

# Condensed Consolidated Financial Statements

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six-month period ended June 30, 2024

	Notes	2024 US\$'000 (Unaudited)	2023 US\$'000 (Unaudited)
Revenue	3 & 4	<b>7,311,988</b>	6,879,464
Cost of sales		<b>(4,391,271)</b>	(4,177,800)
Gross profit		<b>2,920,717</b>	2,701,664
Other income		<b>7,689</b>	7,797
Interest income		<b>32,713</b>	29,336
Selling, distribution and advertising expenses		<b>(1,244,345)</b>	(1,186,948)
Administrative expenses		<b>(759,673)</b>	(719,058)
Research and development costs		<b>(298,054)</b>	(243,483)
Finance costs		<b>(65,182)</b>	(78,519)
Profit before share of result of an associate and taxation		<b>593,865</b>	510,789
Share of result of an associate		<b>(159)</b>	235
Profit before taxation		<b>593,706</b>	511,024
Taxation charge	5	<b>(43,341)</b>	(35,245)
Profit for the period attributable to Owners of the Company	6	<b>550,365</b>	475,779
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		<b>(2,830)</b>	1,120
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		<b>11,532</b>	(5,755)
Exchange differences on translation of foreign operations		<b>(43,785)</b>	(13,986)
Other comprehensive loss for the period		<b>(35,083)</b>	(18,621)
Total comprehensive income for the period		<b>515,282</b>	457,158
Total comprehensive income attributable to:			
Owners of the Company		<b>515,282</b>	457,158
Earnings per share (US cents)	8		
Basic		<b>30.12</b>	26.00
Diluted		<b>29.98</b>	25.92

# Condensed Consolidated Financial Statements

## Consolidated Statement of Financial Position

As at June 30, 2024

	Notes	June 30 2024 US\$'000 (Unaudited)	December 31 2023 US\$'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment	9 & 17	2,231,685	2,310,537
Right of use assets	9	850,025	866,009
Goodwill		603,665	604,297
Intangible assets	9	1,331,666	1,298,419
Interest in an associate		1,897	2,056
Financial assets at fair value through profit or loss		8,783	8,732
Deposits		90,500	112,000
Finance lease receivables		4,845	5,781
Derivative financial instruments		8,058	8,084
Deferred tax assets		59,833	63,354
		<b>5,190,957</b>	5,279,269
<b>Current assets</b>			
Inventories		4,026,715	4,098,161
Right to returned goods asset		7,560	8,734
Trade and other receivables	10	2,405,903	1,811,592
Deposits and prepayments		189,109	187,349
Bills receivable	10	9,263	8,423
Finance lease receivables		2,204	2,706
Tax recoverable		7,416	5,013
Trade receivables from an associate	11	14,040	6,927
Derivative financial instruments		22,274	14,455
Financial assets at fair value through profit or loss		19,670	26,114
Bank balances, deposits and cash		1,226,545	953,240
		<b>7,930,699</b>	7,122,714
<b>Current liabilities</b>			
Trade and other payables	12	3,712,759	3,373,231
Bills payable	12	13,784	18,424
Warranty provision		243,420	235,597
Tax payable		64,489	47,558
Derivative financial instruments		11,634	16,062
Lease liabilities		151,506	153,523
Discounted bills with recourse		2,579	2,708
Unsecured borrowings – due within one year	13	929,277	920,151
Refund liabilities from right of return		14,163	16,215
		<b>5,143,611</b>	4,783,469
Net current assets		<b>2,787,088</b>	2,339,245
Total assets less current liabilities		<b>7,978,045</b>	7,618,514

	Notes	June 30 2024 US\$'000 (Unaudited)	December 31 2023 US\$'000 (Audited)
<b>Capital and reserves</b>			
Share capital	14	688,220	685,392
Reserves		5,564,624	5,062,158
Equity attributable to Owners of the Company and total equity		6,252,844	5,747,550
<b>Non-current liabilities</b>			
Lease liabilities		725,923	734,369
Unsecured borrowings – due after one year	13	870,518	1,030,971
Retirement benefit obligations		48,746	47,825
Other payables	12	53,862	31,530
Deferred tax liabilities		26,152	26,269
		1,725,201	1,870,964
Total equity and non-current liabilities		7,978,045	7,618,514

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## Consolidated Statement of Changes in Equity

For the six-month period ended June 30, 2024

	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, 2023 (audited)	684,710	(93,885)	(232,096)	56,778	7,595	18,533	4,763,846	5,205,481
Profit for the period	—	—	—	—	—	—	475,779	475,779
Remeasurement of defined benefit obligations	—	—	—	—	1,120	—	—	1,120
Fair value loss on foreign currency forward contracts and cross-currency interest rate swaps in hedge accounting	—	—	—	—	—	(5,755)	—	(5,755)
Exchange differences on translation of foreign operations	—	—	(13,986)	—	—	—	—	(13,986)
Other comprehensive (loss) income for the period	—	—	(13,986)	—	1,120	(5,755)	—	(18,621)
Total comprehensive (loss) income for the period	—	—	(13,986)	—	1,120	(5,755)	475,779	457,158
Shares issued on exercise of options	682	—	—	(132)	—	—	—	550
Vesting of awarded shares	—	20,146	—	(20,146)	—	—	—	—
Recognition of share-based payments	—	—	—	30,554	—	—	—	30,554
At June 30, 2023 (unaudited)	685,392	(73,739)	(246,082)	67,054	8,715	12,778	5,239,625	5,693,743
Profit for the period	—	—	—	—	—	—	500,561	500,561
Remeasurement of defined benefit obligations	—	—	—	—	(958)	—	—	(958)
Fair value loss on foreign currency forward contracts and cross-currency interest rate swaps in hedge accounting	—	—	—	—	—	(13,453)	—	(13,453)
Deferred tax liability on remeasurement of defined benefit obligations	—	—	—	—	(200)	—	—	(200)
Deferred tax asset on hedging reserve	—	—	—	—	—	655	—	655
Exchange differences on translation of foreign operations	—	—	(4,397)	—	—	—	—	(4,397)
Other comprehensive loss for the period	—	—	(4,397)	—	(1,158)	(12,798)	—	(18,353)
Total comprehensive (loss) income for the period	—	—	(4,397)	—	(1,158)	(12,798)	500,561	482,208
Buy-back of shares	—	—	—	—	—	—	(4,408)	(4,408)
Vesting of awarded shares	—	3,333	—	(3,333)	—	—	—	—
Shares for share award scheme	—	(3,525)	—	—	—	—	—	(3,525)
Recognition of share-based payments	—	—	—	16,391	—	—	—	16,391
Final dividend – 2022	—	—	—	—	—	—	(212,525)	(212,525)
Interim dividend – 2023	—	—	—	—	—	—	(224,334)	(224,334)
At December 31, 2023 (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	—	—	—	—	—	—	(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

# Condensed Consolidated Financial Statements

## Consolidated Statement of Cash Flows

For the six-month period ended June 30, 2024

	June 30 2024 US\$'000 (Unaudited)	June 30 2023 US\$'000 (Unaudited)
<b>Operating Activities</b>		
Profit before taxation	593,706	511,024
Adjustments for:		
Amortization/write-off of intangible assets	136,857	76,747
Depreciation of property, plant and equipment	142,561	129,727
Depreciation of right of use assets	88,436	80,902
Fair value (gain) loss on foreign currency forward contracts	(739)	3,176
Fair value loss on acquisition right of certain property, plant and equipment	26	—
Impairment loss of property, plant and equipment	6,749	—
Fair value loss (gain) on listed equity securities	6,444	(7,816)
Finance costs	65,182	78,519
(Gain) loss on early termination of leases	(252)	177
Loss on lease modification	1,331	—
Impairment loss on trade receivables under expected credit loss model	23,568	11,808
Interest income	(32,713)	(29,336)
Loss on disposal of property, plant and equipment	3,774	281
Gain on disposal of listed equity securities	—	(271)
Share-based payments expense	30,166	30,554
Share of result of an associate	159	(235)
Write down of inventories	31,214	49,273
Operating cash flows before movements in working capital	1,096,469	934,530
Decrease in inventories	13,979	439,319
Increase in trade and other receivables, deposits and prepayments	(611,784)	(358,578)
Decrease (increase) in right to returned goods asset	1,174	(7,386)
Increase in bills receivable	(840)	(10,974)
Increase in trade receivables from an associate	(7,113)	(7,393)
Increase (decrease) in trade and other payables	385,901	(228,544)
(Decrease) increase in refund liabilities from right of return	(2,052)	12,514
Decrease in bills payable	(4,640)	(1,776)
Increase in warranty provision	9,153	16,693
(Decrease) increase in retirement benefit obligations	(1,909)	2,678
Net payment for purchase of shares for share award scheme	(11,444)	—
Cash generated from operations	866,894	791,083
Interest paid	(65,182)	(78,519)
Hong Kong Profits Tax paid	(375)	(2,184)
Overseas tax paid	(27,162)	(29,765)
Hong Kong Profits Tax refunded	—	13,082
Overseas tax refunded	741	77
<b>Net Cash from Operating Activities</b>	<b>774,916</b>	<b>693,774</b>

For the six-month period ended June 30, 2024

	Notes	June 30 2024 US\$'000 (Unaudited)	June 30 2023 US\$'000 (Unaudited)
<b>Investing Activities</b>			
Acquisition of a subsidiary	16	—	(4,524)
Additions to intangible assets		(170,119)	(186,680)
Interest received		32,713	29,336
Payment for early termination of leases		(115)	(125)
Proceeds from disposal of listed equity securities		—	1,376
Proceeds from disposal of property, plant and equipment		2,761	3,182
Purchase of club membership debentures		(53)	—
Purchase of property, plant and equipment		(99,885)	(209,579)
Repayment in finance lease receivables		107	1,277
<b>Net Cash used in Investing Activities</b>		<b>(234,591)</b>	<b>(365,737)</b>
<b>Financing Activities</b>			
(Decrease) increase in discounted bills with recourse		(129)	3,026
New unsecured borrowings obtained		2,251,941	3,378,940
Proceeds from issue of shares		2,250	550
Repayment of unsecured borrowings		(2,386,907)	(3,549,424)
Repayment of lease liabilities		(83,040)	(78,229)
Payment for buy-back of shares	14	(30,960)	—
<b>Net Cash used in Financing Activities</b>		<b>(246,845)</b>	<b>(245,137)</b>
<b>Net Increase in Cash and Cash Equivalents</b>		<b>293,480</b>	<b>82,900</b>
<b>Cash and Cash Equivalents at Beginning of the Period</b>		<b>953,240</b>	<b>1,428,930</b>
<b>Effect of Foreign Exchange Rate Changes</b>		<b>(20,175)</b>	<b>(26,764)</b>
<b>Cash and Cash Equivalents at End of the Period</b>		<b>1,226,545</b>	<b>1,485,066</b>
<b>Analysis of the Balances of Cash and Cash Equivalents</b>			
Represented by:			
Bank balances, deposits and cash		1,226,545	1,485,066
		<b>1,226,545</b>	<b>1,485,066</b>

# 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 Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The financial information relating to the year ended December 31, 2023 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, 2023 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 values, as appropriate.

Other than additional/change in accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standard (“HKFRS”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six-month period ended June 30, 2024 are the same as those presented in the Group’s annual financial statements for the year ended December 31, 2023.

#### Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual period beginning on January 1, 2024 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

Except as described below, the application of the amendments to HKFRSs 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.

#### 2.1 Impacts on application of Amendments to HKFRS 16 Lease Liability in a Sale and Leaseback

##### 2.1.1 ACCOUNTING POLICIES

###### Sale and leaseback transactions

The Group as a seller-lessee

For a transfer that satisfies the requirements as a sale, the Group as a seller-lessee measures the right of use asset arising from the leaseback at the proportion of the previous carrying amount of the asset and recognizes any gain or loss that relates to the rights transferred to the buyer-lessor only. Right of use asset and lease liability are subsequently measured in accordance with the general requirements under HKFRS 16 *Leases*. In measuring the lease liability, the Group determines “lease payments” or “revised lease payments” (including both lease payments that are fixed or variable) in a way that the Group would not recognize any amount of the gain or loss that relates to the right of use assets retained by the Group.

If the fair value of the consideration for the sale does not equal the fair value of the asset, or if the payments for the lease are not at market rates, the Group makes the following adjustments to measure the sale proceeds at fair value:

- any below-market terms is accounted for as a prepayment of lease payments; and
- any above-market terms is accounted for as additional financing provided by the buyer-lessor to the seller-lessee.

##### 2.1.2 TRANSITION AND SUMMARY OF IMPACT

The application of the amendments has no material impact on the Group’s financial position and performance.

## 2. Material Accounting Policies Information (continued)

### 2.2 Impacts on application of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the “2020 Amendments”) and Amendments to HKAS 1 Non-current Liabilities with Covenants (the “2022 Amendments”)

The Group has applied the new accounting policy and the amendments retrospectively. The application of the amendments in the current period has the following impacts on unsecured borrowings which are subject to meeting certain conditions/covenants within 12 months from reporting date.

The Group’s right to defer settlement for borrowings of US\$1,198,002,000 and US\$1,030,971,000 as at January 1 and December 31, 2023, respectively are subject to compliance with certain financial ratios only after the reporting period. Upon the application of the 2022 Amendments, such borrowings are still classified as non-current as the covenants which the Group is required to comply with only after the reporting period do not affect whether that right exists at the end of the reporting date.

Except as described above, the application of the 2020 and 2022 Amendments has no other material impact on the classification of the Group’s other liabilities. The change in accounting policy does not have impact to the Group’s profit or loss or earnings per share for the six months ended June 30, 2023.

## 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, 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

### For the six-month period ended June 30, 2023

	Power Equipment US\$'000	Floorcare & Cleaning US\$'000	Eliminations US\$'000	Consolidated US\$'000
Segment revenue				
External sales	6,450,231	429,233	—	6,879,464
Inter-segment sales	—	15,099	(15,099)	—
Total segment revenue	6,450,231	444,332	(15,099)	6,879,464

Inter-segment sales are charged at prevailing market rates.

	Six-month period ended June 30					
	2024			2023		
	Power Equipment US\$'000	Floorcare & Cleaning US\$'000	Consolidated US\$'000	Power Equipment US\$'000	Floorcare & Cleaning US\$'000	Consolidated US\$'000
Segment results	616,850	9,325	626,175	559,985	222	560,207
Interest income			32,713			29,336
Finance costs			(65,182)			(78,519)
Profit before taxation			593,706			511,024

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	
	2024 US\$'000	2023 US\$'000
Sales of goods	7,306,377	6,874,422
Commission and royalty income	5,611	5,042
	<b>7,311,988</b>	6,879,464

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	
	2024 US\$'000	2023 US\$'000
North America	5,461,455	5,167,421
Europe	1,251,320	1,151,765
Other countries	599,213	560,278
	<b>7,311,988</b>	6,879,464

#### 5. Taxation charge

	Six-month period ended June 30	
	2024 US\$'000	2023 US\$'000
Current tax:		
Hong Kong Profits Tax	(790)	1,084
Overseas taxation	(40,653)	(25,882)
Deferred tax	(1,898)	(10,447)
	<b>(43,341)</b>	(35,245)

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 the Pillar Two model rules published by the Organization for Economic Co-operation and Development (the "Pillar Two Rules"). For the year ending December 31, 2024, the Pillar Two Rules have or will become effective in Australia, Canada, Japan, Korea, Austria, Belgium, Czechia, Denmark, Finland, France, Germany, Hungary, Italy, Luxembourg, Netherlands, Norway, Portugal, Romania, Spain, Sweden, United Kingdom and Vietnam in which the Group has operative subsidiaries. As at June 30, 2024, no Pillar Two Rules related taxing rights would be enacted over any of the Group's subsidiaries other than the countries mentioned above.

Under the requirement in HKAS 34, any Pillar Two tax expense for interim reporting purpose is an income tax expense based on a forecasted effective tax rate basis expected for the full financial year, whereby the estimation includes whether any of the Pillar Two safe harbours are forecasted to apply. This estimation includes whether any of the Pillar Two safe harbours are forecasted to apply. As of June 30, 2024, the Group subsidiaries which are subject to enacted or substantially enacted Pillar Two Rules are limited to entities held by a subsidiary in the United Kingdom or which are located in countries which have enacted or substantially enacted Pillar Two qualified domestic minimum taxes. All such subsidiaries within the Group have a forecasted jurisdictional effective tax rate in excess of 15% and/or are forecasted to be subject to either 1) the Qualified Country-by-Country reporting based simplified effective tax rate safe harbour, 2) De Minimis-based Pillar Two safe harbour or 3) the Substance Based Income Exclusion/Routine Profits Test safe harbour. All the safe harbours apply on a jurisdictional basis.

## 5. Taxation charge (continued)

Based on the above, there is no forecasted Pillar Two income tax expense arising for the year ending December 31, 2024 in any jurisdiction where the Group operates. Accordingly, the Group has not recognized any Pillar Two related income tax expense in the current interim period.

## 6. Profit for the period

	Six-month period ended June 30	
	2024 US\$'000	2023 US\$'000
Profit for the period has been arrived at after charging:		
Amortization of intangible assets	94,643	72,417
Depreciation of property, plant and equipment	142,561	129,727
Depreciation of right of use assets	88,436	80,902
Total depreciation and amortization	325,640	283,046
Fair value loss (gain) on listed equity securities	6,444	(7,816)
Impairment loss on trade receivables under expected credit loss model	23,568	11,808
Net exchange (gain) loss	(6,106)	18,996
Write down of inventories	31,214	49,273
Staff costs	1,359,469	1,140,588

## 7. Dividends

A dividend of HK98.00 cents (approximately US12.61 cents) per share with a total of approximately US\$231,355,000 (2023: HK90.00 cents (approximately US11.58 cents) per share with a total of approximately US\$212,525,000) was paid to shareholders as the final dividend for 2023 (2023: final dividend for 2022) on July 5, 2024.

The directors of the Company have determined that an interim dividend of HK108.00 cents (approximately US13.90 cents) per share with a total of approximately US\$254,725,000 (2023: HK95.00 cents (approximately US12.23 cents) per share with a total of approximately US\$224,334,000) will be paid to the shareholders of the Company whose names appear in the Register of Members on September 6, 2024.

## 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	
	2024 US\$'000	2023 US\$'000
Earnings for the purposes of basic and diluted earnings per share:		
Profit for the period attributable to Owners of the Company	550,365	475,779
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,827,109,617	1,829,619,170
Effect of dilutive potential ordinary shares:		
Share options	4,048,866	3,352,873
Share awards	4,368,285	2,750,727
Weighted average number of ordinary shares for the purpose of diluted earnings per share	1,835,526,768	1,835,722,770

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 period ended June 30, 2024 and 2023.

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

During the period, the Group spent approximately US\$99,885,000 (for the six-month period ended June 30, 2023: US\$209,579,000) and US\$170,119,000 (for the six-month period ended June 30, 2023: US\$186,680,000) 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\$102,109,000 (for the six-month period ended June 30, 2023: US\$114,346,000) of right of use assets and US\$102,109,000 (for the six-month period ended June 30, 2023: US\$114,346,000) lease liabilities.

## 10. Trade and other receivables/Bills receivable

	<b>June 30 2024 US\$'000</b>	December 31 2023 US\$'000
Trade receivables	<b>2,402,728</b>	1,757,327
Less: Allowances for credit losses	<b>(74,803)</b>	(57,848)
	<b>2,327,925</b>	1,699,479
Other receivables	<b>77,978</b>	112,113
	<b>2,405,903</b>	1,811,592

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:

Age	<b>June 30 2024 US\$'000</b>	December 31 2023 US\$'000
0 to 60 days	<b>1,940,626</b>	1,291,677
61 to 120 days	<b>323,137</b>	335,205
121 days or above	<b>64,162</b>	72,597
Total trade receivables	<b>2,327,925</b>	1,699,479
Other receivables	<b>77,978</b>	112,113
	<b>2,405,903</b>	1,811,592

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

## 11. Trade receivables from an associate

The trade receivables from an associate 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:

Age	<b>June 30 2024 US\$'000</b>	December 31 2023 US\$'000
0 to 60 days	<b>1,249,416</b>	1,017,375
61 to 120 days	<b>667,393</b>	495,930
121 days or above	<b>82,204</b>	142,062
Total trade payables	<b>1,999,013</b>	1,655,367
Other payables	<b>1,767,608</b>	1,749,394
Total trade and other payables	<b>3,766,621</b>	3,404,761
Non-current portion of other payables	<b>(53,862)</b>	(31,530)
	<b>3,712,759</b>	3,373,231

**12. Trade and other payables/Bills payable** (continued)

All the Group's bills payable at June 30, 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\$1,610,435,000 (At December 31, 2023: US\$1,621,560,000). The non-current other payables mainly represents 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\$2,251,941,000 (2023: US\$3,378,940,000). The Group also repaid unsecured borrowings of US\$2,386,907,000 (2023: US\$3,549,424,000).

In respect of a unsecured borrowings with carrying amount of US\$870,518,000 as at June 30, 2024, the Group has the right to defer settlement for at least twelve months after the reporting period and the bank loan is classified as non-current.

**14. Share capital**

	Number of shares		Share capital	
	June 30 2024	December 31 2023	June 30 2024 US\$'000	December 31 2023 US\$'000
<b>Ordinary shares</b>				
Issued and fully paid:				
At the beginning of the period/year	<b>1,834,317,941</b>	1,834,697,941	<b>685,392</b>	684,710
Issue of shares upon exercise of share options	<b>790,000</b>	120,000	<b>2,828</b>	682
Buy-Back of shares	<b>(2,500,000)</b>	(500,000)	—	—
At the end of the period/year	<b>1,832,607,941</b>	1,834,317,941	<b>688,220</b>	685,392

For the period ended June 30, 2024, 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\$	
January 2024	<b>500,000</b>	<b>88.00</b>	<b>86.00</b>	<b>5,629</b>
May 2024	<b>1,000,000</b>	<b>105.00</b>	<b>99.20</b>	<b>13,147</b>
June 2024	<b>1,000,000</b>	<b>97.70</b>	<b>91.55</b>	<b>12,184</b>

The shares bought back were settled and cancelled during the period. Out of 2,500,000 ordinary shares bought back in 2024, the documents of title of 2,000,000 buy-back shares were cancelled during the six months ended June 30, 2024. The remaining 500,000 buy-back shares' documents of title were cancelled in July 2024. The consideration paid on the buy-back of the shares of approximately US\$30,960,000 was charged to retained profits.

During 2023, 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\$	
October 2023	500,000	68.70	67.90	4,408

## 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, 2024	December 31, 2023		
1) Acquisition right of certain property, plant and equipment classified as derivative financial instruments in the consolidated statement of financial position	<b>Acquisition right of certain property, plant and equipment: US\$8,058,000</b>	Acquisition right of certain property, plant and equipment: US\$8,084,000	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 interim period.
2) Foreign currency forward contracts classified as derivative financial instruments in the consolidated statement of financial position	<b>Assets – US\$16,890,000; and Liabilities – US\$9,866,000</b>	Assets – US\$9,113,000; and Liabilities – US\$16,062,000	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	<b>Listed shares: US\$19,670,000</b>	Listed shares: US\$26,114,000	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	<b>Club membership debentures: US\$4,938,000</b>	Club membership debentures: US\$4,887,000	Level 2	The fair value was arrived at with reference to recent transaction prices for similar comparables with similar characteristics.
	<b>Unlisted equity securities: US\$3,800,000</b>	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.
	<b>Other: US\$45,000</b>	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	<b>Assets – US\$5,384,000; and Liabilities – US\$1,768,000</b>	Assets – US\$5,342,000; and Liabilities – Nil	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. Acquisition of a subsidiary

In April 2023, the Group acquired 100% equity interest in Green Planet Distribution Centre Company Limited (“Green Planet”) from independent third parties for a cash consideration of approximately US\$75,094,000. Green Planet’s business was acquired so as to continue the expansion of the Group’s manufacture of power equipment and outdoor power equipment products business. Green Planet is engaged in the Power Equipment segment.

	2023 Fair value US\$'000
<b>Net Assets Acquired</b>	
Property, plant and equipment	68,339
Right of use assets	12,008
Trade and other receivables	6,033
Bank balances and cash	76
Trade and other payables	(15,159)
Lease liabilities	(167)
Goodwill arising on acquisition	3,964
Total consideration	75,094
Net cash outflow arising on acquisition:	
Total consideration	75,094
Less: Consideration payable	(8,194)
Less: Deposit paid	(62,300)
Less: Bank balances and cash acquired	(76)
Net outflow of cash and cash equivalents in respect of the acquisition	4,524

Goodwill of US\$3,964,000 arose on the acquisition of Green Planet’s business from expected cost savings within the Power Equipment segment.

The fair value and contractual amounts of trade and other receivables at the date of acquisition amounted to US\$6,033,000. All amounts were expected to be collected.

The acquisition-related costs were insignificant. They had been excluded from the consideration transferred and had been recognized as an expense in six months ended June 30, 2023.

The business acquired has no contribution to the Group’s revenue, and approximately US\$1,231,000 decrease in the Group’s profit before taxation for the period between the date of acquisition and the reporting date as at June 30, 2023.

## 17. Capital commitments

	June 30 2024 US\$'000	December 31 2023 US\$'000
Capital expenditure in respect of the acquisition of property, plant and equipment and equity interests in a subsidiary contracted for but not provided in the condensed consolidated financial statements	162,930	177,975