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GRANT OF SHARE OPTIONS

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

The board of directors (the “Board”) of Tristate Holdings Limited (the “Company”, and together with its subsidiaries, the “Group”) announces that on 19 June 2023, share options (the “Options”) to subscribe for an aggregate of 3,000,000 ordinary shares of HK\$0.10 each (the “Shares”) in the capital of the Company were granted, subject to acceptance, to the Grantees (as defined below) under the share option scheme of the Company adopted on 6 June 2016 (the “Share Option Scheme”).

Details of the Options granted are set out below:

Date of grant	:	19 June 2023 (the “Date of Grant”)
Subscription price	:	HK\$0.72 per Share
Number of Options granted	:	3,000,000 Options, each entitling the holder to subscribe for one Share
Closing price of the Shares on the Date of Grant	:	HK\$0.72
Grantees	:	Three grantees (collectively the “Grantees” and each a “Grantee”), who are employees of the Group and directors of certain subsidiaries of the Company, were granted 1,988,000 Options, 360,000 Options and 652,000 Options, respectively.

None of the Grantees (i) is a director, chief executive or substantial shareholder of the Company or an associate (as defined in the Listing Rules) of any of them; (ii) was granted with the Option resulting in

Shares issued and to be issued upon all options granted to such Grantee in a 12-month period up to and including the Date of Grant in aggregate exceeding 1% of the Shares in issue which would otherwise require approval of shareholders of the Company to such grant of Option pursuant to the Share Option Scheme.

Exercise period of the Options : From the Date of Grant to 18 June 2028, both days inclusive.

Vesting period of the Options : The Options will be vested as follows:

- (i) 25% of the Options are vested on, and exercisable from, the Date of Grant;
- (ii) 25% of the Options will be vested on, and exercisable from, 19 June 2024;
- (iii) 25% of the Options will be vested on, and exercisable from, 19 June 2025; and
- (iv) 25% of the Options will be vested on, and exercisable from, 19 June 2026.

The first tranche (being 25%) of the Options is subject to a vesting period of less than 12 months. In this regard, the Share Option Scheme does not provide any restriction with respect to the vesting period of the Options. Taking into consideration that (i) only the first tranche (being 25%) of the Options has a vesting period of less than 12 months; (ii) the Options were granted to the Grantees based on their performance achievements for the year ended 31 December 2022 (“FY2022”); and (iii) the Options granted constituted part of the Grantees’ respective performance rewards for FY2022, the remuneration committee of the Company (the “Remuneration Committee”) is of the view that the above vesting arrangements, including the vesting of the first tranche of the Options on the Date of Grant, are appropriate for retaining, incentivizing, rewarding, remunerating and compensating valuable employees and such grant of Options aligns with the Purposes (as defined below) of the Share Option Scheme.

Performance target : There is no performance target attached to the Options.

As the Options were granted by reference to the performance targets achieved by the Grantees for

FY2022, and the value of the Options is subject to the future market price of the Shares, which, in turn, depends on the business performance of the Group, to which the Grantees would directly contribute, the Remuneration Committee considers that such grant of Options already aligns the interests of the Grantees with that of the Company and the shareholders of the Company, and hence no additional performance target is required to be attached to the Options on vesting. Such arrangement is consistent with the past practices of the Company in granting options under the Share Option Scheme and such grant of Options aligns with the Purposes (as defined below) of the Share Option Scheme.

- Claw-back mechanism : Without prejudice to the terms and conditions of the Share Option Scheme, the Option granted to a Grantee shall lapse automatically if such Grantee ceases to be an eligible participant of the Share Option Scheme by reason of termination of employment or engagement on the grounds of being guilty of serious misconduct or being convicted of any criminal offence involving integrity or honesty.
- Financial assistance : The Group has not provided any financial assistance to the Grantees to facilitate their subscription of Shares under the Share Option Scheme.

The purposes (the “Purposes”) of the Share Option Scheme is to, among others, (i) provide eligible participants with the opportunity to acquire proprietary interests in the Company; (ii) encourage eligible participants to work towards achieving the relevant performance targets in order to enhance the value of the Company and the Shares for the benefit of the Company and its shareholders as a whole; and (iii) retain eligible participants who achieve such performance targets. Eligible participants under the Share Option Scheme are restricted to directors, officers and employees of any member of the Group. Details of the Share Option Scheme were set out in the circular of the Company dated 26 April 2016.

After the grant of the Options, the number of Shares available for future grant of options under the existing scheme mandate limit of the Share Option Scheme is 16,268,725 Shares.

On behalf of the Board
WANG Kin Chung, Peter
Chairman and Chief Executive Officer

Hong Kong, 19 June 2023

As at the date of this announcement, the Board comprises one Executive Director, namely Mr. WANG Kin Chung, Peter; three Non-Executive Directors, namely Ms. WANG KOO Yik Chun, Ms. MAK WANG Wing Yee, Winnie and Dr. WANG Shui Chung, Patrick; and four Independent Non-Executive Directors, namely Mr. LO Kai Yiu, Anthony, Mr. James Christopher KRALIK, Mr. Peter TAN and Professor Chen LIN.