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TechTronic Industries Announces Interim Results
Net Profit Increases by 28%

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Expects Continued Growth in All Key Business Categories
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(HONG KONG, 31 August 2000) – A leading global manufacturer of power tool and floor care products, TechTronic Industries Co., Ltd. (“the Group” or “TTI”) (stock code: 669) today announced its interim results for the six months ended 30 June 2000.

During the period, the Group recorded consolidated turnover of HK\$1,332.2 million, representing an increase of 23.8% over the figure of HK\$1,075.9 million for the corresponding period last year. The unaudited consolidated profit attributable to shareholders grew 28.0% to HK \$79.7 million over the HK \$62.2 million recorded for the period last year. Basic earnings per share were 14.25 HK cents, rising by 27.2% against 11.20 HK cents per share last year. The Board of Directors recommends an interim dividend of 4.0 HK cents (1999: 3.8 HK cents) per share payable to shareholders.

“Among our three major businesses, the power tool division reported the strongest turnover growth, achieving over 35% for the period. Fueling this growth was the introduction of a new high end range of rechargeable tools in the North American market. Expectations are positive as this high end platform is being launched outside North America during the second half of this year,” Horst Julius Pudwill, Chairman and Chief Executive Officer of TTI, said.

“The business has benefited from the robust economy in North America with strength in both the new construction and industrial markets. Additionally, improvements with the European and Australasia businesses have resulted in turnover gains,” he added.

TTI successfully completed the acquisition of assets relating to Ryobi Limited's North American power tool operations, which we believe will create significant strategic benefits and growth opportunities for the power tool business. The acquisition of the Ryobi brand, which is a well known and strong power tool name, will allow the Group to expand beyond the core private label and OEM business. The Ryobi Power Tool Business, as a leader in corded, benchtop and stationary power tools, will provide a new technology base from which the Group can develop and expand. Additionally, substantial gains in overall cost positions through economies of scale, supply chain savings and the leveraging of best cost manufacturing locations by product category and technology are expected.

The turnover growth in the floor care business was nearly 9% for the first half of the year, boosted by the introduction of new products for the OEM customer base. The business has strategically been investing in resources that will broaden its capabilities and capacity to support the new product developments of both OEM customers and its own brands and to allow for future growth. Several large new product initiatives are underway which will drive future revenues.

The Solar and Electronic Products business continued to show excellent performance, reporting a turnover growth of nearly 20% for the first half over the prior year. The gains are attributable to new product programs with core customers and the acquisition of new customers. Turnover growth was balanced across key markets and product categories.

TTI expects continued strong growth in all key business categories and profit improvements resulting from operational cost reduction and integration programs. "The acquisition of Ryobi's power tool business and the increased level of new product development across all divisions will continue to drive growth for the Group in the second half. The full range of corded and cordless portable power tool products has positioned the company to take advantage of the surging new construction and industrial markets in North America. The Group anticipates further growth opportunities in the power tool business with the broadening of the benchtop and stationary product programs in North America and European market entrance. The Floor Care and Solar and Electronic businesses will benefit from the continuing flow of new product launches," Mr. Pudwill concluded.

About TechTronic:

TechTronic was founded in Hong Kong in 1980 and listed on the Hong Kong Stock Exchange in 1990. Today, TTI is a world leader in the design, engineering, and manufacturing of electrical power tools, floor care products, solar and electronic products. The Group operates a number of manufacturing plants with a combined floor area of over 3 million square feet and a workforce of over 9,000 employees, based in Hong Kong, China, Taiwan, Indonesia, Australia, the United Kingdom and USA. The Group's turnover surged five-fold from HK\$490 million to HK\$ 2.7 billion in 1999.

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