

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



To the Board of Directors of
Techtronic Industries Company Limited
(incorporated in Hong Kong with limited liability)

Introduction

We have reviewed the condensed consolidated financial statements of Techtronic Industries Company Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 11 to 25, which comprises the consolidated statement of financial position as of June 30, 2025 and the related consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

DELOITTE TOUCHE TOHMATSU
Certified Public Accountants

Hong Kong
August 5, 2025



CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six-month period ended June 30, 2025

	Notes	2025 US\$'000 (Unaudited)	2024 US\$'000 (Unaudited)
Revenue	3 & 4	7,833,083	7,311,988
Cost of sales		(4,677,276)	(4,391,271)
Gross profit		3,155,807	2,920,717
Other income		5,258	7,689
Interest income		29,901	32,713
Selling, distribution and advertising expenses		(1,349,828)	(1,244,345)
Administrative expenses		(742,934)	(759,673)
Research and development costs		(359,158)	(298,054)
Finance costs		(57,657)	(65,182)
Profit before share of result of an associate and taxation		681,389	593,865
Share of result of an associate		107	(159)
Profit before taxation		681,496	593,706
Taxation charge	5	(53,157)	(43,341)
Profit for the period attributable to Owners of the Company	6	628,339	550,365
Other comprehensive (loss) income:			
Item that will not be reclassified subsequently to profit or loss, net of related income tax:			
Remeasurement of defined benefit obligations		—	(2,830)
Items that may be reclassified subsequently to profit or loss, net of related income tax:			
Fair value (loss) gain on foreign currency forward contracts and cross-currency			
interest rate swaps in hedge accounting		(190,995)	11,532
Exchange differences on translation of foreign operations		163,539	(43,785)
Other comprehensive loss for the period		(27,456)	(35,083)
Total comprehensive income for the period		600,883	515,282
Total comprehensive income attributable to Owners of the Company		600,883	515,282
Earnings per share (US cents)	8		
Basic		34.37	30.12
Diluted		34.29	29.98

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Financial Position

As at June 30, 2025

	Notes	June 30 2025 US\$'000 (Unaudited)	December 31 2024 US\$'000 (Audited)
Non-current assets			
Property, plant and equipment	9 & 16	2,215,563	2,248,541
Right of use assets	9	774,348	797,097
Goodwill		607,243	602,899
Intangible assets	9	1,388,139	1,369,494
Interest in an associate		2,132	2,025
Financial assets at fair value through profit or loss		8,803	8,769
Deposits		69,000	90,500
Finance lease receivables		1,885	3,685
Derivative financial instruments		8,785	8,785
Deferred tax assets		60,689	59,330
		5,136,587	5,191,125
Current assets			
Inventories		4,293,010	4,076,210
Right to returned goods asset		11,378	14,208
Trade and other receivables	10	2,587,042	1,993,138
Deposits and prepayments		168,100	199,440
Bills receivable	10	11,882	11,770
Finance lease receivables		5,254	7,566
Tax recoverable		12,287	3,950
Trade receivables from an associate	11	9,371	6,031
Derivative financial instruments		27,211	132,133
Financial assets at fair value through profit or loss		24,174	22,571
Bank balances, deposits and cash		1,608,391	1,232,347
		8,758,100	7,699,364
Current liabilities			
Trade and other payables	12	4,248,273	3,849,627
Bills payable	12	18,256	21,420
Warranty provision		272,816	252,752
Tax payable		117,835	90,830
Derivative financial instruments		113,015	17,119
Lease liabilities		155,073	150,844
Discounted bills with recourse		49,549	3,238
Unsecured borrowings – due within one year	13	680,914	509,850
Refund liabilities from right of return		20,652	23,354
		5,676,383	4,919,034
Net current assets		3,081,717	2,780,330
Total assets less current liabilities		8,218,304	7,971,455

	Notes	June 30 2025 US\$'000 (Unaudited)	December 31 2024 US\$'000 (Audited)
Capital and reserves			
Share capital	14	689,991	689,684
Reserves		5,965,360	5,673,913
Equity attributable to Owners of the Company and total equity		6,655,351	6,363,597
Non-current liabilities			
Lease liabilities		657,383	682,603
Unsecured borrowings – due after one year	13	751,692	763,650
Retirement benefit obligations		50,738	43,570
Other payables	12	77,849	87,997
Deferred tax liabilities		25,291	30,038
		1,562,953	1,607,858
Total equity and non-current liabilities		8,218,304	7,971,455

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Changes in Equity

For the six-month period ended June 30, 2025

	Share capital US\$'000	Shares held for share award scheme US\$'000	Translation reserve US\$'000	Employee share-based compensation reserve US\$'000	Defined benefit obligations remeasurement reserve US\$'000	Hedging reserve US\$'000	Retained profits US\$'000	Total US\$'000
At January 1, 2024 (audited)	685,392	(73,931)	(250,479)	80,112	7,557	(20)	5,298,919	5,747,550
Profit for the period	—	—	—	—	—	—	550,365	550,365
Remeasurement of defined benefit obligations	—	—	—	—	(2,830)	—	—	(2,830)
Fair value gain on foreign currency forward contracts and cross-currency interest rate swaps in hedge accounting	—	—	—	—	—	11,532	—	11,532
Exchange differences on translation of foreign operations	—	—	(43,785)	—	—	—	—	(43,785)
Other comprehensive (loss) income for the period	—	—	(43,785)	—	(2,830)	11,532	—	(35,083)
Total comprehensive (loss) income for the period	—	—	(43,785)	—	(2,830)	11,532	550,365	515,282
Shares issued on exercise of options	2,828	—	—	(578)	—	—	—	2,250
Buy-back of shares and cancellation of shares	—	—	—	—	—	—	(30,960)	(30,960)
Vesting of awarded shares	—	1,352	—	(1,352)	—	—	—	—
Shares for share award scheme	—	(11,444)	—	—	—	—	—	(11,444)
Recognition of share-based payments	—	—	—	30,166	—	—	—	30,166
At June 30, 2024 (unaudited)	688,220	(84,023)	(294,264)	108,348	4,727	11,512	5,818,324	6,252,844
Profit for the period	—	—	—	—	—	—	571,315	571,315
Remeasurement of defined benefit obligations	—	—	—	—	3,276	—	—	3,276
Fair value gain on foreign currency forward contracts and cross-currency interest rate swaps in hedge accounting	—	—	—	—	—	95,528	—	95,528
Deferred tax liability on remeasurement of defined benefit obligations	—	—	—	—	(1,307)	—	—	(1,307)
Deferred tax liability on hedging reserve	—	—	—	—	—	(9,100)	—	(9,100)
Exchange differences on translation of foreign operations	—	—	(58,111)	—	—	—	—	(58,111)
Other comprehensive (loss) income for the period	—	—	(58,111)	—	1,969	86,428	—	30,286
Total comprehensive (loss) income for the period	—	—	(58,111)	—	1,969	86,428	571,315	601,601
Shares issued on exercise of options	1,464	—	—	(289)	—	—	—	1,175
Buy-back of shares and cancellation of shares	—	—	—	—	—	—	(6,561)	(6,561)
Vesting of awarded shares	—	6,621	—	(6,621)	—	—	—	—
Shares for share award scheme	—	(28,004)	—	—	—	—	—	(28,004)
Recognition of share-based payments	—	—	—	28,645	—	—	—	28,645
Lapse of share options	—	—	—	(149)	—	—	149	—
Final dividend – 2023	—	—	—	—	—	—	(231,392)	(231,392)
Interim dividend – 2024	—	—	—	—	—	—	(254,711)	(254,711)
At December 31, 2024 (audited)	689,684	(105,406)	(352,375)	129,934	6,696	97,940	5,897,124	6,363,597
Profit for the period	—	—	—	—	—	—	628,339	628,339
Fair value loss on foreign currency forward contracts and cross-currency interest rate swaps in hedge accounting	—	—	—	—	—	(190,995)	—	(190,995)
Exchange differences on translation of foreign operations	—	—	163,539	—	—	—	—	163,539
Other comprehensive income (loss) for the period	—	—	163,539	—	—	(190,995)	—	(27,456)
Total comprehensive income (loss) for the period	—	—	163,539	—	—	(190,995)	628,339	600,883
Shares issued on exercise of options	307	—	—	(61)	—	—	—	246
Buy-back of shares	—	—	—	—	—	—	(15,521)	(15,521)
Vesting of awarded shares	—	66,825	—	(66,825)	—	—	—	—
Shares for share award scheme	—	(33,388)	—	—	—	—	—	(33,388)
Recognition of share-based payments	—	—	—	17,688	—	—	—	17,688
Final dividend – 2024	—	—	—	—	—	—	(278,154)	(278,154)
At June 30, 2025 (unaudited)	689,991	(71,969)	(188,836)	80,736	6,696	(93,055)	6,231,788	6,655,351

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Cash Flows

For the six-month period ended June 30, 2025

	June 30 2025 US\$'000 (Unaudited)	June 30 2024 US\$'000 (Unaudited)
Operating Activities		
Profit before taxation	681,496	593,706
Adjustments for:		
Amortization/write-off of intangible assets	138,093	136,857
Depreciation of property, plant and equipment	136,866	142,561
Depreciation of right of use assets	83,407	88,436
Fair value loss (gain) on foreign currency forward contracts	8,992	(739)
Fair value loss on acquisition right of certain property, plant and equipment	—	26
Impairment loss of property, plant and equipment	—	6,749
Fair value (gain) loss on listed equity securities	(569)	6,444
Finance costs	57,657	65,182
Gain on early termination of leases	(56)	(252)
Loss on lease modification	—	1,331
Impairment loss on trade receivables under expected credit loss model	8,983	23,568
Interest income	(29,901)	(32,713)
Loss on disposal of property, plant and equipment	64	3,774
Share-based payments expense	17,688	30,166
Share of result of an associate	(107)	159
Write down of inventories	39,007	31,214
Operating cash flows before movements in working capital	1,141,620	1,096,469
(Increase) decrease in inventories	(193,392)	13,979
Increase in trade and other receivables, deposits and prepayments	(516,400)	(611,784)
Decrease in right to returned goods asset	2,830	1,174
Increase in bills receivable	(112)	(840)
Increase in trade receivables from an associate	(3,340)	(7,113)
Increase in trade and other payables	403,299	385,901
Decrease in refund liabilities from right of return	(2,702)	(2,052)
Decrease in bills payable	(3,164)	(4,640)
Increase in warranty provision	10,051	9,153
Increase (decrease) in retirement benefit obligations	7,168	(1,909)
Net payment for purchase of shares for share award scheme	(33,388)	(11,444)
Cash generated from operations	812,470	866,894
Interest paid	(57,657)	(65,182)
Hong Kong Profits Tax paid	(7)	(375)
Overseas tax paid	(35,970)	(27,162)
Overseas tax refunded	272	741
Net Cash from Operating Activities	719,108	774,916

	Note	June 30 2025 US\$'000 (Unaudited)	June 30 2024 US\$'000 (Unaudited)
Investing Activities			
Additions to intangible assets		(156,095)	(170,119)
Interest received		29,901	32,713
Proceeds from (payment for) early termination of leases		3	(115)
Proceeds from disposal of property, plant and equipment		874	2,761
Purchase of club membership debentures		(32)	(53)
Purchase of listed equity securities		(1,034)	—
Purchase of property, plant and equipment		(95,815)	(99,885)
Repayment in finance lease receivables		4,112	107
Net Cash used in Investing Activities		(218,086)	(234,591)
Financing Activities			
Increase (decrease) in discounted bills with recourse		47,065	(129)
New unsecured borrowings obtained		3,258,487	2,251,941
Dividend paid		(278,154)	—
Proceeds from issue of shares		246	2,250
Repayment of unsecured borrowings		(3,108,373)	(2,386,907)
Repayment of lease liabilities		(81,581)	(83,040)
Payment for buy-back of shares	14	(15,521)	(30,960)
Net Cash used in Financing Activities		(177,831)	(246,845)
Net Increase in Cash and Cash Equivalents		323,191	293,480
Cash and Cash Equivalents at Beginning of the Period		1,232,347	953,240
Effect of Foreign Exchange Rate Changes		52,853	(20,175)
Cash and Cash Equivalents at End of the Period		1,608,391	1,226,545
Analysis of the Balances of Cash and Cash Equivalents			
Represented by:			
Bank balances, deposits and cash		1,608,391	1,226,545
		1,608,391	1,226,545

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Notes to the Condensed Consolidated Financial Statements (Unaudited)

1. Basis of preparation

- The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS 34”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“the Stock Exchange”).
- The financial information relating to the year ended December 31, 2024 that is included in these condensed consolidated financial statements as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements is as follows:
- The Company has delivered the financial statements for the year ended December 31, 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.
 - The Company’s auditor has reported on those financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report, and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

2. Material Accounting Policies Information

- The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value.
- Other than additional/change in accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six-month period ended June 30, 2025 are the same as those presented in the Group’s annual financial statements for the year ended December 31, 2024.

Application of amendments to HKFRS Accounting Standards

- In the current interim period, the Group has applied the following amendments to a HKFRS Accounting Standard issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual period beginning on January 1, 2025 for the preparation of the Group’s condensed consolidated financial statements:
- | | |
|-----------------------|-------------------------|
| Amendments to HKAS 21 | Lack of Exchangeability |
|-----------------------|-------------------------|
- The application of the amendments to a HKFRS Accounting Standard in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. Segment information

The following is an analysis of the Group’s revenue and results by reportable and operating segments for the period:

For the six-month period ended June 30, 2025

	Power Equipment US\$’000	Floorcare & Cleaning US\$’000	Eliminations US\$’000	Consolidated US\$’000
Segment revenue				
External sales	7,425,059	408,024	—	7,833,083
Inter-segment sales	—	4	(4)	—
Total segment revenue	7,425,059	408,028	(4)	7,833,083

For the six-month period ended June 30, 2024

	Power Equipment US\$’000	Floorcare & Cleaning US\$’000	Eliminations US\$’000	Consolidated US\$’000
Segment revenue				
External sales	6,884,453	427,535	—	7,311,988
Inter-segment sales	—	7,138	(7,138)	—
Total segment revenue	6,884,453	434,673	(7,138)	7,311,988

Inter-segment sales are charged at prevailing market rates.

	Six-month period ended June 30					
	2025			2024		
	Power Equipment US\$’000	Floorcare & Cleaning US\$’000	Consolidated US\$’000	Power Equipment US\$’000	Floorcare & Cleaning US\$’000	Consolidated US\$’000
Segment results	699,588	9,664	709,252	616,850	9,325	626,175
Interest income			29,901			32,713
Finance costs			(57,657)			(65,182)
Profit before taxation			681,496			593,706

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

No analysis of the Group’s assets and liabilities by operating segment is disclosed as they are not regularly provided to the chief operating decision makers for review.

4. Revenue

An analysis of the Group’s revenue is as follows:

	Six-month period ended June 30	
	2025 US\$’000	2024 US\$’000
Sales of goods	7,826,450	7,306,377
Commission and royalty income	6,633	5,611
	7,833,083	7,311,988

Revenue from sales of goods is recognized at a point in time. Commission and royalty income is recognized over time.
The Group’s revenue from external customers by geographical location, determined based on the location of the customers is as follows:

	Six-month period ended June 30	
	2025 US\$’000	2024 US\$’000
North America	5,871,986	5,461,455
Europe	1,400,825	1,251,320
Other countries	560,272	599,213
	7,833,083	7,311,988

5. Taxation charge

	Six-month period ended June 30	
	2025 US\$’000	2024 US\$’000
Current tax:		
Hong Kong Profits Tax	(815)	(790)
Overseas taxation	(53,601)	(40,653)
Deferred tax	1,259	(1,898)
	(53,157)	(43,341)

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profits for both periods.

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

The Group is subject to the global minimum top-up tax Pillar Two Rules. Pillar Two Rules has become effective in Hong Kong in which the Company is incorporated. The top-up tax relates to the Group’s operation in the Caymans Islands, Macao, and the United Arab Emirates, where the annual effective income tax rate is estimated to be below 15%. Therefore, a top-up tax is accrued in the current interim period using the tax rate based on the estimated adjusted covered taxes and net globe income for the year. The Group has recognized current tax expense related to the Pillar Two Rules for the six months ended June 30, 2025 which is expected to be levied on the Company and a subsidiary in the United Arab Emirates.

The Group has applied the temporary mandatory exception from recognizing and disclosing deferred tax assets and liabilities for the impacts of the Pillar Two Rules and accounts for it as a current tax when it is incurred.

6. Profit for the period

	Six-month period ended June 30	
	2025 US\$'000	2024 US\$'000
Profit for the period has been arrived at after charging (crediting):		
Amortization of intangible assets	109,262	94,643
Depreciation of property, plant and equipment	136,866	142,561
Depreciation of right of use assets	83,407	88,436
Total depreciation and amortization	329,535	325,640
Fair value (gain) loss on listed equity securities	(569)	6,444
Impairment loss on trade receivables under expected credit loss model	8,983	23,568
Net exchange gain	(59,292)	(6,106)
Write down of inventories	39,007	31,214
Staff costs	1,436,495	1,359,469

7. Dividends

A dividend of HK118.00 cents (approximately US15.19 cents) per share with a total of approximately US\$278,154,000 (2024: HK98.00 cents (approximately US12.61 cents) per share with a total of approximately US\$231,392,000) was paid to shareholders as the final dividend for 2024 (2024: final dividend for 2023) on June 27, 2025.

The directors of the Company have determined that an interim dividend of HK125.00 cents (approximately US16.09 cents) per share with a total of approximately US\$294,578,000 (2024: HK108.00 cents (approximately US13.90 cents) per share with a total of approximately US\$254,711,000) will be paid to the shareholders of the Company whose names appear in the Register of Members on September 5, 2025.

8. Earnings per share

	Six-month period ended June 30	
	2025 US\$'000	2024 US\$'000
Earnings for the purposes of basic and diluted earnings per share:		
Profit for the period attributable to Owners of the Company	628,339	550,365
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,828,073,756	1,827,109,617
Effect of dilutive potential ordinary shares:		
Share options	3,171,196	4,048,866
Share awards	1,446,782	4,368,285
Weighted average number of ordinary shares for the purpose of diluted earnings per share	1,832,691,734	1,835,526,768

The computation of diluted earnings per share does not assume the exercise of the Company's share options and vesting of Company's share awards which the exercise price of those share options and adjusted exercise price of those share awards were higher than the average market price for shares for both six-month periods ended June 30, 2025 and 2024.

9. Additions to property, plant and equipment/intangible assets/right of use assets

During the period, the Group spent approximately US\$95,815,000 (for the six-month period ended June 30, 2024: US\$99,885,000) and US\$156,095,000 (for the six-month period ended June 30, 2024: US\$170,119,000) on the acquisition of property, plant and equipment and intangible assets respectively.

During the period, the Group entered into certain new lease agreements for the use of land and buildings, office equipment, furniture and fixtures, plant and machinery and motor vehicles. The Group is required to make periodic payments. On lease commencement, the Group recognized US\$42,294,000 (for the six-month period ended June 30, 2024: US\$102,109,000) of right of use assets and US\$42,294,000 (for the six-month period ended June 30, 2024: US\$102,109,000) lease liabilities.

10. Trade and other receivables/Bills receivable

	June 30 2025 US\$'000	December 31 2024 US\$'000
Trade receivables	2,572,522	1,956,129
Less: Allowances for credit losses	(80,035)	(71,998)
	2,492,487	1,884,131
Other receivables	94,555	109,007
	2,587,042	1,993,138

The Group has a policy of allowing credit periods ranging mainly from 30 days to 120 days. The aging analysis of trade receivables, net of allowances for credit losses, 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:

	June 30 2025 US\$'000	December 31 2024 US\$'000
0 to 60 days	2,013,132	1,514,752
61 to 120 days	393,682	314,890
121 days or above	85,673	54,489
Total trade receivables	2,492,487	1,884,131
Other receivables	94,555	109,007
	2,587,042	1,993,138

All the Group's bills receivable at June 30, 2025 and December 31, 2024 are aged within 120 days.

11. Trade receivables from an associate

The trade receivables from an associate at June 30, 2025 and December 31, 2024 are aged within 120 days.

12. Trade and other payables/Bills payable

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

	June 30 2025 US\$'000	December 31 2024 US\$'000
0 to 60 days	1,154,696	1,202,460
61 to 120 days	894,314	585,127
121 days or above	143,729	63,270
Total trade payables	2,192,739	1,850,857
Other payables	2,133,383	2,086,767
Total trade and other payables	4,326,122	3,937,624
Non-current portion of other payables	(77,849)	(87,997)
	4,248,273	3,849,627

All the Group’s bills payable at June 30, 2025 and December 31, 2024 are aged within 120 days based on the invoice date.

The other payables mainly represents accruals of various selling, general and administrative expenses of US\$1,886,158,000 (2024: US\$1,884,416,000). The non-current other payables mainly represents accruals for vendors and accruals of long-term incentive benefits offered to certain management executives of the Group.

13. Unsecured borrowings

During the period, the Group obtained new unsecured borrowings of US\$3,258,487,000 (2024: US\$2,251,941,000). The Group also repaid unsecured borrowings of US\$3,108,373,000 (2024: US\$2,386,907,000).

In respect of unsecured borrowings with carrying amount of US\$751,692,000 as at June 30, 2025 (At December 31, 2024: US\$763,650,000), the Group is required to comply with certain financial ratios linked to the consolidated profit and loss in respect of that relevant period which are tested on a half yearly basis. The Group has complied with the relevant covenants at each test date on or before the end of the reporting period and classified the related bank loans balances as non-current.

14. Share capital

	Number of shares		Share capital	
	June 30 2025	December 31 2024	June 30 2025 US\$'000	December 31 2024 US\$'000
Ordinary shares				
Issued and fully paid:				
At the beginning of the period/year	1,832,304,941	1,834,317,941	689,684	685,392
Issue of shares upon exercise of share options	40,000	987,000	307	4,292
Buy-back of shares	(1,250,000)	(3,000,000)	—	—
At the end of the period/year	1,831,094,941	1,832,304,941	689,991	689,684

For the period ended June 30, 2025, the Company bought back its own shares through the Stock Exchange as follows:

Month of buy-back	Price per share			Aggregate consideration paid US\$'000
	No. of ordinary shares	Highest HK\$	Lowest HK\$	
March 2025	750,000	106.20	101.00	10,013
June 2025	500,000	87.60	83.55	5,508
	1,250,000			15,521

The shares bought back were settled during the period. Out of 1,250,000 ordinary shares bought back in 2025, the documents of title of 750,000 buy-back shares were cancelled during the six months ended June 30, 2025. The remaining 500,000 buy-back shares documents of title were cancelled in July 2025. The consideration paid on the buy-back of the shares of approximately US\$15,521,000 was charged to retained profits.

During 2024, the Company bought back and cancelled its own shares through the Stock Exchange as follows:

Month of buy-back	Price per share			Aggregate consideration paid US\$'000
	No. of ordinary shares	Highest HK\$	Lowest HK\$	
January 2024	500,000	88.00	86.00	5,629
May 2024	1,000,000	105.00	99.20	13,147
June 2024	1,000,000	97.70	91.55	12,184
July 2024	250,000	89.35	88.55	2,870
October 2024	250,000	116.20	113.40	3,691
	3,000,000			37,521

The consideration paid on the buy-back of the shares of approximately US\$37,521,000 was charged to retained profits.

15. Fair value measurements of financial instruments

Fair value of the Group’s financial assets and financial liabilities are measured on a recurring basis.

Some of the Group’s financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorized (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

- Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: fair value measurements are those derived from inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets/financial liabilities		Fair value as at	Fair value hierarchy	Valuation techniques and key inputs
		June 30, 2025	December 31, 2024	
1)	Acquisition right of certain property, plant and equipment classified as derivative financial instruments in the consolidated statement of financial position	Acquisition right of certain property, plant and equipment: US\$8,785,000	Acquisition right of certain property, plant and equipment: US\$8,785,000	Level 2 Measured at the fair value of the land and buildings associated with the acquisition right which is based on a valuation by third party independent valuer at the end of the reporting period.
2)	Foreign currency forward contracts classified as derivative financial instruments in the consolidated statement of financial position	Assets – US\$19,707,000; and Liabilities – US\$113,015,000	Assets – US\$130,955,000; and Liabilities – US\$12,740,000	Level 2 Discounted cash flow Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates and yield curves at the end of the reporting period) and contracted forward rates, discounted at a rate that reflects the credit risk of various counterparties.
3)	Listed equity securities classified as financial assets at fair value through profit or loss (“FVTPL”) in the consolidated statement of financial position	Listed shares: US\$24,174,000	Listed shares: US\$22,571,000	Level 1 Quoted bid prices in an active market.
4)	Other financial assets classified as financial assets at FVTPL in the consolidated statement of financial position	Club membership debentures: US\$4,958,000	Club membership debentures: US\$4,924,000	Level 2 The fair value was arrived at with reference to recent transaction prices for similar comparables with similar characteristics.
		Unlisted equity securities: US\$3,800,000	Unlisted equity securities: US\$3,800,000	Level 2 The fair value was arrived at with reference to the latest purchase price per share arising on subscribing for the shares in private market.
		Other: US\$45,000	Other: US\$45,000	Level 2 The fair value was arrived at with reference to recent transaction prices for similar comparables with similar characteristics.
5)	Cross-currency interest rate swaps classified as derivative financial instruments in the consolidated statement of financial position	Assets – US\$7,504,000; and Liabilities – Nil	Assets – US\$1,178,000; and Liabilities – US\$4,379,000	Level 2 Measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates and foreign exchange rates between US\$ and EUR, which is observable at the end of the reporting period.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortized cost in the condensed consolidated financial statements approximate their fair values.

16. Capital commitments

	June 30 2025 US\$’000	December 31 2024 US\$’000
Capital expenditure in respect of the acquisition of property, plant and equipment and equity investment contracted for but not provided in the condensed consolidated financial statements	153,077	166,875