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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)

VOLUNTARY ANNOUNCEMENT ADOPTION OF EMPLOYEE EQUITY INCENTIVE PLAN

The board of directors (the “**Board**”) of Techtronic Industries Company Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) announces the Board approved the adoption of the Employee Equity Incentive Plan (the “**Plan**”) with effect from on 8 May 2025 (the “**Adoption Date**”).

The Plan is a single share award scheme under which (i) no share options can be granted; and (ii) any awards granted under the Plan (the “**Awards**”) will be entirely satisfied by the purchase of the existing Shares of the Company (the “**Shares**”) through an independent third party trustee of the Plan (the “**Trustee**”) on the secondary market at the Board’s direction.

The Plan constitutes a share award scheme governed by Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”). Nevertheless, the Plan does not involve granting Awards that are to be satisfied by issue of new shares or resale of treasury shares (if any) of the Company as referred to in Chapter 17 of the Listing Rules, and therefore (i) its adoption is not subject to the approval of the shareholders of the Company (the “**Shareholders**”); and (ii) shall be subject to the applicable disclosure requirements in the Company’s annual report as stipulated under Rule 17.12 of the Listing Rules.

A summary of the principal terms of the Plan is set out below:

1. Purpose and Participants

The purpose of the Plan are to (i) enable the Group to attract and retain any person employed by any member of the Group (whether full time or part time) and such other individuals designated by the Board who are reasonably expected to become a Group’s employee after the receipt of Awards as an inducement (the “**Employees**”) who will contribute the Company’s long-term success; (ii) provide incentives that aligns the interests of the Employees with those of the Shareholders; and (iii) promote the success of the Company’s business.

2. Administration and Sub-Plan

The Plan shall be administered by the Board or, in its sole discretion, by the Remuneration Committee of the Board or its delegate, in accordance with the terms of the Plan and subject to applicable law. The Board (or its delegate) will have full authority in its sole discretion and based on such factors as it shall consider relevant to, inter alia, (i) determine the eligibility of, and to select, any Employee to participate in the Plan (each a “**Selected Participant**”); (ii) the terms and conditions of any Awards to be granted (including when an Award are to be granted under the Plan and the applicable date of grant, the “**Grant Date**”); (iii) the number of Shares to be made subject to each Award; and (iv) the vesting date of each Award (the “**Vesting Date**”).

The Board may establish sub-plans under the Plan for implementing the Plan in different jurisdictions, which may contain such limitations and other terms and conditions as the Board determines are necessary or desirable to comply with applicable local laws, regulations, securities or tax requirements for the Selected Participants in the relevant jurisdiction.

3. Plan Limit and Limit for Each Selected Participant

The total number of Shares which may be awarded under the Plan shall not exceed 2% of the Shares in issue as at the Adoption Date (i.e. 36,631,498 Shares).

The maximum number of Shares which may be awarded to any single Selected Participant under the Plan shall not exceed 1% of the Shares in issue as at the Adoption Date (i.e. 18,315,749 Shares).

Any grant of any Awards to the connected persons of the Company (as defined under the Listing Rules) will be subject to the relevant requirements of Chapter 14 of the Listing Rules.

The Company have recently completed the appointment of the Trustee subsequent to the entering into of a trust deed for administering the Awards to be granted under the Plan and for establishing and operating an employee share trust in connection with the Plan (the “**Trust**”) and will complete the setting up of the various Trust accounts as soon as practicable. Any Awards which may be granted under the Plan will be entirely satisfied by the purchase of the existing Shares of the Company through the Trustee on the secondary market at the Board’s direction. No new shares or treasury shares (if any) of the Company shall be utilised to satisfy any Awards under the Plan.

The Company shall ensure that the Trustee shall abstain from exercising any voting rights and powers in respect of any Shares held under the Trust.

4. Types of Awards

Awards may be granted under the Plan in the form of Restricted Stock Units (“**RSUs**”) or Performance Share Units (“**PSUs**”).

RSUs

A RSU is an award of hypothetical shares units valued at the higher of (i) closing price per Share as quoted on the Stock Exchange on the Grant Date; and (ii) the average closing prices per Share as quoted on the Stock Exchange for the five business days in Hong Kong immediately preceding the Grant Date (the “**Fair Market Value**”) of an identical number of Shares as at the relevant Grant Date. The number of RSUs awarded to a Selected Participant will be determined by dividing the monetary value of the RSUs by the Fair Market Value of the Shares represented thereby as at the Grant Date.

PSUs

A PSU is an award of hypothetical shares units valued at the Fair Market Value of an identical number of Shares as at the relevant Grant Date. The number of PSUs awarded to a Selected Participant will be determined by dividing the monetary value of the PSUs by the Fair Market Value of the Shares represented thereby as at the Grant Date.

5. Rights Attaching to the Awards

Awards granted under the Plan may not be sold, assigned, transferred or otherwise disposed of, pledged or hypothecated as collateral for a loan or as security for the performance of any obligation or for any other purpose. A Selected Participant shall have no voting rights and any other right of a Shareholder with respect to any Awards granted under the Plan until the Shares underlying an

Award are delivered upon vesting. If approved and provided by the Board in a written agreement evidencing the terms and conditions of an individual Award granted under the Plan (the “**Award Agreement**”), dividend equivalents in an amount equal in value to the dividends attributable to the number of Shares derived from that Award may, however, be credited to a Selected Participant and shall be paid together at the time of vesting.

6. Vesting of Awards

RSUs

Subject to the Selected Participant’s continuous service as an employee of a member of the Group (“**Continuous Service**”) from the Grant Date through the end of the vesting period identified in the Award Agreement and such other conditions as may be reflected therein, RSUs will generally vest over a three-year period commencing from the Grant Date as follows (unless otherwise stated in the Award Agreement):

- (i) 33% of the RSUs will vest on the first anniversary of the Grant Date;
- (ii) 33% of the RSUs will vest on the second anniversary of the Grant Date; and
- (iii) the remaining 34% of the RSUs will vest on the third anniversary of the Grant Date.

PSUs

The Board shall have the discretion to determine the number of Shares subject to a PSU and the vesting conditions thereof that must be satisfied for a Selected Participant, including (i) the attainment of specified performance goals established by the Board for the relevant performance period based on business criteria or other performance measures determined by the Board (the “**Performance Requirement**”); and (ii) the Selected Participant’s Continuous Service from the Grant Date through the end of such performance period.

Subject to any applicable law, the Board may provide for an acceleration of vesting of all or as specified part of an Award immediately upon termination of a Selected Participant’s service or employment due to death, disability or terminal illness, or the occurrence of any other out of control events.

7. Forfeiture and Clawback

Unvested Awards will generally be forfeited upon cessation of the Selected Participant’s Continuous Service, and, in the case of PSUs, the Performance Requirement is not satisfied. In the event of termination for cause, both vested and unvested Awards shall be forfeited as of the Selected Participant’s termination and the Board may claw back all or a specified part of the vested Awards.

8. Cash Election and Withholding

Subject to the Board’s approval and the availability of sufficient funds in the Trust, a Selected Participant may elect to receive, in lieu of the delivery of a portion of the vested Shares otherwise deliverable under an Award on the Vesting Date, a cash amount equivalent to such Selected Participant’s estimated tax or withholding obligations related to the granting, vesting or settlement of such Award, or the transfer of the vested Shares (the “**Cash Equivalent**”) by written notice no less than 20 business days in Hong Kong prior to the relevant Vesting Date (the “**Cash Election**”). The Cash Equivalent shall be calculated based on the closing price per Share on the relevant Vesting Date as quoted on the Stock Exchange, multiplied by the number of Shares that would otherwise have been so vested to the Selected Participant.

If approved by the Board in its sole discretion, it will (i) instruct the Trustee to pay the Cash Equivalent directly to the Selected Participant (except to the extent necessary to meet any governmental withholding obligation of the Company, the Trust or an affiliate of the Company) entirely out of the funds in the Trust; and (ii) correspondingly reduce the number of vested Shares deliverable to the Selected Participant on the relevant Vesting Date. If a Cash Election is not submitted, or is rejected or deemed invalid, the Award will remain to be vested in Shares.

9. Duration and Termination

The Plan shall remain in effect for a period of ten years from the Adoption Date, unless terminated earlier by the Board in its sole discretion. No further Awards shall be granted after the Plan is terminated, though outstanding Awards will continue to be administered in accordance with the Plan.

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

Hong Kong, 30 May 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.