

Corporate Governance and Other Information

Directors' and Chief Executive's Interests

As at June 30, 2012, the interests and short positions of the directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which have been notified to the Company pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such director or chief executive was taken or deemed to have under such provisions of the SFO) or as recorded in the register required to be kept under section 352 of the SFO or otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Listing Rules") and as adopted by the Company, were as follows:

Name of directors	Capacity/ Nature of interests	Interests in shares (other than pursuant to equity derivatives) ⁽¹⁾	Interests in underlying shares pursuant to equity derivatives ⁽¹⁾	Total interests in shares/ underlying shares	Approximate aggregate percentage of interests
Mr Horst Julius Pudwill	Beneficial owner	145,361,000	1,770,000	401,050,794	22.01%
	Interests of spouse	760,000	—		
	Interests of controlled corporation	253,159,794 ⁽²⁾	—		
Mr Joseph Galli Jr	Beneficial owner	849,500	1,000,000	1,849,500	0.10%
Mr Kin Wah Chan	Beneficial owner	—	1,000,000	1,000,000	0.05%
Mr Chi Chung Chan	Beneficial owner	—	1,000,000	1,000,000	0.05%
Mr Stephan Horst Pudwill	Beneficial owner	4,509,500	2,000,000	6,509,500	0.36%
Prof Roy Chi Ping Chung BBS JP	Beneficial owner	56,405,948	600,000	94,216,978	5.17%
	Interests of spouse	136,000	—		
	Interests of controlled corporation	37,075,030 ⁽³⁾	—		
Mr Joel Arthur Schleicher	Beneficial owner	107,000	850,000	1,017,000	0.06%
	Interests of spouse	—	60,000 ⁽¹⁾		
Mr Christopher Patrick Langley OBE	Beneficial owner	900,000	850,000	1,750,000	0.10%
Mr Manfred Kuhlmann	Beneficial owner	—	850,000	850,000	0.05%
Mr Peter David Sullivan	Beneficial owner	—	850,000	850,000	0.05%
Mr Vincent Ting Kau Cheung	Beneficial owner	1,920,000	850,000	2,770,000	0.15%

Directors' and Chief Executive's Interests *(continued)*

Notes:

- (1) Interests in shares and underlying shares stated above represent long positions of the Company.

The interests of the directors of the Company in the underlying shares pursuant to equity derivatives, which were held as beneficial owner, represent share options granted to them respectively pursuant to the share option schemes adopted by the Company, details of which are separately disclosed in the section headed "Share Options" below. These share options are physically settled and unlisted.

The interests of the spouse of Mr Joel Arthur Schleicher in the underlying shares pursuant to listed equity derivatives represent an interest in 60,000 underlying shares held in the form of 12,000 American Depositary Receipts, each representing 5 shares of the Company.

- (2) These shares were held by the following companies in which Mr Horst Julius Pudwill has a beneficial interest:

	No. of shares
Sunning Inc.	216,084,764
Cordless Industries Company Limited *	37,075,030
	253,159,794

- (3) These shares were held by Cordless Industries Company Limited* in which Prof Roy Chi Ping Chung BBS JP has a beneficial interest.

* Cordless Industries Company Limited is owned as to 70% by Mr Horst Julius Pudwill and as to 30% by Prof Roy Chi Ping Chung BBS JP.

Save as disclosed above, none of the directors and the chief executive of the Company was interested or had any short position in any shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as at June 30, 2012.

Share Options

The following table discloses movements in the Company's share options during the six months period ended June 30, 2012:

Share option holders	Date of share options granted	Share option scheme category ⁽¹⁾	Outstanding at beginning of the period	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding at end of the period	Subscription price HKD	Exercise period
Directors									
Mr Horst Julius Pudwill	16.11.2009	D	600,000	—	—	—	600,000	6.770	16.11.2009 - 15.11.2019
	26.11.2010	D	600,000	—	—	—	600,000	8.310	26.11.2010 - 25.11.2020
	21.5.2012	D	—	570,000	—	—	570,000	8.742	21.5.2012 - 20.5.2022
Mr Joseph Galli Jr	6.3.2007	C	1,000,000	—	—	(1,000,000)	—	10.572	6.3.2007 - 5.3.2012
	16.11.2009	D	1,000,000	—	—	—	1,000,000	6.770	16.11.2009 - 15.11.2019
Mr Kin Wah Chan	16.11.2009	D	1,000,000	—	—	—	1,000,000	6.770	16.11.2009 - 15.11.2019
Mr Chi Chung Chan	16.11.2009	D	1,000,000	—	—	—	1,000,000	6.770	16.11.2009 - 15.11.2019
Mr Stephan Horst Pudwill	16.11.2009	D	1,000,000	—	—	—	1,000,000	6.770	16.11.2009 - 15.11.2019
	21.5.2012	D	—	1,000,000	—	—	1,000,000	8.742	21.5.2012 - 20.5.2022
Prof Roy Chi Ping Chung BBS JP	16.11.2009	D	600,000	—	—	—	600,000	6.770	16.11.2009 - 15.11.2019
Mr Joel Arthur Schleicher	16.11.2009	D	400,000	—	—	—	400,000	6.770	16.11.2009 - 15.11.2019
	23.5.2011	D	200,000	—	—	—	200,000	9.872	23.5.2011 - 22.5.2021
	21.5.2012	D	—	250,000	—	—	250,000	8.742	21.5.2012 - 20.5.2022
Mr Christopher Patrick Langley OBE	16.11.2009	D	400,000	—	—	—	400,000	6.770	16.11.2009 - 15.11.2019
	23.5.2011	D	200,000	—	—	—	200,000	9.872	23.5.2011 - 22.5.2021
	21.5.2012	D	—	250,000	—	—	250,000	8.742	21.5.2012 - 20.5.2022
Mr Manfred Kuhlmann	16.11.2009	D	400,000	—	—	—	400,000	6.770	16.11.2009 - 15.11.2019
	23.5.2011	D	200,000	—	—	—	200,000	9.872	23.5.2011 - 22.5.2021
	21.5.2012	D	—	250,000	—	—	250,000	8.742	21.5.2012 - 20.5.2022
Mr Peter David Sullivan	16.11.2009	D	400,000	—	—	—	400,000	6.770	16.11.2009 - 15.11.2019
	23.5.2011	D	200,000	—	—	—	200,000	9.872	23.5.2011 - 22.5.2021
	21.5.2012	D	—	250,000	—	—	250,000	8.742	21.5.2012 - 20.5.2022
Mr Vincent Ting Kau Cheung	16.11.2009	D	400,000	—	—	—	400,000	6.770	16.11.2009 - 15.11.2019
	23.5.2011	D	200,000	—	—	—	200,000	9.872	23.5.2011 - 22.5.2021
	21.5.2012	D	—	250,000	—	—	250,000	8.742	21.5.2012 - 20.5.2022
Total for directors			9,800,000	2,820,000	—	(1,000,000)	11,620,000		

Share Options (continued)

Share option holders	Date of share options granted	Share option scheme category ⁽¹⁾	Outstanding at beginning of the period	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding at end of the period	Subscription price HKD	Exercise period
Employees	1.1.2007	C	150,000	—	—	(150,000)	—	10.080	1.1.2007 - 31.12.2011
	6.3.2007	C	4,325,000	—	—	(4,325,000)	—	10.572	6.3.2007 - 5.3.2012
	20.7.2007	D	200,000	—	—	—	200,000	10.060	20.7.2007 - 19.7.2017
	24.8.2007	D	2,060,000	—	(100,000)	—	1,960,000	8.390	24.8.2007 - 23.8.2017
	16.10.2007	D	75,000	—	—	—	75,000	8.810	16.10.2007 - 15.10.2017
	7.11.2007	D	40,000	—	—	—	40,000	8.088	7.11.2007 - 6.11.2017
	23.11.2007	D	500,000	—	—	—	500,000	7.578	23.11.2007 - 22.11.2017
	14.1.2008	D	970,000	—	—	(100,000)	870,000	7.566	14.1.2008 - 13.1.2018
	17.4.2008	D	1,575,000	—	—	(300,000)	1,275,000	7.780	17.4.2008 - 16.4.2018
	14.5.2008	D	40,000	—	—	—	40,000	7.500	14.5.2008 - 13.5.2018
	30.5.2008	D	490,000	—	—	(40,000)	450,000	7.546	30.5.2008 - 29.5.2018
	1.9.2008	D	150,000	—	—	—	150,000	7.450	1.9.2008 - 31.8.2018
	11.9.2008	D	50,000	—	—	—	50,000	7.430	11.9.2008 - 10.9.2018
	2.10.2008	D	75,000	—	—	—	75,000	7.068	2.10.2008 - 1.10.2018
	1.12.2008	D	100,000	—	—	—	100,000	2.340	1.12.2008 - 30.11.2018
	16.11.2009	D	7,080,000	—	(120,000)	(50,000)	6,910,000	6.770	16.11.2009 - 15.11.2019
	7.12.2009	D	100,000	—	—	—	100,000	6.790	7.12.2009 - 6.12.2019
	21.12.2009	D	225,000	—	(25,000)	(100,000)	100,000	6.350	21.12.2009 - 20.12.2019
	28.12.2009	D	30,000	—	—	—	30,000	6.390	28.12.2009 - 27.12.2019
	13.9.2010	D	1,050,000	—	(150,000)	—	900,000	7.390	13.9.2010 - 12.9.2020
17.1.2011	D	20,000	—	—	—	20,000	10.436	17.1.2011 - 16.1.2021	
16.12.2011	D	100,000	—	—	—	100,000	7.530	16.12.2011 - 15.12.2021	
Total for employees			19,405,000	—	(395,000)	(5,065,000)	13,945,000		
Total for all categories			29,205,000	2,820,000	(395,000)	(6,065,000)	25,565,000		

Notes:

- (1) Scheme C is the share option scheme adopted by the Company on March 28, 2002 and has expired on March 27, 2007. The Company adopted Scheme D on May 29, 2007.
- (2) No option was cancelled during the period.
- (3) The weighted average closing price of the Company's shares immediately before various dates on which the share options were exercised was HKD9.14.

(4) The following significant assumptions were used to derive the fair values using the Black-Scholes option pricing model:

Date of grant	Exercise price HKD	Expected life of share options	Expected volatility based on historical volatility of share prices	Hong Kong Exchange Fund Notes rate	Expected annual dividend yield
For the period ended June 30, 2012 21.5.2012	8.742	3 years	41%	0.298%	1.5%

The share options are vested in whole or in parts over 3 years from the date of grant.

For the purposes of the calculation of fair value, no adjustment has been made in respect of share options expected to be forfeited due to lack of historical data.

The Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share price. Because changes in subjective input assumptions can materially affect the fair value estimate, in the directors' opinion, the existing model does not necessarily provide a reliable single measure of the fair value of the share options.

The closing price of the Company's shares on the date of grant was HKD8.57 per option.

Expected volatility was determined by using the historical volatility of the Company's share price over the previous 3 years. The expected life used in the model has been adjusted, based on management's best estimated, for the effects of non transferability, exercise restrictions and behavioural considerations.

The Group recognised a total expense of USD226,000 for the six months period ended June 30, 2012 in relation to share options granted by the Company.

The fair value of the share options granted in the period was HKD2.11 per option.

Arrangements to Purchase Shares or Debentures

Other than as disclosed above, at no time during the period was the Company, or any of its subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and neither the directors or the chief executive, nor any of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

Substantial Shareholders' Interests

As at June 30, 2012, the interests and short positions of the following persons, other than directors and chief executive of the Company, in the shares, underlying shares and debentures of the Company which have been disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO have been recorded in the register kept by the Company pursuant to section 336 of the SFO:

Name	Total interests in shares (L/ S/ LP)*	Approximate aggregate percentage of interests
JPMorgan Chase & Co. ⁽¹⁾	147,648,536 (L)	8.10%
	4,350,500 (S)	0.24%
	141,891,635 (LP)	7.79%

* (L/S/LP) represents (Long position/Short position/Lending pool)

Note:

(1) The following is a breakdown of the interests in shares in the Company held by JPMorgan Chase & Co.:

Name	Remarks	Total interests in shares				Approximate percentage of interests
		Direct Interests	(L/S)	Deemed interests	(L/S/LP)	
JPMorgan Chase & Co.	(1a)	—	—	147,648,536	(L)	8.10%
		—	—	4,350,500	(S)	0.24%
		—	—	141,891,635	(LP)	7.79%
JPMorgan Chase Bank, N.A.	(1b)	141,891,635	(L)	4,727,901	(L)	8.05%
		—	—	4,150,000	(S)	0.23%
J.P. Morgan Securities Ltd.	(1b)	4,205,500	(L)	—	—	0.23%
		3,650,000	(S)	—	—	0.20%
J.P. Morgan Chase International Holdings	(1b)	—	—	4,205,500	(L)	0.23%
		—	—	3,650,000	(S)	0.20%
J.P. Morgan Chase (UK) Holdings Limited	(1b)	—	—	4,205,500	(L)	0.23%
		—	—	3,650,000	(S)	0.20%
J.P. Morgan Capital Holdings Limited	(1b)	—	—	4,205,500	(L)	0.23%
		—	—	3,650,000	(S)	0.20%
J.P. Morgan International Finance Limited	(1b)	—	—	4,227,901	(L)	0.23%
		—	—	3,650,000	(S)	0.20%
Bank One International Holdings Corporation	(1b)	—	—	4,227,901	(L)	0.23%
		—	—	3,650,000	(S)	0.20%
J.P. Morgan International Inc.	(1b)	—	—	4,227,901	(L)	0.23%
		—	—	3,650,000	(S)	0.20%
JF Asset Management Limited	(1b)	622,500	(L)	—	—	0.03%
JPMorgan Asset Management (Asia) Inc.	(1b)	—	—	828,500	(L)	0.05%
JPMorgan Asset Management Holdings Inc.	(1b)	—	—	828,500	(L)	0.05%
J.P. Morgan Whitefriars Inc.	(1b)	22,401	(L)	—	—	0.00%
J.P. Morgan Overseas Capital Corporation	(1b)	—	—	22,401	(L)	0.00%
J.P. Morgan Markets Limited	(1b)	200,500	(L)	—	—	0.01%
		200,500	(S)	—	—	0.01%
Bear Stearns Holdings Limited	(1b)	—	—	200,500	(L)	0.01%
		—	—	200,500	(S)	0.01%
Bear Stearns UK Holdings Limited	(1b)	—	—	200,500	(L)	0.01%
		—	—	200,500	(S)	0.01%
The Bear Stearns Companies LLC	(1b)	—	—	200,500	(L)	0.01%
		—	—	200,500	(S)	0.01%
JPMorgan Chase Bank, N.A. - London Branch	(1b)	500,000	(L)	—	—	0.03%
		500,000	(S)	—	—	0.03%
JPMorgan Asset Management (Taiwan) Limited	(1b)	206,000	(L)	—	—	0.01%

Substantial Shareholders' Interests *(continued)*

Note: *(continued)*

Remarks:

- (1a) JPMorgan Chase & Co. is listed on New York Stock Exchange. The capacity of JPMorgan Chase & Co. in holding the 147,648,536 shares of long position, 4,350,500 shares of short position and 141,891,635 shares of lending pool respectively was as controlled corporation.
- (1b) JPMorgan Chase Bank, N.A., J.P. Morgan Securities Ltd., J.P. Morgan Chase International Holdings, J.P. Morgan Chase (UK) Holdings Limited, J.P. Morgan Capital Holdings Limited, J.P. Morgan International Finance Limited, Bank One International Holdings Corporation, J.P. Morgan International Inc., JF Asset Management Limited, JPMorgan Asset Management (Asia) Inc., JPMorgan Asset Management Holdings Inc., J.P. Morgan Whitefriars Inc., J.P. Morgan Overseas Capital Corporation, J.P. Morgan Markets Limited, Bear Stearns Holdings Limited, Bear Stearns UK Holdings Limited, The Bear Stearns Companies LLC, JPMorgan Chase Bank, N.A. - London Branch and JPMorgan Asset Management (Taiwan) Limited were all direct or indirect owned by JPMorgan Chase & Co. and by virtue of the SFO, JPMorgan Chase & Co. was deemed to be interested in the shares held by these subsidiaries.

Save as disclosed, no other person was interested in or had a short position in the shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of the Part XV of the SFO as at June 30, 2012.

Compliance with the Corporate Governance Code of the Listing Rules

The Company has complied with all the code provisions of the Code on Corporate Governance Practices (effective until March 31, 2012) and the Corporate Governance Code (effective from April 1, 2012) set out in Appendix 14 to the Listing Rules throughout the six months period ended June 30, 2012, except none of the Directors are appointed for a specific term since they are subject to retirement by rotation and re-election in accordance with the Articles of Association of the Company. Further, Mr Christopher Patrick Langley OBE (an Independent Non-executive Director) was unable to attend the annual general meeting of the Company held on May 18, 2012 as he had to attend another annual general meeting of which he is the chairman of the audit committee.

Compliance with the Model Code of the Listing Rules

The Board has adopted the provisions of the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules (the "Model Code"). The Company has made specific enquiries of the Directors regarding any non-compliance with the Model Code during the six months period ended June 30, 2012 and all of them confirmed that they have fully complied with the required standards as set out in the Model Code. The Board has also adopted another code of conduct on terms no less onerous than the Model Code that applies to securities transactions of all relevant employees who may be in possession of unpublished price sensitive information in relation to the Company (the "Code for Securities Transactions by Relevant Employees"). Both the Model Code and the Code for Securities Transactions by Relevant Employees have been published on the Company's website (www.ttigroup.com).

Change in Director's Emoluments

The basic director's fee for Non-executive Director and Independent Non-executive Directors has been changed from USD32,000 (HKD250,000) per annum to USD38,000 (HKD300,000) per annum.

Review of Accounts

Disclosure of financial information in this report complies with Appendix 16 of the Listing Rules. The Audit Committee has reviewed with the Company's external auditors, Deloitte Touche Tohmatsu, and the senior management of the Group this report, the accounting principles and practices adopted by the Group and the internal controls and financial reporting matters. The Board acknowledges its responsibility for the preparation of the accounts of the Group.

Directors' Interests in Contracts of Significance

No contract of significance, to which the Company, or any of its subsidiaries, was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the period or at any time during the period.

Purchase, Sales or Redemption of Securities

A total of 3,330,000 ordinary shares of HKD0.10 each in the Company were repurchased by the Company during the period at prices ranging from HKD7.93 to HKD9.85 per share. The aggregate amount paid by the Company for such repurchases amounting to USD3,870,000 was charged to the retained earnings.

The repurchased shares were cancelled and the issued share capital and the capital redemption reserve of the Company was reduced and increased respectively by the par value thereof.

The repurchase of the Company's shares during the period were effected by the Directors pursuant to the mandate from shareholders received at the previous annual general meeting, with a view to benefiting shareholders as a whole by enhancing the net asset value per share and earnings per share of the Company.

Except as disclosed above, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the period.

By order of the Board

Horst Julius Pudwill

Chairman

Hong Kong

August 16, 2012