

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

TRIO INDUSTRIAL ELECTRONICS GROUP LIMITED

致豐工業電子集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 1710)

CHANGE OF CHIEF EXECUTIVE OFFICER; AND CONTINUING CONNECTED TRANSACTION – CONSULTANCY AGREEMENT

The Board announces that:

- (1) with effect from 2 July 2024, Mr. Kwan will resign as the chief executive officer of the Company and Ms. Zhang will be appointed as the chief executive officer of the Company; and
- (2) on 28 June 2024, Trio Engineering (a wholly-owned subsidiary of the Company) entered into the Consultancy Agreement with Mr. Kwan for his appointment as a consultant of the Group for a term commencing from 2 July 2024 and expiring on 31 December 2026.

Mr. Kwan is a connected person of the Company by virtue of being an associate of his spouse, Ms. Wong So Nui Amy, one of the controlling Shareholders. Therefore, the Consultancy Agreement constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the transactions contemplated in the Consultancy Agreement are more than 0.1% but less than 5%, the transactions contemplated under the Consultancy Agreement are subject to the reporting, announcement and annual review requirements but are exempt from circular and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

RESIGNATION OF CHIEF EXECUTIVE OFFICER

The Board announces that Mr. Kwan has tendered his resignation as the chief executive officer of the Company with effect from 2 July 2024 due to his retirement to reduce time commitments.

Mr. Kwan has confirmed that he has no disagreement with the Board and there is no other matter that needs to be brought to the attention of the Shareholders or the Stock Exchange in relation to his resignation as the chief executive officer of the Company.

The Board would like to take this opportunity to express its heartfelt gratitude to Mr. Kwan for his contribution and support during his tenure of office.

APPOINTMENT OF CHIEF EXECUTIVE OFFICER

The Board is pleased to announce that Ms. Zhang will be appointed as the chief executive officer of the Company with effect from 2 July 2024.

Ms. Jingjing Zhang (張靜靜), aged 41, joined the Company as the general manager of business development of the Company in August 2023, and is responsible for global market exploration. She is also the supervisor of a subsidiary of the Company in the People's Republic of China.

Ms. Zhang obtained a degree of Bachelor of Mathematics and Applied Mathematics from University of Electronic Science and Technology of China in 2004, a degree of Master of Business Administration – Operations Research and Finance from University of Connecticut.

Ms. Zhang has over fifteen years' experience in finance, hi-tech industry, and global market. Before joining the Group, she has worked with Ant Group Co., Ltd., Formax Capital Market Limited, General Electric Capital Corporation North America and JP Morgan Chase Bank consumer portfolio risk department in global market innovation, financial risk management and regulatory compliance functions.

Ms. Zhang has entered into a service contract as the chief executive officer of the Company with the Company commencing from 2 July 2024 without specific term. The service contract can be terminated by either party by three months' notice in writing. Under the service contract, Ms. Zhang is entitled to a salary of HK\$2,340,000 per annum and a discretionary bonus as may be decided by the Board. Ms. Zhang's remuneration has been and will be determined by reference to her experience, qualification, duties and responsibilities in the Company and the prevailing market rate and (in the case of discretionary bonus) her performance for the year. Ms. Zhang's remuneration will be subject to review by the remuneration committee of the Company and the Board from time to time.

Save as disclosed above, as at the date of this announcement, Ms. Zhang (i) does not hold any other position with the Company and other members of the Group; (ii) has not held any other directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other major appointments and qualifications; (iii) does not have any relationship with any Directors, senior management, substantial or controlling shareholders of the Company; and (iv) does not have any other interests in the shares of the Company which are required to be disclosed pursuant to Part XV of the SFO.

Save as disclosed above, as at the date of this announcement, the Board is not aware of any other matters concerning the appointment of Ms. Zhang that need to be brought to the attention of the Shareholders, and there is no other information to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

The Board would like to take this opportunity to welcome Ms. Zhang as the chief executive officer of the Company.

CONTINUING CONNECTED TRANSACTION – CONSULTANCY AGREEMENT

The Board further announces that on 28 June 2024, Trio Engineering (a wholly-owned subsidiary of the Company) entered into the Consultancy Agreement with Mr. Kwan for his appointment as a consultant of the Group for a term commencing from 2 July 2024.

The major terms of the Consultancy Agreement are summarised below:

- Date: 28 June 2024
- Parties: (1) Trio Engineering
(2) Mr. Kwan
- Term: The appointment is for a term commencing from 2 July 2024 and expiring on 31 December 2026 (both dates inclusive).
- Scope of services: During the term of his appointment, Mr. Kwan will provide the following services in respect of the Group's business and operations:
- (i) give advice with respect to the formulation and development of the business and corporate development strategies and directions;
 - (ii) give advice with regard to the production, operation, sales, management and product development;
 - (iii) offer assistance and contributions in developing the holistic corporate and business development goals; and
 - (iv) develop loyalty and relationship with the major electronic manufacturing services customers of the Group.
- Consultancy fee and payment terms: Trio Engineering will pay a monthly consultancy fee of HK\$285,200 and a monthly car allowance of HK\$24,000 to Mr. Kwan. Trio Engineering will also reimburse Mr. Kwan any reasonable and necessary expenses (including insurance fees) incurred in connection with his provision of services under the Consultancy Agreement.
- A gratuity payment of HK\$248,000 will be paid to Mr. Kwan upon completion of each financial year ending 31 December during the term of the Consultancy Agreement. For the avoidance of doubt, such gratuity payment shall be paid on a pro-rata basis for the year ending 31 December 2024.
- The payment to Mr. Kwan pursuant to the Consultancy Agreement will be funded by the internal resources of the Group.

Termination: Either Trio Engineering or Mr. Kwan may terminate the Consultancy Agreement by giving not less than one month's notice in writing to the other at any time during the term of the Consultancy Agreement.

Historical figures

The actual historical service fee paid by Trio Engineering to Mr. Kwan for the provision of services under the consultancy agreement dated 29 October 2021 for the period from 1 November 2021 to 1 September 2022 were as follows:

For the period from 1 November 2021 to 31 December 2021	HK\$827,000
For the period from 1 January 2022 to 1 September 2022	HK\$3,141,000

The historical annual cap determined to be paid by Trio Engineering to Mr. Kwan for the provision of services under the consultancy agreement dated 29 October 2021 for the period from 1 November 2021 to 31 October 2022 were as follows:

For the period from 1 November 2021 to 31 December 2021	HK\$850,000
For the period from 1 January 2022 to 31 October 2022	HK\$4,375,000

Annual Cap

The maximum annual caps to be paid by Trio Engineering to Mr. Kwan for the provision of services under the Consultancy Agreement are as follows:

Period	Annual Cap (HK\$)
For the period from 2 July 2024 to 31 December 2024	2,029,000
For the period from 1 January 2025 to 31 December 2025	4,058,000
For the period from 1 January 2026 to 31 December 2026	4,058,000

Basis of Determination of the Consultancy Fee and Annual Cap

In arriving at the above annual caps, the Board has taken into account the monthly consultancy fee, the monthly car allowance, gratuity payments and any reimbursement of reasonable and necessary expenses to be paid from Trio Engineering to Mr. Kwan pursuant to the Consultancy Agreement and such annual caps were determined with reference to Mr. Kwan's experience, duties, and responsibilities as a consultant within the Group, the range of comparable market price for such consultancy services and the historical service fee paid for the role of Mr. Kwan as a consultant of the Group commencing from 1 November 2021 to 1 September 2022 (details of which are set out in the announcement of the Company dated 29 October 2021). The terms of the Consultancy Agreement were determined after arm's length negotiations between the relevant parties.

Reasons for and Benefits of the Consultancy Agreement and Information on Mr. Kwan

Mr. Kwan is one of the founders of Trio Engineering and has been involved in the overall management as well as supervision of the sales and marketing division of the Group since 1983. He has over 40 years of experience in the electronics industry and has established close and stable working relationships with the customers of the Group. In view of this, the Company believes that it will benefit from the continued guidance and advice which Mr. Kwan will be able to offer to the Group in his capacity as a consultant, following his resignation as the chief executive officer of the Company with effect from 2 July 2024 due to his retirement.

Information on the Group

The Group is a leading electronics manufacturing services provider specialising in the manufacturing and sales of customised industrial electronic components and products. Its products include, among others, (i) smart chargers; (ii) electro-mechanical products; (iii) switch-mode power supplies; and (iv) smart vending systems.

Listing Rules Implications

Mr. Kwan is a connected person of the Company by virtue of being an associate of his spouse, Ms. Wong So Nui Amy, one of the controlling Shareholders. Therefore, the Consultancy Agreement constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the transactions contemplated in the Consultancy Agreement are more than 0.1% but less than 5%, the transactions contemplated under the Consultancy Agreement are subject to the reporting, announcement and annual review requirements but are exempt from circular and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Directors' Confirmation in Respect of the Consultancy Agreement

None of the Directors has a material interest in the Consultancy Agreement and no Director was required to abstain from voting on the board resolution approving the Consultancy Agreement. The Directors (including the independent non-executive Directors) are of the view that the Consultancy Agreement is entered into in the ordinary and usual course of business of the Group and on normal commercial terms or better, and the terms of the Consultancy Agreement and the transactions contemplated thereunder (including the proposed annual caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Board”	the board of directors of the Company
“Company”	Trio Industrial Electronics Group Limited, a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1710)

“Consultancy Agreement”	the consultancy agreement dated 28 June 2024 between Trio Engineering and Mr. Kwan
“connected person(s)”	has the meaning ascribed to this term under Chapter 14A of the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the Peoples’ Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Kwan”	Mr. Kwan Chan Kwong
“Ms. Zhang”	Ms. Jingjing Zhang
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trio Engineering”	Trio Engineering Company Limited (致豐工程有限公司), a company incorporated under the laws of Hong Kong with limited liability on 16 September 1983 and a direct wholly-owned subsidiary of the Company
“%”	percentage

By order of the Board
Trio Industrial Electronics Group Limited
Wong Sze Chai
Chairman and Executive Director

Hong Kong, 28 June 2024

As at the date of this announcement, the Board comprises Mr. Wong Sze Chai, Mr. Tai Leung Lam and Mr. Lo Ka Kei Jun as executive Directors, Mr. Kwan Tak Sum Stanley as non-executive Director, and Mr. Fung Chun Chung, Mr. Hau Siu Laam and Ms. Law Ying Wai Denise as independent non-executive Directors.