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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 board of directors of the Company hereby announces that Grid Dynamics International, Inc. (“**GDI**”), a subsidiary of the Company, has granted share options (the “**Options**”) to 33 eligible participants (the “**Grantee(s)**”) under the share option scheme of GDI adopted on 21st December 2018 (the “**GDI Share Option Scheme**”) to subscribe for an aggregate of 130,000 common stock in GDI (the “**GDI Share(s)**”), subject to acceptance of such Grantees.

Details of the Options granted are set out below:

| | | |
|---|---|--|
| Date of Grant | : | 24th January 2020 |
| Exercise price of the Options to be granted | : | US\$7.55 per GDI Share, which is not less than the Fair Market Value (as defined under the rules of the GDI Share Option Scheme) of GDI Shares. |
| The Fair Market Value (as defined under the rules of the GDI Share Option Scheme) of GDI Shares as at 24th January 2020 | : | US\$7.55 per GDI Share, as determined by the board of GDI having considered, among other things, a valuation report provided 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 of America and the industry in which GDI is operating in have also been taken into account by the valuation company.

| | | |
|--------------------------------|---|--|
| Number of the Options granted | : | 130,000 |
| Validity period of the Options | : | As described in the table below, subject to any earlier termination of the Options as provided by the GDI Share Option Scheme. However, no Incentive Stock Option (as defined under the rules of the GDI Share Option Scheme) granted to a Ten Percent Shareholder (being 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 (as defined under the rules |

of the GDI Share Option Scheme)) shall be exercisable after the expiration of five years after the date of grant.

Early Exercise : Notwithstanding the following 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 GDI Shares, 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 (as defined in the rules of the GDI Share Option Scheme) 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 following vesting schedule and the transfer restriction and GDI's right of repurchase shall lapse in accordance with the following 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.

Vesting date, validity period and exercise period of the Options

| | | Proportion of Options | | | |
|--|-----------------|--|------------------------------|------------------------------|------------------------------|
| | | 25% | 25% | 25% | 25% |
| Options to subscribe for 120,000 GDI Shares | Vesting date | To vest on 30th August 2020 | To vest on 30th August 2021 | To vest on 30th August 2022 | To vest on 30th August 2023 |
| | Validity period | From the date of grant to 23th January 2030 (both dates inclusive) | | | |
| | Exercise period | Vesting date till 23th January 2030 (both dates inclusive) | | | |
| Options to subscribe for 10,000 GDI Shares | Vesting date | To vest on 6th November 2020 | To vest on 6th November 2021 | To vest on 6th November 2022 | To vest on 6th November 2023 |
| | Validity period | From the date of grant to 23th January 2030 (both dates inclusive) | | | |
| | Exercise period | Vesting date till 23th January 2030 (both dates inclusive) | | | |

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.

OTHER INFORMATION

Reference is made to the circular of the Company dated 31st December 2019 (the “**Circular**”) in respect of the Merger Agreement (as defined in the Circular) and the proposed spin-off and separate listing of GDI.

As the vesting of Options to subscribe for 130,000 GDI Shares will not be accelerated by the mergers contemplated under the Merger Agreement, and assuming that completion of the Merger Agreement takes place on or before 30th June 2020 (being the earliest date on which the Merger Agreement may be terminated due to, among other things, failure to satisfy conditions precedent to the Merger Agreement), the grant referred to in this announcement will not have any impact on the Company’s shareholding interest in ChaSerg immediately after completion of the Merger Agreement (please refer to page 25 of the Circular for more details).

For information on the treatment of outstanding stock options of GDI contemplated under the Merger Agreement, please refer to the section headed “Letter from the Board – Mergers and Proposed Spin-off – Merger Agreement – Treatment of outstanding stock options of GDI” on pages 13 to 14 of the Circular.

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

Hong Kong, 24th January 2020

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.