

*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.*



## **AUTOMATED SYSTEMS HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*  
**(Stock Code : 771)**

### **PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT OF SHARE OPTION SCHEME OF A SUBSIDIARY; AND PROPOSED GRANT OF SHARE OPTIONS OF A SUBSIDIARY**

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

#### **Proposed Refreshment of Scheme Mandate Limit of GDI Share Option Scheme**

References are made to the circular of Automated Systems Holdings Limited (the “**Company**”) dated 3rd December 2018 (“**Circular**”) and the announcements of the Company dated 21st December 2018 and 18th March 2019 (the “**Announcements**”) in relation to, among other things, the adoption of GDI Share Option Scheme and the Grant of Options under the GDI Share Option Scheme. Capitalised terms used herein shall have the same meanings as those defined in the Circular and the Announcements unless stated otherwise.

The adoption of GDI Share Option Scheme was approved by the Shareholders on 21st December 2018 (“**Date of Adoption**”), pursuant to which, the Shareholders have approved to grant to the Participants a total of 2,250,000 Options (the “**Existing Scheme Mandate Limit**”) exercisable into the same number of GDI Shares, representing 18.75% of the total number of issued GDI Shares as at the Date of Adoption. Apart from the GDI Share Option Scheme, GDI has no other share option scheme currently in force as at the date of this announcement.

From the Date of Adoption up to the date of this announcement, Options carrying the rights to subscribe for a total of 2,250,000 GDI Shares have been granted to the Participants (representing 100% of the Existing Scheme Mandate Limit has been utilised). As at the date of this announcement, none of such Options have been lapsed or cancelled. Accordingly, the GDI Board cannot grant further Options carrying the rights to subscribe for GDI Shares under the Existing Scheme Mandate Limit pursuant to the GDI Share Option Scheme.

Pursuant to Rule 17.03(3) of the Listing Rules and the GDI Share Option Scheme, the total number of GDI Shares which may be issued upon exercise of all Options to be granted under the GDI Share Option Scheme and any other schemes of GDI must not in aggregate exceed 10% of the GDI Shares in issue as at the date of the relevant resolution passed at a general meeting of the Company approving the GDI Share Option Scheme (the “**10% limit**”), GDI may seek approval by its shareholders and the Shareholders in general meeting to refresh the 10% limit such that the total number of GDI Shares which may be issued upon exercise of all Options to be granted under the GDI Share Option Scheme and any other share option schemes of GDI under the limit as “refreshed” shall not exceed 10% of the total number of GDI Shares in issue as at the date of approval on the refreshment of such limit (the “**10% limit as refreshed**”). At any time, the maximum number of GDI Shares which may be issued upon exercise of all Options which then have been granted and have yet to be exercised under the GDI Share Option Scheme and any other share option schemes of GDI shall not exceed 30% of the GDI Shares in issue from time to time (“**30% limit**”), subject always to compliance with the Listing Rules.

The Board therefore proposed to refresh the Existing Scheme Mandate Limit in order to grant further Options for the approval of the Shareholders in the forthcoming annual general meeting to be held on 22th May 2019 (the “**2019 AGM**”). As at the date of this announcement, there are a total of 12,000,000 issued GDI Shares. The Scheme Mandate Limit may be “refreshed” to enable grant of further Options to subscribe for up to 750,000 GDI Shares (“**Scheme Mandate Limit so refreshed**”), representing 6.25% of the total number of issued GDI Shares as at the date of this announcement, which is less than the 10% limit as refreshed and in compliance with Rule 17.03(3) of the Listing Rules (“**Proposed Refreshment of Scheme Mandate Limit**”).

As mentioned in the above paragraph, the Scheme Mandate Limit so refreshed is 750,000 GDI Shares which, together with the outstanding Options with rights to subscribe for 2,250,000 GDI Shares, represents 25% of the total number of issued GDI Shares as at the date of this announcement and accordingly, does not exceed the 30% limit as at the date of this announcement.

The Directors consider that the Proposed Refreshment of Scheme Mandate Limit enables GDI to continuously provide incentives to attract, retain and reward persons performing services for the Participating Companies and by motivating such persons to continuously contribute to the growth and profitability of GDI for the interests of the Company and the Shareholders as a whole.

The circular containing, among other things, (i) the letter from the Board containing further details of Proposed Refreshment of Scheme Mandate Limit; and (ii) notice of 2019 AGM approving the Proposed Refreshment of Scheme Mandate Limit will be despatched to the Shareholders as soon as practicable.

### **Proposed Grant of Share Options of GDI under GDI Share Option Scheme**

On 27th March 2019 (Pacific Time), the GDI Board has resolved to grant Options to two Participants under the GDI Share Option Scheme to subscribe for an aggregate of up to 20,000 GDI Shares (the “**Proposed Grant**”) subject to acceptance of such Participants and the passing of an ordinary resolution of the Shareholders at the 2019 AGM approving the Proposed Refreshment of Scheme Mandate Limit, representing 0.17% of the total number of existing issued GDI Shares as at the date of this announcement and, together with the outstanding Options with rights to subscribe for 2,250,000 GDI Shares, approximately 18.92% of the issued GDI Shares as enlarged by the exercise of all Options granted or to be granted, assuming that all such Options are fully exercised.

Details of the Proposed Grant are set out below:

Date of Grant : 22nd May 2019 (the date of approving the Proposed Refreshment of Scheme Mandate Limit by the Shareholders at 2019 AGM)

Exercise price of the Options to be granted : US\$7.54 per GDI Share, which is not less than the Fair Market Value of GDI Shares.

The Fair Market Value of GDI Shares as at 27th March 2019 : US\$7.54 per GDI Share, as determined by an independent third party valuation company engaged by GDI.

The valuation company applied traditional valuation techniques and methodologies, including valuation techniques and methods that comply with guidance provided by the American Institute of Certified Public Accountants (AICPA) in its Accounting & Valuation Guide, in determining the fair market value of GDI’s equity. In addition, factors external to GDI such as the economy in the United States and the industry in which GDI is operating in have also been taken into account by the valuation company.

- Number of the Options granted : 20,000
- Validity period of the Options : From the 27th March 2019 to 26th March 2029 (both dates inclusive), subject to any earlier termination of the Options as provided by the GDI Share Option Scheme. However, no Incentive Stock Option granted to a Ten Percent Shareholder (namely a person who, at the time an Option is granted to such person, owns stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of a Participating Company) shall be exercisable after the expiration of five years after the 27th March 2019.
- Vesting period and exercise period of the Options : (i) one-fourth (i.e. 25%) of the Options shall vest on the 1st February 2020 and shall be exercisable commencing from 1st February 2020 to 26th March 2029 (both dates inclusive);
- (ii) one-fourth (i.e. 25%) of the Options shall vest on 1st February 2021 and shall be exercisable commencing from 1st February 2021 to 26th March 2029 (both dates inclusive);
- (iii) one-fourth (i.e. 25%) of the Options shall vest on 1st February 2022 and shall be exercisable commencing from 1st February 2022 to 26th March 2029 (both dates inclusive); and
- (iv) one-fourth (i.e. 25%) of the Options shall vest on 1st February 2023 and shall be exercisable commencing from 1st February 2023 to 26th March 2029 (both dates inclusive).

Immediately prior to the consummation of a change in control of GDI (including Ownership Change Event as defined in the appendix of the Circular, or the liquidation or dissolution of GDI), all the unvested Options shall automatically vest in full.

- Early Exercise : Notwithstanding the foregoing vesting schedules, certain Options may be exercised by the Grantees for issuance of both vested and unvested GDI Shares. In the event a Grantee elects to exercise the unvested Options, the unvested GDI Shares issued thereunder shall be treated as restricted stock are entitled to the same rights as vested shares of GDI's common stock, including rights to receive dividends or other distributions to shareholders as well as the right to vote the shares, save that, the holder shall not transfer, assign or dispose of any interest in the unvested GDI Shares, which is subject to a right of repurchase in favor of GDI in the event the Grantee (i) ceases to provide Services to GDI or (ii) attempts to dispose of such restricted stock which are issued pursuant to the exercise of unvested Options. The restricted shares will continue to vest in accordance with the above vesting schedule and the transfer restriction and GDI's right of repurchase shall lapse in accordance with the above vesting schedule.

Performance target : Nil. For the avoidance of doubt, there will be no performance target which must be achieved before the unvested Options may be exercised as referred to above.

None of the Grantees is a Director, chief executive or substantial Shareholder of the Company, nor an associate (as defined under the Listing Rules) of any of them.

By Order of the Board  
**Automated Systems Holdings Limited**  
Ngan Wai Hing  
*Company Secretary*

Hong Kong, 27th March 2019

*As at the date of this announcement, the Board 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. Or Siu Ching, Rerina being Independent Non-Executive Directors.*