

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.



TECHTRONIC INDUSTRIES CO. LTD.

創科實業有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 669)

ADOPTION OF 2018 SHARE AWARD SCHEME

On 16 January 2018 (after trading hours), the Board has approved the adoption of the 2018 Share Award Scheme with effect from 17 January 2018, pursuant to which all Eligible Persons will be entitled to participate. The purpose of the 2018 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 2018 Share Award Scheme shall replace the 2008 Share Award Scheme which has been expired from 9 January 2018.

A summary of the principal terms of the 2018 Share Award Scheme is set out below.

Purpose

The purpose of the 2018 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 Scheme Rules and the terms of the Trust Deed.

Operation

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 determines the number of Shares to be awarded or make reference to a nominal amount. The Board must cause to be paid to the Trustee (i) the purchase price and the related expenses for acquiring the Awarded Shares from the market; or (ii) the nominal or such other amount required for the subscription of the Awarded Shares and the related subscription expenses. Upon receipt of the said amount, 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 any interest accrued) 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, which 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.

Voting Rights

The Trustee shall not exercise any voting rights and powers in respect of any Shares held under the Trust (including, but not limited to, the awarded Shares, the Returned Shares, any bonus Shares and scrip Shares).

Black-out Period

No payment shall be made to the Trustee and no instructions to acquire Shares shall be given to the Trustee under the Scheme where any Director is in possession of unpublished inside information in relation to the Company or its securities where dealings in any of the Company's securities by Directors are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time, which includes, in particular, that no Awards shall be granted within the period commencing one month immediately preceding the earlier of:

- (i) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's interim or annual results; and
- (ii) the deadline for the Company to publish its interim or annual results announcement under the Listing Rules,

and ending on the date of the Company's results announcement.

Vesting and Lapse

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

Unless the Board otherwise agrees and save for a Selected Grantee who dies, retires at normal retirement date or earlier by agreement with the Company or the Subsidiary (as the case may be), an award of Shares will be automatically lapsed when, inter alia, (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, shall automatically lapse 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 10% 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 1% 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 1,835,021,941 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 the 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 will comply with the relevant Listing Rules when granting awards of new Shares or issuing new Shares to satisfy awards.

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.

Alteration

The Scheme may be altered in any respect by a resolution of the Board provided that no such alteration shall operate to affect adversely any subsisting rights of any Selected Grantees except with (i) the consent in writing of Selected Grantees is obtained amounting to three-fourths of the total voting rights attached to all Shares so held by the Trustee on that date; or (ii) the sanction of a special resolution passed at a meeting of the Selected Grantees.

Termination

The Scheme shall terminate on the earlier of the 10th anniversary 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, unless otherwise separate arrangements have been mutually agreed by and between the Board and the Trustee in the best interest of the Selected Grantees and the operation of the Scheme, (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) the 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.

Listing Rules implications and other information

The Scheme is a discretionary scheme of the Company, which does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purpose of Chapter 17 of the Listing Rules. Accordingly, no shareholders' approval is required for the adoption of the Scheme by the Board.

The Scheme shall replace the 2008 Share Award Scheme which has been expired from 9 January 2018. All awarded but unvested Shares granted under the 2008 Share Award Scheme prior to the Adoption Date shall remain valid until fully vested or lapsed in accordance with the rules of the 2008 Share Award Scheme.

Definitions

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

“2008 Share Award Scheme” the share award scheme adopted by the Board on 9 January 2008, which has been expired from 9 January 2018;

“2018 Share Award Scheme” or “Scheme” the share award scheme approved by the Board on 16 January 2018 (after trading hours), as amended from time to time in accordance with the provisions thereof;

“Adoption Date” 17 January 2018;

“Board”	the board of directors of the Company;
“Company”	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;
“inside information”	has the meaning as defined in the Securities and Futures Ordinance (Cap. 571);
“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;
“Shares”	shares 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 (Cap. 622 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 amended and restated trust deed made between the Company and the Trustee on 17 January 2018;
“Trust Period”	the period beginning with the Adoption Date and ending upon the earlier of: <ul style="list-style-type: none"> (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; and
“Trustee”	Law Debenture Trust (Asia) Limited, a company in Hong Kong, which is independent and not connected with the Group.

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

Hong Kong, 17 January 2018

As at the date of this announcement, the Board comprises five 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 and Mr. Frank Chi Chung Chan, two Non-executive Directors, namely, Prof. Roy Chi Ping Chung GBS JP and Mr. Camille Jojo and five Independent Non-executive Directors, namely, Mr. Christopher Patrick Langley OBE, Mr. Manfred Kuhlmann, Mr. Peter David Sullivan, Mr. Vincent Ting Kau Cheung and Mr. Johannes-Gerhard Hesse.