan, Mr. Vincent Ting Kau Cheung, Mr. Joel Arthur Schleicher, Mr. Joseph Galli, Jr. and Mr. Peter David Sullivan.
6. A circular containing the information regarding, inter alia, the Directors proposed to be re-elected, the general mandate to issue new shares and the mandate to repurchase shares of the Company has been sent to the members of the Company.

*As at the Latest Practicable Date, the Board comprised six Group Executive Directors, namely, Mr. Horst Julius Pudwill (Chairman), Dr. Roy Chi Ping Chung JP (Vice 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, Mr. Vincent Ting Kau Cheung and four Independent Non-executive Directors, namely, Mr. Joel Arthur Schleicher, Mr. Christopher Patrick Langley OBE, Mr. Manfred Kuhlmann and Mr. Peter David Sullivan.*

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