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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)**

## **ISSUE OF THE OPTIONAL SECURITIES**

The Company has agreed with Merrill Lynch and HSBC to issue the maximum number of Optional Securities. Subject to the satisfaction or waiver of the conditions precedent to Option Closing, Option Closing is expected to occur simultaneously with Second Closing on or around 29 May 2009.

Reference is made to the Company's announcement dated 24 April 2009 relating to the Placing (the "**Announcement**"). Terms used herein shall have the same meaning as those defined in the Announcement.

### **THE OPTIONAL PLACING**

The Company has agreed with Merrill Lynch Far East Limited ("**Merrill Lynch**") and The Hongkong and Shanghai Banking Corporation Limited ("**HSBC**") that it will issue the Optional Securities. The Company, Merrill Lynch and HSBC have agreed that the maximum number of Optional Securities will be issued, being US\$25,000,000 in principal amount of Bonds and 9,314,750 Warrants.

Accordingly, at Option Closing, the Company will issue and the Joint Placing Agents will procure subscribers for, failing which will subscribe themselves for, the maximum number of Optional Bonds and the maximum number of Optional Warrants. As stated in the Announcement, the obligations of the Joint Placing Agents with respect to the Optional Placing are conditional upon:

- (i) the Stock Exchange having granted the listing of, and permission to deal in, the New Shares to be issued upon conversion and/or exercise of the Optional Bonds and the Optional Warrants;
- (ii) the Shareholders having approved the Specific Mandate at the EGM;
- (iii) the Joint Placing Agents having received legal opinions from their legal advisers and the legal advisers to the Company;
- (iv) the Company having delivered to the Joint Placing Agents a certificate confirming that the representations and warranties as set out in the Subscription Agreement have not been breached and remain true and accurate as at Option Closing; and
- (v) there having been no material adverse change or prospective material adverse change in the condition (financial or otherwise) business, prospects, results of operations or properties of the Company or its subsidiaries which in the opinion of the Joint Placing Agents makes it impracticable to market the Securities in the manner contemplated under the Subscription Agreement as at Option Closing.

It is expected that Option Closing will occur simultaneously with Second Closing. Both are expected to take place on or around 29 May 2009. As at the date of this announcement, none of the conditions precedent to Option Closing or Second Closing have been satisfied or waived.

If Option Closing occurs then, upon conversion in full of the Optional Bonds and exercise in full of the Optional Warrants, a total of 46,574,250 New Shares will fall to be issued, representing approximately 3.1% and 2.6% of the Company's existing issued share capital as at the date of this announcement and of the Company's issued share capital as enlarged by the issue of all the New Shares in respect of the Tranche 1 Securities, Tranche 2 Securities and Optional Securities, respectively.

The Joint Placing Agents have informed the Company that they intend to place the Tranche 2 Securities and the Optional Securities with no less than six independent Placees (which will be independent individual, corporate and/or institutional investors), each of whom will be independent third parties not connected with the Company or any of its subsidiaries or any of their respective directors, chief executives or substantial shareholders or any of their respective associates.

If the Tranche 2 Securities and the Optional Securities are placed with less than six Placees, the Company will make a further announcement setting out the identity of the Placees.

A further announcement will also be made if and when Option Closing occurs.

## **GENERAL**

A circular containing, among other things, further details of the Placing and a notice convening the EGM is expected to be dispatched by the Company to the Shareholders on 11 May 2009.

Merrill Lynch, HSBC and Citigroup Global Markets Asia Limited acted as the Joint Placing Agents for the Placing.

**As the Optional Placing may or may not be completed, Shareholders and prospective investors are advised to exercise caution when dealing in the Shares.**

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

Hong Kong, 8 May 2009

*As at the date of this announcement, the Board of the Company comprises six Group Executive Directors, namely, Mr. Horst Julius Pudwill (Chairman), Dr. Roy Chi Ping Chung JP (Vice Chairman), Mr. Joseph Galli Jr. (Chief Executive Officer), Mr. Patrick Kin Wah Chan, Mr. Frank Chi Chung Chan and Mr. Stephan Horst Pudwill, one Non-Executive Director, namely, Mr. Vincent Ting Kau Cheung and four Independent Non-Executive Directors, namely, Mr. Joel Arthur Schleicher, Mr. Christopher Patrick Langley OBE, Mr. Manfred Kuhlmann and Mr. Peter David Sullivan.*