



Techtronic Industries Co. Ltd.

(Incorporated in Hong Kong with limited liability)

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the shareholders of the Company will be held at Taishan Room, 5th Floor, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong, on 28th May, 2004 at 9:30 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 31st December, 2003.
- (2) To declare a Final Dividend of HK17.75 cents per share to shareholders whose names appear on the Register of Members of the Company on 18th June, 2004.
- (3) To re-elect retiring Directors and fix the Directors' remuneration.
- (4) To appoint Auditors and fix their remuneration.

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

ORDINARY RESOLUTIONS

- (5) "THAT the authorised capital of the Company be increased from HK\$160,000,000 to HK\$240,000,000 by the creation of 400,000,000 shares of HK\$0.20 each ranking pari passu in all respects with the shares in the original capital of the Company."
- (6) "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 in the 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 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 option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries, 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 Stock Exchange’s (as hereinafter defined) daily quotations sheet 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.”

(7) “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 in the 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.”

- (8) “THAT, conditional upon the passing of the ordinary resolutions numbered 6 and 7 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 7 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 6.”

SPECIAL RESOLUTION

- (9) “THAT the articles of association of the Company be hereby amended in the following manner:
- (a) by deleting the existing definition of “Hong Kong” under Article 2 and replacing with the following new definition of “Hong Kong”:

“Hong Kong” shall mean the Hong Kong Special Administrative Region of the People’s Republic of China;
 - (b) by deleting the existing definition of “writing” or “printing” under Article 2 and replacing with the following new definition of “writing” or “printing”:

“writing” or “printing” shall include any method of representing or reproducing words in legible and non-transitory form including by way of electronic communication;
 - (c) by deleting the existing definition of “associate” under Article 2 and replacing with the following new definition of “associate”:

“associate” shall have the meaning ascribed thereto in the Listing Rules;
 - (d) by deleting the words “the Chief Secretary” in the definition of “newspaper” under Article 2 and replacing with the words “the Chief Secretary for Administration”.
 - (e) by adding the following definitions immediately after the definition of “clearing house” in Article 2 and adding the words “business day”, “electronic communication”, “entitled person”, “Listing Rules”, “relevant financial documents” and “summary financial report” as marginal notes to these definitions respectively:

“business day” shall mean any day on which the Stock Exchange is open for the business of dealing in securities;

“electronic communication” shall mean a communication sent by electronic transmission in any form through any medium;

“entitled person” shall mean an “entitled person” as defined in section 2(1) of the Companies Ordinance;

“Listing Rules” shall mean The Rules Governing the Listing of Securities on the Stock Exchange;

“relevant financial documents” shall mean “relevant financial documents” as defined in section 2(1) of the Companies Ordinance;

“summary financial report” shall mean “summary financial report” as defined in section 2(1) of the Companies Ordinance.

- (f) by adding the following paragraphs at the end of Article 2 and adding the words “References to a document being executed” and “References to a day and times” as marginal notes to these paragraphs respectively:

“References to a document being executed include references to its being executed (i) under hand or under seal or (ii) to the extent permitted by and in accordance with any applicable law, by electronic signature or any other method. References to a document include, to the extent permitted by and in accordance with applicable law, references to any information recorded in visible form whether having physical substance or not. References to an address include, in relation to electronic communications, any number or address used for the purposes of such communications.”

“References to a day mean a period of 24 hours running from midnight to midnight. References to times (including in the previous sentence) are to Hong Kong time.”

- (g) by deleting the words “twenty-one days” in line 2 of Article 16 and replacing with the words “ten business days”.
- (h) by deleting the words “of \$2 (or such higher amount as may from time to time be permitted under the rules prescribed by the Stock Exchange)” in lines 6 and 7 of Article 16 and replacing with the words “of such amount as may from time to time be permitted under the rules prescribed by the Stock Exchange”.
- (i) by deleting the words “\$2.00 (or such higher amount as may from time to time be permitted under the rules prescribed by the Stock Exchange)” in lines 2 and 3 of Article 20 and replacing with the words “such amount as may from time to time be permitted under the rules prescribed by the Stock Exchange”.
- (j) by deleting the words “of \$2.00 (or such higher amount as may from time to time be permitted under the rules prescribed by the Stock Exchange)” in Article 40(i) and replacing with the words “of such amount as may from time to time be permitted under the rules prescribed by the Stock Exchange”.
- (k) by adding a new Article 67A immediately after Article 67 and adding the words “Rearranged meeting” as a marginal note to Article 67A:

“67A. If the Board considers that it is impractical or undesirable for any reason to hold a general meeting on the date or at the time or place specified in the notice calling the general meeting, it may postpone or move the general meeting to another date, time and/or place. The Board shall take reasonable steps to ensure that notice of the date, time and place of the rearranged meeting is given to any member trying to attend the meeting at the original time and place. Notice of the date, time and place of the rearranged meeting shall, if practicable, also be placed in at least one English language newspaper and one Chinese language newspaper in Hong Kong. Notice of the business to be transacted at such rearranged meeting shall not be required. If a meeting is rearranged in this way, the appointment of a proxy will be valid if it is received as required by these Articles not less than 48 hours before the time appointed for holding the rearranged meeting. The Board may also postpone or move the rearranged meeting under this Article.”

- (l) by adding a new Article 84A immediately after Article 84 and adding the words “Votes cast in contravention of the Listing Rules” as a marginal note to Article 84A:

“84A. Where any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.”

- (m) by adding a new Article 95(E) immediately after Article 95(D) and adding the words “Directors not vicariously liable for acts of alternate Director” as a marginal note to Article 95(E):

“95. (E) A Director who has appointed a person (including another Director) to be his alternate Director shall not be vicariously liable for any tort committed by the alternate Director while acting in the capacity of alternate Director.”

- (n) by deleting the existing paragraph (G) of Article 102 and replacing with the following new paragraph (G):

“(G) Save as otherwise provided by the Articles, a Director shall not vote on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his associates has a material interest nor shall he be counted in the quorum present at the meeting, but this prohibition shall not apply to any of the following matters namely:

- (i) the giving of any security or indemnity either:
 - (a) to the Director or his associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or
 - (b) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (ii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or other company which the Company may promote or be interested in for subscription or purchase where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (iii) any proposal concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director or his associate(s) is/are beneficially interested in shares of that company, provided that the Director and any of his associates are not in aggregate beneficially interested in 5% or more of the issued shares of any class of such company (or of any third company through which his interest or that of his associates is derived) or of the voting rights;

- (iv) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:
 - (a) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or his associate(s) may benefit; or
 - (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to Directors, his associate(s) and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
- (v) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.”
- (o) by deleting the words “at least seven days before the date of the general meeting” in Article 107 and replacing with the words “in the period commencing no earlier than the day after the despatch of the notice of the meeting appointed for such election and ending no later than seven days prior to the date of such meeting, provided that such period shall be at least seven days”.
- (p) by deleting the last sentence of Article 125 and replacing with the following new sentence:

“A Director shall be deemed to be present in person at a meeting and will be entitled to vote and be counted in the quorum if he participates by telephone or any communication equipment or electronic means which allows all persons participating in the meeting to speak to and hear each other. Such meeting will be treated as taking place where most of the participants are or where the chairman of the meeting is if no more than one participant is in each place or if there are two or more places where most of the participants are.”
- (q) by deleting the existing Article 167 and replacing with the following new Article 167:

“167. (A) The Board shall from time to time in accordance with the provisions of the Companies Ordinance cause to be prepared and laid before the Company at its annual general meeting the relevant financial documents.

(B) The Company shall, subject to paragraph (C) below, send to every entitled person a copy of the relevant financial documents or (subject to compliance with applicable law) of the summary financial report, in each case not less than twenty-one days before the date of the general meeting before which the relevant financial documents shall be laid.

(C) Where, in accordance with applicable law, any entitled person (in this paragraph a “Consenting Person”) has agreed or is deemed to have agreed to treat the publication of any relevant financial documents and/or any summary financial report (as the case may be) on a computer network (including the Company’s website) or the publication or distribution of any relevant financial documents and/or any summary financial report (as the case may be) in any other manner, including by way of any other form of electronic communication, as discharging the Company’s obligation under paragraph (B) to send a copy of the relevant financial documents and/or the summary financial report (as the case may be) to such person, then the publication by the Company on a computer network (including the Company’s website) of the relevant financial documents and/or the summary financial report (as the case may be) not less than twenty-one days before the date of the relevant general meeting or the publication or distribution by the Company of the relevant financial documents and/or the summary financial report (as the case may be) in such other manner for such period or on or before such date as is permitted under applicable law shall, in relation to that Consenting Person, be deemed to discharge the Company’s obligations under paragraph (B).”

(r) by deleting the existing Article 171 and replacing with the following new Article 171:

“171. Any notice or document to be given or issued by or on behalf of the Company to any entitled person under these Articles or any laws, rules, or regulations (including any “corporate communication” within the meaning ascribed thereto in the Listing Rules) shall be in writing and may, subject to and to the extent permitted by and in accordance with applicable law, be served on or sent or delivered to any member or other entitled person by the Company:

- (i) personally;
- (ii) by sending it through the post in a properly prepaid letter, envelope or wrapper addressed to a member at his registered address as appearing in the register (or in the case of any other entitled person, to such address as he may provide to the Company for that purpose);
- (iii) by delivering it to or leaving it at such address as aforesaid;
- (iv) by publishing it by way of advertisement in one or more newspapers;
- (v) by sending it as an electronic communication to the entitled person concerned at such address as he may provided to the Company in writing for that purpose;
- (vi) by publishing it on a computer network (including the Company’s website); or
- (vii) by any other means authorised in writing by the entitled person concerned.”

(s) by deleting the existing Article 173 and replacing with the following new Article 173:

“173. Any notice or document (including any “corporate communication” within the meaning ascribed thereto in the Listing Rules) given or issued by or on behalf of the Company:

- (i) if sent by post, shall be deemed to have been served or delivered on the day following that on which the envelope or wrapper containing the same was put in the post, and in proving such service or delivery it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly addressed and put into the post with the postage prepaid (airmail if posted from Hong Kong to an address outside Hong Kong);

- (ii) if not sent by post but left by the Company at the registered address of a member or at the address (other than an address for the purposes of electronic communications) notified to the Company in accordance with these Articles by an entitled person not being a member, shall be deemed to have been served or delivered on the day it was so left;
 - (iii) if sent as an electronic communication, shall be deemed to have been served on the day following that on which it was sent and proof that the address provided by the entitled person concerned to the Company in writing for the purposes of electronic communications was used for sending the electronic communication containing the notice or document shall be conclusive evidence that the notice or document was served or delivered;
 - (iv) if published on a computer network (including the Company's website), shall be deemed to have been served on the day on which the notice of such publication is served on or delivered to the entitled person concerned or where no notice of such publication is required by law to be served on or delivered to the entitled person concerned, the day on which the notice or document first appears on the computer network concerned; and
 - (v) if served, sent or delivered by any other means authorised in writing by the entitled person concerned, shall be deemed to have been served, received, or delivered when the Company has carried out the action it has been authorised to take for that purpose.”
- (t) by deleting the existing Article 174 and replacing with the following new Article 174:
- “174. A notice or document may be given by or on behalf of the Company to the person entitled to a share in consequence of the death, mental disorder or bankruptcy of a member in such manner as provided in Article 171 in which the same might have been given if the death, mental disorder or bankruptcy had not occurred.”
- (u) by deleting the words “by post to, or left at the registered address of, any member, in pursuance of these present” in lines 1 and 2 of Article 176 and replacing with the words “to any member in such manner as provided in Article 171”.
- (v) by deleting the existing Article 177 and replacing with the following new Article 177:
- “177. (A) The signature to any notice or document by the Company may be written, printed or, to the extent permitted by and in accordance with applicable law, made electronically.
- (B) To the extent permitted by and in accordance with applicable law, any notice or document, including but not limited to the documents referred to in Article 167 and any “corporate communication” within the meaning ascribed thereto in the Listing Rules, may be given by the Company in the English language only, in the Chinese language only or in both the English language and the Chinese language.”
- (w) by deleting the existing Article 183 and replacing with the following new Article 183:
- “183. (A) Every Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, and no Director or other officer shall be liable for any loss or damages which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto, provided that this Article shall only have effect in so far as its provisions are not avoided by the Companies Ordinance.

- (B) The Company may indemnify any Director or other officer of the Company, against any liability incurred by him:
- (i) in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted; or
 - (ii) in connection with any application under Section 358 of the Companies Ordinance in which relief is granted to him by the court.
- (C) The Company may purchase and maintain for any Director or officer of the Company:
- (i) insurance against any liability to the Company, a related company or any other part in respect of any negligence, default, breach of duty or breach of trust (save as fraud) of which he may be guilty in relation to the Company or a related company; and
 - (ii) insurance against any liability incurred by him in defending any proceedings, whether civil or criminal, taken against him for any negligence, default, breach of duty or breach of trust (including fraud) of which he may be guilty in relation to the Company or a related company.
- (D) In this Article, “related company”, in relation to the Company, means any company that is the Company’s subsidiary or holding company or a subsidiary of the Company’s holding company.”

By Order of the Board
Chi Chung Chan
Company Secretary

Hong Kong
7th April, 2004

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 less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. The register of members of the Company will be closed from 14th June, 2004 to 18th June, 2004 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, Secretaries Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration not later than 4:00 p.m. on 11th June, 2004.
4. The retiring Directors standing for re-election under item 3 are Roy Chi Ping Chung, Kin Wah Chan and Joel Arthur Schleicher.
5. As regards item 5, the directors of the Company have no present intention to issue any part of the increased share capital.
6. An explanatory statement containing further details regarding item 7 will be sent to the shareholders of the Company together with the annual report of the Company for the year ended 31st December, 2003.

7. The Companies (Amendment) Ordinance 2003 (the “Amendment Ordinance”) has come into operation on 13th February, 2004 and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) has announced amendments to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) which include, among other things, amendments to Appendix 3 to the Listing Rules that have come into effect on 31st March, 2004. Appendix 3 to the Listing Rules sets out the provisions which the articles of association of a listed company should conform.

In order to make the Company’s New Articles of Association consistent with the Amendment Ordinance and the amended Appendix 3 to the Listing Rules, a special resolution to amend the various articles in the Company’s New Articles of Association is proposed under item 9.