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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Automated Systems Holdings Limited, you should at once hand this circular and the accompanying proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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**AUTOMATED SYSTEMS HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 771)**

**PROPOSAL FOR ADOPTION OF NEW SHARE OPTION SCHEME  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

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A notice convening the SGM of Automated Systems Holdings Limited to be held at 15th Floor, Topsail Plaza, 11 On Sum Street, Shatin, New Territories, Hong Kong on Monday, 13th March 2017 at 10:30 a.m. is set out on pages 23 to 24 of this circular. Whether or not you intend to attend the SGM, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof.

Completion and return of the proxy form will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

Hong Kong, 24th February 2017

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“2002 Share Option Scheme”	the share option scheme adopted by the Company on 8th August 2002
“Adoption Date”	13th March 2017, being the date of adoption of the New Share Option Scheme by resolution of the Shareholders at the SGM
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Auditors”	means the auditors for the time being of the Company
“Board”	the board of Directors, and in the Appendix to this circular, references to the “Board” shall mean the board of directors of the Company or a duly authorised committee thereof for the time being
“Business Day(s)”	any day (other than Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong and the Stock Exchange is open for business of dealing in securities
“Bye-laws”	the bye-laws of the Company
“Commencement Date”	the date upon which an Option is deemed to be granted and accepted in accordance with the terms of the New Share Option Scheme
“Companies Ordinance”	Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Company”	Automated Systems Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 771)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

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## DEFINITIONS

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“Eligible Participant(s)”	any employee, executive or officer of the Company or any of its Subsidiaries (including executive, non-executive and independent non-executive directors of each of the abovementioned companies)
“Exercise Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option in accordance with the terms of the New Share Option Scheme
“Expiry Date”	in respect of an Option, the date of the expiry of the Option as may be determined by the Board which shall not be later than the last day of the Option Period in respect of such Option
“Grantee”	any Eligible Participant who accepts an Offer in accordance with the terms of the New Share Option Scheme or (where the context so permits) the legal personal representative(s) entitled to any such Option in consequence of the death of the original Grantee
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	21st February 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share Option Scheme”	the new share option scheme proposed to be adopted by the Company at the SGM, a summary of the principal terms of which is set out in the Appendix to this circular
“Notice”	the notice of SGM set out on pages 23 to 24 of this circular
“Offer”	the offer of the grant of an Option made by the Board in accordance with the terms of the New Share Option Scheme
“Offer Date”	in respect of an Option, the date on which an Offer is made to an Eligible Participant, which must be a Business Day

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## DEFINITIONS

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“Option”	a right granted to the Eligible Participant to subscribe for Shares pursuant to the terms of the New Share Option Scheme
“Option Period”	in respect of an Option, a period to be determined by the Board at its absolute discretion and notified by the Board to each Grantee as being the period during which an Option may be exercised and in any event such period of time shall not exceed a period of ten (10) years commencing on the Commencement Date
“Rights Issue”	the issue of rights Shares by the Company on the basis of one (1) rights Share for every two (2) existing Shares held on the record date to the qualifying Shareholders by way of rights or to holders of nil-paid rights Shares at the subscription price of HK\$1.10 per rights Share, pursuant to the terms and conditions of the issue, details of which are set out in the prospectus of the Company dated 3rd February 2017
“Scheme Period”	a period of ten (10) years commencing on the Adoption Date and ending on the tenth anniversary of the Adoption Date (both dates inclusive)
“SGM”	the special general meeting of the Company to be convened and held for Shareholders to consider and, if thought fit, approve the adoption of the New Share Option Scheme
“Share(s)”	ordinary share(s) of par value HK\$0.10 each in the share capital of the Company (or such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, from time to time)
“Shareholder(s)”	holders of the Share(s) in issue
“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 or local companies law, act and/or ordinance where the subject company was incorporated) of the Company and “Subsidiaries” shall be construed accordingly
“substantial Shareholder”	has the meaning ascribed to it under the Listing Rules
“%”	per cent

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## LETTER FROM THE BOARD

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### **AUTOMATED SYSTEMS HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 771)**

*Executive Directors:*

Mr. Wang Weihang

Mr. Wang Yueou (*Chief Executive Officer*)

*Non-Executive Directors:*

Mr. Li Wei (*Chairman*)

Mr. Cui Yong

*Independent Non-Executive Directors:*

Mr. Pan Xinrong

Mr. Deng Jianxin

Ms. Ye Fang

*Registered Office:*

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

*Head office and principal place  
of business in Hong Kong:*

15th Floor, Topsail Plaza

11 On Sum Street

Shatin, New Territories

Hong Kong

24th February 2017

*To the Shareholders*

Dear Sir or Madam,

### **PROPOSAL FOR ADOPTION OF NEW SHARE OPTION SCHEME AND NOTICE OF SPECIAL GENERAL MEETING**

#### **1. INTRODUCTION**

The purpose of this circular is to provide you with information on the resolution regarding the proposed adoption of the New Share Option Scheme to be proposed at the SGM and to set out the Notice.

#### **2. ADOPTION OF THE NEW SHARE OPTION SCHEME**

The 2002 Share Option Scheme had a term of 10 years and had expired on 7th August 2012. In view of the expiry of the 2002 Share Option Scheme, the Board proposes to recommend to the Shareholders to approve the adoption of the New Share Option Scheme. The New Share Option Scheme will become effective after all the conditions precedent as referred to under the paragraph headed "Conditions precedent of the New Share Option Scheme" below have been fulfilled.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, there were 517,000 outstanding options under the 2002 Share Option Scheme, of which 396,000 outstanding options are exercisable up to 18th March 2022 and 121,000 outstanding options are exercisable up to 1st May 2022. The Board confirms that the expiry of the 2002 Share Option Scheme will not in any event affect the terms of the grant of the options that have already been granted thereunder and the abovementioned outstanding options continue to be subject to the provisions of the 2002 Share Option Scheme.

As at the Latest Practicable Date, there were a total of 350,788,900 Shares in issue. On the basis that 175,394,450 new Shares will be issued and allotted under the Rights Issue (which is subject to the fulfillment of the conditions thereon) and no other Shares will be issued and allotted between the period from the Latest Practicable Date up to the date of approval of the adoption of the New Share Option Scheme (i.e. the Adoption Date), the total number of Shares in issue as at the Adoption Date will be 526,183,350 Shares. Accordingly, the maximum number of Shares which may be issued pursuant to the New Share Option Scheme and any other schemes (if any) will be 52,618,335 Shares, representing 10% of the total number of Shares in issue as at the Adoption Date. In the event that the Rights Issue is not implemented for whatever reason and no new Shares are issued and allotted under the Rights Issue and assuming no further Shares will be issued and allotted between the period from the Latest Practicable Date up to the Adoption Date, the maximum number of Shares which may be issued pursuant to the New Share Option Scheme and any other schemes (if any) will be 35,078,890 Shares, representing 10% of the total number of Shares in issue as at the Adoption Date. The Company may seek approval by its Shareholders to renew the 10% limit on the basis that the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company shall not exceed 30% of the total number of Shares in issue from time to time.

### **3. CONDITIONS PRECEDENT OF THE NEW SHARE OPTION SCHEME**

The New Share Option Scheme shall take effect subject to the following conditions:

- (a) the passing of an ordinary resolution to approve the adoption of the New Share Option Scheme by the Shareholders in general meeting and authorising the Directors to grant Options to subscribe for Shares hereunder and to allot and issue Shares pursuant to the exercise of any Options granted under the New Share Option Scheme; and
- (b) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, any Shares to be issued and allotted pursuant to the exercise of Options granted under the New Share Option Scheme.

An application will be made to the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the Options granted under the New Share Option Scheme.

Once the New Share Option Scheme is adopted, any alterations to the terms and conditions thereof, which are of material nature, must be approved by the Shareholders, except where the alterations take effect automatically pursuant to the terms originally provided in the New Share Option Scheme.

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## LETTER FROM THE BOARD

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### 4. VALUE OF THE OPTIONS

The Directors consider that it is not appropriate to state the value of all Options that can be granted under the New Share Option Scheme as if they had been granted on the Latest Practicable Date as a number of variables which are crucial for the calculation of the value the Options have not been determined. Such variables include but are not limited to the exercise price, exercise period, any lock up period, any performance targets set and other variables. The Directors believe that any calculation of the value of the Options as at the Latest Practicable Date based on a great number of speculative assumptions would not be meaningful and would be misleading to the Shareholders.

### 5. PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

A summary of the principal terms of the New Share Option Scheme is set out in the Appendix to this circular. The terms of the New Share Option Scheme are in line with the provisions of Chapter 17 of the Listing Rules, which governs the terms of the share option schemes of listed companies.

Under the New Share Option Scheme, the Board has the authority to set the terms and conditions in the grant of the Options (e.g. in relation to the minimum period of the Options to be held, the performance targets to be achieved before such Options can be exercised and the requirement for a minimum Exercise Price). The Board believes that this will provide the Board with more flexibility in imposing appropriate conditions in light of the circumstances of each grant and help facilitate the achievement of the purpose of the New Share Option Scheme, which is to provide incentives and rewards for the employee's contributions to the Company.

None of the Directors is a trustee of the New Share Option Scheme or has a direct or indirect interest in the trustee of the New Share Option Scheme, if any.

### 6. SGM

The Notice is set out on pages 23 to 24 of this circular.

There is enclosed a proxy form for use at the SGM. A Shareholder entitled to attend and vote at the SGM may appoint another person as his/her proxy to attend and vote instead of him/her, and on a poll, votes may be given either personally or, in the case of a Shareholder being a corporation by its authorised representative or by proxy in accordance with the Bye-laws. A Shareholder who is the holder of two or more Shares may appoint more than one proxy to attend the SGM. A proxy need not be a Shareholder. If more than one proxy is so appointed, the appointment shall specify the number of Shares in respect of which each such proxy is so appointed. Whether or not Shareholders intend to be present at the SGM, Shareholders are requested to complete the proxy form and return it to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time for holding the SGM.

Completion and return of the proxy form will not preclude the Shareholders from attending and voting in person at the SGM or any adjournment thereof should the Shareholders so wish.



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## LETTER FROM THE BOARD

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### 7. VOTING BY WAY OF POLL

Pursuant to Bye-law 70, at any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand of a poll) demanded:

- (a) by the chairman of the meeting; or
- (b) by at least three Shareholders present in person or by a duly authorised corporate representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by any Shareholder or Shareholders present in person or by a duly authorised corporate representative or by proxy and representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or
- (d) by any Shareholder or Shareholders present in person or by a duly authorised corporate representative or by proxy and holding Shares in the Company conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

The chairman of the SGM will demand a poll on the resolution proposed at the SGM.

The Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

### 8. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the rules of the New Share Option Scheme is available for inspection at the Company's head office and principal place of business in Hong Kong, 15th Floor, Topsail Plaza, 11 On Sum Street, Shatin, New Territories, Hong Kong at normal business hours from the date of this circular up to and including the date of the SGM, which is a period of not less than 14 days before the date of the SGM.

### 9. RECOMMENDATION

The Directors consider that the adoption of the New Share Option Scheme is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of the ordinary resolution to be proposed at the SGM approving the adoption of the New Share Option Scheme.

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## LETTER FROM THE BOARD

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To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the ordinary resolution to be proposed at the SGM approving the adoption of the New Share Option Scheme.

### **10. RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company and its Subsidiaries. The Directors, having made all reasonable enquires, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,  
By order of the Board  
**Automated Systems Holdings Limited**  
**Wang Yueou**  
*Executive Director and Chief Executive Officer*

*The following is a summary of the principal terms of the New Share Option Scheme to be approved at the SGM. It does not form part of, nor is it intended to be part of the rules of the New Share Option Scheme and it should not be taken as affecting the interpretation of the rules of the New Share Option Scheme. The Directors reserve the right at any time prior to the SGM to make such amendments to the New Share Option Scheme as they may consider necessary or appropriate provided that such amendments do not conflict with any material aspects with the summary of this Appendix.*

**1. PURPOSE**

- 1.1 The purpose of the New Share Option Scheme is to enable the Company to grant Options to Eligible Participants as incentives or rewards for their contribution to the Company and/or the Subsidiaries.
- 1.2 In determining the basis of eligibility of each Eligible Participant, the Board would take into account such factors as the Board may at its discretion consider appropriate.

**2. CONDITIONS**

The New Share Option Scheme shall take effect subject to the following conditions:–

- (i) the passing of an ordinary resolution to approve the adoption of the New Share Option Scheme by the Shareholders in general meeting and authorising the Directors to grant Options to subscribe for Shares hereunder and to allot and issue Shares pursuant to the exercise of any Options granted under the New Share Option Scheme;
- (ii) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, any Shares to be issued and allotted pursuant to the exercise of Options granted under the New Share Option Scheme.

**3. DURATION AND ADMINISTRATION**

- 3.1 Subject to the fulfilment of the conditions in paragraph 2 and the termination provisions in paragraph 14, the New Share Option Scheme shall be valid and effective for the Scheme Period after which period no further Options shall be offered but the provisions of the New Share Option Scheme shall in all other respects remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the provisions of the New Share Option Scheme and Options granted prior thereto but not yet exercised shall continue to be valid and exercisable in accordance with the New Share Option Scheme.
- 3.2 The New Share Option Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the New Share Option Scheme or its interpretation or effect (save as otherwise provided herein or as set forth in the Listing Rules) shall be final and binding on all parties.

- 3.3 Subject to compliance with the requirements of the Listing Rules and the provisions of the New Share Option Scheme, the Board shall have the rights (i) to interpret and construe the provisions of the New Share Option Scheme; (ii) to determine those Eligible Participants who will be awarded Options under the New Share Option Scheme and the number of Shares to be issued under the Option and the Exercise Price; (iii) to make such appropriate and equitable adjustments to the terms of the Options granted under the New Share Option Scheme as it deems necessary; and (iv) to make such other decisions, determinations or regulations as it shall deem appropriate in the administration of the New Share Option Scheme. The Board may also provide restrictions on the exercise of an Option during the period an Option may be exercised.

#### 4. GRANT OF OPTIONS

- 4.1 The Board shall, subject to and in accordance with the provisions of the New Share Option Scheme and the Listing Rules, be entitled to, but shall not be bound, at any time on any Business Day during the Scheme Period, make an Offer to any Eligible Participant whom the Board may in its absolute discretion select and subject to such conditions (including, without limitation, any minimum period for which an Option must be held before it can be exercised and/or any performance targets which must be achieved before an Option can be exercised) as it may think fit, to subscribe for such number of Shares as the Board may (subject to paragraphs 9 and 10) determine at the Subscription Price.
- 4.2 No Offer shall be made after inside information has come to its knowledge until it has announced the information. In particular, during the period commencing one month immediately before the earlier of:
- (i) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
  - (ii) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement, no Option may be granted. In the event of any delay in publishing the results announcement mentioned in paragraph 4.2(ii) above, no Option may be granted during such period of delay.

- 4.3 An Offer shall be made to an Eligible Participant by letter in such form as the Board may from time to time determine (the “**Offer Letter**”) specifying the matters set forth in paragraph 4.6, and shall be open for acceptance by the Eligible Participant concerned for a period of 28 days from the Offer Date (the “**Acceptance Period**”) provided that no such Offer shall be open for acceptance after expiry of the Scheme Period or after the New Share Option Scheme has been terminated in accordance with the provisions hereof, whichever is earlier.
- 4.4 The Board may at its absolute discretion impose any minimum period for which an Option must be held before it can be exercised and/or any performance targets which must be achieved by the Eligible Participant before the Option can be exercised, and specify the same in the Offer Letter. The Offer Letter shall state:
- (a) the Eligible Participant’s name, address and occupation;
  - (b) the Offer Date;
  - (c) the Acceptance Period;
  - (d) the Commencement Date or, if the Option Period does not commence on the Commencement Date, the date of commencement of the Option Period;
  - (e) the number of Shares which may be issued upon the exercise of the Options;
  - (f) the Exercise Price and the manner of payment of the Exercise Price for the Shares on and in consequence of the exercise of the Option;
  - (g) the Expiry Date in relation to that Option;
  - (h) the method of acceptance of the Option which shall, unless the Board otherwise determines, be as set out in paragraph 4.5;
  - (i) such other terms and conditions relating to the Offer which in the opinion of the Board are fair and reasonable but not being inconsistent with the New Share Option Scheme and the Listing Rules; and
  - (j) a statement requiring the Eligible Participant to undertake to hold the Option on the terms on which it is granted and to be bound by the provisions of the New Share Option Scheme.

- 4.5 An Option shall be deemed to have been granted and accepted by the Grantee and to have taken effect when the duplicate of the Offer Letter comprising acceptance of the Offer duly signed by the Grantee, together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company within the Acceptance Period. Such remittance shall in no circumstances be refundable or considered as part of the Subscription Price.
- 4.6 Any Offer may be accepted in respect of less than the number of Shares for which it is offered provided that it must be accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate of the Offer Letter comprising acceptance of the Option in the manner as set out in paragraph 4.5. To the extent that the Offer is not accepted within the Acceptance Period in the manner indicated in paragraph 4.5, it shall be deemed to have been irrevocably declined by the Eligible Participant and the Offer shall automatically lapse and become null and void.
- 4.7 Subject to the provisions of the New Share Option Scheme and the Listing Rules, the Board may at its discretion when making the Offer impose any conditions, restrictions or limitations in relation thereto as it may think fit.
- 4.8 The Company shall as soon as practicable after the Commencement Date issue to the Grantee Option certificate(s) in such form as the Board may from time to time determine.
- 4.9 As soon as possible upon an Offer of the grant of an Option, the Company must publish an announcement relating to the terms of the Offer in accordance with the Listing Rules setting out the following details:
- (i) the date of the Offer;
  - (ii) the Exercise Price of the Options granted;
  - (iii) the number of Options granted;
  - (iv) the market price of the Shares on the Offer Date;
  - (v) where any of the Grantee is a Director, chief executive or substantial Shareholder of the Company, or an associate of any of them, the names of such Grantees and the number of Options granted to each of them; and
  - (vi) the Option Period.
- 4.10 The Options shall not be listed or dealt in on the Stock Exchange.

- 4.11 An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option or attempt so to do (save that the Grantee may nominate a nominee in whose name the Shares issued pursuant to the New Share Option Scheme may be registered). Any breach of the foregoing shall entitle the Company to cancel any outstanding Options or any part thereof granted to such Grantee (to the extent that it has not already been exercised) without incurring any liability on the part of the Company.

## 5. GRANTING OF OPTIONS TO CONNECTED PERSONS

- 5.1 Each grant of Options to an Eligible Participant who is a Director, chief executive or substantial Shareholder (all within the meaning ascribed under the Listing Rules) of the Company, or any of their respective associates, must be approved by the independent non-executive Directors (excluding the independent non-executive Director who is the relevant Eligible Participant).
- 5.2 Where the Board proposes to grant Options to an Eligible Participant who is a substantial Shareholder or an independent non-executive Director, or any of their respective associates, which would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including options exercised, cancelled and outstanding) to such Eligible Participant under the New Share Option Scheme and the other schemes in the 12-month period up to and including the Offer Date:
- (a) representing in aggregate over 0.1% of the total number of Shares in issue; and
  - (b) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million,

such further grant of Options must be approved by the Shareholders. In such a case, the Company shall send a circular to its Shareholders containing all information as required under the Listing Rules. Such Grantee, his/her associates and all core connected persons of the Company must abstain from voting in favour of such general meeting.

- 5.3 The circular to be issued by the Company to its Shareholders pursuant to paragraph 5.2 shall contain the following information:
- (a) the details of the number and terms (including the Exercise Price) of the Options to be granted to each Eligible Participant, which must be fixed before the Shareholders' meeting, and the date of the Board meeting for proposing such further grant is to be taken as the date of grant for the purpose of calculating the Exercise Price;

- (b) a recommendation from the independent non-executive Directors (excluding the independent non-executive Director who is the relevant Eligible Participant) to the independent Shareholders as to voting;
  - (c) the information required under Rules 17.02(2)(c) and (d) and the disclaimer required under Rule 17.02(4) of the Listing Rules; and
  - (d) the information required under Rule 2.17 of the Listing Rules.
- 5.4 Any change in the terms of Options granted to an Eligible Participant who is a substantial Shareholder or an independent non-executive Director, or any of their respective associates, must be approved by the Shareholders at general meeting. The requirements for the granting of Options to a Director or chief executive of the Company set out in paragraphs 5.1 and 5.2 do not apply where the Eligible Participant is only a proposed Director or chief executive of the Company.

**6. EXERCISE PRICE**

- 6.1 The Exercise Price in relation to each Option offered to an Eligible Participant shall, subject to the adjustments referred to in paragraph 11, be determined by the Board in its absolute discretion and shall be at least the higher of:
- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the Offer Date, which must be a Business Day;
  - (b) the average closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange for the five Business Days immediately preceding the Offer Date; and
  - (c) the nominal value of a Share.



**7. EXERCISE OF OPTIONS**

- 7.1 Unless otherwise determined by the Board and specified in the Offer Letter at the time of the Offer, there is neither any minimum period for which an Option must be held before the Option can be exercised, nor any performance target which needs to be achieved by the Grantee before an Option can be exercised. An Option may be exercised in whole or in part in the manner as set out in the Offer Letter and paragraph 7.2 by the Grantee (or the Grantee's personal representative(s), as the case may be) by giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the Exercise Price for the Shares in respect of which the notice is given. Within 28 days after receipt of the notice and the remittance and, where appropriate, receipt of the certificate by the Auditors or the independent financial adviser (as the case may be) pursuant to paragraph 11, the Company shall allot and issue the relevant number of Shares to the Grantee credited as fully paid and issue to the Grantee (or the Grantee's personal representative(s), as the case may be) a share certificate in respect of the Shares so allotted.
- 7.2 Subject as hereinafter provided and subject to the terms and conditions upon which such Option was granted, an Option may be exercised by a Grantee at any time during the Option Period provided that:—
- (a) in the event of the Grantee ceasing to be an Eligible Participant for any reason other than on his death or the termination of his employment or directorship with the relevant company on one or more of the grounds specified in paragraph 8(d), the Grantee may exercise the Option (to the extent not already exercised) up to his entitlement at the date of cessation of being an Eligible Participant within the period of three (3) months following the date of such cessation (which date shall be, in relation to a Grantee who is an Eligible Participant by reason of his or her employment with the relevant company, the last actual working day on which the Grantee was at work with the relevant company and on which salary is paid whether in lieu of notice or not or the date on which his or her contractual notice period expires, whichever is later);
  - (b) in the event of the Grantee ceasing to be an Eligible Participant by reason of death and none of the events which would be a ground for termination of his or her employment or directorship with the relevant company under paragraph 8(d) arises, the legal representative(s) of the Grantee shall be entitled within a period of six (6) months or such longer period as the Board may determine from the date of death to exercise the Option (to the extent not already exercised) up to the Grantee's entitlement at the date of death;

- (c) if a general offer (whether by way of takeover offer, merger, privatisation proposal by scheme of arrangement or otherwise in like manner) is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror) and such offer, having been approved in accordance with applicable laws and regulatory requirements, becomes or is declared unconditional, the Grantee (or his legal personal representative(s)) may by notice in writing within 14 days after the date on which such offer becomes or is declared unconditional, exercise the Options (to the extent not already exercised) to its full extent or to the extent specified in such notice, and any Options not so exercised shall lapse and determine after the aforesaid 14-day period;
- (d) in the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily winding-up of the Company, other than for the purposes of a reconstruction, amalgamation or scheme of arrangement, the Company shall on the same date as or soon after it despatches such notice to convene the shareholders' meeting, give notice thereof to all Grantees. Each Grantee (or his legal personal representatives) may by notice in writing to the Company (such notice to be received by the Company not later than 7 Business Days prior to the proposed general meeting) exercise the Option (to the extent which has become exercisable and not already exercised) either to its full extent or to the extent specified in such notice, such notice to be accompanied by a payment for the full amount of the Exercise Price for the Shares in respect of which the notice is given, whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid, and any such Option not so exercised shall lapse and determine on the commencement of the winding-up. If such resolution is duly passed, all Options shall, to the extent that they have not been exercised, thereupon cease and determine; and

(e) if, pursuant to the Companies Act 1981 of Bermuda (the “**Companies Act**”), a compromise or arrangement between the Company and its Shareholders or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies (other than a scheme of arrangement referred to in sub-paragraph 7.2(c) above), the Company shall give notice thereof to all the Grantees (together with a notice of the existence of the provisions of this paragraph) on the same day as it despatches to each Shareholder or creditor of the Company a notice summoning the meeting to consider such a compromise or arrangement, and thereupon each Grantee shall be entitled to exercise all or any of his or her Options in whole or in part at any time prior to 12 noon on the day immediately preceding the date of the meeting directed to be convened by the Court for the purposes of considering such compromise or arrangement. With effect from the date of such meeting, the rights of all Grantees to exercise their respective Options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all Options shall, to the extent that they have not been exercised, lapse and determine. The Directors shall endeavour to procure that the Shares issued as a result of the exercise of Options under this paragraph 7.2(e) shall for the purposes of such compromise or arrangement form part of the issued share capital of the Company on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. If for any reason such compromise or arrangement is not approved by the Court (whether upon the terms presented to the Court or upon any other terms as may be approved by such Court) the rights of Grantees to exercise their respective Options shall with effect from the date of the making of the order by the Court be restored in full as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the Company or any of its officers for any loss or damage sustained by any Grantee as a result of the aforesaid suspension.

7.3 The Shares to be allotted upon the exercise of an Option shall not carry voting rights until completion of the registration of the Grantee (or such other person nominated by the Grantee) as the holder thereof. Subject as aforesaid, the Shares to be allotted upon the exercise of an Option shall be subject to all of the provisions of the constitutional documents of the Company and the Companies Act for the time being in force and shall rank *pari passu* in all respects with and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation of the Company as attached to the fully-paid Shares in issue on the date of issue, in particular but without prejudice to the generality of the foregoing, in respect of voting, transfer and other rights including those arising on a liquidation of the Company and rights in respect of any dividend or other distributions paid or made on or after the date of issue, provided always that when the date of exercise of the Option falls on a date upon which the register of Shareholders of the Company is closed, then the exercise of the Option shall become effective on the first day on which the register of Shareholders of the Company is re-opened.

**8. LAPSE OF OPTION**

An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (a) the Expiry Date relevant to that Option;
- (b) the expiry of any of the periods referred to in paragraphs 7.2(a), (b) or (c);
- (c) subject to paragraph 7.2(d), the date of commencement of the winding up of the Company (as determined in accordance with the Companies Act);
- (d) the date on which the Grantee ceases to be an Eligible Participant by reason of the termination of his employment or directorship with the relevant company on any one or more of the grounds of misconduct, bankruptcy, insolvency, composition with his creditors or conviction of any criminal offence involving his integrity or honesty or (in the case of the Grantee being an Eligible Participant by reason of his employment with the relevant company and if so determined by the Board) on any other ground on which an employer would be entitled to terminate such Grantee's employment at common law or pursuant to any applicable laws or under the Grantee's service contract with the relevant company. A resolution of the Board or the board of directors of the relevant company to the effect that the employment or directorship of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph 8(d) shall be conclusive;
- (e) the date on which any compromise or arrangement referred to in paragraph 7.2(e) becomes effective; and
- (f) the date on which the Board shall exercise the Company's right to cancel the Option at any time after the Grantee commits a breach of paragraph 4.11 or the Options are cancelled in accordance with paragraph 15.

**9. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION**

9.1 Subject to paragraph 9.2:–

- (a) The total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 10% of the total number of Shares in issue as at the date of approval of the adoption of the New Share Option Scheme (i.e. the Adoption Date), unless the Company obtains a fresh approval from its Shareholders pursuant to paragraphs 9.1(b) or 9.1(c). Options lapsed in accordance with the terms of the Scheme shall not be counted for the purpose of calculating such 10% limit.

- (b) The Company may seek approval by its Shareholders to refresh the 10% limit set out in paragraph 9.1(a) such that the total number of Shares which may be issued upon exercise of all Options to be granted under the Scheme and any other share option schemes of the Company under the limit as “refreshed” shall not exceed 10% of the total number of Shares in issue as at the date of approval to refresh such limit. Options previously granted under any share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with the New Share Option Scheme or exercised Options) shall not be counted for the purpose of calculating the limit as “refreshed”. The Company shall send a circular to its Shareholders containing the information required under rule 17.02(2)(d) of the Listing Rules and the disclaimer required under rule 17.02(4) of the Listing Rules.
- (c) The Company may seek separate approval by its Shareholders for granting Options beyond the 10% limit set out in paragraphs 9.1(a) or 9.1(b) (as the case may be) provided that the Options in excess of such limit are granted only to Eligible Participants specifically identified by the Company before such approval is sought. In such case, the Company shall send a circular to its Shareholders containing a generic description of the specified Eligible Participant(s) who may be granted such Options, the number and terms of the Options to be granted, the purpose of granting Options to the specified Eligible Participant(s) with an explanation as to how the terms of the Options serve such purpose, the information required under rule 17.02(2)(d) of the Listing Rules and the disclaimer required under rule 17.02(4) of the Listing Rules.
- 9.2 Notwithstanding anything in paragraph 9.1 and subject to paragraph 9, the maximum number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company shall not exceed 30% (or such higher percentage as may be allowed under the Listing Rules) of the total number of Shares in issue from time to time. No Options may be granted under the New Share Option Scheme and any other share option schemes of the Company if this will result in such limit being exceeded.
- 9.3 If the Company conducts a share consolidation or subdivision after the 10% limit set out in paragraphs 9.1(a) or 9.1(b) (as the case may be) has been approved in general meeting, the maximum number of Shares that may be issued upon exercise of all options to be granted under all of the share option schemes of the Company under the 10% limit set out in paragraphs 9.1(a) or 9.1(b) (as the case may be) as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same.

**10. MAXIMUM ENTITLEMENT OF SHARES OF EACH ELIGIBLE PARTICIPANT**

- 10.1 Subject to paragraphs 5 and 10.2, unless approved by the Shareholders, the total number of Shares issued and to be issued upon exercise of the Options granted to each Eligible Participant (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the total number of Shares in issue.
- 10.2 Notwithstanding paragraph 10.1, where any further grant of Options to an Eligible Participant would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted to that Eligible Participant (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the total number of Shares in issue, such further grant must be separately approved by the Shareholders in general meeting with that Eligible Participant and his close associates (within the meaning as ascribed under the Listing Rules) (or his associates if the Eligible Participant is a connected person) abstaining from voting. In such case, the Company must send a circular to its Shareholders and the circular must disclose the identity of the Eligible Participant, the number and terms of the Options to be granted (and Options previously granted to such Eligible Participant), the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules. The number and terms (including the Exercise Price) of the Options to be granted to such Eligible Participant shall be fixed before Shareholders' approval and the date of Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the Exercise Price.

**11. CAPITAL RESTRUCTURING**

- 11.1 In the event of any capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of capital of the Company, such corresponding alterations (if any) shall be made (except on an issue of securities of the Company as consideration in a transaction which shall not be regarded as a circumstance requiring alteration or adjustment) in:
- (a) the number of Shares subject to any outstanding Options;
  - (b) the Exercise Price; and/or
  - (c) the number of Shares in respect of which any further Options may be granted within the limits set out in the New Share Option Scheme,

as the Auditors of the Company or the approved independent financial adviser shall confirm in writing to the Directors, either generally or as regards any particular Grantee that any such alterations shall satisfy the requirements set out in the note to Rule 17.03(13) of the Listing Rules and shall give the Grantee the same proportion of the issued share capital of the Company as that to which the Grantee was previously entitled, provided that no such alterations shall be made if the effect of such alterations would be to enable a Share to be issued at less than its nominal value (if any). The capacity of the Auditors or the independent financial adviser, as the case may be, in this paragraph 11.1 is that of experts and not arbitrators and their confirmation shall, in the absence of manifest error, be final and conclusive and binding on the Company and the Grantees.

- 11.2 In respect of any adjustments required by paragraph 11.1, other than any made on a capitalisation issue, the Auditors or the independent financial adviser, as the case may be, shall confirm to the Board in writing that the adjustments satisfy the requirements set out in Rule 17.03(13) of the Listing Rules and the note thereto and/or such other requirement prescribed under the Listing Rules from time to time.

## **12. ALTERATION OF THE NEW SHARE OPTION SCHEME**

- 12.1 Subject to paragraph 12.2 below, the New Share Option Scheme may be altered in any respect by resolution of the Board (including amendments in order to comply with changes in legal or regulatory requirements and amendments to waive any restrictions, imposed by the provisions of the New Share Option Scheme, which are not found under Chapter 17 of the Listing Rules) at any time (but not so as to affect adversely any rights which have accrued to any Grantee at that date). Other than that, there are no specific provisions of the New Share Option Scheme which may be changed or altered by the Board without the approval of the Shareholders.
- 12.2 Those specific provisions of the New Share Option Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of the Eligible Participants without the prior approval of Shareholders in general meeting. Any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature or any change to the terms of Options granted, must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the New Share Option Scheme. The amended terms of the New Share Option Scheme or the Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules. Any change to the authority of the Directors or scheme administrators of the New Share Option Scheme in relation to any alteration to the terms of the New Share Option Scheme must be approved by the Shareholders in general meeting.

**13. SHARE CAPITAL**

The exercise of any Option shall be subject to the Shareholders in general meeting approving any necessary increase in the authorised share capital of the Company.

**14. TERMINATION**

13.1 The Company by resolution in general meeting or the Board may at any time resolve to terminate the operation of the New Share Option Scheme and in such event, no further Options shall be offered but the provisions of the New Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Option granted prior to the termination or otherwise as may be required in accordance with the provisions of the New Share Option Scheme and Options granted prior to such termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

13.2 Details of the Options granted, including Options exercised or outstanding, under the New Share Option Scheme shall be disclosed in the circular to Shareholders seeking approval of the new scheme established after the termination of the New Share Option Scheme.

**15. CANCELLATION OF OPTIONS**

The Board may at any time at its absolute discretion cancel any Option granted but not exercised. Where the Company cancels Options and makes an Offer to the same Option holder, the grant of new Options to the same Grantee may only be made under the New Share Option Scheme with available unissued Options (to the extent not yet granted and excluding the cancelled Options) within the limit approved by the Shareholders as mentioned in paragraph 9.



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## NOTICE OF SGM

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### **AUTOMATED SYSTEMS HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 771)**

### **NOTICE OF SPECIAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that a special general meeting (the “**SGM**”) of Automated Systems Holdings Limited (the “**Company**”) will be held at 15th Floor, Topsail Plaza, 11 On Sum Street, Shatin, New Territories, Hong Kong on Monday, 13th March 2017 at 10:30 a.m. or any adjournment thereof for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolution as an ordinary resolution of the Company:

#### **ORDINARY RESOLUTION**

“**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the ordinary shares of par value HK\$0.10 each in the share capital of the Company (the “**Shares**”) to be issued and allotted pursuant to the exercise of any options granted under the new share option scheme of the Company (the “**New Share Option Scheme**”), the rules of which are contained in the document marked “A” produced to the meeting and signed by the chairman of the meeting for the purpose of identification, the New Share Option Scheme be and is hereby approved and adopted and the board of directors of the Company be and are hereby authorised to grant options thereunder and to issue and allot from time to time such number of Shares as may be required to be issued pursuant to the exercise of the options under the New Share Option Scheme and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Option Scheme.”

By Order of the Board

**Automated Systems Holdings Limited**

**Wang Yueou**

*Executive Director and Chief Executive Officer*

Hong Kong, 24th February 2017

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## NOTICE OF SGM

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*Notes:*

- (a) Voting on the Resolution will be taken by way of poll. On voting by poll, every member of the Company present in person or by a duly authorised corporate representative or by proxy shall have one vote for every fully paid Share of the Company of which such member is the holder.
- (b) A shareholder of the Company entitled to attend and vote at the SGM shall be entitled to appoint another person as his/her proxy to attend and vote instead of him/her, and on a poll, votes may be given either personally or, in the case of a shareholder being a corporation, by its duly authorised representative or by proxy in accordance with the bye-laws of the Company. A shareholder of the Company who is the holder of two or more Shares may appoint more than one proxy to attend the SGM. A proxy need not be a shareholder of the Company. If more than one proxy is so appointed, the appointment shall specify the number of Shares in respect of which each such proxy is so appointed.
- (c) Where there are joint registered holders of any share of the Company, any one of such persons may vote at the SGM, either personally or by proxy, in respect of such share as if he/she were solely entitled thereto; but if more than one of such joint holders be present at the SGM personally or by proxy, then one of the said persons so present whose name stands first on the register of members of the Company in respect of such Share shall alone be entitled to vote in respect thereof.
- (d) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time for holding the SGM or any adjournment thereof.
- (e) A proxy form for use at the SGM is enclosed with the circular to the shareholders of Company.
- (f) Completion and return of the proxy form will not preclude a shareholder of the Company from attending and voting at the SGM or any adjournment thereof if he so wishes.

*As of the date of this notice, the board of directors of the Company comprises Mr. Wang Weihang and Mr. Wang Yueou being Executive Directors; Mr. Li Wei and Mr. Cui Yong being Non-Executive Directors; and Mr. Pan Xinrong, Mr. Deng Jianxin and Ms. Ye Fang being Independent Non-Executive Directors.*