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Techtronic Industries Co. Ltd.
創科實業有限公司
(Incorporated in Hong Kong with limited liability)
(Stock Code : 669)

PROPOSED SHARE SUBDIVISION

The Board proposes that each of the existing issued and unissued Shares be subdivided into two Subdivided Shares. The Share Subdivision will become effective upon the fulfillment of the conditions set out below.

The board lot size of the Subdivided Shares for trading on the Stock Exchange will remain unchanged in board lots of 500 Subdivided Shares upon the Share Subdivision becoming effective.

Subject to the passing of the ordinary resolution in respect of the Share Subdivision, a special resolution will also be proposed at the Extraordinary General Meeting to amend the articles of association of the Company to reflect the nominal value of the Subdivided Shares.

A circular containing, among other things, the details of the Share Subdivision together with the notice of Extraordinary General Meeting will be despatched to the Shareholders as soon as practicable.

SHARE SUBDIVISION

The Board proposes that each of the existing issued and unissued Shares be subdivided into two Subdivided Shares. The Board is of the opinion that the Share Subdivision is in the interests of the Company and the Shareholders as a whole.

At the date of this announcement, the authorized share capital of the Company is HK\$160,000,000 divided into 800,000,000 Shares of which 663,336,826 Shares are in issue. Subject to the passing of the ordinary resolution numbered 5 set out in the notice of Annual General Meeting dated 7th April, 2004, the authorized share capital of the Company will be increased to HK\$240,000,000 divided into 1,200,000,000 Shares and, upon the Share Subdivision becoming effective, 2,400,000,000 Subdivided Shares. Immediately upon completion of the Share Subdivision and on the basis that 663,336,826 Shares are in issue, 1,326,673,652 Subdivided Shares will be in issue pursuant to the Share Subdivision. The Subdivided Shares will rank pari passu in all respects with each other and the Share Subdivision will not result in any change in the relevant rights of the Shareholders.

Upon the Share Subdivision becoming effective, the monetary value of each board lot of the Subdivided Shares will be lower than the monetary value of each existing board lot of the Shares and the transaction cost for each board lot of the Subdivided Shares will likewise be reduced. The Board believes that the Share Subdivision may improve the liquidity of the Subdivided Shares and enable the Company to attract more investors and broaden its shareholder base.

The board lot size of the Subdivided Shares for trading on the Stock Exchange will remain unchanged in board lots of 500 Subdivided Shares upon the Share Subdivision becoming effective.

CONDITIONS

The Share Subdivision is conditional upon:

- the passing of an ordinary resolution by the Shareholders at the Extraordinary General Meeting; and
- the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Subdivided Shares and any new Subdivided Shares which may fall to be issued pursuant to the exercise of options granted under the Company's share option schemes.

An application will be made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Subdivided Shares and any new Subdivided Shares which may fall to be issued pursuant to the exercise of options granted under the Company's share option schemes.

EXPECTED TIMETABLE

The expected timetable for the implementation of the Share Subdivision and the associated trading arrangements are set out as follows:

	2004
Despatch of circular in relation to, inter alia, the Share Subdivision	On or about Wednesday, 28th April
Latest time for lodging form of proxy	9:30 a.m. on Wednesday, 26th May
Extraordinary General Meeting to approve, inter alia, the Share Subdivision	10:30 a.m. (or as soon thereafter as the Annual General Meeting shall have been concluded or adjourned) on Friday, 28th May
Effective date of the Share Subdivision	Monday, 31st May
Dealings in Subdivided Shares commence	9:30 a.m. on Monday, 31st May
Original counter for trading in existing Shares in board lots of 500 Shares temporarily closes	9:30 a.m. on Monday, 31st May
Temporary counter for trading in Subdivided Shares in board lots of 1,000 Subdivided Shares (in the form of certificates for existing Shares) opens	9:30 a.m. on Monday, 31st May
First day for free exchange of certificates for existing Shares for new certificates for Subdivided Shares	Monday, 31st May
Original counter for trading in Subdivided Shares in board lots of 500 Subdivided Shares (in the form of new certificates for Subdivided Shares) re-opens	9:30 a.m. on Monday, 14th June
Parallel trading in Subdivided Shares (in the form of (a) new certificates for Subdivided Shares and (b) certificates for existing Shares) commences	9:30 a.m. on Monday, 14th June
Temporary counter for trading in Subdivided Shares in board lots of 1,000 Subdivided Shares (in the form of certificates for existing Shares) closes	4:00 p.m. on Wednesday, 7th July
Parallel trading in Subdivided Shares (in the form of (a) new certificates for Subdivided Shares and (b) certificates for existing Shares) ends	4:00 p.m. on Wednesday, 7th July
Last day for free exchange of certificates for existing Shares for new certificates for Subdivided Shares	Monday, 12th July

Certificates for existing Shares will only be valid for delivery and settlement purposes for the period up to 4:00 p.m. on Monday, 12th July, 2004 and thereafter will not be accepted for settlement purposes. However, the certificates for existing Shares will continue to be good evidence of legal title to the Subdivided Shares on the basis of one existing Share for two Subdivided Shares.

Subject to the Share Subdivision becoming effective, Shareholders may, during business hours from Monday, 31st May, 2004 to Monday, 12th July, 2004 (both dates inclusive), submit their certificates for the Shares to the Company's share registrars, Secretaries Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong in exchange for certificates for the Subdivided Shares (on the basis of every one Share for two Subdivided Shares) free of charge. Thereafter, share certificates for Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such amount as may from time to time be specified by the Stock Exchange) for each new certificate issued for the Subdivided Shares or each old share certificate submitted, whichever number of share certificate involved is higher.

AMENDMENT TO THE ARTICLES OF ASSOCIATION

Subject to the passing of the ordinary resolution in respect of the Share Subdivision, a special resolution will also be proposed at the Extraordinary General Meeting to amend Article 3 of the articles of association of the Company to reflect the nominal value of the Subdivided Shares in addition to other proposed amendments to the articles of association of the Company to reflect the recent amendments to the Companies Ordinance (Cap. 32, Laws of Hong Kong) and the Rules Governing the Listing of Securities on the Stock Exchange as set out in the notice of Annual General Meeting dated 7th April, 2004. Details of the proposed amendment to the articles of association of the Company will be set out in the notice of Extraordinary General Meeting.

GENERAL

A circular containing, among other things, the details of the Share Subdivision together with the notice of Extraordinary General Meeting will be despatched to the Shareholders as soon as practicable.

The Share Subdivision may lead to adjustments to the subscription price and/or the number of Shares to be issued pursuant to the exercise of the options granted under the Company's share option schemes in accordance with their respective terms. The Company will consult its auditors for the required adjustments and the holders of such options will be informed by way of further announcement of the required adjustments (if any) as soon as practicable.

Further announcement will be made by the Company as soon as the Share Subdivision becomes unconditional.

As at the date of this announcement, the Board comprises five Group executive Directors, namely, Mr. Horst Julius Pudwill (Chairman and Chief Executive Officer), Mr. Roy Chi Ping Chung (Group Managing Director), Mr. Patrick Kin Wah Chan, Mr. Frank Chi Chung Chan and Dr. Akio Urakami and three independent non-executive Directors, namely, Mr. Vincent Ting Kau Cheung, Mr. Joel Arthur Schleicher and Mr. Christopher Patrick Langley.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following respective meanings:

"Annual General Meeting"	an annual general meeting to be held at 9:30 a.m. on Friday, 28th May, 2004 at Taishan Room, 5th Floor, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong
"Board"	the board of Directors
"Company"	Techtronic Industries Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
"Directors"	the directors of the Company
"Extraordinary General Meeting"	an extraordinary general meeting to be held at 10:30 a.m. (or as soon thereafter as the Annual General Meeting shall have been concluded or adjourned) on Friday, 28th May, 2004 at Taishan Room, 5th Floor, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong
"Group"	the Company and its subsidiaries
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China
"Share(s)"	share(s) of HK\$0.20 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Shares and the Subdivided Shares
"Share Subdivision"	the proposal that each of the existing issued and unissued Shares be subdivided into two Subdivided Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subdivided Share(s)"	share(s) of HK\$0.10 each in the share capital of the Company to be created by the Share Subdivision
"HK\$"	Hong Kong dollars

By Order of the Board
TECHTRONIC INDUSTRIES COMPANY LIMITED
CHI CHUNG CHAN
Company Secretary