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TECHTRONIC INDUSTRIES COMPANY LIMITED

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RYOBI ACQUISITION CREATES RACE FOR LEADERSHIP POSITION IN NORTH AMERICA POWER TOOL MARKET

(Hong Kong, June 1, 2000) – A world leader in the manufacturer of rechargeable products, TechTronic Industries Co., Ltd. (“TTI”) (Stock code: 669) today announced a very possible substantial acquisition of the power tool operations of Ryobi Limited, a public company listed on the Tokyo Stock Exchange. Ryobi is a market leader of portable and bench top power tools in North America.

On May 31, 2000, TTI entered into an agreement with Ryobi Limited and its subsidiaries to acquire (i) material part of the operating assets and certain liabilities and obligations of the power tools business of the Ryobi Group and (ii) two subsidiaries of Ryobi Limited, involving the design, manufacture, importation and sale in North America of portable and pneumatic power tools, bench top, corded and cordless power tools and hand tools and accessories (together the “Ryobi Power Tool Business”). The consideration will consist of a cash settlement and will be equal to (i) the total net book value of the tangible assets to be acquired by TTI plus (ii) the total net book value of the two subsidiaries to be acquired by TTI as of the closing date, less US\$ 6,700,000, which in any event will not exceed US\$123,300,000. Based on the latest available management accounts, the preliminarily estimation of the consideration is approximately US\$95 million. The completion of this acquisition is conditional upon the approval of the Hong Kong Stock Exchange and shareholders of TTI at an extraordinary general meeting, and is expected to be completed latest by July 31, 2000.

“Ryobi is one of the most well known brands of power tools in North America. According to industry surveys, Ryobi power tool products have the highest customer satisfaction in the US and account for almost 20% of the power tool market in North America. Ryobi is an excellent strategic fit for the Group, reinforcing TTI shareholder value. The acquisition will accelerate TTI’s growth and enhance future revenues substantially,” said Mr. Horst Pudwill, Chairman and Chief Executive Officer of TTI.

“TTI has a healthy liquidity position so we do not expect the acquisition to add any significant pressure to TTI. We are fully confident that the acquisition will pay off by itself in the next few years,” Mr. Pudwill added.

“We see this as an excellent deal for TTI. It not only provides TTI with a powerful consumer brand but will expand TTI’s technology beyond rechargeable tools and into corded and bench top power tools. Also, there will be an improvement in the Group’s overall cost position. The combined business expect to improve profit margins through supply chain savings and integration of the manufacturing and marketing operations of Ryobi and TTI,” said Mr. Roy Chung, Managing Director of TTI.

“The Ryobi acquisition is a major milestone for TTI. We are doubling our size and evolving from an Original Equipment Manufacturer (OEM) and Original Design Manufacturer (ODM) to become an Original Brand Manufacturer (OBM)” Mr. Pudwill concluded.

TTI is a world leader in the design, engineering and manufacturing of power tools, floor care products, solar and electronic products. TTI has recorded continuous growth since its listing on the Hong Kong Stock Exchange in 1990 from a turnover of HK\$490 million in 1990 to HK\$2.7 billion in 1999.

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