

The Group's major borrowings continued to be in US Dollars and HK Dollars. Borrowings are predominantly LIBOR or Hong Kong best lending rates based. There is a natural hedge mechanism in place as the Group's major revenues are in US Dollars 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.

During the period, the Group repaid US\$96 million of fixed interest rate notes, refinanced by other bank facilities with lower interest rates. This refinancing arrangement will lower our interest cost in future periods.

### Working Capital

Total inventory was at US\$1,131 million as compared to US\$1,025 million as at June 30, 2014. The number of days inventory was maintained at 83 days as compared to the same period last year. When compared to the year end level, inventory at the end of the first half of the year is normally higher in preparation for the peak shipment period in the second half of the year and to maintain the high service quality level to customers having taken into consideration of our sales momentum. The Group will continue to focus in managing the inventory level and improve inventory turns.

Trade receivables turnover days were at 63 days as compared to 69 days as at June 30, 2014. Excluding the gross up of the receivables factored which is without recourse in nature, receivables turnover days were at 58 days as compared to 62 days as at June 30, 2014. 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 maintained at 84 days as compared to the same period last year.

Working capital as a percentage of sales was at 17.1% as compared to 18.4% for the same period of last year.

### Capital Expenditure

Total capital expenditures for the period amounted to US\$137 million (2014: US\$64 million), including US\$70 million of office premises located in Hong Kong.

### Capital Commitment and Contingent Liability

As at June 30, 2015, total capital commitments amounted to US\$14 million (2014: US\$19 million), and there were no material contingent liabilities 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 20,964 employees (20,355 employees as at June 30, 2014) in Hong Kong and overseas. Total staff cost for the period under review amounted to US\$367 million as compared to US\$336 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 HK16.00 cents (approximately US2.06 cents) (2014: HK12.50 cents (approximately US1.61 cents)) per share for the six months period ended June 30, 2015. The interim dividend will be paid to shareholders listed on the register of members of the Company on September 7, 2015. It is expected that the interim dividend will be paid on or about September 25, 2015.

### Closure of Register of Members

The register of members of the Company will be closed on September 7, 2015 when no transfers 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, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on September 4, 2015.