

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST DECEMBER, 2001

HIGHLIGHTS

– Turnover	+34.0%
– Profit for the Year	+32.0%
– Earnings per Share – Basic	+30.1%

	2001 <i>HK\$'000</i>	2000 <i>HK\$'000</i> <i>As restated</i>
TURNOVER (Note 2)	6,101,140	4,551,482
COST OF SALES	(4,594,011)	(3,584,733)
GROSS PROFIT	1,507,129	966,749
OTHER REVENUE	41,396	30,807
SELLING, DISTRIBUTION AND ADVERTISING EXPENSES	(516,684)	(295,237)
ADMINISTRATIVE EXPENSES	(595,698)	(375,036)
RESEARCH AND DEVELOPMENT COSTS	(79,931)	(38,796)
PROFIT FROM OPERATIONS	356,212	288,487
FINANCE COSTS	(91,000)	(75,632)
PROFIT BEFORE SHARE OF RESULTS OF ASSOCIATES & TAXATION	265,212	212,855
SHARE OF RESULTS OF ASSOCIATES	(300)	(1,221)
PROFIT BEFORE TAXATION	264,912	211,634
TAXATION (Note 3)	(22,940)	(31,221)
PROFIT BEFORE MINORITY INTERESTS	241,972	180,413
MINORITY INTERESTS	(3,125)	504
PROFIT FOR THE YEAR	238,847	180,917
DIVIDEND PAID (Note 4)	60,057	53,291
EARNINGS PER SHARE (Note 5)		
BASIC	42.02 cents	32.31 cents
DILUTED	41.83 cents	32.10 cents

Notes:

1. Adoption of New and Revised Statements of Standard Accounting Practice

A number of new and revised Statements of Standard Accounting Practice ("SSAPs") issued by the Hong Kong Society of Accountants have become effective for the current financial year. These, where applicable, have been adopted by the Company as its accounting policies. In addition, the new and revised SSAPs have introduced additional and revised disclosure requirements which, where applicable, have been adopted in these financial statements.

The adoption of these new and revised SSAPs has resulted in the following changes to the Group's accounting policies that have affected the amounts reported for the current or prior years.

Dividends proposed or declared after the balance sheet date

In accordance with SSAP 9 (Revised) *Events after the Balance Sheet Date*, dividends proposed or declared after the balance sheet date are not recognised as a liability at the balance sheet date, but are disclosed in the notes to the financial statements. This change in accounting policy has been applied retrospectively.

Leases

In accordance with SSAP 14 (Revised) *Leases*, the basis of recognition of finance income from finance leases has been changed from the net cash investment method to the net investment method. Finance lease income is therefore allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of its finance leases. This change in accounting policy has been applied retrospectively.

Segment reporting

In the current year, the Group has changed the basis of identification of reportable segments to that required by SSAP 26 *Segment Reporting*. Segment disclosures for the year ended 31st December, 2000 have been amended so that they are presented on a consistent basis.

Goodwill

In the current year, the Group has adopted SSAP 30 *Business Combinations* and has elected to restate goodwill (negative goodwill) previously eliminated against (credited to) reserves. Accordingly, the amount of such goodwill (negative goodwill) has been remeasured in accordance with the requirements of SSAP 30. Accumulated amortisation and impairment losses in respect of goodwill between the date of acquisition of the relevant subsidiary or associate and the date of adoption of SSAP 30 have been recognised retrospectively. Negative goodwill which would have been recognised as income between the date of acquisition of the relevant subsidiary or associate and the date of adoption of SSAP 30 has been recognised retrospectively. Following restatement, goodwill is presented as an asset in the balance sheet and negative goodwill is presented as a deduction from assets. Goodwill is amortised over its estimated useful life. Negative goodwill will be released to income based on the remaining weighted average useful life of acquired identifiable assets.

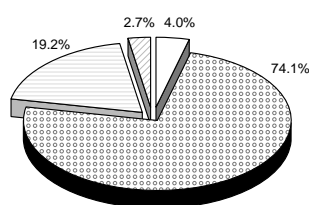
Consolidation

SSAP 32 *Consolidated Financial Statements and Accounting for Investments in Subsidiaries* has introduced a new definition of subsidiary, i.e. an enterprise that is controlled by the Group. However, certain associates of the Group which fall under this new definition of a subsidiary are not permitted to be consolidated in these financial statements, because as the Company is a Hong Kong incorporated company, these associates do not meet the definition of a subsidiary as set out in Hong Kong Companies Ordinance. In this case, pursuant to SSAP 32, the Group disclose certain additional information to enable users of the consolidated statements to assess the effects as if this SSAP had been fully applied.

2. Turnover

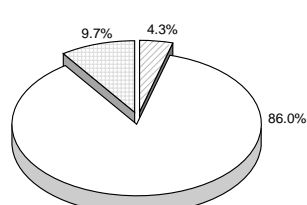
TURNOVER BY PRINCIPAL ACTIVITY

- Power tools
- Floor care appliances
- Solar powered & electronic products
- Trading and others



TURNOVER BY GEOGRAPHICAL MARKET LOCATION

- North America
- Europe
- Other countries



3. Taxation

The total taxation charge comprises:

Hong Kong Profits Tax calculated at 16% of the estimated assessable profit for the year (Over) underprovision in prior years
 Deferred taxation charge

Overseas taxation on profit for the year
 Underprovision in prior years
 Deferred taxation credit

	2001 <i>HK\$'000</i>	2000 <i>HK\$'000</i>
Hong Kong Profits Tax	18,500	15,000
(Over) underprovision in prior years	(153)	2,026
Deferred taxation charge	—	1,394
	18,347	18,420
Overseas taxation on profit for the year	9,611	28,833
Underprovision in prior years	170	35
Deferred taxation credit	(5,188)	(16,067)
	4,593	12,801
	22,940	31,221

4. Dividends

Final dividend paid:
 2000: HK6.0 cents (1999: HK5.5 cents) per share
 Interim dividend paid:
 2001: HK4.5 cents (2000: HK4.0 cents) per share

	2001 <i>HK\$'000</i>	2000 <i>HK\$'000</i> <i>(As restated)</i>
Final dividend paid	34,213	30,743
Interim dividend paid	25,844	22,548
	60,057	53,291

The final dividend of HK7.0 cents (2000: HK6.0 cents) per share has been proposed by the directors and is subject to approval by the shareholders in the annual general meeting.

5. Earnings Per Share

The calculation of the basic and diluted earnings per share is based on the following data:

	2001 <i>HK\$'000</i>	2000 <i>HK\$'000</i> <i>(As restated)</i>
Earnings for the purposes of basic and diluted earnings per share:		
Profit for the year	238,847	180,917
Weighted average number of ordinary shares for the purposes of basic earnings per share	568,437,155	560,015,593
Effect of dilutive potential ordinary shares:		
Share options	2,505,232	3,652,395
Weighted average number of ordinary shares for the purposes of diluted earnings per share	570,942,387	563,667,988

The adjustments to comparative basic and diluted earnings per share, arising from the changes in accounting policies shown in note (1) above, is as follows:

	Basic <i>HK cents</i>	Diluted <i>HK cents</i>
Reconciliation of earnings per share for the year ended 31st December, 2000		
Reported figure before adjustment	34.02	33.80
Adjustments arising from adoption of SSAP 30	(1.71)	(1.70)
	32.31	32.10

DIVIDENDS

The Directors recommend a final dividend of HK7.0 cents per share. Subject to the approval of the shareholders at the Annual General Meeting to be held on 28th May 2002. The final dividend will be paid to shareholders listed on the register of members of the Company on 21st June, 2002. It is expected that the final dividend will be paid on or about 29th July, 2002. This payment together with the interim dividend of HK4.5 cents per share paid on 30th October, 2001 makes a total payment of HK11.5 cents per share for 2001.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Monday, 17th June, 2002 to Friday, 21st June, 2002, both days inclusive. In order to qualify for the final dividend to be approved at the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrars, Secretaries Limited, at 5th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong not later than 4:00 p.m. on Friday, 14th June, 2002.

BUSINESS REVIEW

2001 was another record-breaking year at TTI, despite a challenging global economic environment and marks the seventh consecutive year of double-digit growth in both turnover and profits. The strong operating cash flow supported an increased level of brand investment and contributed to the significant reduction in gearing to 54.9% from 87.9%. We are better positioned than ever for the enormous opportunities that lie ahead.

A key factor to TTI's success has been our brand acquisition strategy, of which the most significant was that of Ryobi North America, completed in August 2000. The brand is a major player in the US\$7.4 billion North American power tool market. It provided TTI with a steady stream of income for the coming years, but also provides a significant portable power tools into corded portable and bench power tools. Demonstrating the success of the acquisition, the power tool division delivered an impressive 45.2% growth in 2001 over the prior year.

With our aggressive policy of brand acquisition, TTI has improved access to the world's largest home improvement markets and supports the transition from a leading manufacturer to a global brand marketer. We now have the ability to deliver brands in key markets and to benefit from a number of synergies that have positioned TTI for continued growth.

Through supply chain savings, we have improved inventory management, resulting in a positive impact on cash flow and an overall reduction in production cost, increased competitiveness, and improved margins. Further benefits and efficiencies are anticipated from a consolidation of manufacturing resources between Asia and North America. As part of this effort, we closed facilities in the United Kingdom and Indonesia. We plan to achieve similar synergies with our latest acquisition of Homelite.

Power Tools Division

Entering the year, the Division's strategy was to focus on its core customers and use its global capabilities to streamline costs and maximize profits. Once again, the Division achieved record sales of HK\$4.5 billion, up from last year's HK\$3.1 billion.

After acquiring Ryobi's North American and European operations in August 2000 and August 2001, the Division entered into a major distribution agreement with Home Depot, the world's largest home improvement chain. The agreement not only secures TTI a steady stream of income for the coming years, but also provides a significant outlet and marketing support for Ryobi products in North America. Throughout the year, the partnership with Home Depot substantially increased TTI's market presence and raised the brand awareness of Ryobi power tools in North America.

The acquisition of Ryobi European business provided TTI the necessary brand name, marketing and logistic capabilities for future growth in Europe, where the Division solidified relationships with major retailers.

2002 should be a high-growth year for the TTI Power Tool Division. Driven by aggressive expansion, both in products and market presence, as well as increase in customer demand. The overall strategy will focus on product development, cost containment, and brand expansion.

The TTI Power Tools Division is now well positioned to consolidate and grow in the future. EBITA and cash flow are high, inventories are low, competitiveness and market share are at an all-time high and continued progress is being made to maintain a low cost manufacturing base.

Floor Care Appliances Division

The continuing drive to improve cost efficiencies led the Division to re-evaluate its manufacturing operations. Those in the United Kingdom were moved to China, allowing the UK operations to focus on concept development, brand marketing and distribution. Manufacturing in Indonesia was also moved to China.

Cost aggressive containment focused on supply chain management and first step Six Sigma programs to further improve quality, efficiency and eliminate waste.

With the successful new product launches the second half of last year, the Division is well positioned for another positive year of positive growth. A key element will be our ability to satisfy the new product development needs of the North American market. To accomplish this, we will continue to invest in our own concept development capabilities.

Another key to achieving our growth objectives will be the success of our own Vax brand. We will continue implementing our current strategy of delivering mid to premium price, consumer friendly floor cleaning products. A major focus will be to capitalize on the brand's recognition and distribution in order to introduce new product offerings.

Solar Powered and Electronic Products Division

As with other TTI divisions, the Solar Powered and Electronic Products Division benefited from an aggressive product development strategy. 2001 was highlighted by the introduction of new die cast and glass solar lights as well as new state of the art laser leveling tools and ultrasonic tape measures. Thanks to the successful launch of these product lines and implementation of a strict inventory control program, the profit contributed by the Division rose 54.7% to HK\$13.1 million.

The outlook for 2002 is very positive as US retailers and ODM partners who delayed orders in the fourth quarter 2001 should resume their normally robust purchasing.

The Division's strategy will continue to focus on product development in its two major segments; solar lighting products and electronic measuring and monitoring devices. Internally, the Division will continue to strengthen its leadership even as it expands the volume and quality of its OEM/ODM partnerships.

LIQUIDITY

Total bank borrowings amount to HK\$893 million (2000: HK\$1,008 million). The improvement was due to the fundings generated internally from operation and the Group's persistent stringent control over the efficiency and effectiveness of working capital utilization focusing especially on the level of inventory, demonstrated by the reduction of amount of inventory at the end of the year as compared to previous year despite the increase in sales by 34%. The financing of the acquisition on Ryobi France and Ryobi United Kingdom in August last year by internal resources did not have a negative effect on total borrowings.

Following the adoption of Statement of Standard Accounting Practice numbers 9 and 30 issued by the Hong Kong Society of Accountants effective for accounting period beginning on or after 1st January, 2001, the Group considered that it is appropriate to revise the basis of the gearing ratio computation.

Gearing ratio for the year, expressed as a percentage of Total Net Bank Borrowings to Total Net Tangible Worth was at 54.9% (2000: 87.9%).

Total net finance costs charged for the year were HK\$76.6 million (2000: HK\$66.7 million). Despite interest been charged for the full twelve months on the finance arrangements for the acquisition arranged by the end of third quarter 2000, net interest expenses had only increased moderately when compared to last year's finance costs which only accounted for 5 months of interest on the loan. The continual low interest rates together with improvements in liquidity by more efficient working capital management contributed to the favorable effect on borrowing costs together with the positive results of several interest rate hedging instruments applied during the year. The Group understands that interest rates, at present at its low, may reverse and increase, and has been monitoring its trend closely and continue to evaluate various financial instruments for hedging with the prime objective to capitalize the current low rate and have it maintained as much as possible during the terms of various loans.

Interest coverage, expressed as a multiple of profit before interest and taxation to total net interest expenses was at 4.46 times (2000: 4.18 times), continued to be at a level where the Group considered acceptable and comfortable.

ACQUISITIONS

On 8th August, 2001, the Group announced the acquisition of Ryobi's power tool business in Europe. The acquisition included the two sales, marketing and distribution operations located in United Kingdom and France for power tools and outdoor products together with the perpetual right for the "Ryobi" brand name in Europe free of license fee or royalty and was for a consideration of US\$6.7 million. The acquisition was financed internally from working capital and was based on adjusted net book value of both corporations without any premium or goodwill.

The acquisition will provide resources in marketing and products intelligence plus valuable logistic capabilities in Europe for the Group. It is expected to have a very significant potential in penetrating the European market with the Ryobi brand, leveraging on the Group's research, design and product development capabilities and capitalize on its low cost manufacturing base to contribute positive growth in subsequent years.

On 3rd March, 2002, the Group announced the acquisition of two operating subsidiaries from Ryobi Limited, Ryobi Australia Pty and Ryobi New Zealand Limited together with the license and royalty free perpetual right for the "Ryobi" brand name in Australia and New Zealand. Both operations had already established as a leading brand in the power tool and outdoor products markets respectively and will bring the Group further closer to the global branding strategy on the Ryobi brand power tools and outdoor products. The total consideration was AUD\$5.9 million based on adjusted net asset value of both companies and financed by internal resources.

OUTLOOK

The Directors are confident that barring any unforeseen circumstance, the Group will achieve another record year of growth for 2002 capitalizing on the strategy of building on our global brands and introducing an expanded range of innovative products responsive to market needs.

With improvements forecasted in the US and European economies, our outlook is stronger than ever. The success of our customer relationships continues to be based on delivering competitively priced products incorporating superior quality, brand know-how and product innovation. We are well prepared to meet the challenge from our competition.

Integration of the acquisitions to maximize synergies remains a management priority. We will continue to improve our overall cost structure and profitability through supply chain savings and increased manufacturing and marketing efficiencies. And while North America remains a major market, our medium to long-term goal will be to expand our share in Europe and Australasia.

TTI now has leadership in an impressive range of internationally recognized products built around product development, brand focus, and customer acceptance. We will press forward with these core attributes to ensure that our products continue to deliver the performance, quality, and value, which have been the trademark of our success.

PROPOSED SPIN-OFF OF THE FLOOR CARE DIVISION

The Directors report that the possible spin-off of the Floor Care Appliances division would not proceed in the current prevailing market environment.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURE

Other than as disclosed above, at no time during the year was the Company, or any of its subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and neither the directors nor the chief executive, nor any of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

DIRECTORS' INTEREST IN CONTRACTS OF SIGNIFICANCE

No contract of significance, to which the Company, or any of its subsidiaries, was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

SUBSTANTIAL SHAREHOLDERS

As at 31st December, 2001, the register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance showed no persons as having an interest of 10% or more of the issued share capital of the Company.

PURCHASE, SALES OR REDEMPTION OF SHARES

During the year, there has been no purchase and redemption of shares of the Company by the Company or any of its subsidiary.

PUBLICATION OF DETAILED RESULTS ANNOUNCEMENT ON THE EXCHANGE'S WEBSITE

A detailed results announcement containing all the information required by paragraphs 45(1) to 45(3) of Appendix 16 of the Rules Governing The Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Exchange") will be subsequently published on the Exchange's website in due course.

CORPORATE GOVERNANCE

The Company has complied throughout the year ended 31st December, 2001 with the Code of Best Practice as set out in Appendix 14 of the Listing Rules. The members of the Audit Committee comprise Messrs. Vincent Ting Kau Cheung and Joel Arthur Schleicher with a written terms of reference which describes the authority and duties of the Audit Committee.

On behalf of the Board
Horst Julius Pudwill
 Chairman and Chief Executive Officer

Hong Kong, 23rd April, 2002

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the shareholders of the Company will be held at Salon 5 (Level 3) JW Marriott Hotel, Pacific Place, 88 Queensway, Hong Kong, on 28th May, 2002 at 9:30 a.m. for the following purposes:

- To receive and consider the Statement of Accounts and the Reports of the Directors and Auditors for the year ended 31st December, 2001.
- To declare a Final Dividend of HK7.0 cents per share to shareholders whose names appear on the Register of Members of the Company on 21st June, 2002.
- To elect Directors and fix their remuneration.
- To appoint Auditors and fix their remuneration.
- As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

"THAT:

- subject to paragraph (c) below and pursuant to Section 57B of the Companies Ordinance, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and it is hereby generally and unconditionally approved;
 - the approval in paragraph (a) above shall authorize the Directors of the Company during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such power after the end of the Relevant Period;
 - the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company (iii) any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company or (iv) an issue of shares as scrip dividends pursuant to the articles of association of the Company from time to time, shall not exceed 20% of the issued share capital of the Company as at the date of this Resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this Resolution:
- "Relevant Period" means the period from the passing of this Resolution until whichever is the earlier of:
- the conclusion of the next annual general meeting of the Company;
 - the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and
 - the revocation or variation of this Resolution by an ordinary resolution of the shareholders of the Company in general meeting; and
- "Rights Issue" means an offer of shares open for a period fixed by the Directors of the Company to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares of the Company or any class thereof (subject to such exclusion or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlement or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in any territory outside Hong Kong)."

- As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

"THAT:

- the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to purchase its own shares of HK\$0.20 each, subject to paragraph (b) below and in accordance with all applicable laws and regulations, be and it is hereby generally and unconditionally approved;
- the aggregate nominal amount of the shares in the Company to be purchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of this Resolution, and the said approval shall be limited accordingly; and
- for the purposes of this Resolution:

"Relevant Period" means the period from the passing of this Resolution until whichever is the earlier of:

 - the conclusion of the next annual general meeting of the Company;
 - the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and
 - the revocation or variation of this Resolution by an ordinary resolution of the shareholders of the Company in general meeting."

- As special business,