

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Deloitte.

德勤

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 26, which comprises the consolidated statement of financial position as of June 30, 2026 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”) as 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” as 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 4, 2026

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six-month period ended June 30, 2026

	Notes	2026 US\$'000 (Unaudited)	2025 US\$'000 (Unaudited)
Revenue	3 & 4	8,291,607	7,833,083
Cost of sales		(4,737,105)	(4,677,276)
Gross profit		3,554,502	3,155,807
Other income		6,851	5,258
Interest income		14,951	29,901
Selling, distribution and advertising expenses		(1,583,157)	(1,349,828)
Administrative expenses		(773,013)	(742,934)
Research and development costs		(383,044)	(359,158)
Finance costs		(34,543)	(57,657)
Profit before share of result of an associate and taxation		802,547	681,389
Share of result of an associate		69	107
Profit before taxation		802,616	681,496
Taxation charge	5	(64,209)	(53,157)
Profit for the period attributable to Owners of the Company	6	738,407	628,339
Other comprehensive income (loss):			
Items that may be reclassified subsequently to profit or loss, net of related income tax:			
Fair value gain (loss) on foreign currency forward contracts and cross-currency interest rate swaps in hedge accounting		88,512	(190,995)
Exchange differences on translation of foreign operations		(6,856)	163,539
Other comprehensive income (loss) for the period		81,656	(27,456)
Total comprehensive income for the period		820,063	600,883
Total comprehensive income attributable to Owners of the Company		820,063	600,883
Earnings per share (US cents)	8		
Basic		40.50	34.37
Diluted		40.29	34.29

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Financial Position

As at June 30, 2026

	Notes	June 30 2026 US\$'000 (Unaudited)	December 31 2025 US\$'000 (Audited)
Non-current assets			
Property, plant and equipment	9 & 16	2,152,946	2,244,108
Right of use assets	9	653,823	739,047
Goodwill		605,834	606,699
Intangible assets	9	1,179,121	1,247,924
Interest in an associate		2,084	2,015
Financial assets at fair value through profit or loss		8,789	8,790
Finance lease receivables		61,135	—
Deposits		47,770	69,000
Derivative financial instruments		8,800	8,800
Deferred tax assets		82,616	82,521
		4,802,918	5,008,904
Current assets			
Inventories		4,315,080	4,451,941
Right to returned goods asset		14,304	12,209
Trade and other receivables	10	2,421,965	2,005,331
Deposits and prepayments		206,196	193,542
Bills receivable	10	16,715	11,009
Finance lease receivables		6,580	3,721
Tax recoverable		15,800	13,510
Trade receivables from an associate	11	16,442	11,071
Derivative financial instruments		64,353	8,287
Financial assets at fair value through profit or loss		28,990	31,750
Bank balances, deposits and cash		1,889,242	1,677,729
		8,995,667	8,420,100
Current liabilities			
Trade and other payables	12	4,067,645	4,019,452
Bills payable	12	13,749	13,201
Warranty provision		300,100	287,327
Tax payable		168,767	133,039
Derivative financial instruments		20,573	52,973
Lease liabilities		148,952	155,024
Discounted bills with recourse		—	2,589
Unsecured borrowings — due within one year	13	374,430	345,063
Refund liabilities from right of return		26,168	25,153
		5,120,384	5,033,821
Net current assets		3,875,283	3,386,279
Total assets less current liabilities		8,678,201	8,395,183

	Notes	June 30 2026 US\$'000 (Unaudited)	December 31 2025 US\$'000 (Audited)
Capital and reserves			
Share capital	14	706,147	691,887
Reserves		6,740,975	6,266,567
Equity attributable to Owners of the Company and total equity		7,447,122	6,958,454
Non-current liabilities			
Lease liabilities		602,045	626,586
Unsecured borrowings – due after one year	13	448,343	629,671
Retirement benefit obligations		44,735	45,713
Other payables	12	104,905	103,732
Deferred tax liabilities		31,051	31,027
		1,231,079	1,436,729
Total equity and non-current liabilities		8,678,201	8,395,183

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Changes in Equity

For the six-month period ended June 30, 2026

	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, 2025 (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
Profit for the period	—	—	—	—	—	—	569,955	569,955
Remeasurement of defined benefit obligations	—	—	—	—	1,619	—	—	1,619
Fair value gain on foreign currency forward contracts and cross-currency interest rate swaps in hedge accounting	—	—	—	—	—	39,303	—	39,303
Deferred tax liability on remeasurement of defined benefit obligations	—	—	—	—	(106)	—	—	(106)
Deferred tax asset on hedging reserve	—	—	—	—	—	8,374	—	8,374
Exchange differences on translation of foreign operations	—	—	(2,991)	—	—	—	—	(2,991)
Other comprehensive (loss) income for the period	—	—	(2,991)	—	1,513	47,677	—	46,199
Total comprehensive (loss) income for the period	—	—	(2,991)	—	1,513	47,677	569,955	616,154
Shares issued on exercise of options	1,896	—	—	(374)	—	—	—	1,522
Buy-back and cancellation of shares	—	—	—	—	—	—	(26,207)	(26,207)
Vesting of awarded shares	—	10,364	—	(10,364)	—	—	—	—
Shares for share award scheme	—	(15,491)	—	—	—	—	—	(15,491)
Recognition of share-based payments	—	—	—	21,622	—	—	—	21,622
Interim dividend – 2025	—	—	—	—	—	—	(294,497)	(294,497)
At December 31, 2025 (audited)	691,887	(77,096)	(191,827)	91,620	8,209	(45,378)	6,481,039	6,958,454
Profit for the period	—	—	—	—	—	—	738,407	738,407
Fair value gain on foreign currency forward contracts and cross-currency interest rate swaps in hedge accounting	—	—	—	—	—	88,512	—	88,512
Exchange differences on translation of foreign operations	—	—	(6,856)	—	—	—	—	(6,856)
Other comprehensive (loss) income for the period	—	—	(6,856)	—	—	88,512	—	81,656
Total comprehensive (loss) income for the period	—	—	(6,856)	—	—	88,512	738,407	820,063
Shares issued on exercise of options	14,260	—	—	(3,085)	—	—	—	11,175
Buy-back of shares	—	—	—	—	—	—	(34,470)	(34,470)
Vesting of awarded shares	—	8,017	—	(8,017)	—	—	—	—
Shares for share award scheme	—	(17,779)	—	—	—	—	—	(17,779)
Recognition of share-based payments	—	—	—	20,526	—	—	—	20,526
Final dividend – 2025	—	—	—	—	—	—	(310,847)	(310,847)
At June 30, 2026 (unaudited)	706,147	(86,858)	(198,683)	101,044	8,209	43,134	6,874,129	7,447,122

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Cash Flows

For the six-month period ended June 30, 2026

	June 30 2026 US\$'000 (Unaudited)	June 30 2025 US\$'000 (Unaudited)
Operating Activities		
Profit before taxation	802,616	681,496
Adjustments for:		
Amortization/write-off of intangible assets	212,534	138,093
Depreciation of property, plant and equipment	142,692	136,866
Depreciation of right of use assets	83,125	83,407
Fair value (gain) loss on foreign currency forward contracts	(11)	8,992
Fair value loss (gain) on listed equity securities	2,760	(569)
Finance costs	34,543	57,657
Gain on sublease and early termination of leases	(5,110)	(56)
Impairment loss of property, plant and equipment	17,662	—
Impairment loss on trade receivables under expected credit loss model	9,116	8,983
Interest income	(14,951)	(29,901)
Loss on disposal of property, plant and equipment	20,258	64
Share-based payments expense	20,526	17,688
Share of result of an associate	(69)	(107)
Write down of inventories	31,217	39,007
Operating cash flows before movements in working capital	1,356,908	1,141,620
Decrease (increase) in inventories	111,530	(193,392)
Increase in trade and other receivables, deposits and prepayments	(421,592)	(516,400)
(Increase) decrease in right to returned goods asset	(2,095)	2,830
Increase in bills receivable	(5,706)	(112)
Increase in trade receivables from an associate	(5,371)	(3,340)
Increase in trade and other payables	18,613	403,299
Increase (decrease) in refund liabilities from right of return	1,015	(2,702)
Increase (decrease) in bills payable	548	(3,164)
Increase in warranty provision	13,828	10,051
(Decrease) increase in retirement benefit obligations	(978)	7,168
Net payment for purchase of shares for share award scheme	(17,779)	(33,388)
Cash generated from operations	1,048,921	812,470
Interest paid	(34,543)	(57,657)
Hong Kong Profits Tax paid	(170)	(7)
Overseas tax paid	(30,532)	(35,970)
Overseas tax refunded	890	272
Net Cash from Operating Activities	984,566	719,108

For the six-month period ended June 30, 2026

	Note	June 30 2026 US\$'000 (Unaudited)	June 30 2025 US\$'000 (Unaudited)
Investing Activities			
Additions to intangible assets		(143,763)	(156,095)
Interest received		14,951	29,901
(Payment for) proceeds from early termination of leases		(110)	3
Proceeds from disposal of property, plant and equipment		3,711	874
Purchase of club membership debentures		—	(32)
Purchase of listed equity securities		—	(1,034)
Purchase of property, plant and equipment		(91,792)	(95,815)
Repayment of finance lease receivables		2,312	4,112
Net Cash used in Investing Activities		(214,691)	(218,086)
Financing Activities			
(Decrease) increase in discounted bills with recourse		(2,589)	47,065
New unsecured borrowings obtained		2,351,573	3,258,487
Dividend paid		(310,847)	(278,154)
Proceeds from issue of shares		11,175	246
Repayment of unsecured borrowings		(2,498,020)	(3,108,373)
Repayment of lease liabilities		(81,689)	(81,581)
Payment for buy-back of shares	14	(34,470)	(15,521)
Net Cash used in Financing Activities		(564,867)	(177,831)
Net Increase in Cash and Cash Equivalents		205,008	323,191
Cash and Cash Equivalents at Beginning of the Period		1,677,729	1,232,347
Effect of Foreign Exchange Rate Changes		6,505	52,853
Cash and Cash Equivalents at End of the Period		1,889,242	1,608,391
Analysis of the Balances of Cash and Cash Equivalents			
Represented by:			
Bank balances, deposits and cash		1,889,242	1,608,391
		1,889,242	1,608,391

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, 2025 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, 2025 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, 2026 are the same as those presented in the Group’s annual financial statements for the year ended December 31, 2025.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards as issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual period beginning on January 1, 2026 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature Dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11

The application of the amendments to HKFRS Accounting Standards 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

Changes in Reportable and Geographical Segments

The Group determines its operating segments based on the internal management reports that are used to make strategic decisions reviewed by the chief operating decision-maker (“CODM”).

During the period, the Group reviewed the structure and internal organization and confirmed that its operations are managed using a combination of end-user and brand-platform perspectives, consistent with how the CODM evaluates performance and allocates resources. The CODM evaluates performance, directs strategic investment, and allocates resources at the level of the Company’s cash-generating units, consisting of the Professional end-user platform and Consumer brand-based groupings (Ryobi Consumer, Other Consumer Power Tool Brands, and Other Consumer Floorcare Brands). While regional financial information is used for operational oversight, goodwill monitoring and strategic decision-making occur at the level at which the CODM evaluates the business, being a combination of the Professional end-user platform and Consumer brand-based groupings.

Consequently, the Group’s reportable segment structure is changed from the previous business segments of **“Power Equipment”** and **“Floorcare and Cleaning”** to the newly defined segments of **“Professional”** and **“Consumer”**.

- **Professional:** Sales of professional power tools, accessories, outdoor power equipment and accessories, commercial equipment, personal protective equipment (PPE), storage, hand tools and related products for professional trades, industrial, and commercial end users. The segment includes products designed for high performance applications and is serving our professional customers, through the MILWAUKEE brand along with other brands.
- **Consumer:** Sales of consumer power tools, outdoor products, floorcare products, and related accessories for retail and household end users. The segment includes offerings across a range of price points and product categories and is marketed through consumer channels through RYOBI, AEG, HOOVER, VAX and other brands serving the consumer channel.

In tandem with this internal restructuring, the Group has also revised its geographical segmentation to more accurately reflect its regional management structure and market dynamics. The previous geographical disclosures of **“North America”**, **“Europe”**, and **“Other countries”** have been restructured and are now disclosed as **“Americas”**, **“EMEA”** (Europe, Middle East, and Africa), and **“Rest of World”** (Australia, New Zealand and Asia).

In accordance with the requirements of HKFRS 8 *Operating Segments*, comparative segment information for the corresponding prior period presented for the six-month period ended June 30, 2025 has been re-presented to conform to the current year’s segment composition and presentation format. This restatement has no impact on the Group’s overall consolidated financial position, consolidated financial performance, or cash flows.

3. Segment information (continued)

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, 2026

	Professional US\$'000	Consumer US\$'000	Eliminations US\$'000	Consolidated US\$'000
Segment revenue				
External sales	5,890,811	2,400,796	—	8,291,607
Inter-segment sales	6,996	—	(6,996)	—
Total segment revenue	5,897,807	2,400,796	(6,996)	8,291,607

For the six-month period ended June 30, 2025¹

	Professional US\$'000	Consumer US\$'000	Eliminations US\$'000	Consolidated US\$'000
Segment revenue				
External sales	5,371,581	2,461,502	—	7,833,083
Inter-segment sales	11,409	—	(11,409)	—
Total segment revenue	5,382,990	2,461,502	(11,409)	7,833,083

Inter-segment sales are charged at prevailing market rates.

	Six-month period ended June 30					
	2026			2025 ¹		
	Professional US\$'000	Consumer US\$'000	Consolidated US\$'000	Professional US\$'000	Consumer US\$'000	Consolidated US\$'000
Segment results	618,872	203,336	822,208	533,615	175,637	709,252
Interest income			14,951			29,901
Finance costs			(34,543)			(57,657)
Profit before taxation			802,616			681,496

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.

¹ A change in reportable segments is made in 2026. Comparative data have been re-presented accordingly.

4. Revenue

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

	Six-month period ended June 30	
	2026 US\$'000	2025 US\$'000
Sales of goods	8,286,596	7,826,450
Commission and royalty income	5,011	6,633
	8,291,607	7,833,083

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	
	2026 US\$'000	2025 ² US\$'000
Americas	6,187,498	5,914,030
EMEA	1,545,301	1,420,211
Rest of World	558,808	498,842
	8,291,607	7,833,083

5. Taxation charge

	Six-month period ended June 30	
	2026 US\$'000	2025 US\$'000
Current tax:		
Hong Kong Profits Tax	(1,205)	(815)
Overseas taxation	(62,190)	(53,601)
Deferred tax	(814)	1,259
	(64,209)	(53,157)

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 under Pillar Two Rules. Pillar Two Rules have become effective in Hong Kong where the Company is incorporated. The top-up tax relates to the Group's operation in the Cayman Islands, 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 top-up tax rate and based on the jurisdictional estimated adjusted covered taxes and net Global Anti-Base Erosion ("GloBE") income for the year. The Group has recognized current tax expenses related to the top-up tax for the six months ended June 30, 2026 which is expected to be levied on the Company.

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

² A change in geographical segments is made in 2026. Comparative data have been re-presented accordingly.

6. Profit for the period

	Six-month period ended June 30	
	2026 US\$'000	2025 US\$'000
Profit for the period has been arrived at after charging (crediting):		
Amortization of intangible assets	98,719	109,262
Depreciation of property, plant and equipment	142,692	136,866
Depreciation of right of use assets	83,125	83,407
Total depreciation and amortization	324,536	329,535
Fair value loss (gain) on listed equity securities	2,760	(569)
Impairment loss on trade receivables under expected credit loss model	9,116	8,983
Net exchange gain	(7,568)	(59,292)
Write down of inventories	31,217	39,007
Staff costs	1,509,758	1,436,495

7. Dividends

A dividend of HK132.00 cents (approximately US16.99 cents) per share with a total of approximately US\$310,847,000 (2025: HK118.00 cents (approximately US15.19 cents) per share with a total of approximately US\$278,154,000) was paid to shareholders as the final dividend for 2025 (2025: final dividend for 2024) on June 26, 2026.

The directors of the Company have determined that an interim dividend of HK150.00 cents (approximately US19.31 cents) per share with a total of approximately US\$352,805,000 (2025: HK125.00 cents (approximately US16.09 cents) per share with a total of approximately US\$294,497,000) will be paid to the shareholders of the Company whose names appear in the Register of Members on September 4, 2026.

8. 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:

	Six-month period ended June 30	
	2026 US\$'000	2025 US\$'000
Earnings for the purposes of basic and diluted earnings per share:		
Profit for the period attributable to Owners of the Company	738,407	628,339
	Number of shares	
	2026	2025
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,823,306,766	1,828,073,756
Effect of dilutive potential ordinary shares:		
Share options	5,447,376	3,171,196
Share awards	3,781,625	1,446,782
Weighted average number of ordinary shares for the purpose of diluted earnings per share	1,832,535,767	1,832,691,734

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 where 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, 2026 and 2025.

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

During the period, the Group spent approximately US\$91,792,000 (for the six-month period ended June 30, 2025: US\$95,815,000) and US\$143,763,000 (for the six-month period ended June 30, 2025: US\$156,095,000) 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\$55,698,000 (for the six-month period ended June 30, 2025: US\$42,294,000) of right of use assets and US\$55,698,000 (for the six-month period ended June 30, 2025: US\$42,294,000) lease liabilities.

10. Trade and other receivables/Bills receivable

	June 30 2026 US\$'000	December 31 2025 US\$'000
Trade receivables	2,456,231	2,021,181
Less: Allowances for credit losses	(87,203)	(84,983)
Other receivables	2,369,028 52,937	1,936,198 69,133
	2,421,965	2,005,331

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 2026 US\$'000	December 31 2025 US\$'000
0 to 60 days	2,023,207	1,568,132
61 to 120 days	300,629	310,357
121 days or above	45,192	57,709
Total trade receivables	2,369,028	1,936,198
Other receivables	52,937	69,133
	2,421,965	2,005,331

All the Group's bills receivable at June 30, 2026 and December 31, 2025 are aged within 120 days.

11. Trade receivables from an associate

The trade receivables from an associate at June 30, 2026 and December 31, 2025 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 2026 US\$'000	December 31 2025 US\$'000
0 to 60 days	1,102,580	1,185,050
61 to 120 days	625,934	560,452
121 days or above	7,342	58,547
Total trade payables	1,735,856	1,804,049
Other payables	2,436,694	2,319,135
Total trade and other payables	4,172,550	4,123,184
Non-current portion of other payables	(104,905)	(103,732)
	4,067,645	4,019,452

All the Group's bills payable at June 30, 2026 and December 31, 2025 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\$2,156,244,000 (at December 31, 2025: US\$2,050,475,000). 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\$2,351,573,000 (2025: US\$3,258,487,000). The Group also repaid unsecured borrowings of US\$2,498,020,000 (2025: US\$3,108,373,000).

In respect of unsecured borrowings with carrying amount of US\$448,343,000 at June 30, 2026 (at December 31, 2025: US\$629,671,000), 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 2026	December 31 2025	June 30 2026 US\$'000	December 31 2025 US\$'000
Ordinary shares				
Issued and fully paid:				
At the beginning of the period/year	1,829,209,941	1,832,304,941	691,887	689,684
Issue of shares upon exercise of share options	1,317,000	405,000	14,260	2,203
Buy-back of shares	(2,289,500)	(3,500,000)	—	—
At the end of the period/year	1,828,237,441	1,829,209,941	706,147	691,887

For the period ended June 30, 2026, the Company bought back its own shares through the Stock Exchange as follows:

Month of buy-back	No. of ordinary shares	Price per share		Aggregate consideration paid US\$'000
		Highest HK\$	Lowest HK\$	
March 2026	300,000	107.90	106.70	4,155
June 2026	1,989,500	129.70	112.70	30,315
	2,289,500			34,470

The shares bought back were settled during the period. Out of 2,289,500 ordinary shares bought back in 2026, the documents of title of 2,061,500 buy-back shares were cancelled during the six months ended June 30, 2026. The remaining 228,000 buy-back shares documents of title were cancelled in July 2026. The consideration paid on the buy-back of the shares of approximately US\$34,470,000 was charged to retained profits.

During 2025, the Company bought back and cancelled its own shares through the Stock Exchange as follows:

Month of buy-back	No. of ordinary shares	Price per share		Aggregate consideration paid US\$'000
		Highest HK\$	Lowest HK\$	
March 2025	750,000	106.20	101.00	10,013
June 2025	500,000	87.60	83.55	5,507
August 2025	500,000	101.60	99.50	6,488
November 2025	1,000,000	87.25	84.00	10,994
December 2025	750,000	91.20	89.35	8,726
	3,500,000			41,728

The consideration paid on the buy-back of the shares of approximately US\$41,728,000 was charged to retained profits in 2025.

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 for which the lowest level input that is significant to the fair value measurement is unobservable (significant inputs).

Financial assets/financial liabilities	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs
	June 30, 2026	December 31, 2025		
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\$8,800,000	Acquisition right of certain property, plant and equipment: US\$8,800,000	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 financial year.
2) Foreign currency forward contracts classified as derivative financial instruments in the consolidated statement of financial position	Assets – US\$64,353,000; and Liabilities – US\$19,138,000	Assets – US\$8,287,000; and Liabilities – US\$52,973,000	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\$28,990,000	Listed shares: US\$31,750,000	Level 1	Quoted bid prices in an active market.
4) Other major financial assets classified as financial assets at FVTPL in the consolidated statement of financial position	Club membership debentures: US\$4,944,000	Club membership debentures: US\$4,945,000	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	Liabilities: US\$1,435,000	N/A	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 2026 US\$'000	December 31 2025 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	180,749	152,926