TECHTRONIC INDUSTRIES CO. LTD.
創 科 實 業 有 限 公 司
(incorporated in Hong Kong with limited liability)
(Stock code: 669)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED DECEMBER 31, 2013

Highlights

	2013 USD' million	2012 USD' million	**Changes**
Turnover	**4,300**	3,852	**+11.6%**
Gross profit margin	**34.2%**	33.5%	**+70 bpt**
EBIT	**304**	260	**+16.9%**
Profit attributable to Owners of the Company	**250**	201	**+24.5%**
Basic earnings per share (US cents)	**13.68**	11.42	**+19.8%**
Dividend per share (approx. US cents)	**3.06**	2.25	**+35.7%**

We are pleased to announce that Techtronic Industries Company Limited (the "Company" or "TTI") delivered another year of record sales, gross margin, and profit in 2013, building on our strong 2012 performance. We achieved a number of financial milestones:

- Sales grew 11.6% to a record USD4.3 billion
- All business segments and geographic regions delivered strong growth
- Gross profit expanded 14.2% with a record margin of 34.2%
- Net profit increased to USD250 million, growing 24.5%
- Working capital improved to 13.9% of sales
- Another strong year delivering free cash flow of USD332 million

A disciplined focus on our key strategic drivers is reflected in our financial performance and validates that our strategy is working. These four strategic drivers, having powerful brands, developing innovative products, building a strong company culture through exceptional people, and pursuing operational excellence, are precisely what we will do to continue delivering outstanding results.

BUSINESS HIGHLIGHTS

Record Financial Performance

Sales for the year ended December 31, 2013 increased 11.6% over 2012 to USD4.3 billion as we continued investing in new products and driving organic growth. Sales of our largest business segments, Power Equipment, rose by 9.8% to USD3.1 billion, accounting for 73.1% of total sales, against 74.4% in 2012. Floor Care and Appliance had a strong year on sales growth of 17.0% over 2012 to USD1.2 billion. We delivered double digit sales growth in all geographic regions. The acquisition of the powerful ORECK® brand in the second half of 2013 further strengthened our global floor care portfolio and expanded our offering in the commercial and premium market segments.

Our gross profit margin improved for the fifth consecutive year to 34.2% from 33.5% last year through the introduction of new products coupled with further productivity gains in our operations and sourcing. Cost improvement programs across our global operations delivered significant savings in purchasing, supply chain, value engineering, and manufacturing. In addition, we continue to invest in automation and lean manufacturing initiatives to improve both labor efficiency and overall productivity.

Earnings in 2013, before interest and taxes, increased by 16.9% to USD304 million, with the margin improving by 30 basis points to 7.1%. We increased our strategic spending on research and development (R&D) to deliver our innovative new product road map across all categories and on marketing to successfully launch the new products. Our solid operational performance drove shareholders' profits to rise by 24.5% to USD250 million, with earnings per share increasing by 19.8% over 2012 to US13.68 cents. The higher sales and operational efficiency drove positive free cash flow to a record USD332 million. We continued to improve the management of our working capital and lowered our gearing, reducing it from 25.8% at the end of 2012, to 10.6% in 2013.

Powerful Brands & Innovative Products

We have the best brand portfolio in our industries with market leading brands like MILWAUKEE®, RYOBI®, HOMELITE®, AEG®, HOOVER®, DIRT DEVIL®, VAX®, and recently acquired ORECK®. The centerpiece of our growth strategy is the sustainable development of innovative new products bringing break-through technology, Lithium cordless platforms, and broad-based new product ranges to end-users. Our continuing success flows from our ability to develop and produce innovative products, with about one third of our 2013 sales coming from new products.

Another strategic initiative driving our industry leading position is the expansion of our presence in under-represented geographic markets. We have worked to grow our business in high potential markets around the world, seizing opportunities to drive the strategic deployment of our brands. We are expanding globally and our products are employing even more advanced technology as we continue investing in R&D.

DIVIDEND

The Directors have recommended a final dividend of HK13.75 cents (approximately US1.77 cents) per share with a total of approximately USD32,382,000 for the year ended December 31, 2013 (2012: HK10.75 cents (approximately US1.38 cents)) payable to the Company's shareholders whose names appear on the register of members of the Company on May 30, 2014. Subject to the approval of the shareholders at the forthcoming annual general meeting of the Company, the proposed final dividend is expected to be paid on or about June 27, 2014. This payment, together with the interim dividend of HK10.00 cents (approximately US1.29 cents) per share (2012: HK6.75 cents (approximately US0.87 cent)) paid on September 27, 2013, makes a total payment of HK23.75 cents (approximately US3.06 cents) per share for 2013 (2012: HK17.50 cents (approximately US2.25 cents)).

REVIEW OF OPERATIONS

TTI delivered another strong year on very good results across our business segments, brands, and geographic locations. North America grew 11.2%, Europe expanded 13.3% and rest of world increased 11.5%. The progress we are making in product development to deliver new and innovative products with advanced technologies and the expansion of our Lithium cordless platforms are driving our growth. We are focused on continuing our success in expanding our market share in Canada, Western Europe, Australia, and New Zealand, as well as the United States. Additionally, we strengthened our distribution footholds across Eastern Europe, Latin America, the Middle East, Africa, and Asia. Our MILWAUKEE® business had a stellar year in all markets as we continued to drive global expansion and made great strides in our Floor Care business. We made significant gains in channel penetration programs, while deepening strategic customer partnerships.

All business segments delivered record sales and profit this year. Our profit margins expanded, showing the strength of the businesses. We achieved significant cost improvements from our continued focus on value engineering, lean production, and supplier productivity. Our investments in automation are driving efficiency and increasing the quality in our manufacturing. The streamlining of our Floor Care operations boosted productivity and lowered costs. Working capital remained solid with the business generating positive free cash flow.

Power Equipment

The Power Equipment business is our largest division and consists of power tools, hand tools, outdoor products and accessories. In 2013, sales in this business rose by 9.8% to a record USD3.1 billion. We delivered growth in all geographic markets and reported strong results in our industrial division. The business accounted for 73.1% of Group turnover, against 74.4% in 2012. Earnings grew 14.2% to USD261 million on new products, operational efficiency, and supply chain productivity.

Industrial

Our industrial division delivered another year of double digit growth with MILWAUKEE® expanding in key product categories. Our innovation and industry leadership is evident across our power tool, accessory, and hand tool businesses. We continued our solid growth through robust sales of new and innovative products and the ongoing performance of M12® and M18® cordless platforms, coupled with marketing support across all channels. New category expansion and key market initiatives were significant contributors to growth, resulting in substantial market penetration gains across major business segments.

We continued to advance our industry leading M12® and M18® cordless ranges as we introduced M12 FUEL™ Cordless Drilling and Fastening Solutions and the M12 FUEL™ SDS+ Rotary Hammer, delivering cutting edge innovation that separates us from our competitors in the compact 12V cordless space. M18 FUEL™ Drilling and Fastening continued to draw new users into the M18® system while the expansion of the new M18 FUEL™ SAWZALL® Reciprocating Saw, High Torque Impact Wrenches, Circular Saw, and Grinders increased momentum for the FUEL® range globally.

The MILWAUKEE® brand has established itself as a preeminent player in the power tool accessories industry by addressing user challenges through innovative design and groundbreaking technology. MILWAUKEE® expanded the leading SAWZALL® blade program with the introduction of DOUBLE DUTY™ Metal Blades and moved into a new drilling segment with the introduction of JAM FREE™ Step Bits. Both of these accessories have proven to increase productivity and efficiency for the end users. The introduction of SHOCKWAVE® Expand to support the SHOCKWAVE® range of Impact Duty driver bits offers key productivity enhancement, allowing users to cover hundreds of applications with a handful of items.

MILWAUKEE® is striving to become the leader in productivity solutions in the industrial hand tool market. Overwhelming acceptance of MILWAUKEE® hand tools by our core users has come from a focus on innovation within key categories such as fastening, cutting, and layout. Our dedication to unveiling new products, such as the innovative HOLLOWCORE™ Nut Drivers and new line of FASTBACK™ Utility Knives, will continue to be a core part of the growth strategy.

Consumer and Professional

We continue to expand our leading North American consumer power tool brand, RYOBI®, driven in large part by the innovative new 18V ONE+® product introductions that utilize the ONE+® Lithium ion battery platform, as well as increased marketing activities. RYOBI® ONE+® continues to add more than one million new customers each year through new product launches and promotional marketing campaigns. The launch of the RYOBI® 18V ONE+® AIRSTRIKE™ Brad Nailer has expanded our ONE+® system and has broadened our professional customer base. AIRSTRIKE™ eliminates the need for a compressor, hose, or gas cartridges and the 18V battery allows users to drive over 700 nails per charge. We are expanding the AIRSTRIKE™ technology with the introduction of the 18V ONE+® AIRSTRIKE™ Narrow Crown Stapler, another innovative category expansion.

Our professional business grew in all geographic markets with AEG® brand expanding in its core Europe and rest of world geographies. We have a focused distribution strategy in key markets and have nurtured strong distribution partnerships. Growth is being driven by the introduction of innovative new products, strong Lithium cordless platforms, and marketing support programs.

Outdoor Products

Outdoor Products grew in all geographic regions. We increased profitability with new products, enhanced quality systems, operational efficiency, and supply chain productivity. Our cordless categories have shown tremendous growth over the past few years and 2013 was no exception. The growth came through the ongoing success of the RYOBI® 18V ONE+® program, expansion into higher voltages like RYOBI® 40V, and introducing innovations like the ONE+® Hybrid. The RYOBI® 40V range grew tremendously as users discovered that the run time is comparable to gas powered equipment. The uniqueness of the RYOBI® Hybrid is the dual power source, providing the user with the ability to choose between the powerful Lithium ONE+® battery and an extension cord.

In addition, we maintained our flow of new product innovations in our core gas product categories.

Floor care and Appliances

Floor Care and Appliances had a successful year. The business realigned its cost base to increase efficiencies, and invested significantly in product development and marketing. The result was a significant increase in sales and margin improvement. We generated sales growth of 17.0% over 2012 to USD1.2 billion with double digit growth in all geographic markets. Profitability moved higher on positive contributions from new product launches, the reorganization of our operations, and cost improvements. The business accounted for 26.9% of group turnover against 25.6% in 2012. During the year we acquired the ORECK® business which strengthens and expands our market penetration in independent and commercial channels.

North America delivered double digit sales growth and improved margins driven by an increased investment in marketing and successful new product launches, backed by operational productivity. The HOOVER® FLOORMATE® family of hard floor washers experienced strong growth and the launch of the new HOOVER® AIR® range of lightweight, powerful upright vacuum cleaners was a success in an important product category. We initiated the expansion of our range and distribution of carpet cleaners with the HOOVER® DUAL POWER™ Carpet Washer, a new and innovative lightweight twin brushbar carpet washer. We are pleased with the performance of a new range of innovative DIRT DEVIL® quick clean products for everyday household cleaning, which is helping to revitalize the brand.

We delivered double digit sales growth in Europe and rest of the world from new products and marketing investments. Our VAX® business in Europe had another highly successful year with double digit expansion in the United Kingdom, Eastern Europe and Russia. In addition to delivering innovative new products supported by strategic marketing, we integrated the global supply chain and product development processes, and maintained our cost reduction programs and improved our working capital.

FINANCIAL REVIEW

FINANCIAL RESULTS

Result Analysis

The Group's turnover for the year amounted to USD4.3 billion, an increase of 11.6% as compared to USD3.9 billion in 2012. Profit attributable to Owners of the Company amounted to USD250 million as compared to USD201 million in 2012, an increase of 24.5%. Basic earnings per share for the year improved to US13.68 cents as compared to US11.42 cents in 2012.

EBITDA amounted to USD443 million, an increase of 13.7% as compared to USD389 million in 2012.

EBIT amounted to USD304 million, an increase of 16.9% as compared to USD260 million in 2012.

Gross Margin

Gross margin improved to 34.2% as compared to 33.5% last year. The margin improvement was the result of new product introduction, category expansion, efficient production amongst various production facilities, effective supply chain management and volume leverage on our economies of scale.

Operating Expenses

Total operating expenses for the year amounted to USD1,175 million as compared to USD1,033 million in 2012, representing 27.3% of turnover (2012: 26.8%).

Investments in product design and development amounted to USD107 million, representing 2.5% of turnover (2012: 2.1%) reflecting our continuous strive for innovation. We will continue to invest in design and development as new products and category expansions are most critical not only to maintain sales growth momentum but also margin expansions.

Net interest expenses for the year amounted to USD25 million as compared to USD37 million in 2012. Interest coverage, expressed as a multiple of EBITDA to total interest was 12.4 times (2012: 8.7 times).

The effective tax rate, being tax charged for the year to before tax profits was at 10.5%. The Group will continue to leverage its global operations to sustain the overall tax efficiencies.

LIQUIDITY AND FINANCIAL RESOURCES

Shareholders' Funds

Total shareholders' funds amounted to USD1.7 billion as compared to USD1.5 billion in 2012. Book value per share was at USD0.95 as compared to USD0.85 last year, an increase of 11.8%.

Financial Position

The Group continued to maintain a strong financial position. As at December 31, 2013, the Group's cash and cash equivalents amounted to USD698 million (2012: USD618 million), of which 49.2%, 25.5%, 13.6%, 3.7%, 3.6% and 4.4% were denominated in RMB, USD, EUR, AUD, HKD and other currencies respectively.

The Group's net gearing, expressed as a percentage of total net borrowing (excluding bank advance from factored trade receivables which are without recourse in nature) to equity attributable to Owners of the Company, improved to 10.6% as compared to 25.8% last year. The gearing improvement is the result of very disciplined and focused management over working capital and free cash flow from operations applied to debt repayment. The Group remains confident that gearing can further improve going forward.

Bank Borrowings

Long term borrowings accounted for 42.4% of total debts (2012 : 34.3%).

The Group's major borrowings continued to be in US Dollars and in HK Dollars. Borrowings are predominantly LIBOR or Hong Kong best lending rates based. There is a natural hedge mechanism in place as the Group's major revenues are in US Dollars and currency exposure therefore is low. Currency, interest rate exposures, and cash management functions are all being closely monitored and managed by the Group's treasury team.

During the year, the Group repaid USD39 million of fixed interest rate notes, refinanced by other bank facilities with lower interest rates. This refinancing arrangement will lower our interest cost in future periods.

Working Capital

Total inventory was at USD884 million as compared to USD689 million in 2012. Days inventory increased by 10 days from 65 days to 75 days. Part of the increase in inventory at year end was a result of pre-build of products before the Chinese New Year in January to prepare for the sales in February and to ensure the service quality level to customers will not be jeopardized having taken into consideration of our sales momentum. The Group will continue to focus in managing the inventory level and improve inventory turns.

Trade receivable turnover days were at 64 days as compared to 61 days last year. Excluding the gross up of the receivables factored which is without recourse in nature, receivable turnover days were at 57 days as compared to 54 days last year. The Group is comfortable with the quality of the receivables and will continue to exercise due care in managing the credit exposure.

Trade payable days were extended by 21 days from 67 days in 2012 to 88 days in 2013, partially offsetting the increase in inventory.

Working capital as a percentage of sales was at 13.9% as compared to 16.2% last year.

Capital Expenditure

Total capital expenditures for the year amounted to USD105 million (2012: USD103 million).

Capital Commitments and Contingent Liabilities

As at December 31, 2013, total capital commitments amounted to USD19 million (2012: USD18 million) and there were no material contingent liabilities or off balance sheet obligations.

Charge

None of the Group's assets are charged or subject to encumbrance.

Major Customers and Suppliers

For the year ended December 31, 2013

(i) the Group's largest customer and five largest customers accounted for approximately 37.7% and 51.3% respectively of the Group's total turnover; and
(ii) the Group's largest supplier and five largest suppliers accounted for approximately 4.6% and 17.0% respectively of the Group's total purchases (not including purchases of items which are of a capital nature).

As far as the Directors are aware, none of the Directors, their associates or any shareholders who owned more than 5% of TTI's share capital had any interest in the five largest customers or suppliers of the Group.

HUMAN RESOURCES

The Group employed a total of 18,746 employees as at December 31, 2013 (2012: 18,068) in Hong Kong and overseas. Total staff cost for the year under review amounted to USD601 million (2012: USD538 million).

The Group regards human capital as vital for the Group's continuous growth and profitability and remains committed to improving the quality, competence and skills of all employees. It provides job-related training and leadership development programs throughout the organization. The Group continues to offer competitive remuneration packages, discretionary share options and bonuses to eligible staff, based on the performance of the Group and the individual employee.

CORPORATE STRATEGY AND BUSINESS MODEL

The Group is a world-class leader in design, manufacturing and marketing of power tools, outdoor power equipment and floor care for consumers, professional and industrial users in the home improvement, infrastructure and construction industries. We are committed to implementing our long term strategic plan that focuses on "Powerful brands, Innovative Products, Operational Excellence and Exceptional People".

We continue to strengthen our portfolio of powerful brands with a focused marketing approach. Brands extension into new product categories and under-represented markets enable us to generate outstanding growth. Geographic expansion will be a highlight of TTI's future, our long term strategy is to aggressively build our business outside the U.S. and we have spent relentless efforts to expand or establish presence in high potential markets around the world.

Introducing innovative new products is the centerpiece of our long term strategy. We continue to invest in building a high-speed product development process, enabling us to respond faster to customer requests and emerging opportunities, giving us a vigorous competitive advantage.

Our strategy in operational excellence will continue, we will drive further gains in efficiency across our manufacturing operations, supporting further margin improvement.

We continue to deploy our Leadership Development Program (LDP) to develop our pool of talent for the future. The LDP initiative is successfully feeding talent into key positions throughout the company.

REVIEW OF FINANCIAL INFORMATION

The Audit Committee has reviewed with senior management of the Group and Messrs Deloitte Touche Tohmatsu the accounting principles and practices adopted by the Group and has discussed internal controls and financial reporting matters, including the review of Group's consolidated financial statements for the year ended December 31, 2013. The Board acknowledges its responsibility for the preparation of the accounts of the Group.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE OF THE LISTING RULES

The Company has complied with all the code provisions of the Corporate Governance Code set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") (the "Corporate Governance Code") throughout the year ended December 31, 2013, save that:-

1. none of the Directors are appointed for a specific term since they are subject to retirement by rotation and re-election in accordance with the Articles of Association of the Company. Under Article 103 of the Articles of Association of the Company, one-third of the board of directors (the "Board") must retire by rotation at each general meeting of the Company and if eligible, offer themselves for re-election.

2. Mr Christopher Patrick Langley OBE (an Independent Non-executive Director) and Mr Joel Arthur Schleicher (an Independent Non-executive Director) were unable to attend the annual general meeting of the Company held on May 24, 2013 due to prior engagements.

3. the Board is provided with quarterly updates instead of monthly updates. The Board agreed that quarterly updates give a balanced and understandable assessment of the performance, position and prospects of the Company in supporting the Directors to discharge their responsibilities.

The Company also voluntarily complied with a number of recommended best practices set out in the Corporate Governance Code, which is aimed for further enhancement of the Company's corporate governance standard and promote the best interests of the Company and shareholders as a whole.

COMPLIANCE WITH THE MODEL CODE OF THE LISTING RULES

The Board has adopted the provisions of the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules (the "Model Code"). Specific enquiries have been made with all Directors who have confirmed that they have fully complied with the required standards as set out in the Model Code during the year ended December 31, 2013.

PURCHASE, SALE OR REDEMPTION OF SHARES

A total of 3,300,000 ordinary shares of the Company were cancelled by the Company during the year. Among these cancelled shares, 2,000,000 shares were bought back and settled during the year at prices ranging from HKD17.74 to HKD19.16 and 1,300,000 shares were bought back in December 2012 and cancelled in January 2013 at prices ranging from HKD14.34 to HKD14.68. The aggregate amount paid by the Company for such buy-backs cancelled during 2013 amounting to USD7,158,000 was charged to the retained earnings. The issued share capital and the capital redemption reserve of the Company was reduced and increased respectively.

The buy-back of the Company's shares during the year were effected by the Directors pursuant to the mandate received from shareholders at the previous annual general meeting, with a view to benefiting shareholders as a whole by enhancing the net asset value per share and earnings per share of the Company.

Except as disclosed above, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed for the following periods:

To ascertain members' eligibility to attend and vote at the 2014 Annual General Meeting, the register of members of the Company will be closed from May 22, 2014 to May 23, 2014, both days inclusive, during which period no transfers of shares will be effected. In order to qualify to attend and vote at the 2014 Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrars, Tricor Secretaries Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong (which will be relocated to Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong with effect from March 31, 2014) for registration not later than 4:00 p.m. on May 21, 2014.

To ascertain members' entitlement to the final dividend, the register of members of the Company will be closed from May 29, 2014 to May 30, 2014, both days inclusive, during which period no transfers of shares will be effected. In order to qualify for the final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrars, Tricor Secretaries Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong (which will be relocated to Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong with effect from March 31, 2014) for registration not later than 4:00 p.m. on May 28, 2014.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held on May 23, 2014 and the notice of the annual general meeting will be published and dispatched to the shareholders of the Company within the prescribed time and in such manner as required under the Listing Rules.

OUTSTANDING PROSPECTS

Operational Excellence & Exceptional People

The performance in 2013 confirms that our continuous improvement initiatives, world class manufacturing, global purchasing, and value engineering programs are delivering efficiencies and driving innovation. We continue to increase our productivity levels to adapt to the growth in demand while offsetting inflationary pressures. Our lean production is driven by our efforts to reduce waste with programs like Kaizen events and cellular manufacturing. This lean focus coupled with intelligent use of automation frees resources for the most efficient production possible. Our commitment to operational excellence and continuous improvement is driven by well-established processes and dedicated employees and has permeated all of our business units.

The strength of our management team is an important driver of our successes. Recruiting, developing, and retaining great talent has become part of our culture. Each of our business units is building and fostering an outstanding team of current and future leaders. As our results demonstrate, TTI's management keeps the company on the leading edge of the industry.

A Bright Outlook

TTI is revolutionizing the way professionals and consumers tackle projects at home and on the job site. We are doing this through our commitment to innovation, continually engineering superior products that make life easier for consumers and work easier for professionals. The result is powerful growth and the delivery of excellent year-over-year financial results. But this is just the beginning.

In the years to come we will continue to innovate and respond to the evolving needs of our consumers, positioning TTI for continued strong financial performance over the long term. We are excited about our positive momentum and are well positioned to build on our record financial performance.

We want to thank our loyal customers and business partners for their ongoing support, our dedicated and passionate employees whose hard work helps us realize our vision each year, our shareholders for their commitment to TTI, and our board of directors for its ongoing strategic contributions. Our shared success is the result of a true team effort.

By Order of the Board
Horst Julius Pudwill
Chairman

Hong Kong, March 19, 2014

As at the date of this announcement, the Board comprises five group Executive Directors, namely Mr Horst Julius Pudwill (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 Prof Roy Chi Ping Chung BBS JP, and five Independent Non-executive Directors, namely Mr Joel Arthur Schleicher, Mr Christopher Patrick Langley OBE, Mr Manfred Kuhlmann, Mr Peter David Sullivan and Mr Vincent Ting Kau Cheung.

This results announcement is published on the websites of the Company (www.ttigroup.com) and the HKExnews (www.hkexnews.hk).

RESULTS SUMMARY

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2013

	Notes	**2013 USD'000**	2012 USD'000
Turnover	*2*	**4,299,755**	3,852,418
Cost of sales		**(2,827,445)**	(2,563,176)
Gross profit		**1,472,310**	1,289,242
Other income	*3*	**4,242**	3,391
Interest income		**11,836**	8,629
Selling, distribution, advertising and warranty expenses		**(562,835)**	(532,534)
Administrative expenses		**(505,394)**	(421,340)
Research and development costs		**(107,079)**	(79,515)
Finance costs	*4*	**(36,682)**	(45,627)
Profit before taxation		**276,398**	222,246
Taxation charge	*5*	**(29,036)**	(22,139)
Profit for the year	*6*	**247,362**	200,107
Other comprehensive loss:			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit obligations		**(9,143)**	(9,629)
Items that may be reclassified subsequently to profit or loss:			
Fair value gain (loss) on foreign currency forward contracts in hedge accounting		**101**	(1,254)
Exchange differences on translation of foreign operations		**(740)**	4,209
Other comprehensive loss for the year		**(9,782)**	(6,674)
Total comprehensive income for the year		**237,580**	193,433

	Note	**2013**	2012
		USD'000	USD'000
Profit for the year attributable to:			
Owners of the Company		**250,284**	200,991
Non-controlling interests		**(2,922)**	(884)
		247,362	200,107
Total comprehensive income attributable to:			
Owners of the Company		**240,502**	194,340
Non-controlling interests		**(2,922)**	(907)
		237,580	193,433
Earnings per share (US cents)	*7*		
Basic		**13.68**	11.42
Diluted		**13.62**	11.26

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2013

	Notes	**2013 USD'000**	2012 USD'000
ASSETS			
Non-current assets			
Property, plant and equipment	*8 & 12*	**383,949**	384,154
Lease prepayments		**36,364**	36,133
Goodwill		**532,488**	531,160
Intangible assets		**459,440**	399,067
Interests in associates		**15,766**	17,724
Available-for-sale investments		**520**	1,270
Derivative financial instruments		**12,647**	-
Deferred tax assets		**79,064**	73,892
		1,520,238	1,443,400
Current assets			
Inventories		**884,230**	688,576
Trade and other receivables	*9*	**783,795**	688,923
Deposits and prepayments		**76,057**	73,621
Bills receivable		**26,054**	48,644
Tax recoverable		**15,375**	8,534
Trade receivables from an associate		**2,590**	46
Derivative financial instruments		**5,073**	5,706
Held-for-trading investments		**1,000**	5,980
Bank balances, deposits and cash		**698,147**	617,648
		2,492,321	2,137,678
Current liabilities			
Trade and other payables	*10*	**1,039,923**	710,491
Bills payable		**40,613**	39,222
Warranty provision		**52,628**	42,395
Tax payable		**50,197**	18,698
Derivative financial instruments		**13,082**	11,697
Restructuring provision		-	527
Obligations under finance leases - due within one year		**977**	1,154
Discounted bills with recourse		**116,704**	432,633
Unsecured borrowings - due within one year		**454,624**	298,890
Bank overdrafts		**7,887**	7,087
		1,776,635	1,562,794
Net current assets		**715,686**	574,884
Total assets less current liabilities		**2,235,924**	2,018,284

	Note	**2013** **USD’000**	2012 USD’000
Capital and Reserves			
Share capital	*11*	**23,471**	23,461
Reserves		**1,717,242**	1,525,416
Equity attributable to Owners of the Company		**1,740,713**	1,548,877
Non-controlling interests		**4,723**	7,645
Total equity		**1,745,436**	1,556,522
Non-current Liabilities			
Obligations under finance leases - due after one year		**3,173**	4,071
Unsecured borrowings - due after one year		**374,744**	348,692
Retirement benefit obligations		**106,296**	93,322
Deferred tax liabilities		**6,275**	15,677
		490,488	461,762
Total equity and non-current liabilities		**2,235,924**	2,018,284

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of Preparation and Accounting Policies

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, as appropriate.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

In the current year, the Group and the Company have applied the following revised and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"):

Amendments to HKFRS	Annual Improvements to HKFRSs 2009 – 2011 Cycle
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosures of Interests in Other Entities: Transition Guidance
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
HK (IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine

Except as described below, the application of the revised and amendments to HKFRSs in the current year has had no material impact on the Group's and the Company's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements. Besides, the Group has early applied HKAS 19 *Retirement Benefits* in 2012 in advance of its effective date and consistently reported for both years.

HKFRS 13 Fair Value Measurement

The Group has applied HKFRS 13 for the first time in the current year. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements. The scope of HKFRS 13 is broad: the fair value measurement requirements of HKFRS 13 apply to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are within the scope of HKAS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of a liability) in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

HKFRS 13 requires prospective application. In accordance with the transition, provisions of HKFRS 13, the Group has not made any new disclosures required by HKFRS 13 for the 2012 comparative period. The application of HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The Group has applied the amendments to HKAS 1 *Presentation of Items of Other Comprehensive Income*. Upon the adoption of the amendments to HKAS 1, the Group's 'statement of comprehensive income' is renamed as the 'statement of profit or loss and other comprehensive income'. Furthermore, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

New and revised HKFRSs issued but not yet effective

The Group have not early applied the following new and revised HKFRSs that have been issued but are not yet effective as at January 1, 2013:

Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010 – 2012 Cycle[3]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011 – 2013 Cycle[4]
HKFRS 9	Financial Instrument[2]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[2]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities[1]
Amendments to HKFRS 32	Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKFRS 36	Recoverable Amount Disclosures for Non-Financial Assets[1]
Amendments to HKFRS 39	Novation of Derivatives and Contribution of Hedge Accounting[1]
HK(IFRIC) – Int 21	Levies[1]

[1] Effective for annual periods beginning on or after January 1, 2014

[2] Available for application – the mandatory effective date will be determined when the outstanding phase of HKFRS 9 are finalised

[3] Effective for annual periods beginning on or after July 1, 2014, with limited exceptions

[4] Effective for annual periods beginning on or after July 1, 2014

Annual Improvements to HKFRSs 2010-2012 Cycle
The “Annual Improvements to HKFRSs 2010-2012 Cycle” include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 2 (i) change the definitions of ‘vesting condition’ and ‘market condition’; and (ii) add definitions for ‘performance condition’ and ‘service condition’ which were previously included within the definition of ‘vesting condition’. The amendments to HKFRS 2 are effective for share-based payment transactions for which the grant date is on or after July 1, 2014.

The amendments to HKFRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of HKFRS 9 or HKAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments to HKFRS 3 are effective for business combinations for which the acquisition date is on or after July 1, 2014.

The amendments to the basis for conclusions of HKFRS 13 clarify that the issue of HKFRS 13 and consequential amendments to HKAS 39 and HKFRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.

The amendments to HKAS 16 and HKAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to HKAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The directors do not anticipate that the application of the amendments included in the “Annual Improvements to HKFRSs 2010-2012 Cycle” will have a material effect on the Group’s consolidated financial statements.

Annual Improvements to HKFRSs 2011-2013 Cycle
The “Annual Improvements to HKFRSs 2011-2013 Cycle” include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, HKAS 39 or HKFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within HKAS 32.

The directors do not anticipate that the application of the amendments included in the “Annual Improvements to HKFRSs 2011-2013 Cycle” will have a material effect on the Group’s consolidated financial statements.

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for hedge accounting.

Key requirements of HKFRS 9 are described as follows:

- With regards to financial assets, HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss. The adoption of HKFRS 9 will require the Group's and the Company's available-for-sale investments that are currently measured at cost less impairment to be measured at fair value instead of being measured at cost.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The directors anticipate that the adoption of HKFRS 9 in the future may have an impact on amounts reported in respect of the Group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

Amendments to HKAS 19 Defined Benefit Plans: Employee Contributions

The amendments to HKAS 19 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee.

For contributions that are independent of the number of years of service, the entity may either recognise the contributions as a reduction in the service cost in the period in which the related service is rendered, or to attribute them to the employees' periods of service using the projected unit credit method; whereas for contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service.

The directors of the Company do not anticipate that the application of these amendments to HKAS 19 will have a significant impact on the Group's consolidated financial statements.

Amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities
The amendments to HKAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

The directors of the Company do not anticipate that the application of these amendments to HKAS 32 will have a significant impact on the Group's consolidated financial statements as the Group does not have any material financial assets and financial liabilities that qualify for offset.

Amendments to HKAS 36 Recoverable Amount Disclosures for Non-Financial Assets
The amendments to HKAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements regarding the fair value hierarchy, key assumptions and valuation techniques used when the recoverable amount of an asset or CGU was determined based on its fair value less costs of disposal.

The directors of the Company do not anticipate that the application of these amendments to HKAS 36 will have a significant impact on the Group's consolidated financial statements.

Amendments to HKAS 39 Novation of Derivatives and Continuation of Hedge Accounting
The amendments to HKAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative hedging instrument arising from the novation should be included in the assessment of hedge effectiveness.

The directors of the Company do not anticipate that the application of these amendments to HKAS 39 will have any material effect on the Group's consolidated financial statements as the Group does not have any derivatives that are subject to novation.

HK (IFRIC) – Int 21 Levies
HK (IFRIC) – Int 21 Levies addresses the issue of when to recognise a liability to pay a levy. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

The directors of the Company anticipate that the application of HK (IFRIC) – Int 21 will have no effect on the Group's consolidated financial statements as the Group does not have any material levy arrangements.

2. Segment Information

Information reported to the executive directors of the Company, being the chief operating decision makers, for the purposes of resources allocation and assessment of segment performance focuses on the types of goods sold.

The principal categories of goods supplied are "Power Equipment" and "Floor Care and Appliances". The Group's operating segments under HKFRS 8 are as follows:

1. Power Equipment – sales of power tools, power tool accessories, outdoor products, and outdoor product accessories for consumer, trade, professional and industrial users. The products are available under the MILWAUKEE®, AEG®, RYOBI® and HOMELITE® brands, plus original equipment manufacturer ("OEM") customers.

2. Floor Care and Appliances – sales of floor care products and floor care accessories under the HOOVER®, DIRT DEVIL®, VAX® brand and ORECK® plus OEM customers.

Information regarding the above segments is reported below.

Segment turnover and results

The following is an analysis of the Group's turnover and results by reportable and operating segments for the year under review:

For the year ended December 31, 2013

	Power Equipment USD'000	Floor Care and Appliances USD'000	Eliminations USD'000	Consolidated USD'000
Segment turnover				
External sales	**3,143,915**	**1,155,840**	**-**	**4,299,755**
Inter-segment sales	**-**	**2,384**	**(2,384)**	**-**
Total segment turnover	**3,143,915**	**1,158,224**	**(2,384)**	**4,299,755**

Inter-segment sales are charged at prevailing market rates.

	Power Equipment USD'000	Floor Care and Appliances USD'000	Eliminations USD'000	Consolidated USD'000
Result				
Segment results before finance costs	**261,340**	**51,740**	**-**	**313,080**
Finance costs				**(36,682)**
Profit before taxation				**276,398**
Taxation charge				**(29,036)**
Profit for the year				**247,362**

Segment profit represents the profit earned by each segment without allocation of finance costs. This is the measure reported to the executive directors of the Company for the purpose of resources allocation and performance assessment.

Segment turnover and results

For the year ended December 31, 2012

	Power Equipment USD'000	Floor Care and Appliances USD'000	Eliminations USD'000	Consolidated USD'000
Segment turnover				
External sales	2,864,586	987,832	-	3,852,418
Inter-segment sales	13,977	854	(14,831)	-
Total segment turnover	2,878,563	988,686	(14,831)	3,852,418

Inter-segment sales are charged at prevailing market rates.

Result				
Segment results before finance costs	228,783	39,090	-	267,873
Finance costs				(45,627)
Profit before taxation				222,246
Taxation charge				(22,139)
Profit for the year				200,107

Turnover from major products

The following is an analysis of the Group's turnover from its major products:

	2013 USD'000	2012 USD'000
Power Equipment	**3,143,915**	2,864,586
Floor Care and Appliances	**1,155,840**	987,832
Total	**4,299,755**	3,852,418

Geographical information

The Group’s turnover from external customers by geographical location, determined based on the location of the customer by geographical location are detailed below:

	2013 USD’000	2012 USD’000
North America	**3,120,251**	2,806,909
Europe	**870,119**	767,967
Other countries	**309,385**	277,542
Total	**4,299,755**	3,852,418

Information about major customer

During the years ended December 31, 2013 and 2012, the Group’s largest customer contributed total turnover of USD1,622,819,000 (2012: USD1,459,450,000), of which USD1,568,856,000 (2012: USD1,425,259,000) was under the Power Equipment segment and USD53,963,000 (2012: USD34,191,000) was under the Floor Care and Appliances segment. There is no other customer contributing more than 10% of total turnover.

3. Other Income

Other income in 2013 mainly comprises the net of gain on a bargain purchase of USD38,319,000, sales of scrap materials, claims and reimbursements from customers and vendors, impairment losses on property, plant and equipment and inventories and other costs arising from the integration of floor care and appliances manufacturing operations of USD34,659,000 and goodwill impairment of USD3,390,000.

Other income in 2012 mainly comprises of the gain on disposal of an associate, sales of scrap materials and claims and reimbursements from customers and vendors.

4. Finance Costs

	2013 USD’000	2012 USD’000
Interest on:		
Bank borrowings and overdrafts wholly repayable within five years	**27,290**	28,973
Obligations under finance leases	**355**	449
Fixed interest rate notes	**9,037**	10,867
Effective interest expense on convertible bonds	-	5,338
	36,682	45,627

5. Taxation Charge

	2013	2012
	USD’000	USD’000
The total tax charge comprises:		
Hong Kong profits tax	**(4,312)**	(745)
Overseas tax	**(39,569)**	(27,176)
Deferred tax	**14,845**	5,782
	(29,036)	(22,139)

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

6. Profit for the Year

	2013	2012
	USD’000	USD’000
Profit for the year has been arrived at after charging:		
Amortisation of intangible assets	**63,415**	55,188
Amortisation of lease prepayments	**804**	783
Depreciation and amortisation on property, plant and equipment	**74,232**	73,115
Staff costs	**512,717**	460,776

Staff costs disclosed above do not include an amount of USD87,871,000 (2012: USD77,584,000) relating to research and development activities.

7. Earnings per Share

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

	2013	2012
	USD'000	USD'000
Earnings for the purpose of basic earnings per share:		
Profit for the year attributable to Owners of the Company	**250,284**	200,991
Effect of dilutive potential ordinary shares:		
Effective interest on convertible bonds	**-**	5,128
Earnings for the purpose of diluted earnings per share	**250,284**	206,119
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,829,954,083**	1,760,169,540
Effect of dilutive potential ordinary shares:		
Share options	**7,168,529**	5,390,842
Convertible bonds	**-**	64,489,800
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,837,122,612**	1,830,050,182

8. Additions of Property, Plant and Equipment

During the year, the Group spent approximately USD105 million (2012: USD103 million) on the acquisition of property, plant and equipment.

9. Trade and Other Receivables

The Group has a policy of allowing credit periods ranging mainly from 30 days to 120 days. The aged analysis of trade receivables, net of allowances for doubtful debts, presented on the basis of the revenue recognition date, which is usually the invoice date, at the end of the reporting period is as follows:

	2013	2012
	USD'000	USD'000
0 to 60 days	**625,004**	557,158
61 to 120 days	**95,120**	61,899
121 days or above	**31,741**	25,885
Total trade receivables	**751,865**	644,942
Other receivables	**31,930**	43,981
	783,795	688,923

10. Trade and Other Payables

The aged analysis of trade payables presented based on the invoice date at the end of the reporting period is as follows:

	2013 USD'000	2012 USD'000
0 to 60 days	**467,635**	309,719
61 to 120 days	**148,839**	80,517
121 days or above	**29,502**	1,557
Total trade payables	**645,976**	391,793
Other payables	**393,947**	318,698
	1,039,923	710,491

The credit period on the purchase of goods ranges from 30 days to 120 days (2012: 30 days to 120 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

11. Share Capital

	2013 Number of shares	2012 Number of shares	**2013 USD'000**	2012 USD'000
Ordinary shares				
Authorised shares:	**2,400,000,000**	2,400,000,000	**30,769**	30,769
Issued and fully paid:				
At the beginning of the year	**1,829,080,941**	1,601,564,252	**23,461**	20,533
Issue of shares upon exercise of share options	**4,103,000**	8,289,000	**52**	107
Buy-back of shares	**(3,300,000)**	(4,330,000)	**(42)**	(56)
Conversion of convertible bonds	-	223,557,689	-	2,877
At the end of the year	**1,829,883,941**	1,829,080,941	**23,471**	23,461

During the year, the Company cancelled its own shares through the Stock Exchange as follows:

	No. of ordinary shares	Price per share		Aggregate consideration paid
		Highest	Lowest	
Month of buy-back		HKD	HKD	USD'000
January 2013	1,300,000	14.68	14.34	2,430
July 2013	250,000	18.38	18.16	590
August 2013	1,250,000	18.34	17.74	2,911
September 2013	250,000	19.02	18.82	612
November 2013	250,000	19.16	18.96	615
	3,300,000			7,158

The shares bought back were cancelled and accordingly the issued share capital of the Company was reduced by USD42,000, and the same amount was transferred to the capital redemption reserve. The consideration paid on the buy-back of shares of approximately USD7,158,000 was charged to retained profits.

12. Capital Commitments

	2013	2012
	USD'000	USD'000
Capital expenditure in respect of the purchase of property, plant and equipment:		
Contracted for but not provided	**17,613**	16,669
Authorised but not contracted for	**1,134**	1,297

13. Contingent Liabilities

	2013	2012
	USD'000	USD'000
Guarantees given to banks in respect of credit facilities utilised by associate	**9,099**	12,691