

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2012

### 51. Capital Commitments

	The Group		The Company	
	2012 USD'000	2011 USD'000	2012 USD'000	2011 USD'000
Capital expenditure in respect of the purchase of property, plant and equipment and a licence:				
Contracted for but not provided	16,669	15,484	79	273
Authorised but not contracted for	1,297	287	—	—

### 52. Related Party Transactions

During the year, the Group entered into the following transactions with its associates:

	2012 USD'000	2011 USD'000
Sales income	19	14
Equipment charge income	115	138
Purchases	—	24,814

The remuneration of directors and other members of key management during the year was as follows:

	2012 USD'000	2011 USD'000
Short-term benefits	29,424	29,648
Post-employment benefits	190	170
Share-based payments	575	823
	30,189	30,641

Details of the balances and transactions with related parties are set out in the statements of financial position and Notes 21, 22, 27, 28, 35 and 49.

### 53. Particulars of Principal Subsidiaries

Particulars of the principal subsidiaries of the Company as at December 31, 2012 and December 31, 2011 are as follows:

Name of subsidiary	Place of incorporation/ operation	Issued and fully paid share capital	Proportion of nominal value of issued capital held by the Company		Principal activities
			Directly %	Indirectly %	
A&M Industries S.à.r.l.	Luxembourg	EUR 537,900	—	100	Investment holding
AC (Macao Commercial Offshore) Limited	Macau	MOP 780,000	—	100	Trading of power equipment, floor care and outdoor power equipment products
Techtronic Industries GmbH (formerly known as AEG Electric Tools GmbH)	Germany	EUR 20,452,500	—	100	Trading and manufacture of power equipment products
Baja, Inc.	US	USD 17.36	—	100	Trading of outdoor power equipment products
DreBo Werkzeugfabrik GmbH *	Germany	EUR 1,000,000	—	100	Trading and manufacture of power equipment products
Homelite Consumer Products, Inc.	US	USD 10	—	100	Trading of outdoor power equipment products
Hoover Inc.	US	USD 1	—	100	Trading and manufacture of floor care products
MacEwen Property Co., Inc.	US	USD 100	100	—	Property holding
Marco Polo Industries & Merchandising Company Limited	Hong Kong	HKD 100,000	100	—	Trading of household electronic and electrical products
Milwaukee Electric Tool Corporation	US	USD 50,000,000	—	100	Trading and manufacture of power equipment products
One World Technologies, Inc.	US	USD 10	—	100	Trading of power equipment products
OWT France S.A.S.	France	EUR 1,750,000	—	100	Investment holding
OWT Industries, Inc.	US	USD 10	—	100	Manufacture of electric components and power equipment products
Royal Appliance International GmbH	Germany	EUR 2,050,000	100	—	Trading of floor care products

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For the year ended December 31, 2012

### 53. Particulars of Principal Subsidiaries *(continued)*

Name of subsidiary	Place of incorporation/ operation	Issued and fully paid share capital	Proportion of nominal value of issued capital held by the Company		Principal activities
			Directly %	Indirectly %	
Royal Appliance Mfg. Co.	US	USD 1	—	100	Trading and manufacture of floor care products
Sang Tech Industries Limited	Hong Kong	HKD 1,000,000	100	—	Manufacture of plastic parts
Santo Industries Limited	Hong Kong	HKD 2,000,000	100	—	Manufacture of metallic parts
Solar Wide Industrial Limited	Hong Kong	HKD 2,000,000	75.725	—	Manufacture of electronic products
Techtronic Floor Care Technology Limited	BVI	USD 1	100	—	Investment and intellectual properties holding
Techtronic Industries (Dongguan) Co. Ltd. <sup>#</sup>	PRC	USD 47,000,000	—	100	Manufacture of power equipment, floor care and outdoor power equipment products
Techtronic Industries (Taiwan) Co. Ltd.	Taiwan	NTD 5,000,000	100	—	Provision of inspection services
Techtronic Industries (UK) Ltd	United Kingdom	GBP 4,000,000	—	100	Trading of power equipment products
Techtronic Industries Australia Pty. Limited	Australia	AUD 19,400,000	—	100	Trading of power equipment, floor care and outdoor power equipment products
Techtronic Industries Central Europe GmbH*	Germany	EUR 25,600	—	100	Trading of power equipment products
Techtronic Industries ELC GmbH*	Germany	EUR 25,000	—	100	Trading of power equipment products and outdoor power equipment products
Techtronic Industries France SAS	France	EUR 14,919,832	—	100	Trading of power equipment products
Techtronic Industries Germany Holding GmbH	Germany	EUR 25,000	—	100	Investment holding
Techtronic Industries Mexico, S.A. de C.V.	Mexico	MXN 50,000 (Serie I) MXN 722,095 (Serie II)	—	100	Trading of power equipment, floor care and outdoor power equipment products

### 53. Particulars of Principal Subsidiaries *(continued)*

Name of subsidiary	Place of incorporation/ operation	Issued and fully paid share capital	Proportion of nominal value of issued capital held by the Company		Principal activities
			Directly %	Indirectly %	
Techtronic Industries N.Z. Limited	New Zealand	NZD 1,165,500	100	—	Trading of power equipment, floor care and outdoor power equipment products
Techtronic Industries North America, Inc.	US	USD 10	98.4	1.6	Investment holding
Techtronic Outdoor Products Technology Limited	Bermuda	USD 12,000	100	—	Investment and intellectual properties holding
Techtronic Power Tools Technology Limited	BVI	USD 1	100	—	Investment and intellectual properties holding
Techtronic Product Development Limited	Hong Kong	HKD 2	100	—	Engage in research & development activities
Techtronic Trading Limited	Hong Kong	HKD 2	100	—	Trading of power equipment, floor care and outdoor power equipment products
TTI Investments (Dongguan) Company Limited	Hong Kong	HKD 2	100	—	Investment holding
Vax Appliances (Australia) Pty. Ltd.	Australia	AUD 3,200,008 (ordinary shares) AUD 13,900,000 (Class A Redeemable Preference Shares)	100	—	Investment holding
Vax Limited	United Kingdom	GBP 30,000 (Ordinary A shares) GBP 2,500 (Ordinary B shares)	100	—	Trading of household electrical and floor care products

\* Exempt from the obligation to publish local financial statements.

# A wholly foreign owned enterprise.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had any debt securities outstanding at the end of the year, or at any time during the year.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2012

**54. Particulars of Associates**

Particulars of the associates are as follows:

Name of associate	Place of incorporation/ operation	Issued and fully paid share capital	Proportion of nominal value of issued capital held by the Company Directly		Principal activities
			2012 %	2011 %	
Gimelli International (Holdings) Limited	The Cayman Islands	USD 6,250	40.8	40.8	Investment holding
Precision Technology Industries Limited	Bermuda	USD 12,000,000	—	25.0	Manufacture of power equipment products