

INTERIM REPORT 2024



MOST POWERFUL

A next generation POWERSTATE Brushless Motor delivers 6,000 RPM, maintaining high speed under load, allowing users to complete the most demanding applications efficiently

LIGHTWEIGHT, LESS FATIGUE

The ergonomic, compact, and lightweight design make this saw a perfect solution for all-day cutting

FASTEST CUTTING

When paired with the M18 REDLITHIUM FORGE HD12.0 Battery, this saw delivers 750 cuts per charge while REDLINKPLUS Intelligence Electronics protect from overload, overheating, or over-discharge

M18 FUEL™ 7-1/4" CIRCULAR SAW

The M18 FUEL 7-1/4" Circular Saw is designed for the professional carpenter, remodeler, and general contractors who rely on high-performing and durable tools. Leveraging the latest in cordless technology, this saw offers class-leading performance, providing the power to complete more demanding applications and the cut speed to achieve greater productivity. The ergonomic, compact, and lightweight design makes the saw a perfect solution for all-day cutting.

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Company Profile

Techtronic Industries Company Limited (the "Company", the "Group" or "TTI") is a fast-growing world leader in Power Tools, Accessories, Hand Tools, Outdoor Power Equipment, and Floorcare & Cleaning for Do-It-Yourself (DIY)/Consumer, professional and industrial users in the home improvement, repair, maintenance, construction and infrastructure industries. The Company is committed to accelerating the transformation of these industries through superior environmentally friendly cordless technology. The TTI brands like MILWAUKEE, RYOBI and HOOVER are recognized worldwide for their deep heritage and cordless product platforms of superior quality, outstanding performance, safety, productivity and compelling innovation.

Founded in 1985 and listed on the Stock Exchange of Hong Kong ("SEHK") in 1990, TTI is included in the Hang Seng Index as one of their constituent stocks. The Company maintains a powerful brand portfolio, global manufacturing and product development footprint, healthy financial position with record 2023 worldwide annual sales of US\$13.7 billion, with over 49,000 employees as of the first half of 2024.

FINANCIAL HIGHLIGHTS

	2024 US\$' million	2023 US\$' million	Changes
Revenue	7,312	6,879	+6.3%
Gross profit margin	39.9%	39.3%	+67 bps
EBIT	626	560	+11.8%
Profit attributable to Owners of the Company	550	476	+15.7%
EPS (US cents)	30.12	26.00	+15.8%
Free Cash Flow	508	301	+207 m
Interim dividend per share (approx. US cents)	13.90	12.23	+13.7%

Interim Dividend per share (approx. US cents)

13.90

An increase of 13.7% as compared to the first half of 2023

Working Capital as % of Sales

18.7%

Improved 409 bps to 18.7% as compared to June 2023

Revenue (US\$' million)

7,312

An increase of 6.3% as compared to the first half of 2023

EBIT (US\$' million)

626

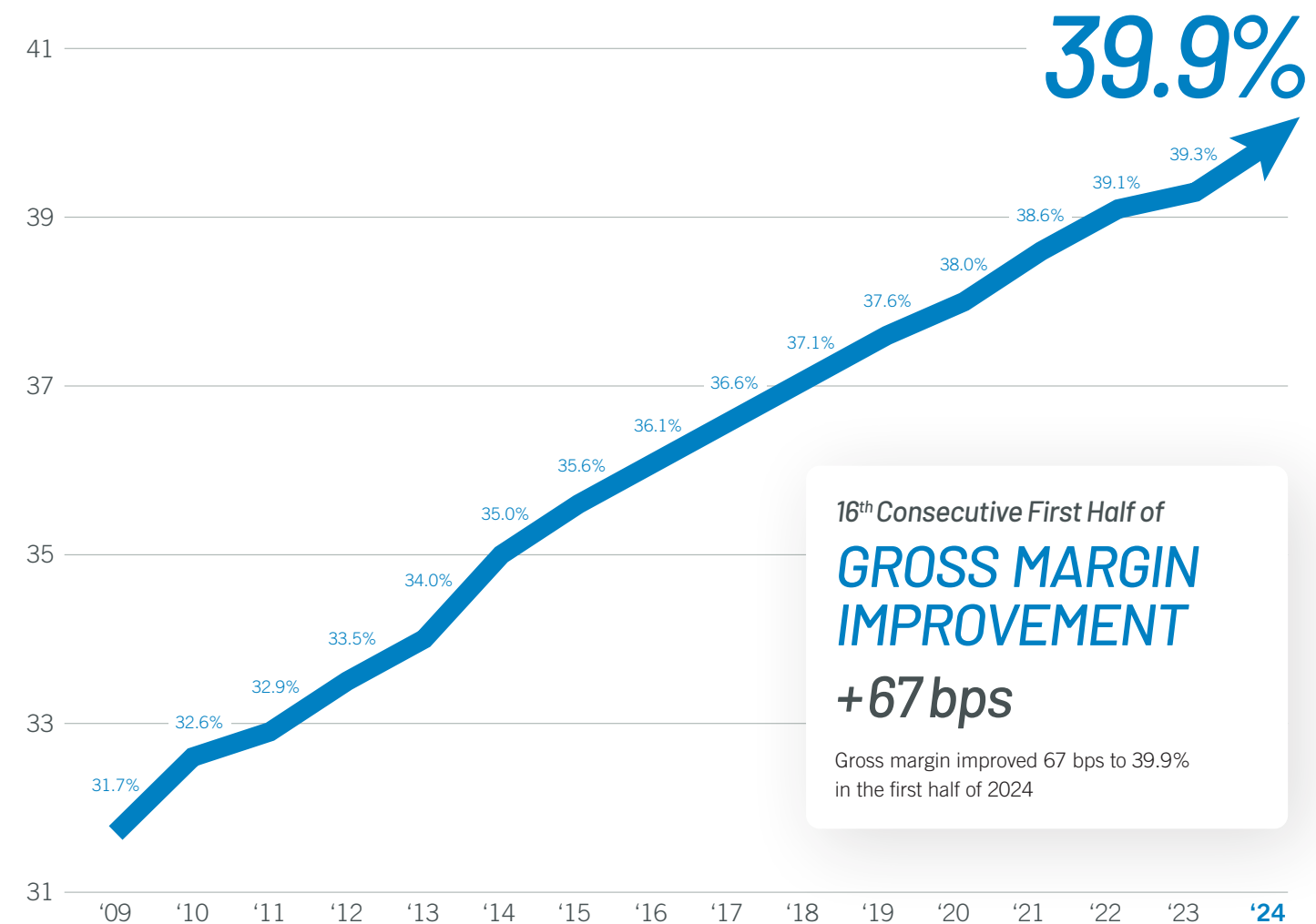
An increase of 11.8% as compared to the first half of 2023

Free Cash Flow (US\$' million)

508

An improvement of US\$207 million from the first half of 2023

Gross Profit Margin %



- + TTI delivered strong first half results, growing sales 6.3% to US\$7.3 billion and net profit 15.7% to US\$550 million.
- + Our Flagship MILWAUKEE business grew sales 11.2% in local currency, extending our leadership position as the #1 professional power tool brand worldwide.
- + Gross margin improved 67 bps to 39.9% in the first half of 2024.
- + We delivered record first half Free Cash Flow of US\$508 million and improved gearing to 9.2%.
- + Mr Steven Philip Richman was appointed to the role of TTI Chief Executive Officer (CEO) on May 21, 2024.

For the six-month period ended June 30, 2024



MILWAUKEE M18 FUEL RINGER Roll Groover

Review of Operations

TTI grew sales in the first half of 2024 to US\$7.3 billion, up 6.3% in reported currency and 6.6% in local currency. MILWAUKEE delivered double-digit sales growth in local currency and RYOBI outperformed the market.

Globally, our performance was well balanced across all our geographies. North America grew 5.6%, Europe grew 7.9%, and Rest of World, featuring Australia and Asia, grew 13.0% in local currency.

Gross margin improved 67 bps to 39.9% in the first half of 2024. This improvement reflects the strength and success of our high margin MILWAUKEE business, our aftermarket battery business and the introduction of highly innovative, margin accretive new products. We also implemented productivity improvements across our manufacturing network and benefited from increased factory utilization.

Total SG&A increased 24 bps from the first half of 2023 to 31.5% as a percentage of sales. This increase reflects our continued strategic investments in new product development, R&D, commercialization, and geographic expansion.

We delivered US\$626 million of EBIT in the first half, growing 11.8% over the comparable period in 2023. EBIT Margin as a percentage of sales was 8.6%, an increase of 42 bps from the first half of 2023.

Net Profit increased 15.7% to US\$550 million. Net Interest costs for the first half decreased 34.0% to US\$32 million, reflecting our outstanding reduction in higher-cost debt and effective utilization of lower interest rate facilities. Earnings per share also increased 15.8% to US\$0.12 cents.

Working capital as a percent of sales improved 409 bps to 18.7% as compared to June 2023. We finished the first half of 2024 with US\$4,027 million of inventory, a reduction of US\$71 million from year end 2023 and US\$554 million compared to the first half of last year. Total inventory days on hand went from 128 from the first half of last year to 104 for the same period this year, while we lowered finished goods levels to 81 days on hand. This demonstrates the success of our efficient supply chain and working capital management.

Capex spend in the first half was US\$100 million, down 52.3% from the first half last year as we leveraged strategic investments made over the past few years to support our growth.

Gearing improved to 9.2% as we delivered US\$508 million of positive Free Cash Flow in the first half of 2024, an improvement of US\$207 million from the first half of 2023. We are well positioned to continue driving strong Free Cash Flow conversion in the years to come.

Our first half performance demonstrates our focus on extending our market leadership position within our MILWAUKEE and Consumer group of businesses, while delivering a strong financial performance. We remain laser focused on our strategy of investing in demonstrably better, technologically advanced new products and exceptional people to drive our growth. The promotion of Steven Philip Richman to the role of CEO is just one example of our commitment to promoting our exceptional people from within and is indicative of the depth of our world-class management team across the organization.

BUSINESS REVIEW

Power Equipment

The TTI Power Equipment segment grew sales 7.1% in local currency to US\$6.9 billion.

MILWAUKEE

Our flagship MILWAUKEE business delivered another period of double-digit growth in the first half, finishing the period up 11.2% in local currency. The investments we have made in new product development, geographic expansion, commercialization, and vertical penetration are driving this robust growth.

More importantly, MILWAUKEE is well positioned for continued growth as we enter new verticals and expand our domination within existing verticals. For example, the exponential advancement of generative Artificial Intelligence ("AI") has created new growth opportunities for MILWAUKEE. This new technology has created a need for the buildout of power grid advancements and the construction of additional data center capacity. MILWAUKEE is partnering with end users, trade organizations, contractors and training centers across the Mechanical, Electrical, Power Utility and General Contractor verticals to support this growth.

Another key driver of MILWAUKEE's commercial success has been our focus on offering a total solution for the end user. Not only do we lead the market in superior cordless battery and charging technology, but we pair it with advanced motors and electronics within the tool and technology-infused accessories. The combination of these four highly engineered items: Battery, Tool, Charger, and Accessory, provides the best performance for the end user.

One example of this powerful combination is our recently announced MILWAUKEE M18 FUEL 7-1/4" Circular Saw that launches with a MILWAUKEE M18 REDLITHIUM FORGE HD12.0 Battery Pack and a patented MILWAUKEE 7-1/4" 24T Thick Kerf Framing Circular Saw Blade accessory. This product is the industry's most powerful and fastest-cutting cordless circular saw. When paired with the MILWAUKEE M18 Dual Bay Simultaneous Super Charger, the battery reaches 80% state of charge in 35 minutes, charging 6 times faster than standard chargers, resulting in greater productivity. Additionally, the Thick Kerf accessory blade includes innovative venting to reduce blade bobble and faster chip ejection, resulting in straighter cuts. The combination of all four of these elements together results in delivering the highest productivity for the end user.

Our strategy of creating a total solution for the end user allows us to sustain the virtuous cycle of introducing differentiated product with an accretive gross margin to reinvest in new product development, commercialization, and geographic expansion activities. In addition, we have been able to invest in our highly talented team and new product development process to create entirely new growth opportunities like our MILWAUKEE PACKOUT Modular Storage System, Electrician's Hand Tools and Personal Protective Equipment (PPE) categories. All three of these categories were internally developed through our work on understanding end user needs to ensure we deliver a solution that improves productivity and safety.



MILWAUKEE PACKOUT Modular Storage System

Power Equipment

Sales

US\$6.9 b

+7.1%



RYOBI 18V ONE+ 4Ah Lithium HIGH PERFORMANCE EDGE Battery

RYOBI

Our Consumer group of businesses delivered solid first half 2024 results. RYOBI, our #1 global consumer battery-powered tool and outdoor brand, performed well and continued to extend its leadership position. Led by strong performance in Outdoor, RYOBI delivered mid-single digit sales growth compared with the first half of last year. Like our MILWAUKEE business, the RYOBI business has flourished by focusing on the needs of the end user. With RYOBI, we strive to “own the home”, by providing best-in-class cordless power tool and outdoor equipment, while expanding our product focus outside of traditional DIY categories.

Our strategy is to attract new users into our cordless battery platforms, while adding new products to the system for the existing user base to expand into the platform. Introduced in 1996, the RYOBI 18V ONE+ platform now has over 314 compatible products. Our powerful RYOBI 40V system now contains 90 products, and the RYOBI USB LITHIUM system features 26 compact, portable solutions for the end user.



RYOBI 40V HP Brushless 16" Carbon Fiber Shaft String Trimmer

Floorcare & Cleaning

Our consumer Floorcare and Cleaning business delivered profit improvement of US\$9.1 million and revenue of US\$428 million which was comparable to the revenue generated for the first half of last year. The team is focused on improving overall business profitability by reducing costs and managing mix, while also introducing exciting new products with innovative and ergonomic features. We are also driving the conversion from corded to cordless cleaning, expanding our product range across the different categories.

Outlook

We delivered outstanding results in the first half of 2024, including generating strong Free Cash Flow and strengthening our balance sheet through disciplined working capital management. We are extremely well positioned to continue growing the overall market and extending our leadership position with MILWAUKEE and RYOBI. Together, these brands complement each other in the industry, allowing TTI to win across a wide range of consumers, price points, and retail partners.

More importantly, the team we have put in place is energized and ready to continue our cordless domination. Exceptional people have always been a pillar of our success at TTI and is one of our key competitive advantages in the industry. With the promotion of Steven Philip Richman to CEO and the deep talent pool supporting him, the future at TTI has never been brighter.



HOVER ONEPWR SMARTWASH Cordless Carpet Cleaner



VAX ONEPWR SPOTWASH

Floorcare & Cleaning

Revenue

US\$428 m

-0.7%

FINANCIAL REVIEW

Financial Results

Reported revenue for the period grew by 6.3% as compared to the same period last year, amounting to US\$7,312 million. Profit attributable to Owners of the Company amounted to US\$550 million as compared to US\$476 million reported in the same period last year, an increase of 15.7%. Basic earnings per share was at US30.12 cents (2023: US26.00 cents), an increase of 15.8%.

EBIT amounted to US\$626 million, an increase of 11.8% as compared to the US\$560 million reported in the same period last year.

Result Analysis

Gross Margin

Gross margin improved to 39.9% as compared to 39.3% reported in the same period last year. The margin improvement was the result of mix improvements by MILWAUKEE's growth, the high margin aftermarket battery business, accretive innovative new products and effective cost controls by all our manufacturing operations.

Operating Expenses

Total operating expenses for the period amounted to US\$2,302 million as compared to US\$2,149 million reported for the same period last year, representing 31.5% of revenue (2023: 31.2%). The increase was mainly due to our strategic investments in new products, commercialization and geographic expansion.

R&D spending at 4.1% of revenue (2023: 3.5%) as we continued to invest in innovations and technology.

Net interest expenses for the period amounted to US\$32.5 million as compared to US\$49.2 million reported for the same period last year, representing 0.4% of revenue (2023: 0.7%). The decrease in net interest expenses is the result of our efficient management of financial resources.

Effective tax rate for the period was at 7.3% (2023: 6.9%).

Liquidity and Financial Resources

Shareholders' Funds

Total shareholders' funds amounted to US\$6.3 billion, an increase of 8.8% as compared to December 31, 2023. Book value per share was US\$3.41 as compared to US\$3.13 at December 31, 2023, an increase of 8.9%.

Financial Position

The Group continued to maintain a strong financial position. As at June 30, 2024, the Group's cash and cash equivalents amounted to US\$1,227 million (US\$953 million at December 31, 2023) of which 37.8%, 21.4%, 16.2%, and 24.6% were denominated in EUR, AUD, RMB and other currencies respectively.

The Group generated Free Cash Flow of US\$508 million during the period as compared to US\$301 million for same period last year (Free Cash Flow equals to net cash from operating activities, less purchase of property, plant and equipment, less additions to intangible assets, and add proceeds from disposal of property, plant and equipment).

The Group's net gearing, expressed as a percentage of total net borrowings (excluding bank advance from factored trade receivables which are without recourse in nature) to equity attributable to Owners of the Company, was at 9.2% as compared to 25.7% as at June 30, 2023.

Bank Borrowings

Long term borrowing accounted for 48.3% of total debts (53.3% at December 31, 2023).

The Group's major borrowings continued to be in US\$. Borrowings are predominantly Secured Overnight Financing Rate ("SOFR") based. There is a natural hedge mechanism in place as the Group's major revenues are in US\$ and currency exposure therefore is low. Currency, interest rate exposure, and cash management functions are all being closely monitored and managed by the Group's treasury team.

Amongst the bank borrowings, fixed rate debts after interest rate hedging account for 56.8% of the total bank borrowings, the balance being floating rate debts.

Working Capital

Total inventory was at US\$4,027 million as compared to US\$4,581 million as at June 30, 2023. Inventory days decreased by 24 days from 128 days to 104 days. The Group will continue to focus on managing the inventory level and improve inventory turns. Raw material inventory decreased by 3 days to 19 days while Finished Goods inventory reduced by 20 days to 81 days when compared to the same period last year.

Trade receivables turnover days were at 60 days as compared to 54 days as at June 30, 2023. Excluding the gross up of the receivables factored which is without recourse in nature, receivables turnover days was at 60 days as compared to 53 days as at June 30, 2023. The Group is comfortable with the quality of the receivables and will continue to exercise due care in managing credit exposure.

Trade payables days were 96 days as compared to 99 days as at June 30, 2023.

Working capital as a percentage of sales was at 18.7% as compared to 22.7% for the same period last year.

Capital Expenditures

Total capital expenditures for the period amounted to US\$100 million (2023: US\$210 million) representing 1.4% of sales.

Capital Commitments and Guarantees

As at June 30, 2024, total capital commitments for the acquisition of property, plant and equipment and equity interests in subsidiaries contracted for but not provided amounted to US\$163 million (2023: US\$167 million), and there were no material guarantees or off balance sheet obligations.

Charges

None of the Group's assets are charged or subject to encumbrance.

Human Resources

The Group employed a total of 49,778 employees (44,288 employees as at June 30, 2023) globally. Total staff cost for the period under review amounted to US\$1,359 million as compared to US\$1,141 million in the same period last year.

The Group regards human capital as vital for the Group's continuous growth and profitability and remains committed to improve the quality, competence and skills of all employees. It provides job-related training and leadership development programs throughout the organization. The Group continues to offer competitive remuneration packages, discretionary share options, share awards and bonuses to eligible staff, based on the performance of the Group and the individual employee.

Interim Dividend

The Directors have resolved to declare an interim dividend of HK108.00 cents (approximately US13.90 cents) (2023: HK95.00 cents (approximately US12.23 cents)) per share for the six-month period ended June 30, 2024. The interim dividend will be paid to shareholders listed on the register of members of the Company on September 6, 2024. It is expected that the interim dividend will be paid on or about September 19, 2024.

Closure of Register of Members

The register of members of the Company will be closed from September 5, 2024 to September 6, 2024, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrars, Tricor Secretaries Limited, whose office is presently situated at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:00 p.m. on September 4, 2024.

Report on Review of Condensed Consolidated Financial Statements

Deloitte.

TO THE BOARD OF DIRECTORS OF
TECHTRONIC INDUSTRIES COMPANY LIMITED
(incorporated in Hong Kong with limited liability)

德勤

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 24, which comprise the consolidated statement of financial position as of June 30, 2024 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 certain explanatory notes. 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 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 Hong Kong Institute of Certified Public Accountants. 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 6, 2024

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

Condensed Consolidated Financial Statements

Consolidated Statement of Financial Position

As at June 30, 2024

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)
Non-current assets			
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
		5,190,957	5,279,269
Current assets			
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
		7,930,699	7,122,714
Current liabilities			
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
		5,143,611	4,783,469
Net current assets		2,787,088	2,339,245
Total assets less current liabilities		7,978,045	7,618,514

	Notes	June 30 2024 US\$'000 (Unaudited)	December 31 2023 US\$'000 (Audited)
Capital and reserves			
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
Non-current liabilities			
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

Condensed Consolidated Financial Statements

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)
Operating Activities		
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
Net Cash from Operating Activities	774,916	693,774

	Notes	June 30 2024 US\$'000 (Unaudited)	June 30 2023 US\$'000 (Unaudited)
Investing Activities			
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
Net Cash used in Investing Activities		(234,591)	(365,737)
Financing Activities			
(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)	—
Net Cash used in Financing Activities		(246,845)	(245,137)
Net Increase in Cash and Cash Equivalents		293,480	82,900
Cash and Cash Equivalents at Beginning of the Period		953,240	1,428,930
Effect of Foreign Exchange Rate Changes		(20,175)	(26,764)
Cash and Cash Equivalents at End of the Period		1,226,545	1,485,066
Analysis of the Balances of Cash and Cash Equivalents			
Represented by:			
Bank balances, deposits and cash		1,226,545	1,485,066
		1,226,545	1,485,066

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
	7,311,988	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
	7,311,988	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)
	(43,341)	(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

	June 30 2024 US\$'000	December 31 2023 US\$'000
Trade receivables	2,402,728	1,757,327
Less: Allowances for credit losses	(74,803)	(57,848)
	2,327,925	1,699,479
Other receivables	77,978	112,113
	2,405,903	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	June 30 2024 US\$'000	December 31 2023 US\$'000
0 to 60 days	1,940,626	1,291,677
61 to 120 days	323,137	335,205
121 days or above	64,162	72,597
Total trade receivables	2,327,925	1,699,479
Other receivables	77,978	112,113
	2,405,903	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	June 30 2024 US\$'000	December 31 2023 US\$'000
0 to 60 days	1,249,416	1,017,375
61 to 120 days	667,393	495,930
121 days or above	82,204	142,062
Total trade payables	1,999,013	1,655,367
Other payables	1,767,608	1,749,394
Total trade and other payables	3,766,621	3,404,761
Non-current portion of other payables	(53,862)	(31,530)
	3,712,759	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
Ordinary shares				
Issued and fully paid:				
At the beginning of the period/year	1,834,317,941	1,834,697,941	685,392	684,710
Issue of shares upon exercise of share options	790,000	120,000	2,828	682
Buy-Back of shares	(2,500,000)	(500,000)	—	—
At the end of the period/year	1,832,607,941	1,834,317,941	688,220	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	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

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	Acquisition right of certain property, plant and equipment: US\$8,058,000	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	Assets – US\$16,890,000; and Liabilities – US\$9,866,000	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	Listed shares: US\$19,670,000	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	Club membership debentures: US\$4,938,000	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.
	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\$5,384,000; and Liabilities – US\$1,768,000	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
Net Assets Acquired	
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

Corporate Governance and Other Information

Directors’ and Chief Executive’s Interests

As at June 30, 2024, the interests and short positions of the directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which have been notified to the Company pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such director or chief executive was taken or deemed to have under such provisions of the SFO) or as recorded in the register required to be kept under section 352 of the SFO or otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) were as follows:

Name of directors	Capacity/ Nature of interests	Interests in shares (other than pursuant to equity derivatives) ⁽¹⁾	Interests in underlying shares pursuant to equity derivatives ⁽¹⁾	Total interests in shares/ underlying shares	Approximate aggregate percentage of interests
Mr Horst Julius Pudwill	Beneficial owner	147,019,500 ⁽²⁾	805,500	364,744,794	19.90%
	Interests of spouse	760,000	—		
	Interests of controlled corporation	216,159,794 ⁽³⁾	—		
Mr Stephan Horst Pudwill	Beneficial owner	5,234,500 ⁽⁴⁾	5,500,000	44,742,000	2.44%
	Beneficiary of a trust	34,007,500 ⁽⁵⁾	—		
Mr Kin Wah Chan	Beneficial owner	766,000 ⁽⁶⁾	4,950,000	5,716,000	0.31%
Mr Chi Chung Chan	Beneficial owner	1,125,000 ⁽⁷⁾	5,250,000	6,375,000	0.35%
Mr Camille Jojo	Beneficial owner	551,500 ⁽⁸⁾	286,000	837,500	0.05%
Mr Peter David Sullivan	Beneficial owner	532,000 ⁽⁹⁾	139,000	671,000	0.04%
Mr Johannes-Gerhard Hesse	Beneficial owner	35,000 ⁽¹⁰⁾	471,000	506,000	0.03%
Mr Robert Hinman Getz	Beneficial owner	90,674 ⁽¹¹⁾	214,000	304,674	0.02%
Ms Virginia Davis Wilmerding	Beneficial owner	25,000 ⁽¹²⁾	89,500	114,500	0.01%
Ms Caroline Christina Kracht	Beneficial owner	12,500 ⁽¹³⁾	60,000	72,500	less than 0.01%

Notes:

- Interests in shares and underlying shares stated above represent long positions of the Company. The interests of the directors of the Company in the underlying shares pursuant to equity derivatives, which were held as beneficial owner, represent share options granted to them respectively pursuant to the share option schemes adopted by the Company, details of which are separately disclosed in the section headed “Share Options” below. These share options are physically settled and unlisted.
- These included Mr Horst Julius Pudwill’s interests in 180,500 awarded shares which remained unvested under the share award schemes of the Company as of June 30, 2024. Details of Mr Horst Julius Pudwill’s awarded shares are set out in the section headed “Share Award Scheme” below.
- These shares were held by the following companies in which Mr Horst Julius Pudwill has a beneficial interest:

	No. of shares
Sunning Inc.	179,084,764
Cordless Industries Company Limited*	37,075,030
	216,159,794

* Cordless Industries Company Limited is owned as to 70% by Mr Horst Julius Pudwill.

Directors' and Chief Executive's Interests (continued)

Notes: (continued)

- (4) These included Mr Stephan Horst Pudwill's interests in 75,000 awarded shares which remained unvested under the share award schemes of the Company as of June 30, 2024. Details of Mr Stephan Horst Pudwill's awarded shares are set out in the section headed "Share Award Scheme" below.
- (5) These shares were held by a trust of which Mr Stephan Horst Pudwill is one of the beneficiaries.
- (6) These included Mr Kin Wah Chan's interests in 75,000 awarded shares which remained unvested under the share award schemes of the Company as of June 30, 2024. Details of Mr Kin Wah Chan's awarded shares are set out in the section headed "Share Award Scheme" below.
- (7) These included Mr Chi Chung Chan's interests in 75,000 awarded shares which remained unvested under the share award schemes of the Company as of June 30, 2024. Details of Mr Chi Chung Chan's awarded shares are set out in the section headed "Share Award Scheme" below.
- (8) These included Mr Camille Jojo's interests in 512,500 awarded shares which remained unvested under the share award schemes of the Company as of June 30, 2024. Details of Mr Camille Jojo's awarded shares are set out in the section headed "Share Award Scheme" below.
- (9) These included Mr Peter David Sullivan's interests in 12,500 awarded shares which remained unvested under the share award schemes of the Company as of June 30, 2024. Details of Mr Peter David Sullivan's awarded shares are set out in the section headed "Share Award Scheme" below.
- (10) These included Mr Johannes-Gerhard Hesse's interests in 12,500 awarded shares which remained unvested under the share award schemes of the Company as of June 30, 2024. Details of Mr Johannes-Gerhard Hesse's awarded shares are set out in the section headed "Share Award Scheme" below.
- (11) These included Mr Robert Hinman Getz's interests in 30,000 awarded shares which remained unvested under the share award schemes of the Company as of June 30, 2024. Details of Mr Robert Hinman Getz's awarded shares are set out in the section headed "Share Award Scheme" below.
- (12) These included Ms Virginia Davis Wilmerding's interests in 25,000 awarded shares which remained unvested under the share award schemes of the Company as of June 30, 2024. Details of Ms Virginia Davis Wilmerding's awarded shares are set out in the section headed "Share Award Scheme" below.
- (13) These included Ms Caroline Christina Kracht's interests in 12,500 awarded shares which remained unvested under the share award schemes of the Company as of June 30, 2024. Details of Ms Caroline Christina Kracht's awarded shares are set out in the section headed "Share Award Scheme" below.

Save as disclosed above, none of the directors and the chief executive of the Company was interested or had any short position in any shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as at June 30, 2024.

Share Options

Share Option Schemes

The Company has two share option schemes in place – Scheme D and Scheme E. Scheme D was adopted on May 29, 2007 and expired on May 28, 2017, though its provisions shall remain in full force and effect in all other respects. Following the expiry of Scheme D, Scheme E was adopted on May 19, 2017 and subsequently amended and restated on May 12, 2023 ("Scheme E Amendment Date"), and will expire on May 18, 2027.

Both Scheme D and Scheme E are aimed for recognition of the contribution to the development and growth of the Group by the eligible persons. Below is the summary of the principal terms of Scheme D:

The Board of Directors of the Company may grant share options to the following eligible persons (and their wholly owned companies) of the Company, its subsidiaries and any companies in which the Group holds any equity interest, to subscribe for shares in the Company: (i) employees; or (ii) Directors; or (iii) secondees; or (iv) any shareholders of any member of the Group or invested entity or controlling shareholders or any holders of any securities issued by any member of the Group; or (v) business partners; or (vi) suppliers; or (vii) customers; or (viii) advisers of the Group.

Share options granted must be taken up within 21 days of the date of grant, upon payment of consideration to be determined by the Board for the grant thereof. Share options may be exercised at any time, subject to vesting conditions, from the date of grant to the tenth anniversary thereof. The subscription price is set at the highest of: the closing price of the shares on the date of offer of the share option or the average closing price of shares as stated in the daily quotation sheets issued by the Stock Exchange for the five trading days immediately preceding the date of offer.

The maximum number of shares in respect of which share options may be granted under Scheme D is not permitted to exceed 30.0% of the issued share capital of the Company from time to time or 10.0% of the shares in issue as at the adoption date of Scheme D. No person shall be granted an option which exceeds 1.0% of the shares in issue as at the date of offer in any 12-month period up to the date thereof.

Options may be exercised at any time immediately after vesting on each of the first and, depending on the vesting conditions, second and third anniversary of the relevant date of grant of the share option to the tenth anniversary of such date of grant. The exercise price is determined by the Directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant; and (ii) the average closing price of the shares for the five business days immediately preceding the date of grant.

In view of the amendments to Chapter 17 of the Listing Rules relating to share schemes of listed issuers effective from January 1, 2023, the scheme rules of Scheme E were amended and restated with effect from May 12, 2023 as below:

The Board may, as its discretion and on such terms as it may think fit, grant such share options to eligible participants as it may in its absolute discretion select in accordance with the terms of Scheme E. Eligible participants include (i) employees; (ii) Directors; (iii) related entity participants and (iv) service providers.

Share options granted must be taken up within 21 days of the date of grant, upon payment of consideration to be determined by the Board for the grant thereof. Share options may be exercised at any time, subject to vesting conditions, from the first date of vesting to the tenth anniversary of the date of grant. The subscription price is set at the highest of: the closing price of the shares on the date of offer of the share option or the average closing price of shares as stated in the daily quotation sheets issued by the Stock Exchange for the five trading days immediately preceding the date of offer.

Share Options (continued)

According to the scheme rules as amended and restated on May 12, 2023, the overall limit on the number of shares under share options from time to time under Scheme E and any other share scheme(s) of the Company shall not, in aggregate, exceed 10.00% of the total issued share capital of the Company as at Scheme E Amendment Date. Within the scheme mandate limit, the total number of shares which may be issued upon exercise of all options to be granted to service providers shall not exceed 1.00% of the total issued share capital of the Company as at Scheme E Amendment Date. Where any grant of share options to a share option grantee under Scheme E would result in shares issued and to be issued in respect of all share options or awarded shares granted to such person (excluding any share options and awarded shares lapsed in accordance with the terms of Scheme E or any other share scheme(s) of the Company) in the 12-month period up to and including the date of such grant representing in aggregate over 1.00% of the total issued share capital of the Company as at Scheme E Amendment Date, such grant of share options must be separately approved by the shareholders in general meeting with such share option grantee and his/her close associates (or his/her associates if the share option grantee is a connected person of the Company) abstaining from voting. Without prejudice to the above, where any grant of share options or awarded shares to a Director (other than an Independent Non-executive Director) or chief executive of the Company, or any of their respective associates would result in the shares issued and to be issued in respect of all share options and awarded shares granted (excluding any share options or awarded shares lapsed in accordance with the terms of Scheme E or any other share scheme(s) of the Company) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.10% of the total issued share capital of the Company as at Scheme E Amendment Date, such grant of share options or awarded shares must be approved by the shareholders in general meeting with such share option grantee, his/her associates and all core connected persons of the Company abstaining from voting at such general meeting. Without prejudice to the above, where any grant of share options or awarded shares to an Independent Non-executive Director or a substantial shareholder of the Company, or any of their respective associates, would result in the shares issued and to be issued in respect of all share options and awarded shares granted (excluding any share options or awarded shares lapsed in accordance with the terms of Scheme E or any other share scheme(s) of the Company) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.10% of the total issued share capital of the Company as at Scheme E Amendment Date, such grant of share options or awarded shares must be approved by the shareholders in general meeting with such share option grantee, his/her associates and all core connected persons of the Company abstaining from voting at such general meeting. The total issued share capital of the Company as at Scheme E Amendment Date was 1,834,797,941 shares.

The Directors or the Remuneration Committee (as the case may be) have the authority to establish performance target and/or clawback mechanism in relation to the granting of share options. The Board is of the view that the flexibility granted to the Directors to specify appropriate conditions, restrictions and/or limitations on a case-by-case basis in their absolute discretion when offering and/or vesting share options to eligible participants could provide a more meaningful and functional means to achieve the purpose of Scheme E (whether as recognition of past contribution or as incentive to motivate, retain or attract suitable talents) in light of the particulars circumstances of each offer of share options. General factors that the Board may take into account for imposing performance targets and clawback mechanisms include, but not limited to the Group's level and the individual's level. The Board or the Remuneration Committee (as the case may be) will carefully assess whether performance targets, if any, are satisfied upon receipt of any notice of exercise of share options from a grantee.

Options may be exercised at any time immediately after each of the first, and depending on the vesting conditions, second and third anniversary of the relevant date of grant of the share option to the tenth anniversary of such date of grant. The exercise price is determined by the Directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant; and (ii) the average closing price of the shares for the five business days immediately preceding the date of grant.

The following tables disclose movements in the Company's share options during the six-month period ended June 30, 2024:

Share option holders	Date of share options granted	Share option scheme category	Outstanding at beginning of the period	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding at end of the period	Subscription price HK\$	Exercise period
Directors									
Mr Horst Julius Pudwill	22.12.2020	E	23,500	—	—	—	23,500	105.500	22.12.2021 – 21.12.2030 ⁽⁴⁾
	30.12.2021	E	32,000	—	—	—	32,000	154.900	30.12.2022 – 29.12.2031 ⁽⁴⁾
	22.8.2023	E	750,000	—	—	—	750,000	81.050	22.8.2024 – 21.8.2033 ⁽⁵⁾
Mr Stephan Horst Pudwill	20.3.2014	D	750,000	—	(750,000)	—	—	21.600	20.3.2015 – 19.3.2024 ⁽⁴⁾
	11.9.2015	D	250,000	—	—	—	250,000	29.650	11.9.2016 – 10.9.2025 ⁽⁴⁾
	17.3.2017	D	500,000	—	—	—	500,000	32.100	17.3.2018 – 16.3.2027 ⁽⁴⁾
	14.3.2018	E	250,000	—	—	—	250,000	47.900	14.3.2019 – 13.3.2028 ⁽⁴⁾
	20.5.2019	E	500,000	—	—	—	500,000	51.080	20.5.2020 – 19.5.2029 ⁽⁴⁾
	15.5.2020	E	500,000	—	—	—	500,000	65.250	15.5.2021 – 14.5.2030 ⁽⁷⁾
	22.12.2020	E	2,000,000	—	—	—	2,000,000	105.500	22.12.2021 – 21.12.2030 ⁽⁸⁾
	30.12.2021	E	1,000,000	—	—	—	1,000,000	154.900	30.12.2022 – 29.12.2031 ⁽⁶⁾
Mr Kin Wah Chan	22.8.2023	E	500,000	—	—	—	500,000	81.050	22.8.2024 – 21.8.2033 ⁽⁷⁾
	17.3.2017	D	200,000	—	—	—	200,000	32.100	17.3.2018 – 16.3.2027 ⁽⁴⁾
	14.3.2018	E	250,000	—	—	—	250,000	47.900	14.3.2019 – 13.3.2028 ⁽⁴⁾
	20.5.2019	E	500,000	—	—	—	500,000	51.080	20.5.2020 – 19.5.2029 ⁽⁴⁾
	15.5.2020	E	500,000	—	—	—	500,000	65.250	15.5.2021 – 14.5.2030 ⁽⁷⁾
	22.12.2020	E	2,000,000	—	—	—	2,000,000	105.500	22.12.2021 – 21.12.2030 ⁽⁸⁾
	30.12.2021	E	1,000,000	—	—	—	1,000,000	154.900	30.12.2022 – 29.12.2031 ⁽⁶⁾
	22.8.2023	E	500,000	—	—	—	500,000	81.050	22.8.2024 – 21.8.2033 ⁽⁷⁾
Mr Chi Chung Chan	17.3.2017	D	500,000	—	—	—	500,000	32.100	17.3.2018 – 16.3.2027 ⁽⁴⁾
	14.3.2018	E	250,000	—	—	—	250,000	47.900	14.3.2019 – 13.3.2028 ⁽⁴⁾
	20.5.2019	E	500,000	—	—	—	500,000	51.080	20.5.2020 – 19.5.2029 ⁽⁴⁾
	15.5.2020	E	500,000	—	—	—	500,000	65.250	15.5.2021 – 14.5.2030 ⁽⁷⁾
	22.12.2020	E	2,000,000	—	—	—	2,000,000	105.500	22.12.2021 – 21.12.2030 ⁽⁸⁾
	30.12.2021	E	1,000,000	—	—	—	1,000,000	154.900	30.12.2022 – 29.12.2031 ⁽⁶⁾
Mr Camille Jojo	22.8.2023	E	500,000	—	—	—	500,000	81.050	22.8.2024 – 21.8.2033 ⁽⁷⁾
	14.3.2018	E	50,000	—	—	—	50,000	47.900	14.3.2019 – 13.3.2028 ⁽⁴⁾
	20.5.2019	E	97,000	—	—	—	97,000	51.080	20.5.2020 – 19.5.2029 ⁽⁴⁾
	22.12.2020	E	47,000	—	—	—	47,000	105.500	22.12.2021 – 21.12.2030 ⁽⁴⁾
	30.12.2021	E	32,000	—	—	—	32,000	154.900	30.12.2022 – 29.12.2031 ⁽⁴⁾
Mr Peter David Sullivan	22.8.2023	E	60,000	—	—	—	60,000	81.050	22.8.2024 – 21.8.2033 ⁽³⁾
	22.12.2020	E	47,000	—	—	—	47,000	105.500	22.12.2021 – 21.12.2030 ⁽⁴⁾
	30.12.2021	E	32,000	—	—	—	32,000	154.900	30.12.2022 – 29.12.2031 ⁽⁴⁾
Mr Johannes-Gerhard Hesse	22.8.2023	E	60,000	—	—	—	60,000	81.050	22.8.2024 – 21.8.2033 ⁽³⁾
	19.6.2017	E	135,000	—	—	—	135,000	36.300	19.6.2018 – 18.6.2027 ⁽⁴⁾
	14.3.2018	E	100,000	—	—	—	100,000	47.900	14.3.2019 – 13.3.2028 ⁽⁴⁾
	20.5.2019	E	97,000	—	—	—	97,000	51.080	20.5.2020 – 19.5.2029 ⁽⁴⁾
	22.12.2020	E	47,000	—	—	—	47,000	105.500	22.12.2021 – 21.12.2030 ⁽⁴⁾
	30.12.2021	E	32,000	—	—	—	32,000	154.900	30.12.2022 – 29.12.2031 ⁽⁴⁾
Mr Robert Hinman Getz	22.8.2023	E	60,000	—	—	—	60,000	81.050	22.8.2024 – 21.8.2033 ⁽³⁾
	15.5.2020	E	75,000	—	—	—	75,000	65.250	15.5.2021 – 14.5.2030 ⁽⁵⁾
	22.12.2020	E	47,000	—	—	—	47,000	105.500	22.12.2021 – 21.12.2030 ⁽⁴⁾
	30.12.2021	E	32,000	—	—	—	32,000	154.900	30.12.2022 – 29.12.2031 ⁽⁴⁾
Ms Virginia Davis Wilmerding	22.8.2023	E	60,000	—	—	—	60,000	81.050	22.8.2024 – 21.8.2033 ⁽³⁾
	19.8.2021	E	29,500	—	—	—	29,500	167.200	19.8.2022 – 18.8.2031 ⁽⁴⁾

Share Options (continued)

Share option holders	Date of share options granted	Share option scheme category	Outstanding at beginning of the period	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding at end of the period	Subscription price HK\$	Exercise period
Directors (continued)									
Ms Caroline Christina Kracht	22.8.2023	E	60,000	—	—	—	60,000	81.050	22.8.2024 – 21.8.2033 ⁽³⁾
Mr Joseph Galli Jr (resigned effective from May 20, 2024)	22.8.2023	E	750,000	—	—	—	750,000	81.050	20.5.2025 – 21.8.2033 ⁽³⁾
Prof Roy Chi Ping Chung GBS SBS JP ⁽¹⁰⁾ (retired after the conclusion of the annual general meeting of the Company held on May 10, 2024)	17.3.2017	D	150,000	—	—	—	150,000	32.100	17.3.2018 – 16.3.2027
	14.3.2018	E	100,000	—	—	—	100,000	47.900	14.3.2019 – 13.3.2028
	20.5.2019	E	97,000	—	—	—	97,000	51.080	20.5.2020 – 19.5.2029
	22.12.2020	E	47,000	—	—	—	47,000	105.500	22.12.2021 – 21.12.2030
	30.12.2021	E	32,000	—	—	—	32,000	154.900	30.12.2022 – 29.12.2031
	22.8.2023	E	60,000	—	—	—	60,000	81.050	22.8.2024 – 21.8.2033
Total for directors			19,751,000	—	(750,000)	—	19,001,000		
Employees									
	17.3.2017	D	50,000	—	(40,000)	—	10,000	32.100	17.3.2018 – 16.3.2027 ⁽⁴⁾
	14.3.2018	E	150,000	—	—	—	150,000	47.900	14.3.2019 – 13.3.2028 ⁽⁴⁾
	20.5.2019	E	194,000	—	—	—	194,000	51.080	20.5.2020 – 19.5.2029 ⁽⁴⁾
	22.12.2020	E	94,000	—	—	—	94,000	105.500	22.12.2021 – 21.12.2030 ⁽⁴⁾
	22.11.2023	E	250,000	—	—	—	250,000	81.480	22.11.2024 – 21.11.2033 ⁽⁴⁾
Total for employees			738,000	—	(40,000)	—	698,000		
Total for all categories			20,489,000	—	(790,000)	—	19,699,000		

Notes:

- The number of shares that may be issued in respect of share options granted under Scheme D is 117,281,565, representing approximately 6.40% of the issued shares of the Company as at June 30, 2024. The total number of shares available for issue in respect of which share options may be granted under Scheme D is 150,505,065 shares, which represented approximately 8.21% of the issued shares of the Company as at June 30, 2024.
- Since the adoption of Scheme E on May 19, 2017, no share options was granted to any service provider of the Company and therefore the number of shares that may be issued to service providers remained at 18,347,979 shares throughout the period. The number of shares that may be issued in respect of share options and awarded shares granted under Scheme E and the 2018 Share Award Scheme is 161,451,294, representing approximately 8.81% of the issued shares of the Company as at June 30, 2024. The total number of shares available for issue in respect of which share options may be granted under Scheme E are 183,479,794 shares, which represented (i) approximately 10.01% of the issued shares of the Company as at June 30, 2024; and (ii) approximately 10.01% of the issued shares of the Company as at the date of this Interim Report. The number of share options available for grant under the amended and restated rules of Scheme E remained at 183,479,794 throughout the period.
- 100% of the share options granted be vested on the 1st anniversary of the date of grant.
- 50% of the share options granted be vested on the 1st anniversary of the date of grant and the remaining 50% be vested on the 2nd anniversary of the date of grant.
- Three equal batches of share options be vested on the 1st anniversary, 2nd anniversary and 3rd anniversary of the date of grant respectively.
- 33.00%, 33.00% and 34.00% be vested on the 1st anniversary, 2nd anniversary and 3rd anniversary of the date of grant respectively.
- 33.20%, 33.40% and 33.40% be vested on the 1st anniversary, 2nd anniversary and 3rd anniversary of the date of grant respectively.
- 33.30%, 33.30% and 33.40% be vested on the 1st anniversary, 2nd anniversary and 3rd anniversary of the date of grant respectively.
- The Board has exercised its discretion under Scheme E to amend the vesting of the share options granted to Mr Joseph Galli Jr that 50% of the share options granted be vested on May 20, 2025 and the remaining 50% be vested on December 31, 2025, and to extend the exercise period as stated in the table above correspondingly.
- The Board has exercised its discretion under Scheme E to extend the exercise period as stated in the table above, of which the vesting of the share options remains the same as detailed in the “Share Options” section in the Company’s 2023 Annual Report.
- The Company had 19,699,000 shares options outstanding, which represented approximately 1.07% of the issued shares of the Company as at June 30, 2024. No share option was granted, cancelled or lapsed during the period. None of the grants of share options to any participants is in excess of the 1% individual limit.
- The group recognized a total expenses of US\$4,749,000 (2023: US\$3,256,000) for the six-month period ended June 30, 2024 in relation to share options granted by the Company.
- The number of shares that may be issued in respect of share awards granted under 2018 Share Award Scheme (details are set out in the “Share Award Scheme” section) and share options granted under Scheme E during the period divided by the weighted average number of shares in issue for the period is 0.09%.
- The weighted average closing prices of the Company’s shares immediately before various dates during the six-month period ended June 30, 2024 and the six-month period ended June 30, 2023 on which the share options was exercised were HK\$100.02 (2023: HK\$81.33) respectively.

Save as disclosed above, no other person was granted share options for the six-month period ended June 30, 2024.

Arrangements to Purchase Shares or Debentures

Other than as disclosed above and for satisfying the awarded shares granted under the Company’s share award scheme (details of which are set out in this Interim Report), at no time during the period was the Company, or any of its subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and neither the directors or the chief executive, nor any of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

Director’s Interests in Transactions, Arrangements and Contracts of Significance

No transactions, arrangements and contracts of significance, to which the Company, or any of its subsidiaries, was a party and in which a director or a connected entity of a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the period or at any time during the period.

Directors’ Indemnities

Pursuant to the Company’s Articles of Association, every director of the Company shall be entitled to be indemnified out of the assets and profits of the Company against all losses or liabilities (to the fullest extent permitted by the Companies Ordinance) which he/she may sustain or incur in or about the execution of the duties of his/her office. The Company has arranged appropriate directors’ and officers’ liability insurance coverage for the directors and officers of the Company.

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the period.

Equity-linked Agreements

Other than as disclosed above and for satisfying the awarded shares granted under the Company’s share award scheme (details of which are set out in this Interim Report), the Group has not entered into any equity-linked agreements during the period.

Share Award Scheme

The Board has one share award scheme in operation, namely the 2018 Share Award Scheme. Following the expiry of the previous share award scheme adopted in 2008, the 2018 Share Award Scheme was first adopted with effect from January 17, 2018 (the “2018 Adoption Date”), and was subsequently amended and restated on May 12, 2023 (the “Share Award Scheme Amendment Date”), and shall be terminated on the earlier of the 10th anniversary of the 2018 Adoption Date or such date of early termination as determined by the Board.

The purpose of the 2018 Share Award Scheme is to recognize the contributions by Eligible Persons as defined below and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group. A summary of the principal terms of the 2018 Share Award Scheme is set out below:

Any employee, officer or Director (including, without limitation, any Executive, Non-executive or Independent Non-executive Director) of any member of the Group (the “Eligible Person”) will be entitled to participate. Unless terminated earlier by the Board in accordance with the scheme rules, the effective term of the 2018 Share Award Scheme is 10 years commencing on the adoption date of the scheme provided that no contribution to the trust will be made by the Company on or after the 10th anniversary date of the adoption date of the scheme. Details of the 2018 Share Award Scheme were announced by the Company on its adoption date.

The Board may, from time to time, at their absolute discretion select any individual as an Eligible Person for participation in the scheme (the “Selected Grantee”) and determine the number of shares to be awarded. The relevant number of shares awarded will either be purchased by the trustee of the scheme on the market or new shares will be subscribed for by the trustee at the cost of the Company and be held in trust until they are vested on the first anniversary of the relevant date of grant (or such longer period as the Board may determine). Upon acceptance of the share awards, no payment is required. When a Selected Grantee has satisfied all vesting conditions specified by the Board (which may include performance targets), the trustee will upon the Company’s instruction transfer the relevant vested shares together with the income derived therefrom (net of accrued interest) to the Selected Grantee.

According to the scheme rules as amended and restated on May 12, 2023, the scheme limits of the 2018 Share Award Scheme have been amended that the Board shall not make any further award of awarded shares which will result in the number of shares awarded by the Board under the 2018 Share Award Scheme and any other share scheme(s) of the Company would represent in excess of 10.00% of the total issued share capital of the Company as at the Share Award Scheme Amendment Date. Where any grant of awarded shares to a Selected Grantee under the 2018 Share Award Scheme would result in shares issued and to be issued in respect of all share options or awarded shares granted to such person (excluding any share options and awarded shares lapsed in accordance with the terms of the 2018 Share Award Scheme or any other share scheme(s) of the Company) in the 12-month period up to and including the date of such grant representing in aggregate over 1.00% of the total issued share capital of the Company as at the Share Award Scheme Amendment Date, such grant of awarded shares must be separately approved by the shareholders in a general meeting with such Selected Grantee and his/her close associates (or his/her associates if the Selected Grantee is a connected person of the Company) abstaining from voting. Without prejudice to the above, where any grant of awarded shares or share options to a Director (other than an Independent Non-executive Director) or chief executive of the Company, or any of their respective associates would result in the shares issued and to be issued in respect of all awarded shares and share options granted (excluding any awarded shares or share options lapsed in accordance with the terms of the 2018 Share Award Scheme or any other share scheme(s) of the Company) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.10% of the total issued share capital of the Company as at the Share Award Scheme Amendment Date, such grant of awarded shares must be approved by the shareholders in a general meeting with such Selected Grantee, his/her associates and all core connected persons of the Company abstaining from voting at such general meeting. Without prejudice to the above, where any grant of awarded shares under the 2018 Share Award Scheme and share options and awarded shares to be granted under any other share scheme(s) of the Company to an Independent Non-executive Director or a substantial shareholder of the Company, or any of their respective associates, would result in the shares issued and to be issued in respect of all share options and awarded shares granted (excluding any share options and awarded shares lapsed in accordance with the terms of the 2018 Share Award Scheme or any other share scheme(s) of the Company) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.10% of the total issued share capital of the Company as at the Share Award Scheme Amendment Date, such grant of awarded shares must be approved by the shareholders in a general meeting with such Selected Grantee, his/her associates and all core connected persons of the Company abstaining from voting at such general meeting. The total issued share capital of the Company as at the Share Award Scheme Amendment Date was 1,834,797,941 shares.

Notwithstanding that the 2018 Share Award Scheme does not stipulate that any awarded shares offered must be subject to any performance target or clawback mechanism, the Directors or the Remuneration Committee (as the case may be) have the authority to establish performance targets and/or clawback mechanisms in relation to the granting of awarded shares. The Board is of the view that the flexibility granted to the

Directors to specify appropriate conditions, restrictions and/or limitations on a case-by-case basis in their absolute discretion when offering and/or vesting awarded shares to Selected Grantees could provide a more meaningful and functional means to achieve the purpose of the 2018 Share Award Scheme (whether as recognition of past contribution or as incentive to motivate, retain or attract suitable talents) in light of the particular circumstances of each offer of awarded shares. General factors that the Board may take into account for imposing performance targets and clawback mechanisms include, but are not limited to the Group’s level and the individual’s level. The Board or the Remuneration Committee (as the case may be) will carefully assess whether performance targets, if any, are satisfied before vesting of awarded shares.

Since the 2018 Adoption Date and up to June 30, 2024, a total of 15,730,500 shares had been awarded under the 2018 Share Award Scheme, representing 0.86% of the issued share capital of the Company as at the Share Award Scheme Amendment Date. Recognition of share-based payment expenses under the 2018 Share Award Scheme during the period was US\$25,417,000. During the period ended June 30, 2024, a total of 1,634,500 shares had been awarded under the 2018 Share Award Scheme to three Directors of the Company, representing 0.09% of the issued share capital of the Company as at the Share Award Scheme Amendment Date. The total payout, including related expenses, amounted to US\$21,249,000. In addition, during the period ended June 30, 2024, 212,500 shares were transferred to a Director and a Selected Grantee upon vesting under the 2018 Share Award Scheme. As at June 30, 2024, details of the awarded shares granted under the 2018 Share Award Scheme of the Company were as follows:

Share awards holders	Date of Award	Share award scheme category	Number of awarded shares	Number of awarded shares					As at June 30, 2024	Vesting Period	Closing price at the Date of Award (HK\$)	Purchase price (HK\$)
				As at January 1, 2024	Awarded during the period	Vested during the period	Lapsed during the period	As at June 30, 2024				
Directors												
Mr Horst Julius Pudwill	21.3.2018	2018	500,000	—	—	—	—	—	15.3.2019 – 15.3.2022	47.00	30.29	
	20.5.2019	2018	300,000	—	—	—	—	—	20.5.2020 – 20.5.2022	50.20	28.15	
	21.12.2020	2018	1,000,000	—	—	—	—	—	21.12.2020 – 21.12.2021	107.00	44.55	
	30.12.2021	2018	300,000	—	—	—	—	—	3.4.2023 – 30.12.2023	154.90	115.13	
	22.12.2023	2018	125,000	125,000	—	—	—	125,000	22.12.2026	92.50	111.23	
2.4.2024	2018	55,500	—	55,500	—	—	55,500	2.4.2025 – 2.4.2027	104.80	97.12		
Mr Stephan Horst Pudwill	21.3.2018	2018	50,000	—	—	—	—	—	15.3.2019 – 15.3.2022	47.00	30.29	
	21.12.2020	2018	100,000	—	—	—	—	—	21.12.2020 – 21.12.2021	107.00	44.55	
	30.12.2021	2018	50,000	—	—	—	—	—	30.12.2022 – 30.12.2023	154.90	115.13	
	22.12.2023	2018	75,000	75,000	—	—	—	75,000	22.12.2026	92.50	111.23	
Mr Kin Wah Chan	21.3.2018	2018	50,000	—	—	—	—	—	15.3.2019 – 15.3.2022	47.00	30.29	
	21.12.2020	2018	100,000	—	—	—	—	—	21.12.2020 – 21.12.2021	107.00	44.55	
	30.12.2021	2018	50,000	—	—	—	—	—	30.12.2022 – 30.12.2023	154.90	115.13	
	22.12.2023	2018	75,000	75,000	—	—	—	75,000	22.12.2026	92.50	111.23	
Mr Chi Chung Chan	21.3.2018	2018	50,000	—	—	—	—	—	15.3.2019 – 15.3.2022	47.00	30.29	
	21.12.2020	2018	100,000	—	—	—	—	—	21.12.2020 – 21.12.2021	107.00	44.55	
	30.12.2021	2018	50,000	—	—	—	—	—	30.12.2022 – 30.12.2023	154.90	115.13	
	22.12.2023	2018	75,000	75,000	—	—	—	75,000	22.12.2026	92.50	111.23	
Mr Camille Jojo	2.1.2019	2018	10,000	—	—	—	—	—	2.1.2019	41.10	28.15	
	20.5.2019	2018	150,000	—	—	—	—	—	20.5.2020 – 20.5.2022	50.20	38.30	
	3.1.2020	2018	12,500	—	—	—	—	—	3.1.2020	64.70	44.62	
	21.12.2020	2018	10,000	—	—	—	—	—	21.12.2021 – 21.12.2022	107.00	44.55	
	31.12.2020	2018	10,500	—	—	—	—	—	31.12.2020	110.60	49.67	
	30.12.2021	2018	18,000	—	—	—	—	—	30.12.2021 – 30.12.2022	154.90	115.13	
	30.12.2022	2018	11,000	—	—	—	—	—	30.12.2022	87.10	142.95	
	22.12.2023	2018	12,500	12,500	—	—	—	12,500	22.12.2026	92.50	111.23	
2.4.2024	2018	500,000	—	500,000	—	—	500,000	2.4.2025 – 2.4.2027	104.80	97.12		

Share Award Scheme (continued)

Share awards holders	Date of Award	Share award scheme category	Number of awarded shares	Number of awarded shares					Vesting Period	Closing price at the Date of Award (HK\$)	Purchase price (HK\$)
				As at January 1, 2024	Awarded during the period	Vested during the period	Lapsed during the period	As at June 30, 2024			
Directors (continued)											
Mr Peter David Sullivan	21.12.2020	2018	10,000	—	—	—	—	—	21.12.2021 – 21.12.2022	107.00	44.55
	30.12.2021	2018	12,500	—	—	—	—	—	30.12.2022	154.90	115.13
	22.12.2023	2018	12,500	12,500	—	—	—	12,500	22.12.2024	92.50	111.23
Mr Johannes-Gerhard Hesse	21.12.2020	2018	10,000	—	—	—	—	—	21.12.2021 – 21.12.2022	107.00	44.55
	30.12.2021	2018	12,500	12,500	—	(12,500)	—	—	2.5.2024 ⁽⁷⁾	154.90	115.13
	22.12.2023	2018	12,500	12,500	—	—	—	12,500	22.12.2024	92.50	111.23
Mr Robert Hinman Getz	21.12.2020	2018	10,000	5,000	—	—	—	5,000	N/A ⁽⁸⁾	107.00	44.55
	30.12.2021	2018	12,500	12,500	—	—	—	12,500	N/A ⁽⁹⁾	154.90	115.13
	22.12.2023	2018	12,500	12,500	—	—	—	12,500	22.12.2024	92.50	111.23
Ms Virginia Davis Wilmerding	30.12.2021	2018	12,500	12,500	—	—	—	12,500	N/A ⁽¹⁰⁾	154.90	115.13
	22.12.2023	2018	12,500	12,500	—	—	—	12,500	22.12.2024	92.50	111.23
Ms Caroline Christina Kracht	22.12.2023	2018	12,500	12,500	—	—	—	12,500	22.12.2024	92.50	111.23
Mr Joseph Galli Jr ⁽⁴⁾ (resigned effective from May 20, 2024)	21.3.2018	2018	514,000	—	—	—	—	—	15.3.2019 – 15.3.2022	47.00	30.29
	3.1.2020	2018	1,000,000	1,000,000	—	—	—	1,000,000	On or about 1.1.2025	64.70	44.38
	21.12.2020	2018	1,000,000	—	—	—	—	—	21.12.2020	107.00	44.55
	4.3.2021	2018	1,000,000	—	—	—	—	—	4.3.2021	121.40	80.25
	4.3.2021	2018	1,000,000	1,000,000	—	—	—	1,000,000	On or about 1.1.2025	121.40	80.25
	31.12.2021	2018	1,000,000	1,000,000	—	—	—	1,000,000	On or about 1.1.2025	155.20	121.14
	3.3.2022	2018	1,000,000	—	—	—	—	—	3.3.2022	136.10	130.19
	3.3.2022	2018	1,000,000	—	—	—	—	—	23.3.2023	136.10	130.19
	30.12.2022	2018	1,000,000	1,000,000	—	—	—	1,000,000	On or about 1.1.2025	87.10	142.95
	22.12.2023	2018	1,000,000	1,000,000	—	—	—	1,000,000	22.12.2024	92.50	111.23
	5.1.2024	2018	1,000,000	—	1,000,000	—	—	1,000,000	On or about 5.1.2025	86.80	103.48
2.4.2024	2018	79,000	—	79,000	—	—	79,000	2.4.2025	104.80	97.12	
Prof Roy Chi Ping Chung GBS BBS JP (retired after the conclusion of the annual general meeting of the Company held on May 10, 2024)	21.12.2020	2018	10,000	—	—	—	—	—	21.12.2021 – 21.12.2022	107.00	44.55
	30.12.2021	2018	12,500	—	—	—	—	—	30.12.2022	154.90	115.13
	22.12.2023	2018	12,500	12,500	—	—	—	12,500	10.5.2025 ⁽¹¹⁾	92.50	111.23
Total for directors		14,610,500	5,480,000	1,634,500	(12,500)	—	7,102,000				
Employees	20.5.2019	2018	1,100,000	200,000	—	(200,000)	—	—	20.5.2020 – 20.5.2024	50.20	45.30
	21.12.2020	2018	10,000	—	—	—	—	—	20.5.2021	107.00	44.55
	21.12.2020	2018	10,000	—	—	—	—	—	30.7.2021	107.00	44.55
Total for employees		1,120,000	200,000	—	(200,000)	—	—				
Total for all categories		15,730,500	5,680,000	1,634,500	(212,500)	—	7,102,000				

Notes:

- All the awarded shares are purchased on-market. All awarded shares were granted to Directors only during the period ended June 30, 2024. No share awards were cancelled or lapsed during the period ended June 30, 2024.
- At the end of the period, the average fair value per share is HK\$100.93. The average fair value of the awarded shares is based on the average purchase cost.
- During the reporting period, a total of 902,500 shares were purchased at an aggregate consideration of US\$11,444,000 for satisfying the awards granted pursuant to the 2018 Share Award Scheme.
- As to the agreement for the separate 5,000,000 awarded shares to be granted to Mr Joseph Galli Jr between 2020 to 2024 in five equal tranches (i.e. 1,000,000 awarded shares per year) provided the Company meets certain performance criteria each year, all tranches were awarded to Mr Galli on January 3, 2020, March 4, 2021, December 31, 2021, December 30, 2022 and January 5, 2024 respectively. These shares are scheduled to vest to Mr Galli on or about January 5, 2025. The above mentioned performance criteria are set out in the “Remuneration Committee” section in the Company’s 2023 Corporate Governance Report.
As to the agreement for the 5,000,000 shares might be granted subject to, inter alia, the achievement of performance criteria (i.e. reaching a specific EBIT target each year) for the years between 2022 to 2026 respectively, the 1,000,000 shares for 2022 were awarded to Mr Galli on March 3, 2022 and vested on March 23, 2023. The 1,000,000 shares for the year 2023 were awarded to Mr Galli on December 22, 2023 and will be vested on 1st anniversary of the date of award. Due to his resignation with effect from May 20, 2024, the awards of the remaining 3,000,000 shares were lapsed as a result and no further shares will be granted to Mr Galli. The above mentioned performance criteria are set out in the “Remuneration Committee” section in the Company’s 2023 Corporate Governance Report.
- The performance targets of the awarded shares granted in 2023 to Executive Directors are generally assessed at two respective levels, namely the individual level and the Group’s level. None of the awarded shares granted in 2023 to the Non-executive Director and the Independent Non-executive Directors are subject to any performance targets assessment by the Company.
- The performance targets of the awarded shares granted in the period ended June 30, 2024 to Executive Directors are generally assessed at two respective levels, namely the individual level and the Group’s level.
- The Board has exercised its discretion under the scheme rules to amend the vesting date of the 12,500 shares which were awarded to Mr Johannes-Gerhard Hesse from December 30, 2022 to May 2, 2024.
- The Board has exercised its discretion under the scheme rules to amend the vesting date of the 5,000 shares which were awarded to Mr Robert Hinman Getz from December 21, 2022 to upon his cessation as a director of the Company.
- The Board has exercised its discretion under the scheme rules to amend the vesting date of the 12,500 shares which were awarded to Mr Robert Hinman Getz from December 30, 2022 to upon his cessation as a director of the Company.
- The Board has exercised its discretion under the scheme rules to amend the vesting date of the 12,500 shares which were awarded to Ms Virginia Davis Wilmerding from December 30, 2022 to upon her cessation as a director of the Company.
- Pursuant to the scheme rules of 2018 Share Award Scheme, the vesting date of the 12,500 shares which were awarded to Prof Roy Chi Ping Chung GBS BBS JP has been amended from December 22, 2024 to May 10, 2025, i.e. the expiry of a period of 12 months commencing from the date of his retirement.

The closing price of the Company’s shares immediately before the various dates on which the share awards were granted ranged from HK\$87.65 to HK\$106.10 during the period ended June 30, 2024. The fair value of awarded shares at the date of grant during the period ended June 30, 2024 was ranged from HK\$97.12 to HK\$103.48.

The weighted average closing price of the Company’s shares immediately before the various dates on which the share awards were vested during the period ended June 30, 2024 was HK\$107.24. The number of shares that may be issued in respect of share awards granted under the 2018 Share Award Scheme and the share options granted under Scheme E (details are set out in the “Share Options” section) during the period ended June 30, 2024 divided by the weighted average number of shares in issue for the year is 0.09%.

Share Award Scheme (continued)

The number of shares available for grant under the amended and restated rules of the 2018 Share Award Scheme remained at 183,479,794 throughout the period. The total number of shares available for issue under the 2018 Share Award Scheme is 183,479,794, which represents (i) approximately 10.01% of the issued share capital of the Company as at June 30, 2024; and (ii) approximately 10.01% of the issued share capital of the Company as at the date of this Interim Report. The number of shares that may be issued in respect of share awards granted under the 2018 Share Award Scheme and the share options granted under Scheme E is 161,451,294, representing approximately 8.81% of the issued share capital of the Company as at June 30, 2024.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (employee share-based compensation reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the employee share-based compensation reserve.

When the trustee purchases the Company's shares on the open market, the consideration paid, including any directly attributable incremental costs, is presented as shares held for share award scheme and deducted from total equity. No gain or loss is recognized on the transactions of the Company's own shares.

When the trustee transfers the Company's shares to grantees upon vesting, the related costs of the granted shares vested are reversed from shares held under the share award scheme. Accordingly, the related expense of the granted shares vested is reversed from the employee share-based compensation reserve. The difference arising from this transfer is debited/credited to retained profits. At the end of the reporting period, the Group revises its estimate of the number of shares that are expected to ultimately vest. The impact of the revision of the estimate, if any, is recognized in profit or loss with a corresponding adjustment to the employee share-based compensation reserve.

The fair value of the share award is estimated based on the share price of the Company on date of purchase/grant.

None of the share awards granted under the 2018 Share Award Scheme before January 1, 2023 were subject to any performance-based targets or clawback mechanisms except for those granted to Mr Joseph Galli Jr as detailed in Note (4) in the "Share Award Scheme" section. The Remuneration Committee is of the view that these are justifiable as all such decisions were (i) made before the corresponding new requirements under Chapter 17 of the Listing Rules became effective on January 1, 2023 and within the authority and discretion of the Board as stipulated under the rules of the 2018 Share Award Scheme; and (ii) aligned with the purpose of the 2018 Share Award Scheme as a recognition and reward of the grantee's contributions to the Group's continuing operation and development and which in turn is beneficial to the shareholders and the Company as a whole from a business sustainability and stability perspective.

Save as disclosed above, no other person was granted share awards for the period ended June 30, 2024.

Substantial Shareholders' Interests

As at June 30, 2024, the interests and short positions of the following persons, other than directors and chief executive of the Company, in the shares, underlying shares and debentures of the Company which have been disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO have been recorded in the register kept by the Company pursuant to section 336 of the SFO:

Name	Total interests in shares	(L/S/LP)*	Approximate aggregate percentage of interests
JPMorgan Chase & Co. ⁽¹⁾	201,757,469	(L)	11.01%
	4,611,300	(S)	0.25%
	132,005,884	(LP)	7.20%
The Bank of New York Mellon Corporation ⁽²⁾	111,213,350	(L)	6.07%
	38,990,635	(S)	2.13%
	70,510,811	(LP)	3.85%
The Capital Group Companies, Inc. ⁽³⁾	165,134,262	(L)	9.01%

* (L/S/LP) represents (Long position/Short position/Lending pool)

Notes:

(1) The following is a breakdown of the interests in shares in the Company held by JPMorgan Chase & Co.:

Name	Remarks	Total interests in shares			Approximate percentage of interests	
		Direct interests	(L/S/LP)*	Deemed interests		
JPMorgan Chase & Co.	(1a)	—	—	201,757,469	(L)	11.01%
		—	—	4,611,300	(S)	0.25%
		—	—	132,005,884	(LP)	7.20%
JPMorgan Asset Management (Taiwan) Limited	(1b)	239,500	(L)	—	—	0.01%
55I, LLC	(1b)	865	(L)	—	—	0.00%
J.P. Morgan SE	(1b)	24,993	(L)	—	—	0.00%
J.P. MORGAN MARKETS LIMITED	(1b)	500	(L)	—	—	0.00%
J.P. Morgan Securities LLC	(1b)	5,477,505	(L)	—	—	0.30%
		168,792	(S)	—	—	0.01%
JPMORGAN ASSET MANAGEMENT (UK) LIMITED	(1b)	2,839,500	(L)	—	—	0.15%
J.P. Morgan Investment Management Inc.	(1b)	44,790,718	(L)	—	—	2.44%
JPMorgan Asset Management (Japan) Limited	(1b)	170,200	(L)	—	—	0.01%
J.P. Morgan Trust Company of Delaware	(1b)	50,000	(L)	—	—	0.00%
JPMorgan Chase Bank, National Association	(1b)	136,494,685	(L)	—	—	7.45%
JPMorgan Asset Management (Asia Pacific) Limited	(1b)	3,066,500	(L)	—	—	0.17%
		8,584,603	(L)	—	—	0.47%
J.P. MORGAN SECURITIES PLC	(1b)	4,442,508	(S)	—	—	0.24%
J.P. Morgan Private Wealth Advisors LLC	(1b)	17,900	(L)	—	—	0.00%
JPMorgan Asset Management (Asia) Inc.	(1b)	—	—	3,476,200	(L)	0.19%
JPMorgan Asset Management Holdings Inc.	(1b)	—	—	51,107,283	(L)	2.79%
JPMorgan Chase Holdings LLC	(1b)	—	—	56,653,188	(L)	3.09%
		—	—	168,792	(S)	0.01%
55 Institutional Partners, LLC	(1b)	—	—	865	(L)	0.00%
J.P. Morgan International Finance Limited	(1b)	—	—	8,609,596	(L)	0.47%
		—	—	4,442,508	(S)	0.24%
JPMorgan Chase Bank, National Association	(1b)	—	—	8,609,596	(L)	0.47%
		—	—	4,442,508	(S)	0.24%
J.P. MORGAN FINANCIAL INVESTMENTS LIMITED	(1b)	—	—	500	(L)	0.00%
J.P. Morgan Broker-Dealer Holdings Inc.	(1b)	—	—	5,477,505	(L)	0.30%
		—	—	168,792	(S)	0.01%
JPMORGAN ASSET MANAGEMENT INTERNATIONAL LIMITED	(1b)	—	—	2,839,500	(L)	0.15%
J.P. MORGAN CAPITAL HOLDINGS LIMITED	(1b)	—	—	8,584,603	(L)	0.47%
		—	—	4,442,508	(S)	0.24%

Substantial Shareholders' Interests (continued)

Notes: (continued)

Remarks:

- (1a) JPMorgan Chase & Co. is listed on New York Stock Exchange. The capacity of JPMorgan Chase & Co. in holding the 201,757,469 shares of long position, 4,611,300 shares of short position and 132,005,884 shares of lending pool respectively was as controlled corporation.
- (1b) JPMorgan Asset Management (Taiwan) Limited, 55I, LLC, J.P. Morgan SE, J.P. MORGAN MARKETS LIMITED, J.P. Morgan Securities LLC, JPMORGAN ASSET MANAGEMENT (UK) LIMITED, J.P. Morgan Investment Management Inc., JPMorgan Asset Management (Japan) Limited, J.P. Morgan Trust Company of Delaware, JPMorgan Chase Bank, National Association, JPMorgan Asset Management (Asia Pacific) Limited, J.P. MORGAN SECURITIES PLC, J.P. Morgan Private Wealth Advisors LLC, JPMorgan Asset Management (Asia) Inc., JPMorgan Asset Management Holdings Inc., JPMorgan Chase Holdings LLC, 55 Institutional Partners, LLC, J.P. Morgan International Finance Limited, JPMorgan Chase Bank, National Association, J.P. MORGAN FINANCIAL INVESTMENTS LIMITED, J.P. Morgan Broker-Dealer Holdings Inc., JPMORGAN ASSET MANAGEMENT INTERNATIONAL LIMITED and J.P. MORGAN CAPITAL HOLDINGS LIMITED were all directly or indirectly owned by JPMorgan Chase & Co. and by virtue of the SFO, JPMorgan Chase & Co. was deemed to be interested in the shares held by these subsidiaries.
- (2) The following is a breakdown of the interest in shares in the Company held by The Bank of New York Mellon Corporation:

Name	Remarks	Total interests in shares				Approximate percentage of interests
		Direct interests	(L/S/LP)*	Deemed interests	(L/S/LP)*	
The Bank of New York Mellon Corporation	(2a)	—	—	111,213,350	(L)	6.07%
		—	—	38,990,635	(S)	2.13%
		—	—	70,510,811	(LP)	3.85%
The Bank of New York Mellon	(2b)	111,135,865	(L)	—	—	6.06%
		38,990,635	(S)	—	—	2.13%
BNY Mellon, National Association	(2b)	74,930	(L)	—	—	0.00%
B.N.Y. Holdings (Delaware) Corporation	(2b)	—	—	2,555	(L)	0.00%
BNY Mellon Trust of Delaware	(2b)	2,555	(L)	—	—	0.00%

Remarks:

- (2a) The Bank of New York Mellon Corporation is listed on New York Stock Exchange. The capacity of The Bank of New York Mellon Corporation in holding the 111,213,350 shares of long position, 38,990,635 shares of short position and 70,510,811 shares of lending pool respectively was as controlling corporation.
- (2b) The Bank of New York Mellon, BNY Mellon, National Association, B.N.Y. Holdings (Delaware) Corporation and BNY Mellon Trust of Delaware were all directly or indirectly owned by The Bank of New York Mellon Corporation and by virtue of the SFO, The Bank of New York Mellon Corporation was deemed to be interested in the shares held by these subsidiaries.
- (3) The following is a breakdown of the interest in shares in the Company held by The Capital Group Companies, Inc.:

Name	Remarks	Total interests in shares				Approximate percentage of interests
		Direct interests	(L/S/LP)*	Deemed interests	(L/S/LP)*	
The Capital Group Companies, Inc.	(3a)	—	—	165,134,262	(L)	9.01%
Capital Research and Management Company	(3b)	162,352,762	(L)	—	—	8.86%
		—	—	2,781,500	(L)	0.15%
Capital Group International, Inc.	(3b)	—	—	2,781,500	(L)	0.15%
Capital International Limited	(3b)	312,000	(L)	—	—	0.02%
Capital International Sarl	(3b)	703,000	(L)	—	—	0.04%
Capital International, Inc.	(3b)	1,713,000	(L)	—	—	0.09%
Capital Group Investment Management Private Limited	(3b)	53,500	(L)	—	—	0.00%

Remarks:

- (3a) The capacity of The Capital Group Companies, Inc. in holding the 165,134,262 shares of long position was as controlled corporation.
- (3b) Capital Research and Management Company, Capital Group International, Inc., Capital International Limited, Capital International Sarl, Capital International, Inc. and Capital Group Investment Management Private Limited were all directly or indirectly owned by The Capital Group Companies, Inc. and by virtue of the SFO, The Capital Group Companies, Inc. was deemed to be interested in the shares held by these subsidiaries.

Save as disclosed above, no other person was interested in or had a short position in the shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of the Part XV of the SFO as at June 30, 2024.

Compliance with the Corporate Governance Code of the Listing Rules

The Board has reviewed the Company's corporate governance practices and is satisfied that the Company has complied with all the code provisions of the Corporate Governance Code set out in Appendix C1 of the Listing Rules throughout the six-month period ended June 30, 2024, save that none of the Directors are appointed for a specific term since they are subject to retirement by rotation and re-election in accordance with the Articles of Association of the Company. Under Article 107(A) of the Articles of Association of the Company, one-third of the Board must retire by rotation at each annual general meeting of the Company, and if eligible, offer themselves for re-election.

Compliance with the Model Code of the Listing Rules

The provisions of the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules (the "Model Code") has been adopted by the Board. In response to the specific enquiries made, all Directors have confirmed that they have fully complied with the required standards as set out in the Model Code during the six-month period ended June 30, 2024.

The Company has also adopted another code of conduct on terms no less onerous than the Model Code that applies to securities transactions of all relevant employees who may be in possession of unpublished price sensitive information in relation to the Company (the "Code for Securities Transactions by Relevant Employees"). During the period, no incident of non-compliance was noted by the Company.

Both the Model Code and the Code for Securities Transactions by Relevant Employees have been published on the Company's website (www.ttigroup.com).

Change in Directors' Emoluments

Mr Andrew Philip Roberts was appointed as an Independent Non-executive Director and a member of the Audit Committee with effect from January 1, 2024 and May 1, 2024 respectively, and will be entitled to the Board fee and the Audit Committee fee which has been fixed by the Board.

Review of Accounts

Disclosure of financial information in this report complies with Appendix D2 of the Listing Rules. The Audit Committee has reviewed this report with the Company's independent auditor, Deloitte Touche Tohmatsu, and the senior management of the Group, the accounting principles and practices adopted by the Group and the internal controls and financial reporting matters. The Board acknowledges its responsibility for the preparation of the accounts of the Group.

Purchase, Sales or Redemption of Securities

Other than 902,500 shares of the Company purchased on-market by the trustee for satisfying the awarded shares granted under the Company's share award scheme (details of which are set out in the "Share Award Scheme" section), a total of 2,500,000 ordinary shares were bought back by the Company during the period at prices ranging from HK\$86.00 to HK\$105.00 per share. Among these shares bought back by the Company, 2,000,000 shares were settled and cancelled during the period and 500,000 shares were cancelled on July 3, 2024. The consideration paid by the Company for such buy-backs of the shares of approximately US\$30,960,000 was charged to the retained profits.

The shares bought back were cancelled and accordingly the issued share capital of the Company was reduced. The buy-backs of the Company's shares during the period were effected by the Directors pursuant to the mandate granted by shareholders at the previous annual general meeting of the Company, with a view to benefiting shareholders as a whole by enhancing the net asset value per share and earnings per share of the Company.

Except as disclosed above, neither the Company nor any of its subsidiaries has, during the period, purchased, sold or redeemed any listed securities of the Company.

By order of the Board
Horst Julius Pudwill
 Chairman

Hong Kong
 August 6, 2024

Corporate Information

Board of Directors

Group Executive Directors

Mr Horst Julius Pudwill
Chairman

Mr Stephan Horst Pudwill
Vice Chairman

Mr Steven Philip Richman
Chief Executive Officer

Mr Patrick Kin Wah Chan
Mr Frank Chi Chung Chan
Mr Camille Jojo

Independent Non-executive Directors

Mr Peter David Sullivan
Mr Johannes-Gerhard Hesse
Mr Robert Hinman Getz
Ms Virginia Davis Wilmerding
Ms Caroline Christina Kracht
Mr Andrew Philip Roberts

Financial Calendar 2024

June 30	: Six-month interim period end
July 5	: Final dividend payment for 2023
August 6	: Announcement of 2024 interim results
September 4	: Last day to register for 2024 interim dividend
September 5-6	: Book closure for 2024 interim dividend
September 19	: Interim dividend payment for 2024
December 31	: Financial year end

Investor Relations Contact

Main Contact

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51 Kwai Cheong Road, Kwai Chung, N.T., Hong Kong
Email: ir@tti.com.hk

Website

www.ttigroup.com
Earnings results, annual/interim reports are available online.

Listing Information

The Stock Exchange of Hong Kong Limited
Ordinary Shares (stock code: 669)
ADR Level 1 Programme (symbol: TTNDY)
U.S. Foreign Ordinary Shares (symbol: TTNDF)

Share Registrar and Transfer Office

Tricor Secretaries Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong
Tel: (852) 2980 1333

ADR Depositary

BNY Mellon

Solicitors

Vincent T.K. Cheung, Yap & Co.

Auditor

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors

Company Secretary

Ms Veronica Ka Po Ng

Trademarks

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Forward-Looking Statements

This report contains certain forward-looking statements or uses certain forward-looking terminologies which are based on the current expectations, estimates, projections, beliefs and assumptions of TTI about the businesses and the markets in which the Group operates and reflect TTI's views as of the date of this report. These forward-looking statements are not guarantees of future performance and are subject to market risk, uncertainties and factors beyond the control of TTI. Therefore, actual outcomes and returns may differ materially from the assumptions made and the statements contained in this report.



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