

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



ANNOUNCEMENT

- EXTENSION OF LONG STOP DATE OF MERGER AGREEMENT

The Board has been informed by Royal that the date of the Royal Special Shareholders Meeting has been set on 22nd April, 2003 and that proxy materials for the Royal Special Shareholders Meeting will be mailed on or about 14th March, 2003 to Royal Shareholders of record on 28th February, 2003. In view of the above, the Company, Royal, the Acquiror and Merger Sub have, on 12th March, 2003, entered into a first amendment to the Merger Agreement to extend the long stop date for fulfilment of the conditions precedent of the Merger Agreement from 15th April, 2003 to 15th May, 2003.

Unless the context otherwise requires, terms used in this announcement shall bear the same meanings as defined in the circular dated 6th March, 2003 issued by the Company to its shareholders regarding the Merger Agreement and the Merger (the "Circular"). The Merger Agreement was entered into by and among the Company, Royal, the Acquiror and Merger Sub as first announced by the Company on 18th December, 2002.

Reference is made to the Circular in which it was mentioned that the Royal Special Shareholders Meeting is expected to be held on or around 15th April, 2003 and the Merger is expected to be completed and become effective on or around 30th April, 2003.

The Company has been informed by Royal that the date of the Royal Special Shareholders Meeting has been set on 22nd April, 2003 and that proxy materials for the Royal Special Shareholders Meeting will be mailed by Royal on or about 14th March, 2003 to its shareholders of record on 28th February, 2003. The reason for the delay in holding the Royal Special Shareholders Meeting is that it has taken Royal longer than expected to obtain the approval of the proxy materials from the SEC. In view of the above, the Company, Royal, the Acquiror and Merger Sub have, on 12th March, 2003, entered into a first amendment to the Merger Agreement to extend the long stop date for fulfilment of the conditions precedent of the Merger Agreement from 15th April, 2003 to 15th May, 2003. Save and except the above change, all the terms and conditions contained in the Merger Agreement shall remain unchanged and the Merger Agreement shall remain in full force and effect. Subject to the approval of the Merger by the Shareholders and the Royal Shareholders at their respective shareholders' meetings, it is expected that the Merger will be completed and become effective immediately following the Royal Special Shareholders Meeting on 22nd April, 2003. The Directors confirm that the venue and time of the Extraordinary General Meeting will remain unchanged at Chatham Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queenway, Hong Kong on 31st March, 2003 at 9:30 a.m..

In view of the first amendment to the Merger Agreement, the definition of "Merger Agreement" in the Circular shall be construed as the agreement and plan of merger dated as of 16th December, 2002 made among the Company, Royal, the Acquiror and Merger Sub (as amended by the first amendment to the Merger Agreement dated as of 12th March, 2003 and as may be further amended, modified or supplemented from time to time).

As stated in the Circular, the Directors believe that the Merger represents a significant step in the Company's worldwide branding strategy and is in the best interest of the Company and the Shareholders as a whole. The Directors further believe that the entry of the first amendment to the Merger Agreement is to accommodate the holding of the Royal Special Shareholders Meeting on 22nd April, 2003 and is in furtherance of the above corporate objective. The Directors confirm that the entry of the first amendment to the Merger Agreement will not have any adverse legal or financial impact on the Company and the Shareholders as a whole nor will it delay the expected timetable for completion of the Merger, which is on or around 30th April, 2003.

Royal has not yet filed its annual report for the year ended 31st December, 2002 to the SEC. The Company will make timely disclosure of the financial information of Royal as disclosed in such annual report by way of an announcement together with comments from the Directors on the Merger as a result of such updated financial information. Shareholders and potential investors of the Company may obtain the latest published financial and other corporate information of Royal at its official website at www.royalappliance.com.

A supplemental circular regarding the above matter will be despatched by the Company to Shareholders as soon as practicable. Further announcements regarding any material development of the Merger and/or Royal will be made by the Company, as and when appropriate.

By Order of the Board of
Techtronic Industries Company Limited
Chi Chung Chan
Company Secretary

*Please also refer to the published version of this announcement in
The Standard and Hong Kong Economic Times.*