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PLACING OF EXISTING SHARES AND SUBSCRIPTION FOR NEW SHARES

Mr. Horst Julius Pudwill and Mr. Roy Chung Chi Ping (the "Vendors") have appointed CLSA Limited ("CLSA" or the "Bookrunner and Lead Manager") and Cazenove Asia Limited ("Cazenove" or the "Co-lead Manager", together with CLSA, the "Placing Agents") as the placing agents to unconditionally place 60 million existing ordinary shares (the "Placing Shares") of HK\$0.20 each (each a "Share") in Techtronic Industries Company Limited (the "Company") at a price of HK\$6.275 per Placing Share (the "Placing"). The Placing Shares represent approximately 10.30% of the existing issued share capital of the Company and approximately 9.34% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (as defined below). The Vendors will subscribe for 60 million new Shares (the "Subscription Shares") at a price of HK\$6.275 per Subscription Share (the "Subscription"). The Subscription Shares represent approximately 10.30% of the existing issued share capital of the Company and approximately 9.34% of the issued share capital as enlarged by the allotment and issue of the Subscription Shares.

On 25 April, 2002, the Vendors and CLSA entered into a placing agreement (the "Placing Agreement") and on the same date, the Vendors and the Company entered into a subscription agreement (the "Subscription Agreement"), respectively.

The Placing Shares will be sold to more than six independent professional and institutional investors on a fully underwritten basis subject to termination in certain events, set out below under the heading "Completion of Placing".

The net proceeds to the Company from the Subscription will amount to approximately HK\$367 million, approximately 30% of which will be used as working capital for the Company's Homelite brand outdoor lawn and garden tools products, 45% of which for new production facilities in China to meet growing demand in power tools and outdoor products, and the balance for the expansion of the European business.

The Vendors are directors and shareholders of the Company and currently hold in total approximately 34.26% of the Company's existing issued share capital. The Placing will reduce the total shareholding of the Vendors to approximately 23.96% of the Company's existing issued share capital. The Subscription will then increase the total shareholding of the Vendors to approximately 31.07% of the Company's enlarged issued share capital pursuant to the Subscription.

The Company requested suspension of trading in the Shares on the Stock Exchange from 2:30 p.m. on 25 April, 2002 and will request for resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 29 April, 2002.

PRINCIPAL ACTIVITIES OF THE COMPANY

The Company is engaged in the design, manufacturing, engineering and marketing of power tools, outdoor products, floor care appliances, solar powered and electronic products.

THE PLACING AGREEMENT DATED 25 APRIL, 2002

Vendors:

The Vendors are directors and shareholders of the Company and currently hold in total approximately 34.26% of the Company's existing issued share capital.

Number of the Placing Shares:

60 million Shares which represent approximately 10.30% of the Company's existing issued share capital of 582,716,826 Shares and approximately 9.34% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares. Mr. Pudwill has sold 33 million Shares and Mr. Chung has sold 27 million Shares in connection with the Placing.

Placees:

More than six independent professional and institutional investors.

Placing price

HK\$6.275 per Placing Share. The placing price is determined after arm's length discussions between the Vendors and CLSA, which represents a discount of approximately 3.5% to the closing price of HK\$6.50 per Share quoted on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 24 April, 2002, the day prior to the suspension of trading of the Shares and a premium of approximately 7.6% to the average closing price of the shares for the last ten trading days of HK\$5.83 per Share from 11 April, 2002 to 24 April, 2002 (both dates inclusive).

Rights:

The Placing Shares will be sold free of any third party rights.

Buyers will receive all dividends and distributions declared, made or paid after 25 April, 2002.

Placing Agents:

CLSA Limited and Cazenove Asia Limited. CLSA has fully underwritten the Placing.

Independence of Placees and Placing Agents:

The Placees (and their ultimate beneficial owners) and the Placing Agents are independent of and not connected with and not acting in concert with any of the directors, chief executive, substantial shareholders of the Company or any of its subsidiaries, or an associate of any of them (as such terms are defined in the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange.

Completion of Placing:

The Placing is unconditional and completion is expected to take place on or before 2 May, 2002.

THE SUBSCRIPTION AGREEMENT DATED 25 APRIL, 2002

Subscribers:

Mr. Pudwill and Mr. Chung

Number of the Subscription Shares:

60 million new Shares, which represent approximately 10.30% of the Company's existing issued share capital and approximately 9.34% of its issued share capital as enlarged pursuant to the Subscription. Mr. Pudwill will subscribe for 33 million Shares and Mr. Chung will subscribe for 27 million Shares in connection with the Subscription.

Subscription price:

HK\$6.275 per Subscription Share (being the equivalent of the placing price). The Company will pay the costs and expenses of the Subscription.

Mandate to allot and issue new Shares:

The new Shares will be allotted and issued under the general mandate granted to the Directors at the annual general meeting of the Company held on 25 May, 2001 for the allotment and issue of the Subscription Shares pursuant to the Subscription.

Ranking:

The Subscription Shares will rank pari passu in all respects among themselves and with all other Shares in issue on the date of the Subscription Agreement.

Conditions of the Subscription:

The Subscription is conditional upon, among other matters:

- the completion of the placing pursuant to the Placing Agreement ;
- the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares; and
- the Executive Director of the Corporate Finance Division of the Securities and Futures Commission (or any delegate of the Executive Director) (the "Executive") granting a waiver (the "Waiver"), if required, to the Vendors and their associates and concert parties (as defined in the Listing Rules) from their obligations, as a result of the Subscription, to make a general offer for all of the issued Shares of the Company other than those already owned by them under Rule 26 of the Hong Kong Code on Takeovers and Mergers.

The conditions must be satisfied within 14 days from the date of the Placing Agreement (i.e., on or before 9 May, 2002). If the conditions are not fulfilled within the time specified above, the Subscription will lapse and the Company will comply with the relevant requirements of the Listing Rules.

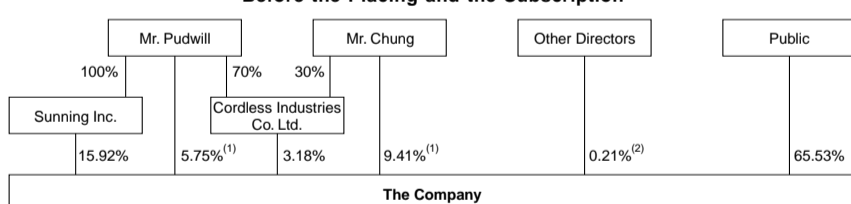
Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares. The Subscription is expected to be completed two business days after the date on which the conditions of the Subscription have been satisfied, and in any event will not exceed 14 days from the date of the Placing Agreement.

SHAREHOLDING OF THE VENDORS

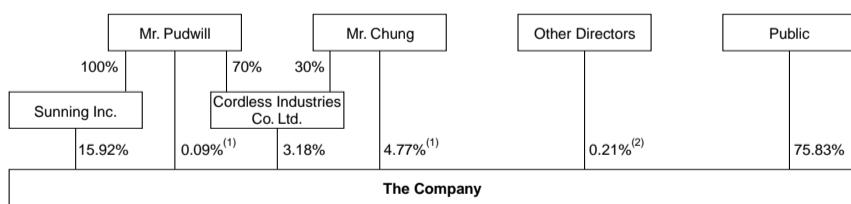
The Vendors currently hold in total approximately 34.26% of the Company's existing issued share capital. The Placing will reduce the total shareholding of the Vendors to approximately 23.96% of the Company's existing issued share capital. The Subscription will then increase the total shareholding of the Vendors to approximately 31.07% of the Company's enlarged issued share capital pursuant to the Subscription.

The following charts show the shareholding structure of the Company:

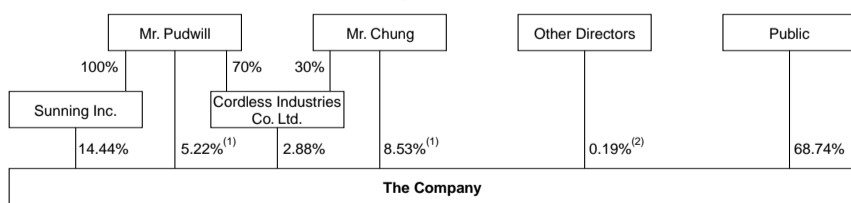
Before the Placing and the Subscription



After the Placing but before the Subscription



After the Placing and the Subscription



Note:

(1) Personal and family interests

(2) Mr. Vincent T.K. Cheung, Mr. Joel Arthur Schleicher and Mr. Christopher Patrick Langley

REASONS FOR THE PLACING AND THE SUBSCRIPTION AND USE OF PROCEEDS

The net proceeds to the Company from the Subscription will amount to approximately HK\$367 million, approximately 30% of which will be used as working capital for the Company's Homelite brand outdoor lawn and garden tools products, 45% of which for new production facilities in China to meet growing demand in power tools and outdoor products, and the balance for the expansion of the European business. The Placing Agents will be paid a commission equivalent to 2.5% of the Placing Price.

The Directors consider the terms of the Placing and the Subscription fair and reasonable and that the Placing and Subscription was an ideal opportunity for raising by the Company additional capital in that it would enhance the capital base of the Company and increase the shareholders' base and marketability of the Shares.

SUSPENSION AND RESUMPTION OF TRADING

The Company requested suspension of trading in the Shares on the Stock Exchange from 2:30 p.m. on 25 April, 2002 and will request for resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 29 April, 2002.

By Order of the Board
Techtronic Industries Company Limited
Horst Julius Pudwill
Chairman and Chief Executive Officer

Hong Kong, 26 April, 2002

The directors of Techtronic Industries Company Limited jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in the announcement, the omission of which would make any statement in this announcement misleading.

Please also refer to the published version of this announcement in South China Morning Post and Hong Kong Economic Times.