

# CORPORATE GOVERNANCE REPORT

The Company is committed to maintain a high standard of corporate governance in order to enhance shareholder's interests and promote sustainable development of the Company. The corporate governance principles of the Company emphasize a quality Board for leadership and control of the Company, effective internal controls, transparency and accountability to all shareholders. The codes and practices of corporate governance and the disclosure of this Corporate Governance Report are reviewed from time to time to improve the Company's corporate governance practices with regards to the latest developments on all applicable laws, rules and regulations.

## Compliance with the Corporate Governance Code

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 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") (the "Corporate Governance Code") throughout the year ended December 31, 2012, save that:-

1. 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. Under Article 103 of the Articles of Association of the Company, one-third of the Board must retire by rotation at each general meeting of the Company and if eligible, offer themselves for re-election.
2. 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.
3. the Board is provided with quarterly updates instead of monthly updates. After the Board's consideration, it was agreed that quarterly updates give a balanced and understandable assessment of the performance, position and prospects of the Company in supporting the Directors to discharge their responsibilities.

Apart from compliance of the code provisions set out in the Corporate Governance Code, the Company also voluntarily complied with a number of recommended best practices set out in the Corporate Governance Code for further enhancement of the Company's corporate governance standard and promote the best interests of the Company and shareholders as a whole.

## Board of Directors

### Roles and Responsibilities

The board of directors (the "Board") is responsible for leading, directing and supervising the Group affairs collectively with an effective corporate governance framework for the long term success of the Company. Principal responsibilities of the Board including, but are not limited to, the following:-

- formulate overall mid-term and long-term strategy and direction of the Company.
- develop and review the Company's policies and practices on corporate governance.
- review and monitor risks and changes in local and international business community in order to enhance shareholders' value.
- decide or consider matters covering major acquisitions and disposals, appointment of Directors, senior management and external auditors, and other significant operational matters.
- oversee and control the Company's operations and financial performance through the determination of the annual budget and continuous review of performance results.

Written procedures have been formally adopted in order to govern the delegation of daily management responsibilities to the senior management of the Group and the reservation to the Board of specifically identified matters. The written procedures are reviewed by the Board regularly.

## Corporate Governance Policy

In order to maintain sound standard and effective framework of corporate governance, the Board develop and review the corporate governance policies and practices to ensure compliance with the Company's Articles of Association and the laws, rules and regulatory requirements governing the Group. The Board performed the corporate governance function by, but not limited to, the following:-

- review and monitor the training and continuous professional development of directors and senior management.
- review and monitor the compliance on the Model Code, the Code for Securities Transactions by Relevant Employees and other codes of conduct of the Company.
- review the compliance of the Corporate Governance Code as well as the disclosure set out in this Corporate Governance Report.

## Board Composition

As at the date of this report, the Board consists of five Group Executive Directors, one Non-executive Director and five Independent Non-executive Directors. The list of Directors and their role and function are published on the Company's website ([www.ttigroup.com](http://www.ttigroup.com)) and the Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)). The biographical details and relevant relationships are set out on pages 30 to 33 of this annual report. The composition of the Board of the Company is as follow:-

### Group Executive Directors

Mr Horst Julius Pudwill (Chairman)  
Mr Joseph Galli Jr (Chief Executive Officer)  
Mr Kin Wah Chan (Operations Director)  
Mr Chi Chung Chan (Group Chief Financial Officer)  
Mr Stephan Horst Pudwill (President of Strategic Planning)

### Non-executive Director

Prof Roy Chi Ping Chung BBS JP

### Independent Non-executive Directors

Mr Joel Arthur Schleicher  
Mr Christopher Patrick Langley OBE  
Mr Manfred Kuhlmann  
Mr Peter David Sullivan  
Mr Vincent Ting Kau Cheung  
(re-designated from Non-executive Director to Independent Non-executive Director with effect from March 30, 2012)

The roles of Chairman and Chief Executive Officer of the Company have been segregated and clearly distinguished in order to promote balance of power and authority.

The roles of Chairman comprises, but are not limited to, the following:-

- provide leadership for the Board to ensure it works effectively.
- ensure that all Directors are properly briefed on issues arising at Board meetings.
- ensure that Directors receive adequate and timely information, which must be accurate, complete and reliable.
- ensure that good corporate governance practices and procedures are established.
- encourage all Directors to make full and active contributions to the Board's affairs and to take the lead to ensure that the Board acts in the best interests of the Company.
- ensure that appropriate steps are taken to provide effective communication with shareholders and that views of shareholders are communicated to the Board as a whole.

The roles of Chief Executive Officer comprises, but is not limited to, the following:-

- lead the global management team in the Group's daily operations.
- facilitate the integrating acquisitions in North America and Europe.
- enhance the global sales potential of our strong brand portfolio.

Every Director is aware that, before accepting appointment as a director, he must be able to contribute sufficient time and attention to the affairs of the Company. Orientation which details the duties and responsibilities of directors under the Listing Rules, the Company's Articles of Association, related ordinances and relevant regulatory requirements of Hong Kong is provided for every newly appointed director. Presentations are, as necessary, given by senior executives of the Company and external professionals to ensure a proper understanding of the Company's business and operations. Appropriate Directors' and Officers' liability insurance cover has also been arranged to indemnify the Directors and Officers of the Group for liabilities arising out of corporate activities. The coverage and the sum insured under the policy are reviewed annually. All such arrangements aim to assist the relevant Director to discharge his duties to the Company and protect the interests of the Company and the shareholders.

Non-executive Directors and Independent Non-executive Directors play an important role in enhancing objective and independent views to the Board especially on issues of strategy, policy, performance and resources. Active participation of Non-executive Directors and Independent Non-executive Directors in the Board as well as Board Committees is essential in achieving corporate goals and objectives and monitoring corporate governance practices.

All Directors are subject to retirement by rotation at least once every three years in accordance with the Company's Articles of Association and the Listing Rules. Any Directors appointed to fill a casual vacancy would be subject to election by shareholders at the next annual general meeting after their appointment. As at the date of this report, Independent Non-executive Directors and Non-executive Director form majority of the Board. The Independent Non-executive Directors representing over one-third of the Board and each of the Independent Non-executive Director possesses professional qualifications or accounting or related financial management expertise as required under Rule 3.10 of the Listing Rules. All the Independent Non-executive Directors meet the guidelines for assessing independence set out in Rule 3.13 of the Listing Rules save for Mr Vincent Ting Kau Cheung as disclosed below. The Company has received an annual confirmation of independence from each of the Independent Non-executive Directors and still considers them to be independent.

Mr Vincent Ting Kau Cheung was re-designated from a Non-executive Director to an Independent Non-executive Director of the Company with effect from March 30, 2012. The Company satisfied and has demonstrated to the satisfaction of Stock Exchange that the re-designation of Mr Cheung as an Independent Non-executive Director is justified due to the following reasons:-

- (a) although Mr Cheung is a Consultant of Vincent T.K. Cheung, Yap & Co. ("VTKCYC", which is one of the Hong Kong legal advisers to the Group since the Company's listing in 1991) and has rendered certain notarial services to the Group in his capacity as a notary public in the past 12 months prior to his re-designation (the "Notarial Services"), the Board confirms that, to the best of its knowledge, information and belief, having made all reasonable enquiries:

- (i) any fees payable by the Group for the Notarial Services were payable to VTKCYC only and not to Mr Cheung personally;
  - (ii) Mr Cheung does not receive any actual income, commission, monetary compensation or other personal interest or benefit which is directly or indirectly related to the payments made by the Group to VTKCYC in respect of the legal advice and services provided by VTKCYC (including the Notarial Services);
  - (iii) the Notarial Services are highly standardised and formalised in nature and are not materially related to the Group's principal business activities, namely the manufacturing and trading of electrical and electronic products;
  - (iv) since his cessation as a partner of VTKCYC with effect from November 2, 2005, Mr Cheung is no longer involved in, or held any executive office or functions, with respect to VTKCYC's day-to-day management and operations, nor does he is involved in any profit sharing arrangement among the partners of VTKCYC; and
  - (v) Mr Cheung's current capacity as a Consultant of VTKCYC is to solely manage his personal caseload on his own account in the name of VTKCYC (which do not include the Group). He has not entered into any employment agreement with VTKCYC and is not a director, partner, principal or employee of VTKCYC.
- (b) the Company has made an undertaking to the Stock Exchange that the Group will only engage the other notary publics of VTKCYC for providing notarial services after the re-designation of Mr Cheung.
  - (c) neither Mr Cheung nor VTKCYC has provided any services in the past 12 months prior to his re-designation to the Company's connected persons (as defined in the Listing Rules), its holding company and its subsidiaries, or the Company's directors, chief executive or their respective associates (as defined in the Listing Rules).
  - (d) since the listing of the Company in Hong Kong, Mr Cheung has not had and does not have any executive or management role or functions in the Group, nor has he been employed by the Group.
  - (e) Mr Cheung himself is not a substantial shareholder (as defined in the Listing Rules) of the Company.
  - (f) Mr Cheung has been a practising solicitor for over 40 years. The Company believes that he is able to exercise his professional judgment and his long and upstanding professional legal background would enable him to carry out his duties as an Independent Non-executive Director impartially and independently.
  - (g) the re-designation can further enhance the independent element of the Board, which results in additional independent judgment and oversight over the Company's business and operations with the Board comprising of 5 Independent Non-executive Directors out of a total of 11 Directors. This is consistent with the principle in respect of board composition of the Corporate Governance Code.
  - (h) save for the disclosure above and one of the factors of independence as set out in Rule 3.13 of the Listing Rules, namely Rule 3.13(7), as a result of him being a Director of the Company during two years immediately prior to the date of his re-designation, Mr Cheung is able to confirm his independence to the Stock Exchange in respect of other factors set out in Rule 3.13 of the Listing Rules that the Stock Exchange takes in account in assessing the independence of a non-executive director.
- In light of the above, notwithstanding Mr Cheung's relationship with the Company prior to his re-designation, the Company considers that his current connection with the Company in his capacity as a Consultant of VTKCYC is remote, insignificant and immaterial for assessing his independence as an Independent Non-executive Director of the Company and therefore dose not change the overall conclusion of the Company regarding Mr Cheung's independence as detailed above.

## Directors' Continuous Professional Development

Regular training, updates and written materials on relevant laws, rules and regulations are provided to Directors to ensure that Directors are aware of the latest changes in the commercial and regulatory environment in which the Company conducts its business. To ensure that the Directors' contribution to the Board remains informed and relevant, the Directors are encouraged to participate in various professional development programmes especially in relation to latest updates on relevant rules, regulations and compliance requirements to develop and refresh their knowledge and skills.

According to the records of training provided by the Directors to the Company, all Directors participated in continuous professional development since code provision A.6.5 of the Corporate Governance Code came into effective on April 1, 2012. A summary of training received by each Director from April 1, 2012 throughout the year ended December 31, 2012 are detailed in the following table:-

	Type of Continuous Professional Development Programme		
	Updates on business operations, laws, rules and regulations or corporate governance matters	Updates on directors' roles, functions and duties	Updates on accounting, financial or other professional skills
<b>Group Executive Directors</b>			
Mr Horst Julius Pudwill	√	√	
Mr Joseph Galli Jr	√	√	
Mr Kin Wah Chan	√	√	√
Mr Chi Chung Chan	√	√	√
Mr Stephan Horst Pudwill	√	√	
<b>Non-executive Director</b>			
Prof Roy Chi Ping Chung BBS JP	√	√	√
<b>Independent Non-executive Directors</b>			
Mr Joel Arthur Schleicher	√	√	
Mr Christopher Patrick Langley OBE	√	√	
Mr Manfred Kuhlmann	√	√	
Mr Peter David Sullivan	√	√	
Mr Vincent Ting Kau Cheung	√	√	√

### Compliance with the Codes for Securities Transactions

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”). Specific enquiries have been made with all Directors who have confirmed that they have fully complied with the required standards as set out in the Model Code during the year ended December 31, 2012.

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”). No incident of non-compliance was noted by the Company during the year.

Both the Model Code and the Code for Securities Transactions by Relevant Employees have been published on the Company’s website ([www.ttigroup.com](http://www.ttigroup.com)).

### Board Meetings

The Board is strictly committed to at least four scheduled meetings in a year and will meet more frequently as and when required. All Directors are given complete and reliable information in a timely manner on the affairs of the Group, and have access all related materials in relation to the Board’s issues to enable informed decisions with sufficient details. Directors receive the support from and access to the Company Secretary of the Company (the “Company Secretary”) to ensure board procedures and all applicable law, rules and regulations are followed. Each Director is afforded access, on his request, to senior management of the Group and to independent professional advice on performing their duties at the Company’s expenses. All Directors receive briefings and professional development training as necessary to ensure a proper understanding of the business of the Group and their responsibilities under statute and at common law.

Five Board meetings were held in 2012. Attendance records of each Director are set out in the section “Board, Board Committee and General Meetings in 2012” at the end of this report. The meeting agenda is set by the Chairman in consultation with members of the Board to include any other matters raised by Directors in advance. Minutes of the Board and Board Committee meetings with sufficient details of matters and concerns discussed are kept in safe custody by the Company Secretary, are sent to the Directors for comment and records and are open for inspection by the Directors. Proposed Board, Board Committee meeting and Annual General Meeting dates for 2013 have been agreed in the Board meeting held in August 2012 to facilitate maximum attendance of Directors.

### Board Committees

Three Board committees have been set up, namely the Audit Committee, the Nomination Committee and the Remuneration Committee. Each of these Board Committees has specific written terms of reference which deal clearly with their authority and duties and have been published on the Company’s website ([www.ttigroup.com](http://www.ttigroup.com)) and the Stock Exchange’s website ([www.hkexnews.hk](http://www.hkexnews.hk)). Independent Non-executive Directors form the majority of all Board Committees with regular attendance and active participation to ensure independent views and opinions contributed and expressed at the Board Committee meetings. In order to monitor and oversee the delegated authority and responsibilities, the Board received regular reports about the activities and decisions of the Board Committees. Attendance records of each Board Committee are set out in the section “Board, Board Committee and General Meetings in 2012”.

### **Audit Committee**

The Audit Committee is comprised of three members, all of them are Independent Non-executive Directors, being Mr Peter David Sullivan, Mr Joel Arthur Schleicher and Mr Manfred Kuhlmann, and is chaired by Mr Peter David Sullivan. Each member of the Audit Committee has professional, financial, or accounting qualifications as required under Rule 3.10 of the Listing Rules.

The major objectives of the Audit Committee are to ensure the effectiveness of internal control system and compliance with the Group's obligations under the Listing Rules and other applicable laws and regulations and to oversee the integrity of the financial statements of the Company. The Audit Committee is also directly responsible on behalf of the Board for the selection, oversight and remuneration of the Company's external auditors; the assessment of the independence and qualifications of the external auditors; the oversight of the performance of the Company's external auditors and the maintenance of an appropriate relationship with the external auditors.

The Audit Committee held four meetings during 2012 and performed duties summarized below:-

- review the interim and annual financial statements of the Group before submission to the Board.
- review the Group's significant financial matters, internal controls, the Group's accounting principles and practices, and financial reporting matters.
- review the audit and non-audit services provided by the external auditors, and recommended the re-appointment of the external auditors.
- perform regular update and review on internal audit of the Group.
- review and make recommendations to the Board on the revision of the terms of reference of the Audit Committee.

### **Nomination Committee**

The Nomination Committee is comprised of four members, and is chaired by Mr Horst Julius Pudwill (Chairman), the other members are Independent Non-executive Directors, being Mr Vincent Ting Kau Cheung, Mr Christopher Patrick Langley OBE and Mr Manfred Kuhlmann.

The main objectives of the Nomination Committee are to ensure a fair and transparent process of Board appointments, and in particular to assist the Board to identify suitably qualified candidates and make recommendations for consideration of the Board and shareholders. While considering suitable candidates of directors, the Nomination Committee would consider professional knowledge, industry experience, personal skills, ethics and integrity as well as the ability to contribute sufficient time and attention to the Board.

The Nomination Committee held two meetings during 2012. The work performed by the Nomination Committee during 2012 with sufficient resources provided by the Company and/ or independent professional advice if necessary, included:-

- review of the structure, size and composition of the Board and the existing Nomination Policy on a regular basis.
- review and make recommendations to the Board on the revision of the terms of reference of the Nomination Committee.
- assess the independence of Independent Non-executive Directors.
- make recommendations to the Board on relevant matters relating to the retirement and re-election of the Directors at the 2012 Annual General Meeting.

### **Remuneration Committee**

The Remuneration Committee is comprised of five members, and is chaired by Mr Vincent Ting Kau Cheung, the other members being Mr Christopher Patrick Langley OBE, Mr Manfred Kuhlmann, Mr Joel Arthur Schleicher and Mr Peter David Sullivan. As at the date of this report, all members of the Remuneration Committee are Independent Non-executive Directors.

The Remuneration Committee has been established to assist the Board in developing and administering a fair and transparent procedure for setting policy on the overall human resources strategy of the Group as well as the remuneration of Directors and senior management of the Group, and for determining their remuneration packages, on the basis of their merit, qualifications, and competence, and having regard to the Company's operating results, individual performance, and comparable market statistics.



The Remuneration Committee makes recommendations to the Board on, the remuneration packages of Executive Directors and senior management, including, without limitation, base salaries, bonuses, benefits in kind and compensation payments. The Remuneration Committee also makes recommendations to the Board on the remuneration of Non-executive Directors. The Remuneration Committee reports directly to the Board on its decisions or recommendations, and consults the Chairman and/or Chief Executive Officer for the proposals of other Executive Directors' remuneration packages with access to sufficient resources and professional advices if necessary.

The Remuneration Committee held three meetings and performed, among other things, the following during 2012:-

- review and make recommendations on the existing remuneration policy, including assess the performance and remuneration package of Executive Directors.
- review and recommend to the Board to approve on the revision of the terms of reference of the Remuneration Committee.
- review the service contract of Directors to ensure compliance with the latest changes in the Corporate Governance Code.

With the recommendation of the Remuneration Committee, the Board has agreed to grant 1,000,000 phantom options to each of Mr Kin Wah Chan and Mr Chi Chung Chan as bonus on August 16, 2012. The grant date was on August 17, 2012 (the "Grant Date"). 50% of the said phantom options will vest at the first anniversary of the Grant Date and the rest 50% will vest at the second anniversary of the Grant Date. No share will be issued and only the difference between the closing price on the Grant Date and the closing price on the related anniversary times the related phantom options would be given to the concerned Directors as bonus.

### Company Secretary

All Directors receive the support from and access to the Company Secretary to ensure board procedures and all applicable law, rules and regulations are followed. The Company Secretary is an employee of the Company and is appointed by the Board. During 2012, the Company Secretary received over 15 hours of professional training to develop and refresh her skills and knowledge.

### Accountability and Audit

The Board acknowledges its responsibility for overseeing the preparation of the accounts of the Group which give a true and fair view of the Group's state of affairs, results and cash flows for the year.

The Board will present a balanced, clear and understandable assessment of annual and interim reports, other price-sensitive announcements and other financial disclosures required under the Listing Rules, and reports to the regulators as well as information required to be disclosed pursuant to statutory requirements.

### Internal Controls

The Board is responsible for maintaining sound and effective internal control system and approving and reviewing key internal control policies including delegated authorities, policy on market disclosure and investor relations, non-audit services and treasury management policy. The Board conducted an annual review of the effectiveness of the internal control system of the Company during 2012. An internal control system is designed to provide reasonable, but not absolute assurance that material misstatement or loss can be avoided, and to manage and minimize risks of failure in operational systems.

The Board, and in particular the Audit Committee, conducts a continuous review of the effectiveness of the Group's internal control system that has been put in place. The reviews covering financial, operational, compliance controls as well as risk management performed in 2012 included:

- the organization structure and delegated authorities.
- the performance and adequacy of accounting and financial reporting functions.
- the strategic and annual operating plan.
- the effectiveness of the Company's procedures relating to statutory and regulatory compliance.
- the scope and quality of management's ongoing monitoring of risks and system of internal control.
- the risk management process including formal risk assessment at the enterprise level upon discussions with senior management responsible for day-to-day management of significant risks.



## External Auditors

The external auditors of the Group is Deloitte Touche Tohmatsu, and in 2012, Deloitte Touche Tohmatsu provided the following audit and non-audit services to the Group:

<b>Nature of Services</b>	<b>Amount (USD million)</b>
External Audit Services	2.6
Taxation Services	0.1
Other Services	0.0

The other services provided by Deloitte Touche Tohmatsu comprised professional services conducted under the terms of specified engagements.

To ensure the independence of the external auditors, the nature and ratio of annual fees to external auditors for audit services and non-audit services are subject to scrutiny by the Audit Committee. All non-audit services from external auditors are regulated by a Policy on Non-Audit Services published on the Company's website ([www.ttigroup.com](http://www.ttigroup.com)).

To enhance independent reporting by external auditors of the Group, members of the Audit Committee and the external auditors of the Group meet without the presence of the management of the Group twice a year. In order to maintain effective communication with shareholders, the external auditors attended the 2012 Annual General Meeting to answer questions about the conduct of the audit, the preparation and content of the auditors' report, the accounting policies and auditor independence.

## Investor Relations and Shareholder Communications

The Company aims to maintain effective communication and on-going dialogue with its shareholders and investors particularly through the following major means:-

### Shareholders' Communication Policy

The Shareholders' Communication Policy, which primarily covered the current practices for communicating with the shareholders and published on the Company's website ([www.ttigroup.com](http://www.ttigroup.com)), has been adopted by the Board on March 22, 2012. All the

Company's circulars, announcements, notices and results of general meetings, annual and interim reports, and webcasts of results presentations conducted at press conferences, which published on the Company's website ([www.ttigroup.com](http://www.ttigroup.com)), provide timely, efficient and accurate information to the shareholders and investors. Essential information is communicated to the shareholders mainly through the Company's financial reports, general meetings and the information published on the Company's website ([www.ttigroup.com](http://www.ttigroup.com)) and the Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)). In addition, the Company holds regular meetings with institutional shareholders and analysts and encourages shareholders to attend annual general meetings to communicate with Directors and management of the Company directly.

A Policy on Market Disclosure, Investor and Media Relations, published on the Company's website ([www.ttigroup.com](http://www.ttigroup.com)), ensures that the Company complies with its disclosure obligations under the Listing Rules and other applicable laws and regulations, and that all shareholders and potential investors have an equal opportunity to receive and obtain externally available information issued by the Company.

## Shareholders' Rights

### Convening of extraordinary general meeting on requisition by shareholders

Pursuant to Article 66 of the Articles of Association of the Company and Section 113 of the Companies Ordinance (Chapter 32 of the laws of Hong Kong), shareholders holding at the date of deposit of the requisition not less than one-twentieth of such of the paid-up capital of the Company as at the date of deposit carries the right of voting at general meetings of the Company (the "Requisitionists"), may request the Directors to convene an extraordinary general meeting. The written requisition must state the objects of the meeting and must be signed by the Requisitionists and deposited at the registered office of the Company which is currently located at 24/F., CDW Building, 388 Castle Peak Road, Tsuen Wan, New Territories, Hong Kong for the attention of the Company Secretary. The requisition may consist of several documents in like form, each signed by one or more of the Requisitionists.

**Convening of extraordinary general meeting on requisition by shareholders** *(continued)*

If the Directors do not within 21 days from the date of the deposit of the requisition proceed duly to convene a meeting for a day not more than 28 days after the date on which the notice convening the meeting is given, the Requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of 3 months from the said date. Any reasonable expenses incurred by the Requisitionists by reason of the failure of the Directors duly to convene a meeting shall be repaid to the Requisitionists by the Company.

**Procedure for nominating a person for election as a Director**

For the detailed procedure for shareholders to nominate a person to stand for election as a director, please refer to the written procedure named "Nomination of Directors by Shareholder" which was published on the Company's website ([www.ttigroup.com](http://www.ttigroup.com)).

**Procedure for directing shareholders' enquiries to the Board**

The Company values feedback from shareholders on its efforts to promote transparency and foster investor relationships. Shareholders may address their comments, suggestions and/ or enquires to the Board in writing through Investor Relations and Communication, contact details are set out in the section "Corporate Information" of this annual report.

**Procedure for putting forward proposals at general meetings**

Pursuant to Section 115A of the Companies Ordinance (Chapter 32 of the laws of Hong Kong), shareholders may submit a written requisition to move a resolution at an annual general meeting ("AGM") if they (a) represent not less than one-fortieth of the of the total voting rights of all shareholders having at the date of the requisition a right to vote at the AGM; or (b) are no less than 50 shareholders holding the shares of the Company on which there has been paid up an average sum, per shareholder, of not less than HKD2,000.

The written requisition must (a) state the resolution, accompanied by a statement of not more than 1,000 words with respect to the matter referred to in the proposed resolution or the business to be dealt with at the AGM; (b) contain the signatures of all the requisitionists (which may be contained in one document or in several documents in like form); (c) be deposited at the registered office of the Company set out in the section "Convening of extraordinary general meeting on requisition by shareholders" for the attention of the Company Secretary not less than 6 weeks before the AGM in the case of a requisition requiring notice of a resolution and not less than 1 week before the AGM in the case of any other requisition; and (d) be accompanied by a sum of money reasonably sufficient to meet the Company's expenses in serving the notice of the resolution and circulating the statement given by the requisitionists to all shareholders in accordance with the requirements under the applicable laws and rules.

**Changes in Constitutional Document**

In view of the amendments to the Listing Rules which come into effect during the course of 2012, the Board proposed amendments to the Articles of Association of the Company and a special resolution was passed at the 2012 Annual General Meeting to give effect to: (i) to allow the Chairman at a general meeting to exempt certain prescribed procedural or administrative matters from voting by poll; (ii) to remove the exemption for voting by a Director on a Board resolution in which such a Director has an aggregate beneficial interest of not more than 5%; and (iii) to require a physical Board meeting in lieu of a written resolution where a substantial shareholder of the Company or a Director has a material conflict of interest in a matter or business to be considered by the Board. The constitutional document of the Company was published on the Company's website ([www.ttigroup.com](http://www.ttigroup.com)) and the Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)).

## Board, Board Committee and General Meetings in 2012

A summary of attendance of Board, Board Committee and general meetings in 2012 are detailed in the following table:

	Meetings attended/Held in 2012				
	Board	Audit Committee	Nomination Committee	Remuneration Committee	General Meeting(s)
Number of meetings held during the year	5	4	2	3	1
<b>Group Executive Directors</b>					
Mr Horst Julius Pudwill	5/5		2/2		1/1
Mr Joseph Galli Jr	5/5				1/1
Mr Kin Wah Chan	5/5				1/1
Mr Chi Chung Chan	5/5				1/1
Mr Stephan Horst Pudwill	5/5				1/1
<b>Non-executive Director</b>					
Prof Roy Chi Ping Chung BBS JP	5/5				1/1
<b>Independent Non-executive Directors</b>					
Mr Joel Arthur Schleicher	5/5	4/4		3/3	1/1
Mr Christopher Patrick Langley OBE	5/5		2/2	3/3	0/1 <sup>(2)</sup>
Mr Manfred Kuhlmann	5/5	4/4	2/2	3/3	1/1
Mr Peter David Sullivan	5/5	4/4		3/3	1/1
Mr Vincent Ting Kau Cheung <sup>(1)</sup>	5/5		2/2	3/3	1/1
Date(s) of meeting(s)	January 19, 2012 March 22, 2012 May 17, 2012 August 16, 2012 December 12, 2012	January 19, 2012 March 20, 2012 May 17, 2012 August 15, 2012	March 21, 2012 August 15, 2012	March 21, 2012 May 18, 2012 August 15, 2012	May 18, 2012

Notes:

- (1) Mr Vincent Ting Kau Cheung re-designated from Non-executive Director to Independent Non-executive Director with effect from March 30, 2012.
- (2) 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.