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## **AUTOMATED SYSTEMS HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code : 771)**

### **GRANT OF SHARE OPTIONS BY 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**”).

References are made to the circular of Automated Systems Holdings Limited (the “**Company**”) dated 3rd December 2018 (“**Circular**”) and the poll results announcement of the special general meeting of the Company dated 21st December 2018 (the “**Announcement**”) in relation to, among other things, the adoption of GDI Share Option Scheme and the Proposed Grant. Capitalised terms used herein shall have the same meanings as those defined in the Circular and the Announcement unless stated otherwise.

The Board is pleased to announce that all the conditions to adoption of the GDI Share Options Scheme, the Proposed Grant beyond the Scheme Mandate Limit and granting Options to the Relevant Grantees in excess of the Single Participant Limit have been fulfilled. Pursuant to the GDI Share Option Scheme, GDI granted Options beyond the Scheme Mandate Limit to certain eligible participants (the “**Grantee(s)**”), entitling the Grantees to subscribe for up to 2,250,000 GDI Shares in total at the exercise price of US\$7.54 each, subject to acceptance of the Grantees.

Details of the Options granted are set out below:

Date of Grant	:	12th November 2018 (Pacific Time)
Exercise price of the Options 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 12th November 2018	:	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	:	2,250,000
Validity period of the Options	:	From the Date of Grant to 11th November 2028 (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 Date of Grant.

Vesting period and exercise period of the Options : **For Options granted under the GDI Senior Management Grant** (directors of GDI or senior management of the Participating Company Group as defined in the Circular who are so granted in such capacity):

- (i) one-fourth (i.e. 25%) of the Options shall vest on the Date of Grant and shall be exercisable commencing from the Date of Grant to 11th November 2028 (both dates inclusive);
- (ii) one-fourth (i.e. 25%) of the Options shall vest on 1st January 2019 and shall be exercisable commencing from 1st January 2019 to 11th November 2028 (both dates inclusive);
- (iii) one-fourth (i.e. 25%) of the Options shall vest on 1st January 2020 and shall be exercisable commencing from 1st January 2020 to 11th November 2028 (both dates inclusive); and
- (iv) one-fourth (i.e. 25%) of the Options shall vest on 1st January 2021 and shall be exercisable commencing from 1st January 2021 to 11th November 2028 (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.

**For Options granted under the GDI Employees Grant** (employees and/or officers of the Participating Company Group as defined in the Circular who are so granted in such capacity):

- (i) one-fourth (i.e. 25%) of the Options shall vest on the Date of Grant and shall be exercisable commencing from the Date of Grant to 11th November 2028 (both dates inclusive);
- (ii) one-fourth (i.e. 25%) of the Options shall vest on the first anniversary of the Date of Grant and shall be exercisable commencing from the first anniversary of the Date of Grant to 11th November 2028 (both dates inclusive);
- (iii) one-fourth (i.e. 25%) of the Options shall vest on the second anniversary of the Date of Grant and shall be exercisable commencing from the second anniversary of the Date of Grant to 11th November 2028 (both dates inclusive); and
- (iv) one-fourth (i.e. 25%) of the Options shall vest on the third anniversary of the Date of Grant and shall be exercisable commencing from the third anniversary of the Date of Grant to 11th November 2028 (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), the vesting of Options granted to GDI employees shall accelerate by an additional 12 months.

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 and 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.

As at the Latest Practicable Date (i.e. 28th November 2018), there were a total of 12,000,000 issued GDI Shares. Among the total of 2,250,000 Options granted, 1,387,500 Options in total were granted exceeding the Single Participant Limit to the Relevant Grantees as follows:

<u>Names of Relevant Grantees</u>	<u>Position(s)</u>	<u>No. of Options granted</u>	<u>Approximate percentage of the total number of issued GDI Shares as at the Date of Grant</u>
Mr. Leonard Livschitz	the founder and the chief executive officer of GDI	937,500	7.81%
Ms. Victoria Livschitz	the founder and the chief technology officer of GDI	300,000	2.50%
Mr. Yury Gryzlov	the senior vice president of operation of GDI	150,000	1.25%
Total:		<u>1,387,500</u>	<u>11.56%</u>

Among the total of 2,250,000 Options granted, 90,000 Options were granted to a Director as follows:

<u>Name of Director</u>	<u>Position</u>	<u>No. of Options granted</u>	<u>Approximate percentage of the total number of issued GDI Shares as at the Date of Grant</u>
Mr. Wang Yueou	Executive Director and the chief executive officer of the Company	90,000	0.75%

Save as disclosed above in relation to Mr. Wang Yueou, 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.

The grant of Options to Mr. Wang Yueou has been approved by all the independent non-executive Directors in compliance with Rule 17.04(1) of the Listing Rules.

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

Hong Kong, 21st December 2018

*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.*