

ROY CHI PING CHUNG

Managing Director



STRIVING TO **IMPROVE OUR COMPETITIVE POSITION** THROUGH SUPPLY CHAIN SAVINGS,
INTEGRATION OF MANUFACTURING,
STREAM-LINING MARKETING AND LOGISTICS.

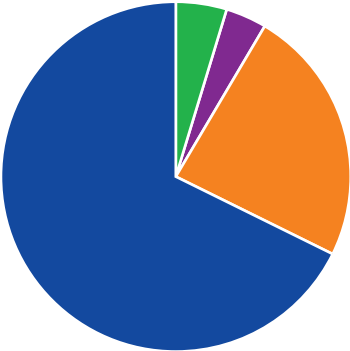
MANAGEMENT REVIEW

OVERVIEW TTI achieved excellent turnover and profit growth in 2000 as a direct result of the strategic focus within each of the business Divisions. Each Division is dedicated to maintaining superior relationships with customers in order to develop the products they need and to deliver service beyond their expectations. The Group is able to uniquely align with customers creating value that extends well beyond the product or service being delivered. The ability to provide special capabilities, such as brand strength, engineering expertise, or proprietary technology, helps form our exceptional relationships. These strong customer relationships create the potential for sustainable market leadership and greater benefit to each party.

Consequently, each business unit contributed double-digit turnover increases over prior year with the Power Tools Division at 95.1% increase, the Floor Care Appliance Division at 25.8% increase, the Solar Powered and Electronics Division at 23.1%

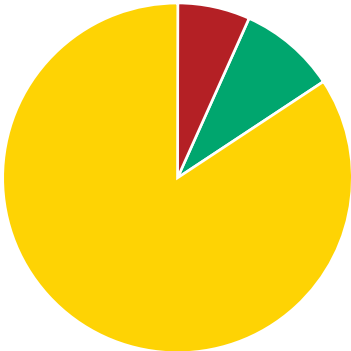
increase. The Group's sales in North America across all product lines witnessed a 79.7% increase driven by the addition of Ryobi. Excluding Ryobi, the Group had strong double-digit turnover growth in its core business.

The performance within each business Division is the result of strong management teams built around a robust management process. Developing this management excellence is a strategic focus of the Group. Leveraging management resources, as well as other Group resources in purchasing, logistics, marketing and quality create cost advantages relative to competitors. Additionally, the Division management teams are focused by customer and industry to provide quick response to customer needs based on market realities. The Group is preparing to strengthen this commitment in the Floor Care Appliance Division, as discussed earlier, which will also sharpen the focus of the Power Tools Division.



TURNOVER BY PRINCIPAL ACTIVITY

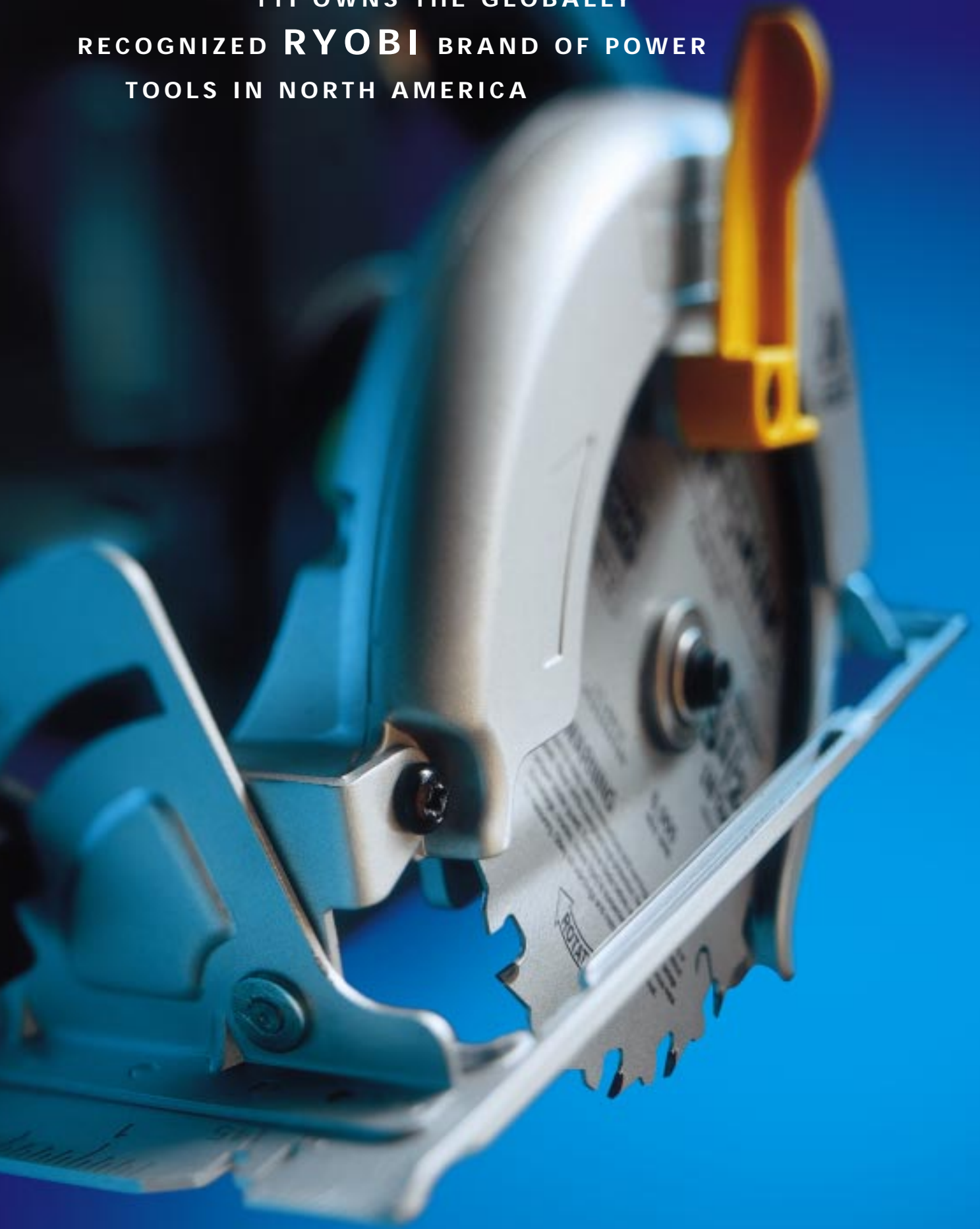
■ Power Tools Division	67.6%
■ Floor Care Appliance Division	23.8%
■ Solar Powered and Electronic Products Division	3.8%
■ Others	4.8%



TURNOVER BY GEOGRAPHICAL MARKET LOCATION

■ North America	84.3%
■ Europe	9.0%
■ Other countries	6.7%

TTI OWNS THE GLOBALLY
RECOGNIZED **RYOBI** BRAND OF POWER
TOOLS IN NORTH AMERICA



MANAGEMENT REVIEW

POWER TOOLS DIVISION The Division designs, engineers, manufactures, and markets a complete range of portable, benchtop and stationary power tools. Products produced include a full range of both rechargeable and corded tools such as impact drills, drill / drivers, reciprocating saws and circular saws; a full range of benchtop tools such as miter saws and drill presses; and a full range of stationary tools such as table saws. The Division is a principal manufacturer of the Sears, Roebuck and Company's Craftsman line and many major brands around the world. The Division markets under its own Ryobi brand of power tools in North America.

This Division is the largest business segment, accounting for 67.6% of the total Group turnover, exhibiting strong performance in all markets and delivering a vibrant growth rate of 95.1% during the year under review. The

core rechargeable power tools business, excluding the Ryobi acquisition, delivered double-digit turnover growth over the prior year. The Division has an impressive 28.8% five-year compound annual turnover growth rate. The addition of Ryobi significantly increased the Division's penetration of the North American power tools market.

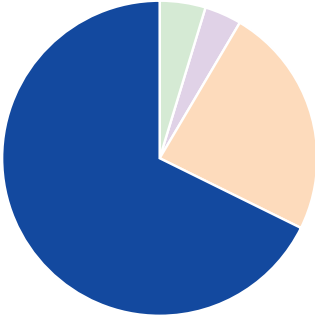
The primary North American DIY (do-it-yourself) market showed continued strength in spite of rising interest rates

throughout the year. Housing starts were at new highs and the remodeling market exhibited no signs of slowing down. There is an expectation of slower growth in this market in 2001 in regard to new construction but the remodeling sector is expected to remain robust. Europe faced pricing pressures due to the weak European currencies and is feeling the North American slowdown. The Division is targeting enhanced relationships with our retail and brand name partners in order to drive increased market share in a softening market.

The Division plans aggressive new product development programs across all product segments. Like the world-wide launch of a new platform of rechargeable tools in 2000, the Division is developing product platforms of corded, benchtop and stationary tools that will be launched throughout the Division's global customer

base. The planned increase in investment into development will deliver more products to the brand name partners and the Ryobi brand business in North America.

Integration of the Ryobi acquisition will deliver benefits beyond product technology. The combination of powerful marketing programs and superior manufacturing capabilities will enable the Power Tools Division to continue its history of delivering growth in sales and profits.



67.6% OF TOTAL TURNOVER

FIVE-YEAR COMPOUND ANNUAL GROWTH = 28.8%