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Innovativity To Productivity

PRODUCTIVE TECHNOLOGIES COMPANY LIMITED

普達特科技有限公司*

(Incorporated in Bermuda and continued in the Cayman Islands with limited liability)

(Stock Code: 650)

**GRANT OF AWARDED SHARES AND PROPOSED ISSUE OF
NEW SHARES UNDER GENERAL MANDATE
PURSUANT TO SHARE AWARD SCHEME**

The Board announces that on 15 March 2024, the Company granted an aggregate of 24,668,228 Awarded Shares to 41 employees of the Company and its subsidiaries pursuant to the terms of the Share Award Scheme at nil consideration.

The 24,668,228 Awarded Shares shall be satisfied by way of (i) allocation of 11,864,699 Returned Shares previously granted to certain Selected Participants who ceased to be Eligible Participants or whose vesting conditions (including performance targets) were not met prior to the relevant Vesting Date, and (ii) allotment and issuance of 12,803,529 Shares to the Trustee as fully paid at nominal value under the General Mandate. The 12,803,529 Awarded Shares to be allotted and issued by the Company represent: (i) approximately 0.17% of the total issued share capital of the Company as at the date of this announcement; and (ii) approximately 0.17% of the total issued share capital of the Company as enlarged by such allotment and issue, assuming there is no other change in the issued share capital of the Company from the date of this announcement up to the issue date of the new Awarded Shares, other than the allotment and issue of the new Awarded Shares.

This announcement is made by Productive Technologies Company Limited (the “**Company**”) pursuant to Rule 17.06A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Reference is made to the announcement (the “**Announcement**”) of the Company dated 6 August 2021 in relation to the adoption of the Share Award Scheme. Unless otherwise defined, terms used in this announcement shall have the same meanings as ascribed to them in the Announcement.

The Share Award Scheme was adopted before the effective date of the new Chapter 17 of the Listing Rules. The Company will comply with Chapter 17 in accordance with the transitional arrangements provided for the existing share scheme of the Company.

GRANT OF AWARDED SHARES

The Board announces that on 15 March 2024, the Company granted an aggregate of 24,668,228 Awarded Shares to 41 employees of the Company and its subsidiaries (the “**Grantees**”) pursuant to the terms of the Share Award Scheme at nil consideration, subject to the acceptance by each of the Grantees, as incentives for their continuing and/or future contributions to the Company and its subsidiaries.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, none of the Grantees is a Director, chief executive or substantial shareholder of Company or their respective associates or otherwise a connected person of the Company. The grant of Awarded Shares would not result in the Awarded Shares issued and to be issued to each individual Grantee in respect of all awards granted to such person in the 12-month period up to and including the date of grant in aggregate to exceed 1% of the Shares in issue. None of the Grantees is a related entity participant or service provider with Awards granted and to be granted in any 12-month period exceeding 0.1% of the Shares in issue.

Details of the grant of Awarded Shares are set out below:

Date of grant:	15 March 2024
Number of Grantees:	41 employees of the Company and its subsidiaries
Number of Awarded Shares granted:	24,668,228 Awarded Shares
Purchase price of the Awarded Shares granted:	Nil
Closing price of the Shares on the date of grant:	HK\$0.335

Vesting period of the Awarded Shares:

The 24,668,228 Awarded Shares will be held on trust for the Grantees by the Trustee which shall transfer the Awarded Shares to the Grantees as follows: (i) 19,405,000 Awarded Shares shall be vested in three tranches as follows: (a) 30% shall be vested on 15 July 2024; (b) 30% shall be vested on 15 July 2025; and (c) the remaining 40% shall be vested on 15 July 2026; and (ii) 5,263,228 Awarded Shares shall be vested in three tranches as follows: (a) 30% shall be vested on 1 April 2025; (b) 30% shall be vested on 1 April 2026; and (c) the remaining 40% shall be vested on 1 April 2027. The vesting of the Awarded Shares is subject to the satisfaction of vesting conditions specified by the Board or the Administration Committee in the award notice issued to each of the respective Grantees.

There is no specific requirement on the length of the vesting period under the Share Award Scheme. The vesting period for the first tranche of the 19,405,000 Awarded Shares is shorter than 12 months in order to provide more incentives for the new Eligible Participants to achieve their respective performance targets and make long-term contribution to the development of the Company.

Performance targets of the Awarded Shares:

The performance targets attached to the Awarded Shares, which form part of the vesting conditions, include operational indicators, such as targets for sales revenue, purchase orders and gross profit margin of semiconductor and solar power equipment, design of certain tool, etc.

Clawback mechanism of the Awarded Shares:

Any Awarded Shares and Related Income held by the Trustee under the Trust and which are referable to a Selected Participant shall vest in that Selected Participant in accordance with the timetable and conditions as imposed by the Board at the time of making the Award, provided that the Selected Participant remains at all times after the Grant Date and on the relevant Vesting Date(s) an Eligible Participant of the Company and its subsidiaries.

In the event (i) a Selected Participant is, prior to the relevant Vesting Date, found to have ceased to be an Eligible Participant, or (ii) the subsidiary by which a Selected Participant is employed ceases to be a subsidiary of the Company, or (iii) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company, all Awards not already vested shall automatically lapse forthwith and all the Awarded Shares underlying such Awards shall not vest on the relevant Vesting Date but shall become Returned Shares for the purposes of the Share Award Scheme; and

In the event (i) a Selected Participant is found to be an Excluded Participant subsequent to a grant of an Award by the Board or the Administration Committee but prior to the relevant Vesting Date, or (ii) a Selected Participant fails to return duly executed transfer documents prescribed by the Trustee for the relevant Awarded Shares within the stipulated period, the relevant part of an Award made to such Selected Participant shall automatically lapse forthwith and the relevant Awarded Shares shall not vest on the relevant Vesting Date but shall become Returned Shares for the purposes of the Share Award Scheme, provided always that in each case the Board or the Administrative Committee in their respective absolute discretion may decide that such Award or any part thereof shall not so lapse subject to such conditions or limitations as the Board or the Administrative Committee may in their respective absolute discretion decide.

For more details, please refer to the section headed “Vesting and lapse” in the Announcement.

The number of Shares available for future grant after the grant of the Awarded Shares under the Scheme Limit will be 72,774,795 Shares. The Company will comply with applicable requirements under the Listing Rules in case of any future grant under the Share Award Scheme as and when appropriate.

PROPOSED ISSUE OF NEW SHARES UNDER GENERAL MANDATE

The 24,668,228 Awarded Shares shall be satisfied by way of (i) allocation of 11,864,699 Returned Shares previously granted to certain Selected Participants who ceased to be Eligible Participants or whose vesting conditions (including performance targets) were not met prior to the Vesting Date, and (ii) allotment and issuance of 12,803,529 Shares to the Trustee as fully paid at nominal value under the general mandate granted by the Shareholders (the “**General Mandate**”) at the annual general meeting of the Company on 25 August 2023 (the “**AGM**”). Pursuant to the General Mandate, the Company is authorised to issue and allot a maximum number of 1,503,860,426 Shares (being 20% of the total number of the issued shares of the Company as at the date of the AGM). As at the date of this announcement, the Company has not allotted and issued any Shares under the General Mandate. As such, the allotment and issue of the 12,803,529 Awarded Shares is not subject to the approval of the Shareholders.

The Board shall cause to be paid the subscription money of HK\$128,035.29 for the new Awarded Shares, representing the nominal value of the new Awarded Shares multiplied by the number of Awarded Shares to be allotted and issued, from the Company's internal resources to the Trustee. Upon allotment and issue of the new Awarded Shares, the Trustee will hold such Shares on trust for the Grantees and will transfer the respective proportions to each of them at nil consideration upon vesting and settlement of their respective Awarded Shares. Accordingly, no funds will be raised from the allotment and issue of the new Awarded Shares. The Company has not conducted any equity fund raising activities for the twelve months immediately before the date of this announcement.

Based on the closing price of HK\$0.335 per Share as quoted on the Stock Exchange as at the date of this announcement, the market value of 12,803,529 new Awarded Shares allotted and issued is HK\$4,289,182.215. The 12,803,529 Awarded Shares to be allotted and issued by the Company represent: (i) approximately 0.17% of the total issued share capital of the Company as at the date of this announcement; and (ii) approximately 0.17% of the total issued share capital of the Company as enlarged by such allotment and issue, assuming there is no other change in the issued share capital of the Company from the date of this announcement up to the issue date of the new Awarded Shares, other than the allotment and issue of the new Awarded Shares.

The new Awarded Shares, when issued and allotted, shall rank *pari passu* among themselves and with the fully paid Shares in issue. Pursuant to the Share Award Scheme, the Trustee shall not exercise any voting rights in respect of the Awarded Shares held by it.

Application will be made by the Company to the Stock Exchange for the grant of approval for the listing of, and permission to deal in, the 12,803,529 Awarded Shares to be allotted and issued.

By Order of the Board
Productive Technologies Company Limited
Liu Erzhuang
Chairman and Chief Executive Officer

Hong Kong, 15 March 2024

As at the date hereof, the Board comprises seven Directors, of whom three are executive Directors, namely Dr. Liu Erzhuang (Chairman), Mr. Tan Jue and Mr. Liu Zhihai; one is non-executive Director, namely Mr. Cao Xiaohui; and three are independent non-executive Directors, namely Ms. Ge Aiji, Mr. Chau Shing Yim David, and Mr. Wang Guoping.

* *For identification purposes only*