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TECHTRONIC INDUSTRIES COMPANY LIMITED

創科實業有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 669)

ANNOUNCEMENT OF RESULTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

The board of directors (the “Directors” or the “Board”) of Techtronic Industries Company Limited (“TTI” or the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (together, the “Group”) for the six-month period ended June 30, 2025 together with the comparative figures in 2024.

- TTI delivered a strong first half performance, growing sales 7.5% in local currency to US\$7.8 billion and net profit 14.2% to US\$628 million.
- Our Flagship MILWAUKEE business extended its dominant leadership position as the #1 professional power tool brand worldwide by delivering 11.9% sales growth in local currency.
- RYOBI, the #1 global consumer battery-powered tool and outdoor brand, grew sales 8.7% in local currency.
- TTI reported US\$468 million in free cash flow during the first half of 2025, ending the period in a net cash position.

HIGHLIGHTS

	2025	2024	
	US\$'	US\$'	
	million	million	Changes
Revenue	7,833	7,312	+7.1%
Gross profit margin	40.3%	39.9%	+34 bps
EBIT	709	626	+13.3%
Profit attributable to Owners of the Company	628	550	+14.2%
Basic Earnings per share (US cents)	34.37	30.12	+14.1%
Interim dividend per share (approx. US cents)	16.09	13.90	+15.7%

INTERIM DIVIDEND

The Directors have resolved to declare an interim dividend of HK125.00 cents (approximately US16.09 cents) (2024: HK108.00 cents (approximately US13.90 cents)) per share for the six-month period ended June 30, 2025. The interim dividend will be paid to shareholders listed on the register of members of the Company on September 5, 2025, being the record date for determining shareholders' entitlement to the proposed interim dividend. It is expected that the interim dividend will be paid on or about September 19, 2025.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Review of Operations

TTI delivered record sales of US\$7.8 billion in the first half of 2025, growing 7.5% in local currency and 7.1% at reported rates. Our two leading brands, MILWAUKEE and RYOBI, both delivered exceptional performances during this period. MILWAUKEE grew 11.9% and RYOBI grew 8.7% in local currency. Our other noncore businesses strategically reduced sales versus the first half of 2024 as we focused on our plans to rationalize product lines to increase profitability in these areas.

In North America, our teams delivered 8.1% sales growth in local currency. Europe also grew an outstanding 10.4%, while Rest of World decreased 3.4% in local currency.

Gross margin improved 34 basis points to 40.3% in the first half of 2025. This increase reflects operational efficiencies made in our consumer brands where we focused on profitability, the positive mix impact from the growth of our high margin MILWAUKEE business and productivity improvements captured throughout our manufacturing and sourcing network.

Total SG&A expenses decreased by 18 basis points from the first half of 2024, to 31.3% as a percentage of sales. This reduction demonstrates our focus on leveraging and eliminating non-strategic administrative expenses while simultaneously investing in research and development, new product development, and commercialization.

EBIT for the first half of 2025 was US\$709 million, representing a 13.3% increase compared to the same period in 2024. EBIT margin also increased 49 basis points from the first half of 2024 to 9.1% as a percentage of sales.

Net Profit increased 14.2% to US\$628 million and earnings per share also improved 14.1% to US\$34.37 cents.

Working capital improved 190 bps versus June 2024 to 16.8% as a percent of sales. Inventory days on hand decreased 1 day to 103 days from the first half of last year. This reflects a decrease in raw material days on hand as our team worked to reduce safety stock levels of available componentry, while increasing finished goods inventory in preparation for potential changes in the tariff environment in the second half of 2025.

Capex spend in the first half was US\$96 million, a 4.1% reduction from the first half of last year. This spend includes investments in new products, manufacturing network rebalancing, automation and productivity initiatives around the globe.

The Company generated US\$468 million in positive Free Cash Flow in the first half of 2025, ending the period in a net cash position. More importantly, our balance sheet is extremely healthy, and we are well positioned to continue investing and growing the business while navigating changes in the macro-economic environment.

Our strong first half results reflect the dedication and culture of our global team. We continue to build on this foundation by recruiting, retaining, and investing in talent worldwide and are extremely proud of the depth of the talent and bench strength we have developed across all levels at TTI. Our team's adaptability and experience will serve us well as we continue our mission of cordless domination, while delivering above-market financial results.

BUSINESS REVIEW

POWER EQUIPMENT

The TTI Power Equipment segment grew sales 8.3% in local currency to US\$7.4 billion.

MILWAUKEE

MILWAUKEE achieved double-digit sales growth in the first half of 2025, finishing up 11.9% in local currency. By region, North America grew 12.9%, Europe grew 11.6%, and Rest of World grew 2.6% in local currency. All major categories of our MILWAUKEE business performed well, with Outdoor Power Equipment (OPE) and Personal Protective Equipment (PPE) outperforming the portfolio average.

The engine behind this growth remains our unwavering commitment to the skilled trades. Our user-focused approach is the foundation of our strategy and a key differentiator in the marketplace. Our teams strive to deeply understand the end user and uncover opportunities to bring safety and productivity to the jobsite.

We continue to unlock opportunity through three key levers: growing existing businesses and verticals, expanding into new businesses and verticals, and growing our reach in global markets.

Today, our core verticals of focus include users in the Mechanical, Electrical, Plumbing, Remodeling, Utility, Transportation Maintenance, General Contracting, Landscape Maintenance, Energy, and Mining trades. Each includes various sub-trades with unique applications and requirements – and it's through close partnership with these users that we identify solutions to pain points and deliver meaningful innovation.

A recent example is the newly launched M18 FUEL ½" – 1" Inch Steel Pipe Cutter, built for users in the service subvertical of the Mechanical and Plumbing trades. This tool delivers clean, consistent cuts on steel pipes without fixturing. It reduces injury risk by eliminating manual filing and deburring, and increases productivity with the fastest cut-to-connection process. As labor remains the most valuable asset on today's jobsite, we're focused on helping skilled tradespeople use their time more productively.

A clear example of vertical expansion is our progression from Transportation Maintenance into Mining – a vertical where we're still in the early stages but see tremendous opportunity ahead. MILWAUKEE began by building credibility and adoption in the automotive sector. As we continued to introduce new solutions tailored to their needs – especially tools built for high-output, heavy-duty applications – those same solutions began gaining traction with adjacent users in the mining trade who faced similar challenges.

One standout example is our M18 FUEL 1" D-Handle High Torque Impact Wrench with ONE-KEY, originally designed to meet the needs of transportation maintenance professionals working on heavy-duty vehicles. Because it directly addressed key challenges like torque, access, and control, the tool was quickly adopted by mining professionals as well. It solved real problems, and users pulled it into their workflow.

This kind of organic adoption gave us a fast lane into the mining vertical. While we're still growing, learning, and expanding our understanding of this vertical's unique needs, we're encouraged by the early traction and excited about the runway ahead. It's a strong example of how one vertical can serve as a springboard for another.

Our momentum doesn't stop at vertical boundaries; it crosses borders. Mining's global relevance in regions like Australia and Latin America helped accelerate our expansion in those geographies as well. The credibility of the MILWAUKEE brand opened the door to broader brand adoption in these markets, demonstrating how vertical growth and global growth are aligned.

What enables us to move quickly when opportunity knocks is our People and Culture. We've built a team that is agile, user-driven, and takes extreme ownership when responding to opportunity. This allows us to scale faster than competitors and meet emerging demand with speed.

RYOBI

RYOBI, our #1 global consumer battery-powered tool and outdoor brand, delivered a tremendous first half performance, growing 8.7% in local currency. Both our Power Tool and Outdoor businesses performed well, with Power Tools growing low double digits and Outdoor growing mid-single digits.

Since its inception in 1996, the RYOBI ONE+ 18V battery platform has consistently delivered cordless value to end users and it has the largest end user base in the industry. We've also supplemented this platform with our outdoor focused RYOBI 40V System and compact RYOBI USB Lithium platform. Across all RYOBI cordless platforms, we are committed to maintaining system compatibility while developing innovative new products.

Our RYOBI growth strategy centers on further entrenching existing users within our cordless platforms, attracting new users, and driving strong growth in new and existing geographic regions throughout the world. The extensive range of products within our cordless systems provides incredible value to new and existing users, giving them the ability to grow their collection of products with many innovative solutions to choose from. Our RYOBI cordless solutions give end users great value and versatility in the home, yard, and on the go.

In addition to developing the most innovative cordless DIY and outdoor products, we also work with the best distribution partners in the industry like The Home Depot, Bunnings, and top European retail partners. This combination of great products and great partners is a winning combination that has allowed RYOBI to flourish.

FLOORCARE & CLEANING

The Floorcare and Cleaning business increased operating profit 3.6% to US\$9.7 million as compared to the first half of 2024, while revenue decreased 4.8% in local currency to US\$408 million. Our innovative RYOBI cleaning products performed well globally, growing sales at a double-digit growth rate, while introducing several exciting new products. In the UK and Australia, the VAX brand was impacted by a slowdown in consumer discretionary spending. In North America, our teams continued the reinvigoration work on our HOOVER, DIRT DEVIL, and ORECK brands. Across all brands and geographies in our floorcare segment, we are driving the conversion from corded to cordless cleaning while working to improve overall business profitability.

FINANCIAL REVIEW

Financial Results

Reported revenue for the period grew by 7.1% as compared to the same period last year, amounting to US\$7,833 million. EBIT amounted to US\$709 million, an increase of 13.3% as compared to the US\$626 million reported in the same period last year.

Profit attributable to Owners of the Company amounted to US\$628 million as compared to US\$550 million reported in the same period last year, an increase of 14.2%.

Basic earnings per share was at US34.37 cents (2024: US30.12 cents), an increase of 14.1%.

Result Analysis

Gross Margin

Gross margin improved to 40.3% as compared to 39.9% reported in the same period last year. The margin improvement was the result of mix impact of high margin business, focused profitability on consumer brands and operational improvements across all global manufacturing operations.

Operating Expenses

Total operating expenses for the period amounted to US\$2,452 million as compared to US\$2,302 million reported for the same period last year, a 6.5% increase. The increase was mainly due to our strategic investments in new products and technologies.

Our R&D expenses amounted to US\$359 million, representing 4.6% of revenue (2024: 4.1%) reflecting our continuous focus on innovation, new products and technology. We will continue to invest in breakthrough technology and deliver broad base end-user products and categories as these are most critical, not only to maintain sales growth momentum, but also margin expansion.

Net interest expenses for the period amounted to US\$27.8 million as compared to US\$32.5 million reported for the same period last year, a 14.5% decrease. The decrease in net interest expenses is the result of our efficient management of financial resources.

The effective tax rate for the period was at 7.8% (2024: 7.3%). The Group will continue to leverage its global operations and align its strategy to manage various tax policy changes globally to sustain our overall tax efficiencies.

Liquidity and Financial Resources

Shareholders' Funds

Total shareholders' funds amounted to US\$6.7 billion, an increase of 4.6% as compared to December 31, 2024. Book value per share was US\$3.63 as compared to US\$3.47 at December 31, 2024, an increase of 4.6%.

Financial Position

The Group continued to maintain a strong financial position. As at June 30, 2025, the Group's cash and cash equivalents amounted to US\$1,608 million (US\$1,232 million at December 31, 2024) of which 37.9%, 33.9%, 16.0%, and 12.2% were denominated in USD, EUR, AUD and other currencies respectively.

The Group generated Free Cash Flow of US\$468 million during the period as compared to US\$508 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 net cash as compared to 9.2% as at June 30, 2024.

Bank Borrowings

Long term borrowing accounted for 50.7% of total debts (59.8% at December 31, 2024).

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 60.7% of the total bank borrowings, the balance being floating rate debts.

Working Capital

Total inventory was at US\$4,293 million as compared to US\$4,027 million as at June 30, 2024. Inventory days decreased by 1 day from 104 days to 103 days. Finished goods inventory increased by 6 days in preparation for the ever changing tariffs environment while raw material inventory decreased by 6 days to 13 days and work in progress inventory decreased by 1 day to 3 days when compared to the same period last year.

Trade receivables turnover days maintained at 60 days. 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 102 days as compared to 96 days as at June 30, 2024.

Working capital as a percentage of sales was at 16.8% as compared to 18.7% for the same period last year.

Capital Expenditures

Total capital expenditures for the period amounted to US\$96 million (2024: US\$100 million) representing 1.2% of sales.

Capital Commitments and Guarantees

As at June 30, 2025, total capital commitments for the acquisition of property, plant and equipment and equity investment contracted for but not provided amounted to US\$153 million (At December 31, 2024: 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 47,539 employees (49,778 employees as at June 30, 2024) globally. Total staff cost for the period under review amounted to US\$1,436 million as compared to US\$1,359 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.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE OF THE LISTING RULES

The Company has complied with all the code provisions of the Corporate Governance Code set out in Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the six-month period ended June 30, 2025, 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 Board has adopted 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"). Specific enquiries have been made with all Directors who 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, 2025.

REVIEW OF ACCOUNTS

The Audit Committee has reviewed with the Company's independent auditor, Deloitte Touche Tohmatsu, and the senior management of the Group the unaudited financial statements of the Company for the six-month period ended June 30, 2025, 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 2,425,000 shares and 375,000 shares of the Company purchased on-market by the trustee for satisfying the awarded shares granted under the Company's share award scheme and the Company's employee equity incentive plan respectively (details of which will be set out in the "Corporate Governance and Other Information" section to be included in the Company's 2025 Interim Report), a total of 1,250,000 ordinary shares were bought back by the Company during the period at prices ranging from HK\$83.55 to HK\$106.20 per share. Among these shares bought back by the Company, 750,000 shares were settled and cancelled during the period and 500,000 shares were cancelled on July 2, 2025. The consideration paid by the Company for such buy-backs of the shares of approximately US\$15,521,000 was charged to the retained profits.

The shares bought back were cancelled subsequently 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 six-month period ended June 30, 2025, purchased, sold or redeemed any listed securities of the Company. As at June 30, 2025, the Company did not hold any treasury shares.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from September 4, 2025 to September 5, 2025, 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 Investor Services 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 3, 2025.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the Company's website (www.ttigroup.com) and the HKExnews website (www.hkexnews.hk) of Hong Kong Exchanges and Clearing Limited. The 2025 Interim Report of the Company containing all the information required by the Listing Rules will be dispatched to the shareholders and available on the above websites in due course.

OUTLOOK

From topline sales growth, solid free cash flow, and improved EBIT and Net Profit margins, we are very pleased with our results in the first half of 2025. This performance reflects the effort and dedication of our exceptional people across the world.

Since 2015, we have invested more than US\$1.9 billion to expand our manufacturing capacity and enhance our global presence into the most geographically diverse and flexible in our industry. This capability allows our experienced team to respond to changes in the macroeconomic environment and shift production to the most efficient location depending on the business needs.

Looking forward to the second half of 2025, we are in a very strong position to address the challenges presented by the current macroeconomic and geopolitical environment and the evolving global trading policies. As reported, the Company has generated US\$468 million in positive free cash flow in the first half of 2025, which has bolstered an already strong balance sheet. We will continue our commitment to R&D investment to maintain our market leadership in new and technologically advanced cordless products, on the back of the momentum generated by a strong performance in the first six months of 2025. In the second half of 2025, our focus is on driving profitability.

More importantly, we are positioning TTI to continue to deliver exceptional results in 2026 and beyond. The demand for our MILWAUKEE and RYOBI brands remains strong and our new product pipeline is extremely exciting. Based on the current demand environment, we look to 2026 with growing confidence in our ability to achieve our internal targets of double-digit sales growth in MILWAUKEE and mid-single digit sales growth in RYOBI. Our team will continue to work toward our mid-term internal goal of achieving 10% EBIT as a percentage of sales. We are confident we will successfully navigate the current macro-economic environment, positioning us in an even stronger leadership position in the months and years ahead.

By order of the Board
Horst Julius Pudwill
Chairman

Hong Kong, August 5, 2025

As at the date of this announcement, the Board comprises six Group Executive Directors, namely 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 and Mr. Camille Jojo, and eight Independent Non-executive Directors, namely, Mr. Peter David Sullivan, Mr. Johannes-Gerhard Hesse, Mr. Robert Hinman Getz, Ms. Virginia Davis Wilmerding, Ms. Caroline Christina Kracht, Mr. Andrew Philip Roberts, Ms. Karen Ka Fai Ng and Mr. Stephen Tsi Chuen Wong.

This results announcement is published on the website of the Company (www.ttigroup.com) and the HKExnews (www.hkexnews.hk).

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AEG is a registered trademark of AB Electrolux (publ.), and is used under license.

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RESULTS SUMMARY

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six-month period ended June 30, 2025

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2025

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued

As at June 30, 2025

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six-month period ended June 30, 2025

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

CONSOLIDATED STATEMENT OF CASH FLOWS - continued

For the six-month period ended June 30, 2025

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. Basis of preparation

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS 34”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“the Stock Exchange”).

The financial information relating to the year ended December 31, 2024 that is included in these condensed consolidated financial statements as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements is as follows:

- The Company has delivered the financial statements for the year ended December 31, 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.
- The Company’s auditor has reported on those financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report, and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

2. Material Accounting Policies Information

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value.

Other than additional/change in accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six-month period ended June 30, 2025 are the same as those presented in the Group’s annual financial statements for the year ended December 31, 2024.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to a HKFRS Accounting Standard issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual period beginning on January 1, 2025 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

The application of the amendments to a HKFRS Accounting Standard in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. Segment information

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

For the six-month period ended June 30, 2025

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

For the six-month period ended June 30, 2024

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

Inter-segment sales are charged at prevailing market rates.

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

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

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

4. Revenue

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

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

Revenue from sales of goods is recognized at a point in time. Commission and royalty income is recognized over time.

The Group's revenue from external customers by geographical location, determined based on the location of the customers is as follows:

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

5. Taxation charge

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

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

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

5. Taxation charge (continued)

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

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

6. Profit for the period

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

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

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

8. Earnings per share

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

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

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

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

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

10. Trade and other receivables/Bills receivable

The Group has a policy of allowing credit periods ranging mainly from 30 days to 120 days. The aging analysis of trade receivables, net of allowances for credit losses, presented on the basis of the revenue recognition date, which is usually the invoice date, at the end of the reporting period is as follows:

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

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

11. Trade receivables from an associate

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

12. Trade and other payables/Bills payable

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

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

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

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

13. Unsecured borrowings

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

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

14. Share capital

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

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

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

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

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

Month of buy-back	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
July 2024	250,000	89.35	88.55	2,870
October 2024	250,000	116.20	113.40	3,691
	3,000,000			37,521

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

15. Fair value measurements of financial instruments

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

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

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

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

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

16. Capital commitments

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