

# Management's Discussion and Analysis

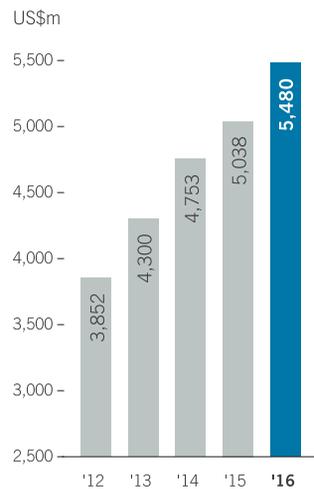
## Financial Review

### Financial Results

#### Result Analysis

##### Revenue

US\$ **5,480** million  
+8.8%

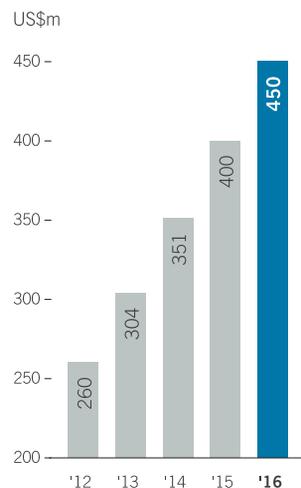


The Group's revenue for the year amounted to US\$5.5 billion, an increase of 8.8% as compared to US\$5.0 billion in 2015. Profit attributable to Owners of the Company amounted to US\$409 million as compared to US\$354 million in 2015, an increase of 15.4%. Basic earnings per share for the year improved to US22.32 cents as compared to US19.37 cents in 2015.

EBITDA amounted to US\$641 million, an increase of 12.5% as compared to US\$570 million in 2015.

##### EBIT

US\$ **450** million  
+12.6%

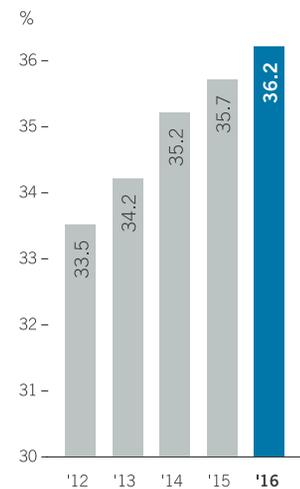


EBIT amounted to US\$450 million, an increase of 12.6% as compared to US\$400 million in 2015.

##### Gross Margin

##### Gross Profit Margin

**36.2%**  
+50 bps



Gross margin improved to 36.2% as compared to 35.7% last year. The margin improvement was the result of new product introduction, category expansion, improvements in operational efficiency and supply chain productivity.

##### Operating Expenses

Total operating expenses for the year amounted to US\$1,540 million as compared to US\$1,403 million in 2015, representing 28.1% of turnover (2015: 27.9%). The increase was mainly due to the strategic spent on advertising and promotion on new products.

Investments in product design and development amounted to US\$147 million, representing 2.7% of turnover (2015: 2.5%) reflecting our continuous strive for innovation. We will continue to invest to create breakthrough technology and deliver broad base end-user products and categories as these are most critical not only to maintain sales growth momentum but also margin expansions.

Net interest expenses for the year amounted to US\$10 million as compared to US\$13 million in 2015, a reduction of US\$3 million or 21.1%. Interest coverage, expressed as a multiple of EBITDA to total interest was 30.0 times (2015: 24.8 times).

The effective tax rate, being tax charged for the year to before tax profits was at 7.1% (2015: 8.5%). The Group will continue to leverage its global operations and fine-tune its tax plans to meet with tax rules changes in various jurisdictions to ensure the low effective tax rate is sustainable going forward.

## Liquidity and Financial Resources

### Shareholders' Funds

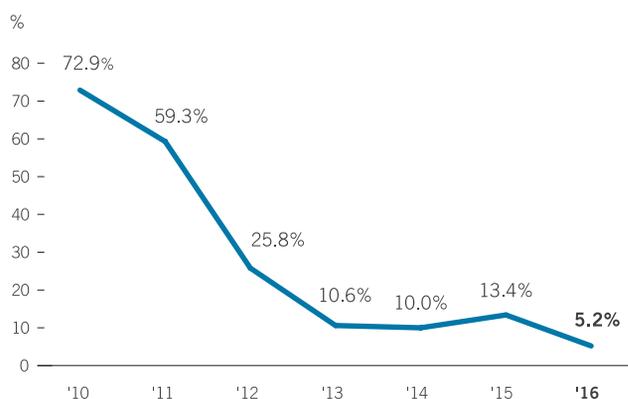
Total shareholders' funds amounted to US\$2.4 billion as compared to US\$2.2 billion in 2015. Book value per share was at US\$1.31 as compared to US\$1.18 last year, an increase of 11.0%.

### Financial Position

The Group continued to maintain a strong financial position. As at December 31, 2016, the Group's cash and cash equivalents amounted to US\$805 million (2015: US\$775 million), of which 53.9%, 21.9%, 10.1% and 14.1% were denominated in US\$, RMB, EUR and other currencies respectively.

### Gearing Ratio

**5.2%**



The Group's net gearing, expressed as a percentage of total net borrowing (excluding bank advance from factored trade receivables which are without recourse in nature) to equity attributable to Owners of the Company, was at 5.2% as compared to 13.4% last year. The gearing improvement is the result of very disciplined and focused management over working capital. The Group remains confident that gearing will remain low going forward.

### Bank Borrowings

Long term borrowings accounted for 52.8% of total debts (2015: 42.9%).

The Group's major borrowings continued to be in US Dollars and in HK Dollars. Borrowings are predominantly LIBOR or Hong Kong best lending rates based. There is a natural hedge mechanism in place as the Group's major revenues are in US Dollars and currency exposure therefore is low. Currency, interest rate exposures, and cash management functions are all being closely monitored and managed by the Group's treasury team.

### Working Capital

Total inventory was at US\$1,296 million as compared to US\$1,190 million in 2015. Days inventory maintained at 86 days. The higher inventory days as compared to past years was mainly due to the strategic decision to carry a higher level of inventory to support our service level, considering our high growth momentum. The Group will continue to focus in managing the inventory level and improve inventory turns.

Trade receivable turnover days were at 62 days as compared to 60 days last year. Excluding the gross up of the receivables factored which is without recourse in nature, receivable turnover days were at 57 days as compared to 55 days last year. The Group is comfortable with the quality of the receivables and will continue to exercise due care in managing the credit exposure.

Trade payable days were 89 days as compared to 84 days in 2015.

Working capital as a percentage of sales was at 16.4% as compared to 17.0% in 2015.

### Capital Expenditure

Total capital expenditures for the year amounted to US\$190 million (2015: US\$232 million).

### Capital Commitments and Contingent Liabilities

As at December 31, 2016, total capital commitments for the acquisition of property, plant and equipment contracted for but not provided amounted to US\$33 million (2015: US\$21 million), and there were no material contingent liabilities or off balance sheet obligations.

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### Charge

None of the Group's assets are charged or subject to encumbrance.

### Major Customers and Suppliers

For the year ended December 31, 2016

- (i) the Group's largest customer and five largest customers accounted for approximately 44.8% and 55.1% respectively of the Group's total revenue; and
- (ii) the Group's largest supplier and five largest suppliers accounted for approximately 5.3% and 18.0% respectively of the Group's total purchases (not including purchases of items which are of a capital nature).

As far as the Directors are aware, none of the Directors, their associates or any shareholders who owned more than 5% of TTI's share capital had any interest in the five largest customers or suppliers of the Group.

### Human Resources

The Group employed a total of 20,642 employees as at December 31, 2016 (2015: 20,517) in Hong Kong and overseas. Total staff cost for the year under review amounted to US\$807 million (2015: US\$727 million).

The Group regards human capital as vital for the Group's continuous growth and profitability and remains committed to improving the quality, competence and skills of all employees. It provides job-related training and leadership development programs throughout the organisation. The Group continues to offer competitive remuneration packages, discretionary share options and bonuses to eligible staff, based on the performance of the Group and the individual employee.

### Corporate Strategy and Business Model

The Group is a world-class leader in design, manufacturing and marketing of power tools, outdoor power equipment and floor care for consumers, professional and industrial users in the home improvement, infrastructure and construction industries. We are committed to implementing our long term strategic plan that focuses on "Powerful brands, Innovative Products, Operational Excellence and Exceptional People".

We continue to strengthen our portfolio of powerful brands with a focused marketing approach. Brands extension into new product categories and under-represented markets enable us to generate outstanding growth. Geographic expansion will be a highlight of TTI's future, our long term strategy is to aggressively build our business both inside and outside North America and we have spent relentless efforts to expand and establish presence in high potential markets around the world.

Introducing innovative new products is the centerpiece of our long term strategy. We continue to invest in building a high-speed product development process, enabling us to respond faster to customer requests and emerging opportunities, giving us a vigorous competitive advantage.

Our strategy in operational excellence will continue, we will drive further gains in efficiency across our manufacturing operations, supporting further margin improvement.

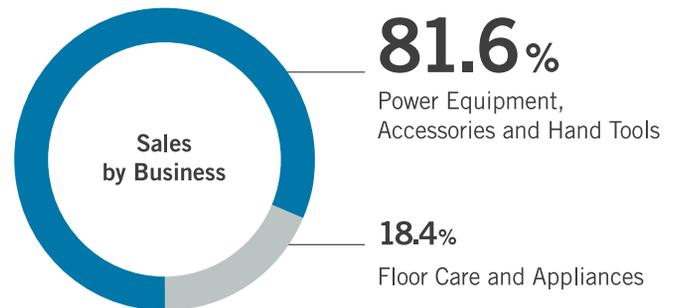
We continue to deploy our Leadership Development Program (LDP) to develop our pool of talent for the future. The LDP initiative is successfully feeding talent into key positions throughout the company.

## Review of Operations

TTI delivered another year of record results in 2016. Total company revenue rose 8.8% and 9.8% before foreign currency adjustments. Sales in all geographic regions increased with North America contributing 10.3% growth, Europe growing 3.3%, and a 6.2% increase from the Rest of the World regions. The Power Equipment business had a strong year with 12.6% sales growth and the Floor Care and Appliance business, working through a revitalization, produced positive growth during the second half in North America, but saw full year sales decline slightly by 5.3%.

Driving the sales growth is the increasing flow of innovative new products backed by superior technologies, like those found in the largest DIY brand of RYOBI ONE+ range of power tools and outdoor products, the leading high performance MILWAUKEE FUEL cordless power tools, and advanced technology QUEST robot vacuums by the iconic HOOVER brand. The new product vitality is a result of a company-wide drive to provide first to market product innovations that make a real difference in end-user productivity and satisfaction. This strategic focus on developing innovative new products, entering new categories, and delivering market disruptive technologies combined with the relentless execution of our speed-to-market product development process is yielding consistent, market leading organic growth.

The Company's gross profit margin rose for the eighth consecutive year from 35.7% to 36.2% from strong gains generated by new products and business mix, plus cost efficiencies and quality improvements obtained through global purchasing programs, supply chain productivity, lean manufacturing and manufacturing automation activities. Profits in all geographic regions improved over last year driven by sales growth, strong operational performance, and closely managed SG&A. Strategic spending on R&D has been consistently increased to drive innovation through technology and new product development. These core strengths of innovation, speed-to-market execution and operational productivity firmly provide TTI the competitive advantage for success. Strong management leadership, technology advancements, and worldwide market expansion are driving increased share by our global brands.



### Power Equipment

The Power Equipment business increased by 12.6% growing to US\$4.5 billion accounting for 81.6% of Group turnover. The growth was 13.3% before foreign currency adjustments. Industry leading brands MILWAUKEE and RYOBI delivered double digit growth over the previous year. We are at the forefront of the fast growing cordless segment by delivering break-through technologies and expanding the broadest range of tools powered by our market leading battery platforms. The business generated earnings growth of US\$430 million, a 13.4% increase year over year. Through strategic product development, technology advancement and brand portfolio management we feel highly confident that the Power Equipment business will continue to capture market share and expand margins.

### Industrial Tools

MILWAUKEE delivered another year of strong results with 19.7% sales growth in the global industrial tool market. The introduction of innovative new products, execution of effective end user and distribution conversion initiatives, entry into large adjacent categories, and a focus on commercial and operations excellence resulted in

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growth which has consistently outpaced the market. The business is capturing growth opportunities through the execution of the MILWAUKEE strategy dedicated to delivering high performance products targeted at professional with a system-wide product range. The state of the art product development process is creating performance-driven solutions designed with the most advanced technology delivering unrivalled productivity to end users. A focused strategy in targeting trade users, such as electrical, mechanical and plumbing, is increasing the commercial opportunities as the MILWAUKEE cordless platform continues to expand.

### Power Tools

The power tool business captured market share gains across the core cordless power tool business by converting corded end-users to cordless innovation and yielding further growth through adjacent category expansion into cordless hydraulic tools and high output lighting as examples. The subcompact M12 and M18 Cordless Systems continued to penetrate global markets at a rapid pace with disruptive cordless technology, putting these battery platforms at the forefront of the industry. The M18 is the fastest growing system for professionals, with over 125 fully compatible tool solutions on a single battery platform.

MILWAUKEE brand introduced the first generation FUEL cordless technology in 2012. M18 FUEL leverages a breakthrough high performance brushless motor technology, system electronics and REDLITHIUM battery technology with performance capable of replacing the need for cords, hoses, and petrol cans from job sites. MILWAUKEE continues developing new innovative products integrating the next generation M18 FUEL technology and now offers over 45 M18 cordless power tools leveraging M18 FUEL technology. The new M18 REDLITHIUM HIGH DEMAND 9.0 Battery Pack is the most capable 18V battery in the industry. It is engineered for high power requirement applications and has full system compatibility, which means the HIGH DEMAND 9.0 Battery Pack will power the entire range of M18 tools. Leveraging the new HIGH DEMAND 9.0 Battery Pack are a number of break-through M18 FUEL tools. The M18 FUEL 10" Dual Bevel Sliding Compound Miter saw was designed to meet the demanding needs of professionals by delivering corded cutting performance. The M18 FUEL 1-9/16" SDS Max Rotary Hammer is the first-to-market 18V SDS Max cordless solution which drills as fast as a corded equivalent. The M18 FUEL SURGE 1/4" Hex Hydraulic Driver is the quietest cordless fastening solution on the market. Incorporating the new FLUID-DRIVE Hydraulic Powertrain,

the tool delivers up to 50% quieter operation, 3X less vibration and faster driving speeds compared to standard impacts. MILWAUKEE brand will continue to leverage M18 FUEL technology with new introductions in 2017 including a new line of M18 FUEL Outdoor Power Equipment, M18 FUEL Fastening Tools and the M18 FUEL Metal Cutting Circular Saw.

The FORCELOGIC platform continues to exceed end user expectations with the recent introduction of the M18 FORCELOGIC Press Tool, the industry's first brushless press tool. FORCELOGIC's state-of-the-art technology enables the M18 Press Tool to be the smallest and lightest full-sized press tool on the market, delivering 20% more run time and 10% faster cycle time which maximizes user productivity. MILWAUKEE will expand the FORCELOGIC platform with the introduction of the M18 FORCELOGIC Overhead Cable Cutter, M18 FORCELOGIC 12T Crimper, and the innovative M18 FORCELOGIC Underground Cable Cutter.

The 2017 introduction of the MILWAUKEE TICK Tool and Equipment Tracker could become the most versatile BLUETOOTH tracker on the market. With multiple attachment options and a low-profile design, users can glue, screw, rivet or strap the MILWAUKEE TICK Tool to anything. Weather, water, and dust proof ratings ensure that the MILWAUKEE TICK Tool and Equipment Tracker will survive every environment. The MILWAUKEE TICK Tool will reliably provide tracking beacons anytime, anywhere. End users can now receive notifications on low battery, service reminders, missing tools, and location services, all powered by the ONE-KEY application.

The cordless High Output light-emitting diode ("LED") Lighting range, powered by the M12 and M18 Cordless Systems, continues to rapidly replace antiquated lighting solutions at job sites. The M18 ROCKET LED Tower Light/Charger, M18 RADIUS LED Compact Site Light with ONE-KEY technology, and the M18 Utility Bucket Light add to our stable of innovative lighting solutions for the trades. These new lights utilize the most advanced LED technology, versatile product designs, and REDLITHIUM Battery Packs to bring a new level of productivity to the jobsite.

### Accessories

The introduction of the AX with Carbide Teeth helped our accessories business deliver double-digit growth in 2016. This market disruption was driven by combining proven SAWZALL blade attributes with tungsten carbide-tipping technology. These new SAWZALL blades

last 30 times longer than traditional bi-metal blades, cut faster than any blade in the industry, and can cut through a large range of materials found in the most demanding demolition projects. As the range continues to expand with the continued new product introductions in the accessories category such as HOLE DOZER, SHOCKWAVE, RED HELIX, and now AX, we have significantly grown our distribution in our targeted geographies.

### **Hand Tools**

The MILWAUKEE Hand Tool business delivered excellent growth across key categories. Tape Measures had significant growth driven by user-focused innovation and a continuous emphasis on quality. Investments in the operations have set the foundation for strategic growth in this large, global category. Advancements in FASTBACK knives and 6-in-1 Pliers, in addition to new category investment contributed to strong growth across the business. The MILWAUKEE brand Work Gloves, leveraging innovative SMARTSWIPE Technology, allow users to operate smart devices without removing their gloves. Successful Steel Storage expansion included an innovative 60" workbench and 30" combination unit, resulting in double-digit growth. The CHEATER Pipe Wrench delivered disruptive innovation into the large pipe wrench category leading to strong user adoption delivering significant growth in this segment. Leveraging the Empire Level technology, the new MILWAUKEE REDSTICK Box Levels provide industry-leading performance with best-in-class vial readability, frame durability, and magnet strength. The ALL-METAL BACKBONE feature provides the strongest, most durable frame ensuring long-life accuracy. SHARPSITE Vial Technology provides best-in-class readability with a magnified bubble and high-visibility vial spirit. A complete line of Compact Levels and Torpedo levels and new manufacturing operations set the stage for growth in the critical layout category. The EMPIRE brand continues to grow at double-digits with strong results across all channels of distribution and incremental growth globally. New product introductions included an innovative new line of compact levels and torpedo levels in addition to market-specific introductions to support global growth.

## **Consumer and Professional Tools**

### **RYOBI Tools**

The RYOBI brand continued its dominant global consumer DIY market share position with innovative new product introductions. The leading 18V RYOBI ONE+ cordless system of tools and batteries grew by well over one million new customers in 2016. The RYOBI brand, once again, provided the user with a wide array of new products

applying cutting-edge technology that makes every DIY project easier. The vitality rate of new products continues at a fast pace. Important new additions to the expanding ONE+ platform include the new ONE+ QUIETSTRIKE Pulse Driver which produces more power and speed than a drill but with 50% less noise than an impact driver. The new ONE+ LED Workbench Light features a rotating 270° arm concentrating light in a given area and runs up to 9 hours on a single charge. The ONE+ Dual Power LED Spot Light delivers 2,500+ Lumens and runs on either RYOBI ONE+ batteries or a 12V automotive cord. In addition to creating ONE+ cordless tools with corded like performance, the RYOBI brand also introduced the new Brushless Hammer Drill and Brushless Belt Sander. The new ONE+ Belt Sander is first-to-market innovation providing extended runtime and performance while the new ONE+ Hammer Drill delivers up to 750 in. lbs. of torque and 50% more run time so you can power through the toughest drilling and driving applications.

### **AEG Professional Tools**

Sales of AEG brand professional power tools in EMEA and ANZ regions continue to expand through cordless new product introductions utilizing the AEG 18V battery system. The recent additions to our AEG 18V Brushless range include the 5 Amp hour battery pack which gives up to 6 times more runtime compared to the previous generation, the AEG 18V Compact Brushless Hammer Drill Kit, and revolutionary Brushless Oil Pulse driver, all best-in-class tools for the professional user. We have an exciting pipeline of new AEG 18V kits and promotions to enhance the success of the AEG 18V range and introduced more high performance tools used in construction such as lighting, compressors, pneumatics, circular saws, miter saws, and tile saws. These innovative products aimed at the professional user are driving the expansion of the AEG brand in our targeted markets.

### **Outdoor Products**

The Outdoor Product business produced strong sales results and delivered market gains in 2016. The performance was generated by the ongoing introduction of innovative new products into the growing cordless RYOBI ONE+ 18V and RYOBI 40V systems plus a new AEG 58V range of products. The continued expansion of our cordless outdoor product range is both taking share from traditional petrol products and growing the market demand with the improving benefits of cordless.

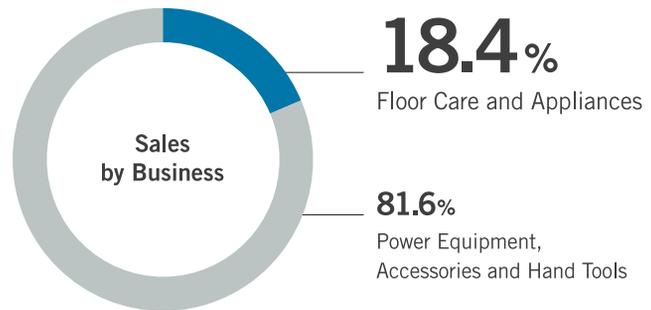
**RYOBI Outdoor**

The introduction of four new high performance RYOBI ONE+ 18V LITHIUM+ tools aimed at the more demanding lawn and garden users is successfully converting petrol users to cordless and solidifying the RYOBI brand as the leader in the cordless DIY segment. The RYOBI brand now has a full range of walk behind cordless lawnmowers powered by RYOBI ONE+ 18V and RYOBI 40V platforms that are quickly generating new demand and penetrating the category. These RYOBI brand new cordless outdoor products are fully compatible with either the RYOBI ONE+ 18V or RYOBI 40V battery systems. There is more opportunity to grow the cordless outdoor category with new products like the break-through RYOBI 40V pressure washer.

Sales of petrol powered products and accessories are growing. The range of RYOBI brand gas trimmers with a powerful full crankshaft engine and a new family of RYOBI branded petrol chain saws delivering professional features and improved performance at consumer price points drove sales growth. The EXPAND IT line of RYOBI trimmer attachments have been a tremendous success and have been delivering double digit growth driven by great merchandising and marketing.

**AEG Professional**

AEG introduced a new cordless range of outdoor products targeted at professional grade end-users. The powerful AEG 58V lithium battery platform adapts across the product line offering unbeatable end-user convenience, ease-of-use benefits for each product and enhanced productivity for the professional landscaping projects or home gardening jobs. The AEG 58V lawn mower, blower, chain saw, hedge trimmer and line trimmer deliver exceptional performance and are examples of the strong product roadmap to expand the range going forward.



**Floor Care and Appliances**

We are positioning the Floor Care and Appliances business for growth. Sales declined slightly for the full year, down 5.3% largely due to negative foreign exchange impact, particularly in our UK business, and a slight slowdown in the household appliance market. The largest segment, North America, returned to growth in the second half of 2016 with HOOVER, DIRT DEVIL, and ORECK brands all delivering sales increases. At US\$1.0 billion in sales, the segment accounted for 18.4% of total Company revenue. The business improved profit margins by 10 basis points, offsetting the slight decline in sales. This was achieved through effective mix, the introduction of new products and the discontinuation of the lower margin products. Operational efficiencies were gained from global sourcing programs and the North America logistic center consolidation. The new North America headquarters in Charlotte, North Carolina is providing a world class environment for recruiting talent, new product innovation, cordless and technology development, and a creative marketing center.

**North America**

The HOOVER brand is undergoing a significant revitalization of its product portfolio. In 2016 the first phase of new vacuums targeting the fast growing cordless categories were launched, laying the foundation for future product innovations. The high performance cordless stick vacs, CRUISE and LINX SIGNATURE, first generation

of QUEST series cordless robots and SPOTLESS, an innovative wet vac with self-cleaning function, all contributed to the positive sales growth in the second half. The next generation of new products like the HOOVER REACT vacuums series featuring FLOORSENSE Technology using micro-sensors to identify floor surfaces, HOOVER Application controls, and the ONEPWR lithium battery system are set for 2017 introductions.

The DIRT DEVIL brand product development and merchandising focuses on the younger consumer demographic. We successfully introduced a new line of high performance upright Power Max vacuums and Power Stick which helped drive sales in the second half. The next generation product launch in 2017 will be significant with easy-to-manuever lightweight cordless and corded stick vacs and upright vacuums. ORECK consumer brand launched ELEVATE, a premium range of high performance vacuums across its established ORECK independent store base in North America.

The HOOVER Commercial brand launched the cordless M-PWR backpack products with very positive market response with trials in large hospitality facilities and high volume end user applications. This launch success combined with the ORECK Commercial brand sales progress and an expanded commercial distribution contributed to double digit sales growth in this strategic segment. The new ORECK Commercial cordless M-PWR 20V line targeted at the hospitality and food service segments were launched at the end of 2016 and are breaking new ground for quick response, commercial cleaning demands with cordless technology solutions. We have expanded our investment in manufacturing technology at our Cookeville, Tennessee facility. We have already started assembly of our 40V and 20V commercial battery platforms and we will continue expanding our manufacturing output with the development of exciting new product under the ORECK brand.

#### **Europe**

The VAX brand had success with the early stages of launching a completely new cordless product range, but faced slow market demand in the UK and negative impact from foreign currency adjustments. The first product introduction was the new lightweight cordless SlimVac, weighing only 2.1kgs and boasting effortless cleaning performance for a variety of cleaning needs. This product

delivered strong sales throughout the second half of the year. The new VAX BLADE cordless pole vac using our DIRECT HELIX TECHNOLOGY that optimizes runtime, a market leading 45 minutes, and cleaning performance in any orientation was successfully introduced in late 2016.

The new cordless DIRT DEVIL FUSION robot cleaner, offering four different cleaning modes, a 60-minute runtime, and an automatic return to docking station was recently introduced. The ranges of cordless stick vacs and existing robots continued strong sales momentum in France and key markets. The business in Central Europe exited low margin wholesaler markets and moved distribution focus to support the expansion into higher priced cordless categories. The DIRT DEVIL brand continues to grow its European distribution presence with recent launches in completely under-represented markets.

#### **Purchase, Sale or Redemption of Securities**

Other than 2,403,500 ordinary shares of the Company purchased on-market for satisfying the awarded shares granted under the Company's share award scheme (details of which will be set out in the Corporate Governance Report to be included in this Annual Report), a total of 3,000,000 ordinary shares were bought back by the Company during the year at prices ranging from HK\$27.50 to HK\$28.60 per share. Among these bought back shares, 1,500,000 shares were settled and cancelled during 2016 and 1,500,000 shares were settled and cancelled in January 2017. The aggregate amount paid by the Company for such buy-backs cancelled during 2016 amounting to US\$5,425,000 was charged to the retained earnings.

The shares bought back were cancelled and accordingly the issued share capital of the Company was reduced.

The buy-backs of the Company's shares during the year were effected by the Directors pursuant to the mandate granted by shareholders 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 year.

### Review of Financial Information

The Audit Committee has reviewed with senior management of the Group and Messrs Deloitte Touche Tohmatsu the accounting principles and practices adopted by the Group and has discussed internal controls and financial reporting matters, including the review of Group's consolidated financial statements for the year ended December 31, 2016. The Board acknowledges its responsibility for the preparation of the accounts of the Group.

### Dividend

The Directors have recommended a final dividend of HK30.00 cents (approximately US3.86 cents) per share with a total of approximately US\$70,807,000 for the year ended December 31, 2016 (2015: HK23.25 cents (approximately US2.99 cents)) payable to the Company's shareholders whose names appear on the register of members of the Company on May 26, 2017. Subject to the approval of the shareholders at the forthcoming annual general meeting of the Company, the proposed final dividend is expected to be paid on or about June 23, 2017. This payment, together with the interim dividend of HK20.00 cents (approximately US2.57 cents) per share (2015: HK16.00 cents (approximately US2.06 cents)) paid on September 23, 2016, makes a total payment of HK50.00 cents (approximately US6.44 cents) per share for 2016 (2015: HK39.25 cents (approximately US5.05 cents)).

### Closure of Register of Members

The register of members of the Company will be closed for the following periods:

To ascertain members' eligibility to attend and vote at the 2017 Annual General Meeting, the register of members of the Company will be closed from May 17, 2017 to May 19, 2017, both days inclusive, during which period no transfers of shares will be effected. In order to qualify to attend and vote at the 2017 Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrars, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on May 16, 2017.

To ascertain members' entitlement to the final dividend, the register of members of the Company will be closed on May 26, 2017 when no transfers of shares will be effected. In order to qualify for the final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrars, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on May 25, 2017.