
THIS SUPPLEMENTAL CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this supplemental 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 Techtronic Industries Company Limited, you should at once hand this supplemental circular to the purchaser or other transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this supplemental circular, 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 supplemental circular.



TECHTRONIC INDUSTRIES COMPANY LIMITED
創 科 實 業 有 限 公 司
(Incorporated in Hong Kong with limited liability)

Executive Directors:

Mr. Horst Julius Pudwill
(Chairman and Chief Executive Officer)
Mr. Roy Chi Ping Chung
(Managing Director)
Mr. Kin Wah Chan
Mr. Chi Chung Chan
Dr. Akio Urakami

Registered Office:

24th Floor
CDW Building
388 Castle Peak Road
Tsuen Wan
New Territories
Hong Kong

Non-executive Director:

Mr. Susumu Yoshikawa

Independent Non-executive Directors:

Mr. Vincent Ting Kau Cheung
Mr. Joel Arthur Schleicher
Mr. Christopher Patrick Langley

14th March 2003

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTION – PROPOSED ACQUISITION OF
ROYAL APPLIANCE MANUFACTURING CO.
BY WAY OF MERGER**

DEFINITIONS

Unless otherwise defined herein, terms used in this supplemental circular shall bear the same meanings as defined in the Circular.

“Circular”	the circular dated 6th March 2003 issued by the Company to the Shareholders regarding the Merger;
“First Amendment”	the first amendment to the agreement and plan of merger dated as of 16th December 2002 by and among the Company, Royal, the Acquirer and Merger Sub dated as of 12th March 2003; and

“Merger Agreement”

the agreement and plan of merger dated as of 16th December 2002 by and among the Company, Royal, the Acquiror and Merger Sub (as amended by the First Amendment and as may be further amended, modified or supplemented from time to time).

INTRODUCTION

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 Merger Agreement was entered into by and among the Company, Royal, the Acquiror and Merger Sub on 16th December 2002 as first announced by the Company on 18th December 2002.

ROYAL SPECIAL SHAREHOLDERS MEETING

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 the First Amendment 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 23rd 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 Queensway, Hong Kong on 31st March 2003 at 9:30 a.m..

REASONS FOR THE FIRST AMENDMENT

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 Shareholders as a whole. The Directors further believe that the entry of the First Amendment 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 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.

RECOMMENDATION

The Directors reiterate their recommendation to the Shareholders to vote in favour of the resolution to be proposed at the Extraordinary General Meeting to approve the Merger.

Your attention is drawn to the paragraph headed “Extraordinary General Meeting” on page 23 of the Circular regarding the voting arrangements of the Merger.

LATEST FINANCIAL INFORMATION OF ROYAL

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.

GENERAL

This supplemental circular forms part of and shall be read in conjunction with the Circular.

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