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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)

GRANT OF SHARE OPTIONS

This announcement is made pursuant to Rules 17.06A, 17.06B and 17.06C of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

GRANT OF SHARE OPTIONS

The board of directors (the “Board”) of Techtronic Industries Company Limited (the “Company”) announces that on 22 August 2023, an aggregate of 3,420,000 share options (the “Options”) has been granted to certain directors of the Company (the “Share Option Grantees”) to subscribe for Shares pursuant to the Share Option Scheme adopted by the Company on 19 May 2017 (as amended and restated on 12 May 2023) (the “Share Option Scheme”), subject to acceptance of the Share Option Grantees. A summary of the Options granted is set out below:

Date of grant	:	22 August 2023
Exercise price of Options granted	:	HK\$81.05 per Share
Total number of Options granted	:	3,420,000
Closing price of the Shares on the date of grant	:	HK\$81.05 per Share
Exercise period of the Options	:	from the respective vesting date to 21 August 2033 (both days inclusive)
Vesting of the Options	:	For the Chairman and the Chief Executive Officer (“CEO”), in 3 equal batches which will be vested on the 1 st anniversary, 2 nd anniversary and 3 rd anniversary of the date of grant respectively

For Executive Directors other than the Chairman and CEO, a total of three batches of 33.2%, 33.4% and 33.4% respectively will be vested on the 1st anniversary, 2nd anniversary and the 3rd anniversary of the date of grant

For Non-executive and Independent Non-executive Directors, the entirety will be vested on the 1st anniversary of the date of grant

Among the Options granted, 750,000 Options, 500,000 Options, 750,000 Options, 500,000 Options and 500,000 Options were granted to Chairman Mr. Horst Julius Pudwill, Mr. Stephan Horst Pudwill, CEO Mr. Joseph Galli Jr., Mr. Patrick Kin Wah Chan and Mr. Frank Chi Chung Chan respectively, all of whom are Executive Directors; 60,000 Options and 60,000 Options were granted to Prof. Roy Chi Ping Chung GBS BBS JP and Mr. Camille Jojo respectively, all of whom are Non-Executive Directors; and 60,000 Options, 60,000 Options, 60,000 Options, 60,000 Options and 60,000 Options were granted to Mr. Peter David Sullivan, Mr. Johannes-Gerhard Hesse, Mr. Robert Hinman Getz, Ms. Virginia Davis Wilmerding and Ms. Caroline Christina Kracht respectively, all of whom are Independent Non-Executive Directors. Each of such grants was approved by the Independent Non-Executive Directors (excluding the Independent Non-Executive Directors who are the Share Option Grantees of the respective Options).

The Group has not provided, and will not provide, any financial assistance to the Share Option Grantees for exercising the Options under the Share Option Scheme.

Performance targets of the Options granted

None of the Options granted to the Share Options Grantees are subject to any performance targets assessment by the Company as the Remuneration Committee of the Company considers that (i) the grant of Options has already taken into account of the ability of each Share Options Grantees' past and future potential contributions to the overall management, operations, development and long-term growth of the Group, as well as the recognition of his/her industry experience and tenure with the Group; and (ii) the Options are time-vesting and subject to the clawback mechanism as detailed below and the value of Options is linked to the future Share price and performance of the Group and thus aligns the interests of the Share Option Grantees with the purpose of the Company's Share Option Scheme.

Clawback mechanism for the Options granted

Notwithstanding the terms and conditions of the Share Option Scheme, during the option period, the Directors have the authority to provide that any Options shall be subject to a clawback or a longer vesting period if any of the following events occurs: (i) there being a material misstatement in the audited financial statements of the Company that requires a restatement, or (ii) the Share Option Grantee being guilty of fraud or dishonesty or persistent or serious misconduct, regardless of whether there is any accounting restatement or a material error in calculating or determining the performance metrics or other criteria; or (iii) if a grant or the exercise of any options is linked to any performance targets and the Directors are of the opinion that there occur any circumstances that show or lead to any of the prescribed performance targets having been assessed or calculated in a materially inaccurate manner.

Upon occurrence of any of the above events, the Directors may by notice in writing to the relevant Share Option Grantee(s) (i) claw back such number of options (to the extent not being exercised) granted as the Directors may consider appropriate; or (ii) extend the vesting period (regardless of whether the initial vesting date has occurred) in relation to all or any of the options (to the extent not being exercised) to such longer period as the Directors may consider appropriate.

In addition, in the event that (i) the Share Option Grantee who is an employee of the Company ceases to be an employee of the Company; (ii) the Share Option Grantee who is a non-executive Director of the Company ceases to be a non-executive Director 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, the Options shall, unless the Board otherwise agrees, lapse.

Immediately after the above grant of Options and on the assumption that no other award or option will be granted under any other share schemes of the Company, a maximum of 164,773,294 Shares would be available for future grant pursuant to the Share Option Scheme, of which a maximum of 18,347,979 Shares would be available for future grant to the Service Providers (as defined in the rules of the Share Option Scheme) thereunder. Since the adoption of Share Options Scheme on 19 May 2017, no share option was granted to any service provider of the Company. The maximum number of share options can be granted to service providers of the Company is 1% of the issued shares of the Company as at the date of approval of the amendments to Share Options Scheme on 12 May 2023.

REASONS AND BENEFITS OF THE OPTIONS

The Share Option Scheme was adopted before the corresponding new requirements under Chapter 17 of the Listing Rules became effective on 1 January 2023, of which was amended and restated on 12 May 2023. Such grants aligned with the purpose of the Share Option Scheme as a recognition and reward of the grantees' contributions to the Company's continuing operation and development and which in turn is beneficial to the shareholders and the Company as a whole from a business sustainability and stability perspective.

Save as disclosed herein, (i) none of the Share Option Grantees is a director, chief executive or substantial shareholder of the Company or an associate (as defined under the Listing Rules) of any of them; (ii) none of the Share Option Grantees is a participant with the Options granted and to be granted exceeding his/her 1% individual limit under the Listing Rules; (iii) none of the Share Option Grantees is a related entity participant or a service provider (as defined under the Listing Rules).

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

Hong Kong, 22 August 2023

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 BBS JP and Mr. Camille Jojo and five Independent Non-executive Directors, namely, Mr. Peter David Sullivan, Mr. Johannes-Gerhard Hesse, Mr. Robert Hinman Getz, Ms. Virginia Davis Wilmerding and Ms. Caroline Christina Kracht.