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Techtronic Industries Co. Ltd.
(Incorporated in Hong Kong with limited liability)
(Stock Code : 669)

SHARE AWARD SCHEME

The board of directors of the Company is pleased to announce that it has adopted the Share Award Scheme in which all Eligible Persons will be entitled to participate. The purpose of the Share Award Scheme is to recognise the contributions by certain Eligible Persons and provide them with incentives in order to retain them for the continuing operation and development of the Group, and to attract suitable personnel for further development of the Group.

The Share Award Scheme

The board of directors of the Company (the “Board”) has approved and adopted the Share Award Scheme on 9 January 2008. A summary of the principal terms of the Share Award Scheme is set out below.

Purpose

The purpose of the Share Award Scheme is to recognise the contributions by certain Eligible Persons and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group.

Duration and Administration

Unless terminated earlier by the Board in accordance with the Scheme Rules, the Scheme is valid and effective for a term of 10 years commencing on the Adoption Date provided that no contribution to the Trust will be made by the Company on or after the 10th anniversary date of the Adoption Date.

Grantees

Grantees under the Scheme can be any Eligible Person or such Eligible Person’s wholly owned company or trust (the beneficiaries of which include such eligible person and/or his immediate family members).

Administration

The Scheme is subject to the administration of the Board and the Trustee in accordance with the terms stated in the Scheme Rules and the terms of the Trust Deed.

Operation of the Scheme

The Board may from time to time at their absolute discretion select any Eligible Person for participation in the Scheme as a Selected Grantee and determine the number of Shares to be awarded or make reference to a nominal amount. The Board must cause to be paid to the Trustee the purchase price and the related expenses. The Trustee must either purchase Shares from the market or subscribe for new Shares. The Trustee must hold the Shares until they are vested in accordance with the Scheme Rules. When the Selected Grantee has satisfied all vesting conditions specified by the Board at the time of making the award and become entitled to the Shares forming the subject of the award, the Trustee will transfer the relevant vested Shares together with the income derived therefrom (net of accrued interest) to the Selected Grantee. Awards of Shares under the Scheme will result in a charge to the Company's profit and loss account based on the fair value of the award at the grant date. Such charges will be booked as staff costs in the profit and loss account of the Company and shall be amortised over the vesting period of the relevant Share awards.

Vesting and Lapse

A Selected Grantee becomes qualified to receive the awarded Shares held by the Trustee upon the Trust and which are referable to him after all the qualifying conditions having been fulfilled in accordance with the vesting schedule.

An award of Shares automatically lapses when, (i) a Selected Grantee who is an Employee ceases to be an Employee; or (ii) the Subsidiary by which a Selected Grantee is employed ceases to be a Subsidiary of the Company (or of a member of the Group); or (iii) a Selected Grantee who is a director of the Company or a Subsidiary ceases to be a director of the same; or (iv) an order for the winding-up of the Company is made or a resolution is passed (otherwise than for certain purposes) for the voluntary winding-up of the Company, and, in any such case, the award, unless the Board otherwise agrees, automatically lapses forthwith and all the awarded Shares and related income of such award do not vest on the relevant vesting date but become Returned Shares for the purpose of the Scheme.

Scheme Limit

The Board must not make any further award of Shares which would result in the number of Shares awarded by the Board under the Scheme representing in excess of ten per cent. of the issued share capital of the Company as at the Adoption Date.

The maximum number of Shares which may be subject to an award or awards to a Selected Grantees at any one time shall not in aggregate exceed one per cent. of the issued share capital of the Company as at the Adoption Date.

The total issued share capital of the Company as at the Adoption Date is 1,501,252,152 Shares.

General mandate may be used to satisfy Share awards

If Share awards are to be comprised of new Shares, such new Shares shall be allotted and issued by the Board to Eligible Persons (excluding directors and/or connected persons of the Group) using the general mandate granted to them by the shareholders of the Company from time to time unless separate shareholders' approval is obtained in a general meeting of the Company. The Company shall comply with the relevant Listing Rules when granting awards of new Shares.

Share awards to Directors and/or Connected Persons

Shares may be awarded to Eligible Persons, including directors and/or connected persons of the Group. If new Shares are awarded to directors and/or connected persons of the Group, such awards shall constitute connected transactions under Chapter 14A of the Listing Rules and the Company shall comply with the relevant requirements under the Listing Rules.

Termination

The Share Award Scheme terminates on the earlier of the 10th anniversary date of the Adoption Date or such date of early termination as determined by the Board provided that such termination does not affect any subsisting rights of any Selected Grantees.

Upon termination, (i) all the awarded Shares and the related income shall become vested on the Selected Grantees so referable on such date of termination, subject to the receipt by the Trustee of the transfer documents duly executed by the Selected Grantee within the stipulated period; (ii) Returned Shares and such non-cash income remaining in the trust fund shall be sold by the Trustee, within 20 trading days of the Stock Exchange (on which the trading of Shares has not been suspended); and (iii) residual cash, net proceeds of sale referred to above and such other funds remaining in the trust shall be remitted to the Company after the sale.

Definitions

“Adoption Date” the date on which the Scheme is approved and adopted by the Board;

“Board” the board of directors of the Company;

“Company” or “TTi”	Techtronic Industries Company Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Stock Exchange;
“connected person”	has the meaning as defined in the Listing Rules;
“Eligible Person”	any Employee or directors (including, without limitation, any executive, non-executive or independent non-executive Director) of any member of the Group;
“Employee”	any employee (whether full time or part time) of any member of the Group;
“Group”	the Company and its Subsidiaries;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange as amended, modified or supplemented from time to time;
“Returned Shares”	such awarded Shares and related income which are not vested and/or forfeited in accordance with the terms of the Scheme Rules;
“Scheme Rules”	the rules relating to the Scheme adopted by the Board;
“Selected Grantee(s)”	Eligible Person(s) selected by the Board and Eligible Person(s) selected by the Trustee in respect of the Returned Shares after having taken into consideration recommendations of the Board for participation in the Scheme;
“Share Award Scheme” or “Scheme”	the share award scheme adopted by the Board, as amended from time to time in accordance with the provisions thereof;
“Shares”	shares of HK\$0.10 each in the capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary”	a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) of the Company, whether incorporated in Hong Kong or elsewhere;
“Trust”	the trust constituted by the Trust Deed;

- “Trust Deed” the trust deed made between the Company and the Trustee (as restated, supplemented and amended from time to time) on 9 January 2008;
- “Trust Period” the period beginning with the Adoption Date and ending upon the earlier of:
- (i) on the 10th anniversary of the Adoption Date; and
 - (ii) such date of early termination as determined by the Board provided that such termination does not affect any subsisting rights of any Selected Grantees thereunder;
- “Trustee” Law Debenture Trust (Asia) Limited, a company in Hong Kong, which is independent and not connected with the Group.

For and on behalf of
Techtronic Industries Company Limited
Frank Chi Chung Chan
Company Secretary

Hong Kong, 9 January 2008

As at the date of this announcement, the Board comprises five Group Executive Directors, namely Mr. Horst Julius Pudwill (Chairman and Chief Executive Officer), Dr. Roy Chi Ping Chung JP (Vice Chairman), Mr. Patrick Kin Wah Chan, Mr. Frank Chi Chung Chan and Mr. Stephan Horst Pudwill, one Non-executive Director, namely Mr. Vincent Ting Kau Cheung, and three Independent Non-executive Directors, namely Mr. Joel Arthur Schleicher, Mr. Christopher Patrick Langley OBE and Mr. Manfred Kuhlmann.