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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)

GRANT OF SHARE AWARDS AND CONNECTED TRANSACTION - GRANT OF SHARE AWARDS TO CONNECTED PERSONS

This announcement is made pursuant to Rules 14A.68, 17.06A, 17.06B and 17.06C of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

GRANT OF SHARE AWARDS

The board of directors (the “Board”) of Techtronic Industries Company Limited (the “Company”, and together with its subsidiaries, the “Group”) announces that on 2 April 2024, an aggregate of 634,500 shares in the Company (the “Shares”) have been granted as share awards (the “Awards”) to certain directors of the Company (the “Share Award Grantees”) pursuant to the Share Award Scheme adopted by the Company on 17 January 2018 (as amended and restated on 12 May 2023) (the “Share Award Scheme”), subject to acceptance by the Share Award Grantee. A summary of the Awards is set out below:

Date of grant	:	2 April 2024
Consideration for the Awards	:	Nil
Total number of Awards granted	:	634,500
Closing price of the Shares on the date of grant	:	HK\$104.80 per Share
Vesting of the Awards	:	<p>For Mr. Horst Julius Pudwill, the Chairman, scheduled to be vested in three batches of 18,500, 18,500 and 18,500 on the 1st anniversary, 2nd anniversary and 3rd anniversary of the date of grant respectively, subject to performance targets</p> <p>For Mr. Joseph Galli Jr. (“Mr. Galli”), the Chief Executive Officer (“CEO”), scheduled to be vested in three batches of 26,300, 26,300 and 26,400 on the 1st anniversary, 2nd anniversary and 3rd anniversary of the date of grant respectively, subject to performance targets</p> <p>For Mr. Camille Jojo, the grant of Awards is to fulfill the terms under his employment letter in relation to his re-designation as Executive Director and Head of Group Legal, Compliance and Corporate Governance disclosed in the Company’s announcement dated 1 December 2023, which scheduled to be vested in three batches of 166,500, 166,500 and 167,000 on the 1st anniversary, 2nd anniversary and 3rd anniversary of the date of grant respectively, subject to performance targets</p>

Among the Awards granted, 55,500 Shares, 79,000 Shares and 500,000 Shares were granted to the Chairman, the CEO and Mr. Camille Jojo respectively, all of whom are Executive Directors. Each of such Awards was approved by the Independent Non-Executive Directors of the Company.

Performance targets of the Awards granted to Executive Directors

The performance targets of the Awards granted to Executive Directors are generally assessed at two respective levels, namely the individual level and the Group's level.

For performance targets at the individual level, the assessment criteria are based on, but not limited to, his contribution to the Group in terms of revenue contribution and business operation and development, his work performance based on year-end/periodic appraisal results and customer feedbacks, the feasibility and complexity of implementation and satisfaction of relevant targets from a nationwide legal, regulatory or tax perspective applicable to individual Share Award Grantee, as well as other specific personal factors that the Board may consider relevant.

For performance targets at the Group's level, the assessment criteria are based on, but not limited to, the backdrop of the period-to-period macroeconomic condition and the overall market, industry and competition condition, the period-to-period business and financial performance of the Group assessed by a range of key performance indicators, such as revenue, return on equity, total shareholders' return and customer satisfaction metrics, as well as the Group's Environmental, Social and Governance performance and improvement.

The Board or the Remuneration Committee of the Company (as the case may be) will carefully assess whether the performance targets, if any, are satisfied before vesting of the Awards on an individual basis with different weighting based on Executive Director's roles and functions.

Clawback mechanism for the Awards granted

Notwithstanding the terms and conditions of the Share Award Scheme, during the vesting period, the Directors have the authority to provide that any Awards shall be subject to a clawback or a longer vesting period if any of the following events occurs: (i) there being a material misstatement in the audited financial statements of the Company that requires a restatement, or (ii) the Share Award Grantee(s) being guilty of fraud or dishonesty or persistent or serious misconduct, regardless of whether there is any accounting restatement or a material error in calculating or determining the performance metrics or other criteria; or (iii) if the Awards are linked to any performance targets and the Directors are of the opinion that there occur any circumstances that show or lead to any of the prescribed performance targets having been assessed or calculated in a materially inaccurate manner.

Upon occurrence of any of the above events, the Directors may by notice in writing to the relevant Share Award Grantee(s) (i) claw back all or a specified part of the Awards and/or the Awarded Shares as the Directors may consider appropriate; or (ii) extend the vesting period (regardless of whether the initial vesting period has occurred) in relation to all or a specified part of the Awards and/or the Awarded Shares (to the extent not already disposed of) to such longer period as the Directors may consider appropriate.

In addition, in the event that (i) the Share Award Grantee who is an employee of the Company ceases to be an employee of the Company; or (ii) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company, the Awards shall, unless the Board otherwise agrees, lapse.

Immediately after the above grant of Awards and on the assumption that no other award or option will be granted under any share schemes of the Company, a maximum of 161,451,294 Shares would be available for future grant of Awards pursuant to the Share Award Scheme.

REASONS AND BENEFITS OF THE AWARDS

The Share Award Scheme was adopted before the corresponding new requirements under Chapter 17 of the Listing Rules which became effective on 1 January 2023, and was subsequently amended and restated on 12 May 2023. Such grants aligned with the purpose of the Share Award Scheme as a recognition and reward of the grantees' contributions to the Company's continuing operation and development, the terms of which are fair and reasonable and in turn is beneficial to and in the interest of the shareholders and the Company as a whole from a business sustainability and stability perspective despite these are not in the ordinary and usual course of business.

Save as disclosed herein, (i) the Share Award Grantees are directors of the Company; (ii) none of the Share Award Grantees is a participant with the Awards granted and to be granted exceeding the 1% individual limit under the Listing Rules; (iii) none of the Share Award Grantees is a related entity participant or a service provider (as defined under the Listing Rules).

INFORMATION OF THE GROUP

The principal business of the Group is the manufacturing and trading of electrical and electronic products, including power tools, outdoor power equipment and floorcare and cleaning equipment, for the consumer, professional and industrial users in the home, construction, maintenance, industrial and infrastructure industries.

CONNECTED TRANSACTIONS REGARDING THE GRANT OF SHARE AWARDS TO CONNECTED PERSONS

The Awards, being Shares to be purchased on the market, will be funded by the Company from its available cash and will be held on trust for the benefit of the Share Award Grantees by the trustee of the Share Award Scheme (the "Trustee"). The Trustee shall vest and transfer the awarded Shares to the Share Award Grantees upon the Company's instruction in accordance with the rules of the Share Award Scheme. Accordingly, no new shares will be issued and allotted by the Company to satisfy the grant or vesting of Awards and therefore would not result in any dilution effect on the shareholdings of the existing shareholders of the Company.

The grant of the Awards to the Share Award Grantees has been approved by the Remuneration Committee of the Company and the Board (including the Independent Non-executive Directors), except the relevant Director has abstained from voting on the relevant Board resolutions in deciding the grant to himself.

The grant of Awards to the Share Award Grantees (all of whom are directors and hence are Connected Persons (as defined under the Listing Rules) of the Company) constitutes connected transactions of the Company under Chapter 14A of the Listing Rules. Save for the share awards granted to Mr. Galli (see the details below), as all the applicable percentage ratios (as defined under the Listing Rules) are less than 0.1% and the Awards are on normal commercial terms, each grant of the Awards to the Connected Persons of the Company (except Mr. Galli) is fully exempted from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

SHARE AWARDS TO MR. GALLI

The grant of the share awards to Mr. Galli as disclosed in this announcement is exempted from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules as all the applicable percentage ratios are less than 0.1% on a stand-alone basis and is made on normal commercial terms.

Pursuant to Rule 14A.81 of the Listing Rules, the current transaction should be aggregated with the grant of 750,000 share options to Mr. Galli made on 22 August 2023, the grant of award of 1,000,000 Shares to Mr. Galli made on 22 December 2023 and the grant of award of 1,000,000 Shares to Mr. Galli made on 5 January 2024 for the purpose of calculating the percentage ratios. As the highest applicable aggregated percentage ratio in respect thereof is more than 0.1% but less than 5%, the current transaction is subject to the reporting and the announcement requirements but is exempted from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The 79,000 Shares awarded to Mr. Galli as disclosed in this announcement represent a value of HK\$8,279,200.00, taking into account the closing price of HK\$104.80 per Share on the date of the grant.

By Order of the Board
Techtronic Industries Company Limited
Veronica Ka Po Ng
Company Secretary

Hong Kong, 2 April 2024

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. Joseph Galli Jr. (Chief Executive Officer), Mr. Patrick Kin Wah Chan, Mr. Frank Chi Chung Chan and Mr. Camille Jojo, one Non-executive Director, namely, Prof. Roy Chi Ping Chung GBS BBS JP and six 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 and Mr. Andrew Philip Roberts.