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ANNOUNCEMENT
– CONDENSED AUDITED CONSOLIDATED BALANCE SHEETS
OF ROYAL APPLIANCE MANUFACTURING CO.
AS AT 31ST DECEMBER, 2002

The Board has been informed by Royal's management today that Royal has filed its annual report for the year ended 31st December, 2002 to the SEC on 26th March, 2003 (US time).

Reference is made to the circular of the Company dated 6th March, 2003 (the "Circular") and the supplemental circular of the Company dated 14th March, 2003 (the "Supplemental Circular") regarding the Merger in which it was stated that 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. Unless the context otherwise requires, terms used in this announcement shall bear the same meanings as defined in the Circular and the Supplemental Circular.

The Board has been informed by Royal's management today that Royal has filed its annual report for the year ended 31st December, 2002 (the "Royal 2002 Annual Report") to the SEC on 26th March, 2003 (US time). Full texts of the Royal 2002 Annual Report can be downloaded at Royal's official website at www.royalappliance.com or SEC's website at www.sec.gov/cgi-bin/srch-edgar.

The audited consolidated statements of operations of Royal for the years ended 31st December, 2002 and 31st December, 2001 respectively have been reproduced in section 3 of Appendix I to the Circular. Set out below are the condensed audited consolidated balance sheets of Royal as at 31st December, 2002 and 31st December, 2001 respectively, as extracted from the Royal 2002 Annual Report. **Shareholders and potential investors of the Company should note that the financial statements of Royal have been prepared in accordance with US GAAP, which differ in certain significant respects from Hong Kong GAAP. A summary of the significant differences between US GAAP and Hong Kong GAAP is set out in section 4 of Appendix I to the Circular:**

CONDENSED AUDITED CONSOLIDATED BALANCE SHEETS

	31st December, 2002	31st December, 2001
	<i>(US Dollars in thousands)</i>	
ASSETS		
Total current assets	105,889	96,399
Property, plant and equipment, at cost less accumulated depreciation and amortization	30,987	37,574
Computer software and tooling deposits	1,668	4,405
Other	2,625	2,066
Total assets	<u>141,169</u>	<u>140,444</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Total current liabilities	62,651	63,833
Total long-term debt	29,828	33,978
Deferred income taxes	2,804	4,011
Total liabilities	<u>95,283</u>	<u>101,822</u>
Total shareholders' equity	<u>45,886</u>	<u>38,622</u>
Total liabilities and shareholders' equity	<u>141,169</u>	<u>140,444</u>

Shareholders are referred to the paragraph headed "Financial effects of the Merger" contained in the Letter from the Board of the Circular for the Board's views on the Merger having regard to the latest published financial information of Royal. The Board confirms that it has not changed its views on the Merger as disclosed in the Circular as a result of such latest published financial information.

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

Please also refer to the published version of this announcement in The Standard and Hong Kong Economic Times.