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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Trio Industrial Electronics Group Limited, you should at once hand this circular together with the enclosed form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

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**TRIO INDUSTRIAL ELECTRONICS GROUP LIMITED****致豐工業電子集團有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 1710)**

**PROPOSALS FOR**

- (1) GRANTING OF GENERAL MANDATES TO  
ISSUE AND REPURCHASE SHARES;**
  - (2) EXTENSION OF ISSUE MANDATE;**
  - (3) RE-ELECTION OF RETIRING DIRECTORS;**
  - (4) DECLARATION OF FINAL DIVIDEND;**
  - (5) RE-APPOINTMENT OF INDEPENDENT AUDITOR;**
- AND**
- NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening an annual general meeting of the Company to be held at Strategic Room 1, 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong on Friday, 25 May 2018 at 2:30 p.m. or any adjournment thereof is set out on pages 18 to 22 of this circular. A form of proxy for use at the 2018 AGM is enclosed with this circular. Such form of proxy is also published on the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and website of the Company ([www.trio-ieg.com](http://www.trio-ieg.com)).

Whether or not you intend to attend the 2018 AGM, you are requested to complete and return the accompanying proxy form in accordance with the instructions printed thereon as soon as possible and deposit the same at the Company's share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong and in any event not less than 48 hours before the time appointed for holding the 2018 AGM or any adjournment thereof. The completion and return of the proxy form will not preclude you from attending and voting in person at the 2018 AGM or any adjournment thereof if you so wish.

25 April 2018

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“2018 AGM”	the annual general meeting of the Company to be held at Strategic Room 1, 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong on Friday, 25 May 2018 at 2:30 p.m. (or adjournment thereof) to consider and, if thought fit, approve the resolutions contained in the notice convening the 2018 AGM, which is set out on pages 18 to 22 of this circular
“Articles”	the articles of association of the Company as amended from time to time
“Board”	the board of Directors
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”	Trio Industrial Electronics Group Limited, a company incorporated in Hong Kong on 15 April 2016 with limited liability and the issued Shares of which are listed on the Stock Exchange (stock code: 1710)
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules and unless the context otherwise required, refers to Trio Industrial Electronics Holding Limited, Nawk Investment Inc., LLT Investment Inc., Proactive Investment Inc., Grand Energy Investment Limited, King Fung Nominees Limited, Mr. Kwan Tak Sum Stanley, Mr. Tai Leung Lam and Mr. Lai Yiu Wah, and Mr. Joseph Mac Carthy.
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

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## DEFINITIONS

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“Independent Auditor”	the independent auditor of the Company
“Issue Mandate”	the general and unconditional mandate proposed to be granted at the 2018 AGM to the Directors to allot, issue and deal with the Shares not exceeding 20% of the aggregate number of the issued Shares as at the date of passing the relevant resolution for approving the issue mandate
“Latest Practicable Date”	19 April 2018, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Date”	23 November 2017, being the date on which trading of the Shares first commences on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Member(s)” or “Shareholder(s)”	holder(s) of the Share(s)
“Nomination Committee”	the nomination committee of the Board
“PRC”	the People’s Republic of China and, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Repurchase Mandate”	the general and unconditional mandate proposed to be granted at the 2018 AGM to the Directors to repurchase such number of Shares not excluding 10% of the aggregate number of the issued Shares as at the date of passing the relevant resolution granting the mandate
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of the Company
“Share Option Scheme”	the share option scheme as adopted by the Company on 27 October 2017
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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## DEFINITIONS

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“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs as amended, supplemented or otherwise modified from time to time and administrated by the Securities and Futures Commission of Hong Kong
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%”	per cent

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LETTER FROM THE BOARD

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**TRIO INDUSTRIAL ELECTRONICS GROUP LIMITED**

**致豐工業電子集團有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 1710)**

*Executive Directors:*

Mr. Kwan Tak Sum Stanley  
Mr. Lai Yiu Wah  
Mr. Tai Leung Lam  
Mr. Joseph Mac Carthy

*Registered office and principal place  
of business in Hong Kong:*

Block J, 5/F, Phase II, Kaiser Estate  
51 Man Yue Street  
Hung Hom, Kowloon  
Hong Kong

*Independent Non-executive Directors:*

Mr. Fung Chun Chung  
Mr. Cheung Kin Wing  
Mr. Wong Raymond Fook Lam

25 April 2018

*To the Shareholders*

Dear Sir or Madam,

**PROPOSALS FOR**  
**(1) GRANTING OF GENERAL MANDATES TO**  
**ISSUE AND REPURCHASE SHARES;**  
**(2) EXTENSION OF ISSUE MANDATE;**  
**(3) RE-ELECTION OF RETIRING DIRECTORS;**  
**(4) DECLARATION OF FINAL DIVIDEND;**  
**(5) RE-APPOINTMENT OF INDEPENDENT AUDITOR;**  
**AND**  
**NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide the Shareholders with information in respect of the resolutions to be proposed at the 2018 AGM for, among other matters, (i) the granting of the Issue Mandate; (ii) the granting of the Repurchase Mandate; (iii) the extension of the Issue Mandate by adding to it the number of Shares repurchased by the Company under the Repurchase Mandate; (iv) the re-election of the retiring Directors; (v) declaration of final dividend; and (vi) the re-appointment of Independent Auditor, and to give the Shareholders notice of the 2018 AGM at which the ordinary resolutions as set out in the notice of the 2018 AGM will be proposed.

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## LETTER FROM THE BOARD

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### 2. GRANTING OF THE ISSUE MANDATE AND THE REPURCHASE MANDATE

At the 2018 AGM, the Directors propose to seek the approval of the Shareholders to grant to the Directors the Issue Mandate and the Repurchase Mandate.

#### Issue Mandate

The Company's existing mandate to issue Shares was approved by the written resolutions of the Shareholder passed on 27 October 2017. Unless otherwise renewed, the existing mandate to issue Shares will lapse at the conclusion of the 2018 AGM.

An ordinary resolution will be proposed at the 2018 AGM to grant the Issue Mandate to the Directors. Based on 1,000,000,000 issued Shares as at the Latest Practicable Date and assuming that no further Shares are issued and no Shares are repurchased and cancelled after the Latest Practicable Date and up to the date of the 2018 AGM, the Directors will be able to allot, issue and deal with up to a total of 200,000,000 Shares, representing 20% of the number of Shares in issue, if the Issue Mandate is granted at the 2018 AGM, which will remain in effect until the earliest of (i) the conclusion of the next annual general meeting; (ii) the expiration of the period within which the next annual general meeting is required to be held by the Articles or the Companies Ordinance; and (iii) the date on which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

#### Repurchase Mandate

An ordinary resolution will be proposed at the 2018 AGM to grant the Repurchase Mandate to the Directors. The Repurchase Mandate, if granted, will be effective until whichever is the earliest of (i) the conclusion of the next annual general meeting; (ii) the expiration of the period within which the next annual general meeting is required to be held by the Articles or the Companies Ordinance; and (iii) the date on which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

An explanatory statement in connection with the Repurchase Mandate is set out in Appendix I to this circular. The explanatory statement contains all the requisite information required under the Listing Rules to be given to the Shareholders to enable them to make an informed decision on whether to vote for or against the resolution approving the Repurchase Mandate at the 2018 AGM.

### 3. EXTENSION OF ISSUE MANDATE

Subject to the passing of the ordinary resolutions to grant the Issue Mandate and the Repurchase Mandate, an ordinary resolution will be proposed at the 2018 AGM to extend the Issue Mandate by the addition to the aggregate number of the issued Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate number of the Shares

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## LETTER FROM THE BOARD

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repurchased by the Company pursuant to the Repurchase Mandate, provided that such extended amount shall not exceed 10% of the aggregate number of the issued Shares as at the date of passing the resolution for approving the Issue Mandate.

#### 4. RE-ELECTION OF RETIRING DIRECTORS

As at the Latest Practicable Date, the Board comprises four executive Directors, namely Mr. Kwan Tak Sum Stanley, Mr. Lai Yiu Wah, Mr. Tai Leung Lam and Mr. Joseph Mac Carthy, and three independent non-executive Directors, namely Mr. Fung Chun Chung, Mr. Cheung Kin Wing and Mr. Wong Raymond Fook Lam.

Pursuant to article 119(c) of the Articles, any Director so appointed, either to fill a casual vacancy or by way of addition to their number, by the Board shall hold office only until the next following annual general meeting of the Company, and shall then be eligible for re-appointment.

Pursuant to article 120(a) of the Articles, subject to article 120(e), at each annual general meeting, one-third of the Directors (excluding those Director(s) who are not subject to the rotation requirement under the Articles) or, if their number is not three or a multiple of three the number which is nearest to and is at least one-third, shall retire from office by rotation. A retiring Director shall be eligible for re-election.

Pursuant to article 120(e) of the Articles, any Director who holds the position as an executive Director shall not be subject to the retirement-rotation requirement of the Article.

Accordingly, Mr. Fung Chun Chung, Mr. Cheung Kin Wing and Mr. Wong Raymond Fook Lam will retire pursuant to article 119(c) of the Articles, and being eligible, offer themselves for re-election as Directors at the 2018 AGM.

Pursuant to the A.4.2 of the CG Code, all the directors (no matter executive or independent non-executive directors) including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. As such, Mr. Kwan Tak Sum Stanley, Mr. Lai Yiu Wah and Mr. Tai Leung Lam will voluntarily retire pursuant to article 120(a) of the Articles. Mr. Kwan informed the Board that, due to his retirement to pursue a healthy lifestyle and other personal interests, he has decided not to stand for re-election at the 2018 AGM of the Company to be held on 25 May 2018 and he would retire from his positions as Chairman, Chief Executive Officer, Executive Director, Director of Marketing, member of the Remuneration Committee, Chairman of the Nomination Committee, Chairman of the Risk Management Committee with effect from the conclusion of the 2018 AGM. Mr. Lai Yiu Wah and Mr. Tai Leung Lam, being eligible, offer themselves for re-election as Directors at the forthcoming 2018 AGM.

The Nomination Committee has assessed and reviewed the annual written confirmation of independence from Mr. Fung Chun Chung, Mr. Cheung Kin Wing and Mr. Wong Raymond Fook Lam, all are independent non-executive Directors, based on the independence criteria as



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## LETTER FROM THE BOARD

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set out in Rule 3.13 of the Listing Rules have confirmed that they all remain independent. Upon the nomination of the Nomination Committee, the Board has recommended that all the retiring Directors, namely, Mr. Lai Yiu Wah, Mr. Tai Leung Lam, Mr. Fung Chun Chung, Mr. Cheung Kin Wing and Mr. Wong Raymond Fook Lam stand for re-election as Directors at the 2018 AGM in accordance with the Articles.

The biographical details of the retiring Directors who are standing for re-election at the 2018 AGM are set out in Appendix II to this circular in accordance with the relevant requirements of the Listing Rules.

### **5. DECLARATION OF FINAL DIVIDEND**

The Board has proposed a final dividend of HK 2.0 cents per ordinary share for the year ended 31 December 2017. Subject to the approval of the Shareholders at the 2018 AGM, the proposed final dividend will be payable on Thursday, 14 June 2018 to the Shareholders whose names appear on the register of members of the Company on Monday, 4 June 2018.

### **6. RE-APPOINTMENT OF INDEPENDENT AUDITOR**

PricewaterhouseCoopers, which has audited the consolidated financial statements of the Company for the year ended 31 December 2017, will retire as the Independent Auditor at the 2018 AGM and, being eligible, offers itself for re-appointment. The Board proposed to re-appoint PricewaterhouseCoopers as the Independent Auditor in respect of the audited consolidated financial statements of the Group for the year ending 31 December 2018 and to authorise the Board to fix its remuneration.

### **7. 2018 AGM AND PROXY ARRANGEMENT**

A notice convening the 2018 AGM to be held at Strategic Room 1, 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong on Friday, 25 May 2018 at 2:30 p.m. is set out on pages 18 to 22 of this circular. Ordinary resolutions will be proposed at the 2018 AGM to approve, among other things, (i) the Issue Mandate, (ii) the Repurchase Mandate, (iii) the extension of the Issue Mandate by the addition thereto of the aggregate number of Shares repurchased by the Company pursuant to the Repurchase Mandate, (iv) the re-election of the retiring Directors, (v) declaration of final dividend and (vi) the re-appointment of the Independent Auditor.

A form of proxy for use in connection with the 2018 AGM is enclosed with this circular and such form of proxy is also published on the respective websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.trio-ieg.com](http://www.trio-ieg.com). If you are not able to attend the 2018 AGM but wish to exercise your right as a Shareholder, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the share registrar of the Company, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the 2018 AGM or its adjournment. Completion and return of the form of proxy will not preclude any Shareholder from attending and voting in person at the 2018 AGM or its adjournment. If the Shareholder attends and votes at the 2018 AGM, the authority of your proxy will be revoked.

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## LETTER FROM THE BOARD

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### 8. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, all proposed resolutions set out in the notice convening the 2018 AGM shall be voted on by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

### 9. RECOMMENDATION

The Directors believe that the proposals for (i) the granting of the Issue Mandate and the Repurchase Mandate; (ii) the extension of the Issue Mandate; (iii) the re-election of retiring Directors; (iv) declaration of final dividend; and (v) the re-appointment of the Independent Auditor are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all the relevant resolutions to be proposed convening the 2018 AGM as set out in the notice of the 2018 AGM on pages 18 to 22 of this circular.

### 10. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### 11. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular, namely Appendix I – Explanatory Statement on the Repurchase Mandate; and Appendix II – Biographical Details of the Retiring Directors.

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully,  
By order of the Board  
**Trio Industrial Electronics Group Limited**  
**Lai Yiu Wah**  
*Deputy Chairman and Executive Director*

This appendix serves as an explanatory statement, as required by Rule 10.06 of the Listing Rules, to provide requisite information to Shareholders for consideration of the proposed grant of the Repurchase Mandate.

## **1. REPURCHASE OF SECURITIES FROM CONNECTED PARTIES**

The Listing Rules prohibit a company from knowingly purchasing securities on the Stock Exchange from a “core connected person” (as defined in the Listing Rules), that is, a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or their respective close associates and a core connected person is prohibited from knowingly selling his/her/its securities to the Company.

As at the Latest Practicable Date, to the best knowledge of the Directors, having made all reasonable enquiries, no core connected person of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company nor has any such core connected person undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Repurchase Mandate is approved by the Shareholders at the 2018 AGM.

## **2. SHARE CAPITAL**

As at the Latest Practicable Date, there were a total of 1,000,000,000 issued Shares. Subject to the passing of the ordinary resolution for the approval of the Repurchase Mandate and assuming that no further Shares are issued and no Shares are repurchased and cancelled after the Latest Practicable Date and up to the date of the 2018 AGM, the Directors would be authorised to repurchase up to a maximum of 100,000,000 Shares, representing 10% of the issued Shares as at the date of passing of the resolutions. The Repurchase Mandate will remain in effect until the earliest of: (i) the conclusion of the next annual general meeting; (ii) the expiration of the period within which the next annual general meeting is required to be held by the Articles or applicable law of Hong Kong; or (iii) the date on which such authority is revoked or varied by an ordinary resolution of the Shareholders in general meeting of the Company.

## **3. REASONS FOR REPURCHASES**

The Directors have no present intention to repurchase any Shares but consider that the Repurchase Mandate is in the best interests of the Company and the Shareholders as a whole. An exercise of the Repurchase Mandate may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net assets value per Share and/or earnings per Share and will only be made when the Directors believe that a repurchase will benefit the Company and the Shareholders as a whole.

## **4. FUNDING OF REPURCHASES**

Pursuant to the Repurchase Mandate, repurchases would be funded entirely from the Company’s available cash flow or working capital facilities which will be funds legally available under the Companies Ordinance and the Listing Rules, and the Articles for such purpose.

**5. IMPACT ON WORKING CAPITAL OR GEARING POSITION**

An exercise of the Repurchase Mandate in full may have a material adverse impact on the working capital and gearing position of the Company compared with those as at 31 December 2017, being the date of its latest published audited consolidated financial statements. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

**6. SHARE PRICES**

The highest and lowest market prices at which the Shares were traded on the Stock Exchange during the period from the Listing Date to the Latest Practicable Date were as follows:

	<b>Trade Prices</b>	
	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
2017		
November (from the Listing Date)	0.97	0.64
December	1.02	0.75
2018		
January	1.01	0.71
February	0.84	0.67
March	0.82	0.68
April (up to the Latest Practicable Date)	0.74	0.64

**7. DIRECTORS' UNDERTAKING**

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, their close associates, have any present intention to sell to the Company or its subsidiaries any of the Shares if the Repurchase Mandate is approved at the 2018 AGM.

The Directors have undertaken to the Stock Exchange that so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules, the applicable law of Hong Kong and the Articles.

**8. EFFECT OF TAKEOVER CODE AND MINIMUM PUBLIC HOLDING**

If a Shareholder’s proportionate interest in the voting rights of the Company increases as a result of the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such an increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert (as defined in Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any such consequence which may arise under the Takeovers Code if the Repurchase Mandate is exercised. As at the Latest Practicable Date and to the best of knowledge and belief of the Company, the following persons were directly or indirectly interested in 5% or more of the nominal value of the issued Shares that carry a right to vote in all circumstances at general meetings of the Company:

<b>Name of Shareholders</b>	<b>Nature of interest</b>	<b>Number of Shares/underlying Shares held</b>	<b>Percentage of shareholding in the Company’s issued share capital</b>
Kwan Tak Sum Stanley	Interest in a controlled corporation	750,000,000 (L) (Note 2)	75.0%
Tai Leung Lam	Interest in controlled corporation	750,000,000 (L) (Note 2)	75.0%
	Beneficial owner	7,000,000 (Note 3)	0.7%
Lai Yiu Wah	Interest in controlled corporation	750,000,000 (L) (Note 2)	75.0%
	Beneficial owner	7,000,000 (Note 3)	0.7%
Joseph Mac Carthy	Interest in controlled corporation	750,000,000 (L) (Note 2)	75.0%
	Beneficial owner	6,000,000 (Note 3)	0.6%
Trio Industrial Electronics Holding Limited (“Trio Holding”)	Beneficial owner	750,000,000 (L) (Note 2)	75.0%
Nawk Investment Inc. (“Nawk Investment”)	Interest in a controlled corporation	750,000,000 (L) (Note 2)	75.0%
LLT Investment Inc. (“LLT Investment”)	Interest in a controlled corporation	750,000,000 (L) (Note 2)	75.0%
Proactive Investment Inc. (“Proactive Investment”)	Interest in a controlled corporation	750,000,000 (L) (Note 2)	75.0%
King Fung Nominees Limited (“King Fung Nominees”)	Trustee; interest in a controlled corporation	750,000,000 (L) (Note 2)	75.0%

*Notes:*

- (1) The letter “L” denotes a long position in the Shares
- (2) These shares are held by Trio Holding. Trio Holding was owned as to 32.5%, 32.5%, 17.5% and 17.5% by Nawk Investment, LLT Investment, Proactive Investment and Grand Energy, respectively. Nawk Investment, LLT Investment and Proactive Investment were directly and wholly owned by Mr. Kwan Tak Sum Stanley, Mr. Tai Leung Lam and Mr. Lai Yiu Wah, respectively. Grand Energy was directly and wholly owned by King Fung Nominees on trust for Mr. Joseph Mac Carthy. Because of their interests in Trio Holding, Mr. Kwan Tak Sum Stanley, Mr. Tai Leung Lam, Mr. Lai Yiu Wah and Mr. Joseph Mac Carthy, Nawk Investment, LLT Investment, Proactive Investment, Grand Energy and King Fung Nominees are regarded as the controlling shareholders and together be entitled to exercise and control 75.0% of the issued share capital of the Company as at 31 December 2017.
- (3) These interests represented the total underlying Shares comprised in the share options granted by the Company on 28 December 2017.

In the event that the Directors exercise the proposed Repurchase Mandate in full and assuming that there is no change in the issued share capital of the Company and the number of Shares held by Trio Holding, remains unchanged, the interests of Trio Holding in the issued share capital of the Company would be increased to approximately 83.3% and such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

On the basis of the current shareholdings of the above Shareholders, an exercise of the Repurchase Mandate in full will not result in any of them becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in a requirement of the above Shareholders, or any other persons to make a general offer under the Takeovers Code or the number of Shares in the hands of the public falling below the prescribed minimum percentage of 25% as required by the Listing Rules. Save as disclosed above, the Directors are currently not aware of any consequences which will arise under the Takeovers Code as a result of any repurchase made pursuant to the Repurchase Mandate.

## **9. SHARES REPURCHASE MADE BY THE COMPANY**

The Company had not repurchased any of its Shares (whether on the Stock Exchange or otherwise) during the previous six months immediately prior to the Latest Practicable Date.

## **10. CORE CONNECTED PERSON**

None of the Directors nor, to the best of the knowledge and belief of the Directors, having made all reasonable enquiries, any of their respective close associates has any present intention, in the event that the proposed Repurchase Mandate approved by the Shareholders, to sell shares to the Company.

No core connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders at the 2018 AGM.

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## APPENDIX II BIOGRAPHICAL DETAILS OF THE RETIRING DIRECTORS

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The biographical details of the Directors who will retire from office at the 2018 AGM and being eligible, will offer themselves for re-election at the 2018 AGM, are set out below:

Save as disclosed herein, each of the following retiring Directors proposed for the re-election:

- (a) does not hold any other directorship in listed public companies in the last three years;
- (b) does not have any interest or short position in any shares, underlying shares or debentures of the Company or any of its associated corporations required to be disclosed pursuant to Part XV of the SFO; and
- (c) does not hold any other positions with the Company or any of its subsidiaries nor does he/her has any other relationship with any Directors, senior management, substantial shareholder or controlling shareholder of the Company.

In addition, there are no other matters that need to be brought to the attention of the Shareholders nor there is other information required to be disclosed pursuant to any of the requirements under Rule 13.51(2) of the Listing Rules in respect of each of the following retiring Directors proposed to be re-elected at the 2018 AGM.

### **DIRECTORS CANDIDATES:**

#### **Executive Directors**

**Mr. Lai Yiu Wah (黎耀華)**, aged 62, is the deputy Chairman, Executive Director and the chief financial officer of the Company. He is a member of each of the Remuneration Committee, Nomination Committee and Risk Management Committee. Mr. Lai joined our Group since April 2015 and has been the Director of the Company since 15 April 2016. He is also a director of each of the subsidiaries. Mr. Lai is responsible for the corporate and strategic development and investor relationships of the Group as well as the management of the finance division. Mr. Kwan Tak Sum Stanley has taken a leave of absence since October 2017 and during Mr. Kwan's absence, Mr. Lai has acted in the capacity of the Chairman (acting) of the Board and the chairman of the Risk Management Committee. Mr. Lai has extensive experience in accountancy and has been engaged in the profession for over 35 years.

Mr. Lai obtained a higher diploma in accountancy in November 1978 from the Hong Kong Polytechnic (now known as Hong Kong Polytechnic University). He was admitted as a fellow of the Hong Kong Society of Accountants (now known as the Hong Kong Institute of Certified Public Accountants) in September 1988.

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## APPENDIX II      BIOGRAPHICAL DETAILS OF THE RETIRING DIRECTORS

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Mr. Lai served in different positions, including trainee and supervisor, in Coopers & Lybrand (now known as PricewaterhouseCoopers) from November 1978 to August 1981, and served in different positions, including internal auditor and credit controller, in A.S. Watson & Co., Limited from December 1981 to June 1983. In 1983, Mr. Lai founded Thomson Y.W. Lai & Co., which had been the Group's auditors and tax representative from August 2008 to April 2015 and from July 2008 to April 2015, respectively, before Mr. Lai was invited to join the Board as the Director in April 2015.

As at the Latest Practicable Date, Mr. Lai was deemed to have corporate interest in 750,000,000 Shares and has share options granted by the Company entitling him to subscribe for 7,000,000 Shares within the meaning of Part XV of the SFO.

Mr. Lai has entered into a service contract with the Company for a term of three years commencing from 1 January 2017. Mr. Lai is entitled to a remuneration of HK\$231,000 per month, allowance and bonus which is determined by arm's length negotiation between Mr. Lai and the Company and with reference to his duties and responsibilities. The amount of the remuneration has been approved by the Board and the Remuneration Committee.

**Mr. Tai Leung Lam (戴良林)**, aged 70, is the Executive Director and the director of manufacturing of the Group. Mr. Tai joined our Group since October 1985 and was appointed as Director of the Company on 15 April 2016. He is also a director of each of the subsidiaries. Mr. Tai is responsible for the management, strategic planning and development of the manufacturing division. During the absence of Mr. Kwan Tak Sum Stanley since October 2017, Mr. Tai has acted in the capacity of the chief executive officer of the Company. Mr. Tai was a director of Trio Engineering from October 1985 to July 1987, and has been serving in the same position from July 1990 until the present. Mr. Tai has over 45 years of experience in the electronics industry, and specialises in the establishment and management of production plants for electronics manufacturers.

Mr. Tai obtained a diploma in Wireless Mechanical Maintenance without Wireless Telegraph Communication in The World Electric Engineering College (香港世界電機工程學校) in March 1965. Mr. Tai attended short courses in Quality Assurance and Component Testing for Transistor Radio, as well as The Use of Radio and T.V. Servicing Equipment at the department of electrical engineering in Morrison Hill Technical Institute (now known as Hong Kong Institute of Vocational Education) during the session from 1970 to 1971 and during the session from 1971 to 1972, respectively. During the period from October 1976 to 1983, Mr. Tai held various positions in Timco Manufacturing Co. Limited ("**Timco**"), a limited company incorporated in Hong Kong and principally engaged in electronics manufacturing. Timco was dissolved in December 1991 as a result of creditor's winding up.

As at the Latest Practicable Date, Mr. Tai was deemed to have corporate interest in 750,000,000 Shares and has share options granted by the Company entitling him to subscribe for 7,000,000 Shares within the meaning of Part XV of the SFO.

Mr. Tai has entered into a service contract with the Company for a term of three years commencing from 1 January 2017. Mr. Tai is entitled to a remuneration of HK\$310,000 per month, allowance and bonus which is determined by arm's length negotiation between Mr. Tai and the Company and with reference to his duties and responsibilities. The amount of the remuneration has been approved by the Board and the Remuneration Committee.



**Independent Non-executive Directors**

**Mr. Fung Chun Chung (馮鎮中)**, aged 75, is an Independent Non-executive Director appointed on 10 February 2017, and a member of each of the Audit Committee, Remuneration Committee, Nomination Committee and Risk Management Committee. Mr. Fung has over 40 years of experience in the electronics industry.

Mr. Fung received an advanced diploma in engineering from North-East Essex Technical College in the United Kingdom in July 1968 and a master degree of science in engineering from the University of Hong Kong in November 1978. Mr. Fung was admitted as a member of the Hong Kong Institution of Engineers in January 1983, and a member of the Institution of Production Engineers (now known as the Institution of Engineering and Technology) in the United Kingdom in July 1971.

Mr. Fung worked as a manager of production in Transelectronics Ltd. from June 1970 to December 1974, responsible for leading the development of the company and training of the production operators and staff. Mr. Fung was appointed as the chairman of Manlion Industrial Co., Ltd., a company principally engaged in the manufacturing of lighting products and festival items and decorations, in October 1983, and of Packway Industries Ltd., a company principally engaged in the manufacturing of battery chargers and festival items and decorations, in November 2007. In addition, Mr. Fung was the secretary of the Hong Kong Electrical Appliance Industries Association from 2006 to 2008 and the executive committee member of group four (electrical products) of the Federation of Hong Kong Industries from July 2005 to July 2015.

Mr. Fung has entered into a service contract with the Company for a term of three years commencing from 10 February 2017, pursuant to which Mr. Fung is entitled to a director's fee of HK\$20,000 per month which is determined by arm's length negotiation between Mr. Fung and the Company and with reference to his duties and responsibilities. The amount of the remuneration has been approved by the Board and the Remuneration Committee.

**Mr. Cheung Kin Wing (張建榮)**, aged 63, is an Independent Non-executive Director appointed on 10 February 2017, and is the chairman of the Audit Committee and a member of each of the Remuneration Committee and the Risk Management Committee. Mr. Cheung has more than 30 years of experience in information technology ("IT"), financial accounting, auditing and management.

Mr. Cheung obtained a bachelor degree in commerce from the University of Calgary in Canada in June 1979. He became a member of the Hong Kong Institute of Certified Public Accountants and a fellow of the Institute of Chartered Accountants in England and Wales in May 1986 and February 2015, respectively.

From September 1980 to March 1995, Mr. Cheung held several positions, including assistant manager, manager and senior manager in Coopers & Lybrand (now known as PricewaterhouseCoopers). He was a partner of Coopers & Lybrand (now known as

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## APPENDIX II BIOGRAPHICAL DETAILS OF THE RETIRING DIRECTORS

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PricewaterhouseCoopers) from March 1995 until his resignation in May 1999. Since February 1999, Mr. Cheung has been a director and lead consultant of Sunplex Consultants Limited, a company principally engaged in the provision of human resources management and IT consultancy services. He was an independent director of Principal Trust Company (Hong Kong) Limited (formerly known as AXA China Region Trustees Limited), a provider of investment and retirement solutions, from August 1999 to August 2015 and an independent non-executive director of Bank of Communications Trustee Limited from November 2003 to January 2018. Mr. Cheung was a director of the finance and operations department of the Hong Kong Institute of Certified Public Accountants from July 2004 to April 2008 and a consultant of the Hong Kong Institute of Certified Public Accountants from April 2008 to August 2008. Mr. Cheung is currently an independent non-executive director of BaWang International (Group) Holding Limited, (whose shares are listed on the Stock Exchange, stock code: 1338), ENM Holdings Limited (whose shares are listed on the Stock Exchange, stock code: 128), and Kin Pang Holdings Limited (whose shares are listed on the Stock Exchange, stock code: 1722).

Mr. Cheung has entered into a service contract with the Company for a term of three years commencing from 10 February 2017, pursuant to which Mr. Cheung is entitled to a director's fee of HK\$20,000 per month which is determined by arm's length negotiation between Mr. Cheung and the Company and with reference to his duties and responsibilities. The amount of the remuneration has been approved by the Board and the Remuneration Committee.

**Mr. Wong Raymond Fook Lam (黃福霖)**, aged 63, is the Independent Non-executive Director appointed on 10 February 2017, and is the chairman of the Remuneration Committee and a member of each of the Audit Committee, the Nomination Committee and the Risk Management Committee. Mr. Wong has approximately 30 years of experience in financial management, treasury, internal control and investment in the commercial field.

Mr. Wong was an independent non-executive director of Wenzhou Kangning Hospital Co., Ltd., a company listed on the Stock Exchange (stock code: 2120), from April 2015 to June 2016. From January 1997 to June 2007 and from July 2009 to December 2016, Mr. Wong served as an executive director of SOCAM Development Limited (“SOCAM”), a company listed on the Stock Exchange (stock code: 983) and a member of the Shui On Group, a group principally engaged in property development and construction in Hong Kong and the PRC. He also took up the role of chief financial officer from July 2009 to December 2016 and assumed the role of managing director of SOCAM from July 2013 to December 2016. During his tenure with SOCAM, he was primarily responsible for financial, treasury and legal and secretarial functions, corporate restructuring, mergers and acquisitions, investment decisions, investor relationships and corporate governance matters. In March 2007, Mr. Wong was appointed an executive director of China Central Properties Ltd., an affiliated company of SOCAM, which was listed on the London Stock Exchange. Following the privatisation of China Central Properties Ltd. in June 2009, he rejoined SOCAM. From 1992 to 1995, Mr. Wong served as the finance director of the Shui On Group.

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**APPENDIX II      BIOGRAPHICAL DETAILS OF THE RETIRING DIRECTORS**

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Mr. Wong obtained a diploma in accountancy from the City of London Polytechnic (now known as London Metropolitan University) in June 1976. He is a Fellow of The Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants, and an Associate of The Institute of Chartered Accountants in Australia and New Zealand.

Mr. Wong has entered into a service contract with the Company for a term of three years commencing from 10 February 2017, pursuant to which Mr. Wong is entitled to a director's fee of HK\$20,000 per month which is determined by arm's length negotiation between Mr. Wong and the Company and with reference to his duties and responsibilities. The amount of the remuneration has been approved by the Board and the Remuneration Committee.

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## NOTICE OF ANNUAL GENERAL MEETING

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# TRIO INDUSTRIAL ELECTRONICS GROUP LIMITED

## 致豐工業電子集團有限公司

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 1710)**

**NOTICE IS HEREBY GIVEN** that an annual general meeting (the “**AGM**”) of Trio Industrial Electronics Group Limited (the “**Company**”) will be held at Strategic Room 1, 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong on Friday, 25 May 2018 at 2:30 p.m. for the following purposes:

### ORDINARY RESOLUTIONS

1. To consider and adopt the audited consolidated financial statements of the Company and the reports of the directors of the Company (the “**Directors**”) and independent auditor of the Company (the “**Independent Auditor**”) for the year ended 31 December 2017;
2. To declare a final dividend of 2.0 HK cents per Share for the year ended 31 December 2017;
- 3(a). To re-elect the following retiring Directors of the Company who are standing for re-election at the AGM:
  - (i) Mr. Lai Yiu Wah as an executive Director;
  - (ii) Mr. Tai Leung Lam as an executive Director;
  - (iii) Mr. Fung Chun Chung as an independent non-executive Director;
  - (iv) Mr. Cheung Kin Wing as an independent non-executive Director;
  - (v) Mr. Wong Raymond Fook Lam as an independent non-executive Director;
- 3(b). To authorise the board of Directors (the “**Board**”) to fix the Directors’ remuneration;
4. To re-appoint PricewaterhouseCoopers as the Independent Auditor to hold office in respect of the audited consolidated financial statements for the year ending 31 December 2018 and to authorise the Board to fix its remuneration;

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## NOTICE OF ANNUAL GENERAL MEETING

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As special businesses to consider and, if thought fit, pass with or without modification, the following resolutions as ordinary resolutions:

5. “**THAT**

(a) subject to paragraph (c) of this Resolution below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares of the Company (the “**Shares**”), to grant rights to subscribe for, or convert any security into, additional Shares (including the issue of any securities convertible into Shares, issue of any Shares pursuant to the Share Option Scheme (as defined below) or grant options, warrants or similar rights to subscribe for any Shares) and to make or grant offers, agreements and options which might require the exercise of such powers either during or after the Relevant Period be and is hereby generally and unconditionally approved;

(b) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) of this Resolution above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into Shares; (iii) any option scheme or similar arrangement for the time being adopted by the Company for the grant or issue of Shares, or rights or options (and the exercise thereof) to acquire Shares; or (iv) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association of the Company (the “**Articles**”) in force from time to time;

shall not exceed the aggregate of:

(aa) 20% of the aggregate number of Shares as at the date of the passing of this Resolution (subject to adjustment in the case of any conversion of any or all of the Shares into larger or smaller number of Shares); and

(bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company (the “**Shareholders**”)) the number of Shares purchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10% of the aggregate number of Shares as at the date of the passing of this Resolution)(subject to adjustment in the case of any conversion of any or all of the Shares into larger or smaller number of Shares),

and the authority pursuant to paragraph (a) of this Resolution above shall be limited accordingly; and

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## NOTICE OF ANNUAL GENERAL MEETING

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(c) for the purposes of this Resolution:

“**Relevant Period**” means the period from the date of the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable law of Hong Kong to be held; and
- (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors by this Resolution;

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).

“**Share Option Scheme**” means the share option scheme adopted by the Company on 28 October 2017.”

6. “**THAT**

- (a) subject to paragraph (b) of this Resolution below, the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to purchase Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong (the “**Commission**”) and the Stock Exchange under the Hong Kong Code on Share Buy-backs administered by the Commission for such purpose, and otherwise in accordance with the rules and regulations of the Commission, the Stock Exchange, the Companies Ordinance (Chapter 622 of the laws of Hong Kong) and all other applicable laws in this regard, be and is hereby generally and unconditionally approved;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the aggregate number of the Shares which may be purchased by the Company pursuant to the approval in paragraph (a) of this Resolution above during the Relevant Period (as defined below) shall not exceed 10% of the aggregate number of the issued Shares as at the date of the passing of this Resolution and the authority pursuant to paragraph (a) of this Resolution shall be limited accordingly; and
  
- (c) for the purpose of this Resolution:

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
  
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or the applicable law of Hong Kong to be held; and
  
  - (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors by this Resolution.”
7. “**THAT** subject to the passing of Resolutions no. 5 and 6 set out in the notice convening the annual general meeting of the Company (the “**Notice**”), the authority of the directors of the Company pursuant to Resolution no. 5 set out in the Notice be and is hereby approved to extend to cover such amount representing the aggregate number of the issued Shares repurchased pursuant to the authority granted pursuant to Resolution no. 6 set out in the Notice.”

By order of the Board  
**Trio Industrial Electronics Group Limited**  
**Lai Yiu Wah**  
*Deputy Chairman and Executive Director*

Hong Kong, 25 April 2018

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

- 1 Any member of the Company entitled to attend and vote at the AGM is entitled to appoint another person as his proxy to attend and, on a poll, vote on his behalf. A proxy need not be a member of the Company but must attend the AGM to represent the member.
- 2 In order to be valid, the form of proxy completed in accordance with the instructions set out therein, together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy of that power or authority) must be deposited to the Company's share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof.
- 3 In case of joint holders of any share of the Company (the "Shares"), any one of such joint holders may vote at the AGM, either in person or by proxy, in respect of such Share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the meeting, either personally or by proxy, that one of the said persons so present whose name stands first on the register of members in respect of such Share shall be accepted to the exclusion of the vote of the other joint registered holders.
- 4 The register of members of the Company will be closed from Friday, 18 May 2018 to Friday, 25 May 2018, both days inclusive, during which period no transfer of Shares will be effected in order to determine the entitlement to attend and vote at the AGM. All transfer documents accompanied by the relevant share certificates, must be lodged with the Company's share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Thursday, 17 May 2018 for such purpose.
- 5 In order to ascertain the entitlement to the final dividend, the register of members of the Company will be closed from Thursday, 31 May 2018 to Monday, 4 June 2018, both days inclusive. In order to qualify for the final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 30 May 2018.

*As at the date of this notice, the Board of Directors of the Company comprises Mr. Kwan Tak Sum Stanley, Mr. Tai Leung Lam, Mr. Lai Yiu Wah, Mr. Joseph Mac Carthy as Executive Directors, Mr. Fung Chun Chung, Mr. Cheung Kin Wing and Mr. Wong Raymond Fook Lam as Independent non-executive Directors.*