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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 a 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 transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.



AUTOMATED SYSTEMS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 771)

**(1) PROPOSED PLACING OF CONVERTIBLE BONDS
UNDER SPECIFIC MANDATE;
(2) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL
AND
NOTICE OF SPECIAL GENERAL MEETING**

Financial Advisor



Placing Agent



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 10:00 a.m. is set out on pages 28 to 30 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

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

“Acquisition”	the acquisition, by way of merger at a cash consideration of US\$118,000,000 of Grid Dynamics International, Inc., a limited liability company incorporated in the State of California, the United States and engaged in the provision of e-commerce technology solutions, details of which are set out in the announcement of the Company dated 19th December 2016
“Announcement”	the announcement of the Company dated 12th January 2017 in relation to, among other matters, the Placing
“Board”	the board of Directors
“Bondholder(s)”	holder(s) of the Convertible Bonds
“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
“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)
“Completion”	completion of the Placing, which shall take place on such day as the Company and the Placing Agent may agree, and in any event shall not be later than the Long Stop Date, subject to the fulfillment of the conditions precedent in the Placing Agreement, and “Completion Date” means the date of such Completion
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Conversion Price”	HK\$1.20 (subject to adjustment) per Conversion Share
“Conversion Shares”	the new Shares to be allotted and issued by the Company upon exercise by a Bondholder of the conversion rights to be attached to the Convertible Bonds

DEFINITIONS

“Convertible Bonds”	the zero coupon convertible bonds due on the Maturity Date in an aggregate principal amount of up to HK\$350,000,000 to be allotted and issued by the Company pursuant to the Placing Agreement and to be created by the Instrument constituting such bonds, or any part of the principal amount
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Increase in Authorised Share Capital”	increase in authorised share capital of the Company to HK\$100,000,000 divided into 1,000,000,000 Shares of HK\$0.10 each
“Instrument(s)”	the instrument(s) to be executed by the Company by way of a deed poll constituting the Convertible Bonds to be allotted and issued upon Completion
“Latest Practicable Date”	21st February 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Long Stop Date”	15th April 2017, or such other date as may be agreed between the Company and the Placing Agent
“Market Price”	in respect of the Shares on a particular date, the average of the closing prices of the Shares for the last five consecutive trading days ending on the trading immediately preceding such date
“Maturity Date”	the date of the third anniversary of the date of the issue of the Convertible Bonds
“Notice”	the notice of SGM set out on pages 28 to 30 of this circular

DEFINITIONS

“Placee(s)”	institutional, professional and/or individual investor(s) to be procured by the Placing Agent to subscribe for any of the Convertible Bonds pursuant to the Placing Agreement
“Placing”	the placing of the Convertible Bonds of an aggregate principal amount of up to HK\$350,000,000
“Placing Agent”	GF Securities (Hong Kong) Brokerage Limited, a corporation licensed to carry on Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the placing agent under the Placing Agreement
“Placing Agreement”	the conditional placing agreement dated 12th January 2017 and entered into between the Company and the Placing Agent in relation to the Placing
“Placing Period”	the period commencing on the date of the Placing Agreement and terminating on the Long Stop Date, unless terminated earlier pursuant to the Placing Agreement
“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
“SFC”	the Securities and Futures Commission of Hong Kong
“SGM”	the special general meeting of the Company to be convened and held for Shareholders to consider and, if thought fit, approve the Increase in Authorised Share Capital, the Placing and all matters contemplated thereunder
“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

DEFINITIONS

“Specific Mandate”	the specific mandate to be sought from Shareholders at the SGM to approve, among other matters, the allotment and issue of the Convertible Bonds and the allotment and issue of the Conversion Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers issued by SFC, as amended from time to time
“Teamsun HK”	Teamsun Technology (HK) Limited, a wholly-owned subsidiary of Beijing Teamsun Technology Co., Ltd.
“%”	per cent

LETTER FROM THE BOARD



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

Hong Kong, 24th February 2017

To the Shareholders,

Dear Sir or Madam,

**(1) PROPOSED PLACING OF CONVERTIBLE BONDS
UNDER SPECIFIC MANDATE;
(2) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL
AND
NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

Reference is made to the Announcement. On 12th January 2017 (after trading hours), the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Placing Agent has conditionally agreed to procure, on a best efforts basis, Placee(s) to subscribe for the Convertible Bonds in an aggregate principal amount of up to HK\$350,000,000 at the initial Conversion Price of HK\$1.20 per Conversion Share.

The purpose of this circular is to provide you with, among other things, further details of (i) the Placing; (ii) the Specific Mandate; (iii) the Increase in Authorised Share Capital; and (iv) the Notice.

LETTER FROM THE BOARD

(1) PROPOSED PLACING OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

THE PLACING AGREEMENT

Date:	12th January 2017 (after trading hours)
Issuer:	The Company
Placing Agent:	GF Securities (Hong Kong) Brokerage Limited

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the Latest Practicable Date, the Placing Agent and its ultimate beneficial owners are third parties independent of, and not connected with, the Company and its connected persons.

Pursuant to the Placing Agreement, the Placing Agent has conditionally agreed to procure, on a best efforts basis, Placee(s) to subscribe for the Convertible Bonds in an aggregate principal amount of up to HK\$350,000,000 at the issue price equal to 100% of the principal amount of the Convertible Bonds due on the third anniversary of the date of issue, with the conversion rights to convert at the initial Conversion Price of HK\$1.20 per Conversion Share.

Conditions precedent

Completion of subscription of the Convertible Bonds is conditional upon:

- (a) the Listing Committee granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the approval of listing of and permission to deal in all the Conversion Shares which may fall to be allotted and issued upon the exercise of the conversion right attaching to the Convertible Bonds;
- (b) each of the Company and the Placing Agent having obtained all necessary consents and approvals in respect of the Placing Agreement and the transactions contemplated thereunder (including the issue of the Convertible Bonds);
- (c) the Increase in Authorised Share Capital;
- (d) the Shareholders having passed an ordinary resolution at the SGM approving the Placing Agreement and the transactions contemplated thereunder, including the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares, in compliance with the requirements of the Listing Rules;
- (e) no event having occurred or occurring before the Completion Date which would constitute an event of default (as defined in the Convertible Bonds) had the Convertible Bonds been issued; and
- (f) a rights issue of the Company on the basis of one (1) rights Share for every two (2) existing Shares held on the date for determination of entitlement of such rights issue having become unconditional.

LETTER FROM THE BOARD

If any of the conditions specified above has not been fulfilled (or as to condition (e), being waived in writing by the Placing Agent) on or before the Long Stop Date, the Placing Agreement shall forthwith cease and terminate, and neither the Company nor the Placing Agent as applicable shall have any claim against each other, save for, among others, any breach of the undertakings of the Company, and the Placing Agent to procure the fulfilment of the conditions specified above, payment of fees and expenses (other than the placing commission) and any antecedent breach by the Company.

As at the Latest Practicable Date, save and except conditions (e) and (f), all conditions precedent to the Placing Agreement are yet to be satisfied and/or (as the case may be) waived.

Placee(s)

The Placing Agent shall use its reasonable endeavours to ensure that each Placee and its ultimate beneficial owners shall be independent of, and not connected with or acting in concert with the connected persons of the Company. As at the Latest Practicable Date, the Placing is yet to be completed. To the best knowledge of the Directors based on available information as at the Latest Practicable Date, Viewforth Limited (“**Viewforth**”) and China Fortune Rich Private Equity Fund Limited (“**China Fortune**”) may be possible Placees subscribing for the Convertible Bonds in the principal amount of HK\$250,000,000 (convertible into 208,333,333 Conversion Shares), and the Convertible Bonds in the principal amount of HK\$100,000,000 (convertible into 83,333,333 Conversion Shares), respectively, assuming full exercise of the convertible rights attached to the Convertible Bonds after the Completion, and each of them may, subject to the conversion restrictions set out in the terms and conditions of the Convertible Bonds, become a substantial shareholder of the Company assuming full exercise of such convertible rights.

To the best knowledge and belief of the Directors based on information available: (i) Viewforth (indirectly controlled by Mr. Ji Changqun) is a wholly-owned subsidiary of Fullshare Holdings Limited, a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 607) and principally engaged in property development, provision of green building services, investment and healthcare products and services business; (ii) China Fortune (wholly-owned by DT Capital Management Co., Limited, a company owned by Ms. Wang Zixi and Mr. Wang Hongyu as to 85% and 15%, respectively) is principally engaged in investment management and asset management; (iii) Viewforth and its ultimate substantial shareholder(s) are third parties independent of the Company and its connected persons; and (iv) China Fortune and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Viewforth has confirmed that save for its participation as a possible Placee, it and its ultimate substantial shareholder(s) have not participated in the Rights Issue and the Acquisition, and it is independent of China Fortune, to the best of its knowledge. China Fortune has confirmed that save for its participation as a possible Placee, it and its ultimate beneficial owners have not participated in the Rights Issue and the Acquisition, and it is independent of Viewforth, to the best of its knowledge.

LETTER FROM THE BOARD

Placing commission

The Company shall pay to the Placing Agent a placing commission equal to 1.0% of the principal amount of the Convertible Bonds successfully placed by the Placing Agent.

Such placing commission was determined at after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market rate.

Placing Period

The period commencing on the date of the Placing Agreement and terminating on the Long Stop Date, unless terminated earlier pursuant to the Placing Agreement.

Termination

Notwithstanding anything contained in the Placing Agreement, if at any time on or prior to 8:00 a.m. on the Completion Date:

- (a) in the reasonable opinion of the Placing Agent there shall have been since the date of the Placing Agreement such a change in national or international financial, political or economic or market (including stock market) conditions or taxation or currency exchange or exchange controls as would be likely to be materially adverse to the success of the Placing; or
- (b) any breach by the Company of any of its representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Completion Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect; or
- (c) there is any material adverse change in the financial position of the Company which in the reasonable opinion of the Placing Agent is/are material in the context of the Placing; or
- (d) any new law or regulation or any change or development involving a prospective change in existing laws and regulations in any relevant jurisdiction which in the reasonable opinion of the Placing Agent has/have or is/are likely to have a material adverse effect on the financial position of the Company and/or of the Group as a whole; or
- (e) any outbreak or escalation of hostilities or act of terrorism involving Hong Kong or the People's Republic of China or the declaration by Hong Kong or the People's Republic of China of a national emergency or war; or
- (f) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise at any time prior to the Completion Date,

then and in any such case, the Placing Agent may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, provided that such notice is received prior to 8:00 a.m. on the Completion Date.

LETTER FROM THE BOARD

In the event that the Placing Agent terminates the Placing Agreement pursuant to any of the circumstances above, all obligations of each of the parties under the Placing Agreement shall cease and determine and no party shall have any claim against the other party in respect of any matter arising out of or in connection with the Placing Agreement except for, among others, any antecedent breach of any rights or obligations under the Placing Agreement.

PRINCIPAL TERMS OF THE CONVERTIBLE BONDS

The following summarises certain of the principal terms of the Convertible Bonds:

Aggregate principal amount:	Up to HK\$350,000,000
Issue price:	100% of the principal amount of the Convertible Bonds
Maturity date:	The date of the third anniversary of the date of issue of the Convertible Bonds
Interest rate:	Zero
Conversion period:	The period commencing from the 90th day after the date of issue of the Convertible Bonds and ending 4:00 p.m. (Hong Kong time) on the 5th Business Day prior to the Maturity Date
Conversion price:	The initial Conversion Price of HK\$1.20 per Conversion Share represents: <ul style="list-style-type: none">(a) a discount of approximately 32.70% to the adjusted closing price of approximately HK\$1.783 per Share as quoted on the Stock Exchange on the date of the Placing Agreement;(b) a discount of approximately 21.05% to the average adjusted closing price of HK\$1.520 per Share for the last five consecutive trading days as quoted on the Stock Exchange up to and including the date of the Placing Agreement;(c) a discount of approximately 8.33% to the average adjusted closing price of approximately HK\$1.309 per Share for the last 30 consecutive trading days as quoted on the Stock Exchange up to and including the date of the Placing Agreement;

LETTER FROM THE BOARD

- (d) a discount of approximately 3.69% to the average adjusted closing price of approximately HK\$1.246 per Share for the last 60 consecutive trading days as quoted on the Stock Exchange up to and including the date of the Placing Agreement;
- (e) a discount of approximately 1.72% to the average adjusted closing price of approximately HK\$1.221 per Share for the last 90 consecutive trading days as quoted on the Stock Exchange up to and including the date of the Placing Agreement; and
- (f) a discount of approximately 11.1% to the closing price of HK\$1.350 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The initial Conversion Price and the other terms of the Convertible Bonds were determined after arm's length negotiations between the Company and the Placing Agent with reference to the market price and the trading volume of the Shares, internal rate of return of the Convertible Bonds and the prevailing marketing conditions. In light of recent developments and plans of the Company, in particular, the Acquisition, the Company was looking for financing opportunities at reasonable commercial terms and cost. Pursuant to the terms and conditions of the Placing Agreement and the Convertible Bonds, the Convertible Bonds offer an interest-free channel with a 3% internal rate of return of per annum for the Company to raise a relatively substantial amount with gross proceeds of up to HK\$350,000,000. Having considered the general trend and historical performance of the trading price of the Shares on the Stock Exchange, the initial Conversion Price of HK\$1.20 per Conversion Share is within the range of the lowest and highest adjusted closing prices of the Shares during the last 90 consecutive trading days up to and including the date of the Placing Agreement. It also represents a discount of approximately 1.72% to the average adjusted closing price of approximately HK\$1.221 per Share for the last 90 consecutive trading days as quoted on the Stock Exchange up to and including the date of the Placing Agreement, despite that it represents a discount of approximately 32.70% to the adjusted closing price of HK\$1.783 per Share as quoted on the Stock Exchange on the date of the Placing Agreement in light of the volatility of the trading price on the Stock

LETTER FROM THE BOARD

Exchange on 11th and 12th January 2017. With reference to the recent trading price of the Shares subsequent to the date of the Placing Agreement, the initial Conversion Price represents a discount of approximately 9.23% to the average closing price of approximately HK\$1.322 (after taking into account adjustments thereto, where applicable) for the 10 consecutive trading days as quoted on the Stock Exchange prior to the Latest Practicable Date, which is in line with the discount offered by other companies listed on the Main Board of the Stock Exchange in conducting similar placements. Taking into account the terms of the Convertible Bonds as a whole and the above, the Board considers that the initial Conversion Price of HK\$1.20 per Conversion Share is fair and reasonable and is in the interests of the Company and the Shareholders taken as a whole.

Conversion Shares:

Assuming the Convertible Bonds are fully placed and there being no adjustment to the initial Conversion Price, a maximum of 291,666,666 Conversion Shares will be issued, representing approximately 83.1% of the existing issued share capital of the Company as at the Latest Practicable Date and approximately 45.4% and 35.7% of the Company's then issued share capital as enlarged by the issue of the Conversion Shares (before and after the completion of the Rights Issue, respectively).

Conversion rights:

Any conversion shall be made in amounts of not less than a whole multiple of HK\$10,000,000 on each conversion unless the amount of the outstanding Convertible Bonds is less than HK\$10,000,000 in which case the whole (but not part only) of that amount shall be convertible.

Conversion restrictions:

If the issue of Conversion Shares following the exercise by a Bondholder of the conversion rights relating to any of the Convertible Bonds held by such Bondholder would result in:

LETTER FROM THE BOARD

- (a) such Bondholder and parties acting in concert with it (within the meaning of the Takeovers Code), taken together, directly or indirectly controlling or being interested in 30% or more of the entire issued voting share capital of the Company (or such other percentage as may from time to time be specified in the Takeovers Code as being the level of triggering a mandatory general offer) as at the date of conversion and a mandatory general offer obligation will be triggered under the Takeovers Code; or
- (b) the Company not meeting the requirement under the Listing Rules that not less than 25% (or such other percentage as may from time to time be specified in the Listing Rules) of the Shares shall be held by the public immediately after the conversion (the “**Public Float Requirement**”);

then the number of Conversion Shares to be issued (the “**First Batch Conversion Shares**”) pursuant to such conversion shall be limited to the maximum number of Shares issuable by the Company which would not in the reasonable opinion of the Company result in a mandatory general offer being triggered under the Takeovers Code or the Public Float Requirement not being satisfied (as the case may be). The balance of the conversion rights attached to the Convertible Bonds which the Bondholder sought to convert (the “**Suspended Balance of Conversion Rights**”) shall be suspended until such time when the Company is able to issue additional Shares in satisfaction of the exercise of the Suspended Balance of Conversion Rights and at the same time without triggering a mandatory general offer under the Takeovers Code or comply with the Public Float Requirement (as the case may be).

In the event that the issue of Conversion Shares following the exercise by a Bondholder of the conversion rights results in the Company not being able to satisfy the Public Float Requirement, the Company undertakes to the Bondholder that it shall use its reasonable endeavours to increase and maintain a sufficient level of Shares held by the public so as to facilitate such Bondholder’s exercise of the conversion rights attached to the Convertible Bonds which the Bondholder sought to convert as soon as possible.

LETTER FROM THE BOARD

In the event that the Suspended Balance of Conversion Rights remains to be suspended for a period of six months from the date of issue of the First Batch Conversion Shares, the Bondholder shall have the right to require the Company to redeem the outstanding Convertible Bonds which has not been converted at any time before the Maturity Date at its principal amount outstanding plus 6% internal rate of return per annum.

Redemption at maturity:

Unless previously purchased or converted for Conversion Shares, the Company shall on the Maturity Date redeem the outstanding principal amount of the Convertible Bonds together with the accrued return of 3% internal rate of return per annum.

Early redemption:

Save for the occurrence of any event of default as set out under the terms and conditions of the Convertible Bonds, the Bondholder shall not be entitled to demand for early repayment of the Convertible Bonds (in whole or in part) commencing from the date of issue of the Convertible Bonds to the Maturity Date.

In the event that completion of the Acquisition takes place and subject to the obtaining of the prior written consent of the Bondholder, the Company may redeem any outstanding principal amount of the Convertible Bonds which has not been converted in accordance with the terms and conditions of the Convertible Bonds before the Maturity Date in units of HK\$10,000,000 at its principal amount outstanding plus 6% internal rate of return per annum.

In the event that completion of the Acquisition does not take place in accordance with its terms, the Company shall have the right to redeem and the Bondholder shall have the right to require redemption of the Convertible Bonds outstanding before the Maturity Date at its principal amount outstanding plus 6% internal rate of return per annum.

Transfer restrictions on the
Convertible Bonds and the
Conversion Shares:

Save and except for any transfer of the Convertible Bonds to transferee(s) who is/are an affiliate of the transferring Bondholder (in which case the Bondholder shall give prior notice to the Company), any transfer of the Convertible Bonds will be subject to the prior written consent of the Company (which the Company shall not unreasonably withhold or delay).

LETTER FROM THE BOARD

The Bondholder shall, on a best efforts basis, give notice to the Company prior to any proposed transfer of the Conversion Shares, provided that the Bondholder is not subject to any confidentiality or non-disclosure undertakings or disclosure would not be in breach of any applicable laws, rules or regulations or the requirements of any governmental/regulatory authority.

Adjustments to the
Conversion Price:

The Conversion Price shall from time to time be adjusted upon the occurrence of the following:

- (a) If and whenever the Shares by reason of any consolidation, sub-division or re-classification or otherwise become of a different nominal amount, the Conversion Price in force immediately prior thereto shall be adjusted by multiplying it by the revised nominal amount and dividing the result by the former nominal amount.

Each such adjustment shall be effective from the close of business in Hong Kong on the day immediately preceding the date on which the consolidation or sub-division or reclassification becomes effective.

- (b) If and whenever the Company shall issue (other than in lieu of a cash dividend) any Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund), the Conversion Price in force immediately prior to such issue shall be adjusted by multiplying it by the aggregate nominal amount of the issued Shares immediately before such issue and dividing the result by the sum of such aggregate nominal amount and the aggregate nominal amount of the Shares issued in such capitalisation.

Each such adjustment shall be effective (if appropriate retroactively) from the commencement of the day next following the record date for such issue.

LETTER FROM THE BOARD

- (c) If and whenever the Company shall make any Capital Distribution (as defined below) to the Shareholders (in their capacity as such) (whether on a reduction of capital or otherwise) or shall grant to such Shareholders rights to acquire for cash assets of the Company or any of its subsidiaries, the Conversion Price in force immediately prior to such distribution or grant shall be reduced by multiplying it by the following fraction:

$$\frac{A-B}{A}$$

where:

A = the Market Price on the date on which the Capital Distribution or, as the case may be, the grant is publicly announced or (failing any such announcement) the date next preceding the date of the Capital Distribution or, as the case may be, of the grant; and

B = the fair market value on the day of such announcement or (as the case may require) the next preceding day, as determined in good faith by an approved merchant bank or the auditors, of the portion of the Capital Distribution or of such rights which is attributable to one Share,

provided that if in the opinion of the relevant approved merchant bank or the auditors, the use of the fair market value as aforesaid produces a result which is significantly inequitable, it may instead determine (and in such event the above formula shall be construed as if B meant) the amount of the said Market Price which should properly be attributed to the value of the Capital Distribution or the rights (not applicable in relation to the issue of Shares paid out of profits or reserves and issued in lieu of a cash dividend).

LETTER FROM THE BOARD

Each such adjustment shall be effective (if appropriate retroactively) from the commencement of the day next following the record date for the Capital Distribution or the grant.

For the purpose of this paragraph (c), “Capital Distribution” shall (without prejudice to the generality of that phrase) include distributions in cash or in specie. Any dividend charged or provided for in the accounts for any financial period shall (whenever paid and however described) be deemed to be a Capital Distribution provided that any such dividend shall not automatically be so deemed if:

- (i) it is paid out of the aggregate of the net profits (less losses) attributable to the Shareholders for all financial periods after that ended 31st December 2016 as shown in the published audited consolidated profit and loss accounts of the Company and its subsidiaries for each such financial period; or
- (ii) to the extent that (i) above does not apply, the rate of that dividend, together with all other dividends on the class of capital in question charged or provided for in the accounts for the financial period in question, does not exceed the aggregate rate of dividend on such class of capital charged or provided for in the accounts for the last preceding financial period. In computing such rates, such adjustments may be made as are in the opinion of the auditors of the Company or the approved merchant bank or the auditors (at the option of the Company) for the time being appropriate to the circumstances and shall be made in the event that the lengths of such periods differ materially.

LETTER FROM THE BOARD

- (d) If and whenever the Company shall offer to the Shareholders new Shares for subscription by way of rights, or shall grant to the Shareholders any options or warrants to subscribe for new Shares by way of rights, at a price which is less than 80% of the Market Price as at the date of the announcement of the terms of the offer or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of the announcement of such offer or grant by the following fraction:

$$\frac{A+B}{A+C}$$

where:

A = the number of Shares in issue immediately before the date of such announcement;

B = the number of Shares which the aggregate of the amount (if any) payable for the rights, options or warrants and of the amount payable for the total number of new Shares comprised therein would purchase at such Market Price; and

C = the aggregate number of Shares offered for subscription or comprised in the options or warrants (such adjustment to become effective (if appropriate retroactively) from the commencement of the day next following the record date for the offer or grant),

provided however that no such adjustment shall be made if the Company shall make a like offer or grant (as the case may be) at the same time to the Bondholder(s) (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong) as if it had exercised the conversion rights under the Convertible Bonds in full on the day immediately preceding the record date for such offer or grant and such offer or grant is accepted by the Bondholder(s).

LETTER FROM THE BOARD

- (e) If and whenever the Company shall issue wholly for cash any securities which by their terms are convertible into or exchangeable for or carry rights of subscription for new Shares, and the Total Effective Consideration (as defined below) per Share initially receivable for such securities is less than 80% of the Market Price at the date of the announcement of the terms of issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the issue by the following fraction:

$$\frac{A+B}{A+C}$$

where:

A = the number of Shares in issue immediately before the date of the issue;

B = the number of Shares which the Total Effective Consideration receivable for the securities issued would purchase at such Market Price; and

C = the number of Shares to be issued upon conversion or exchange of, or the exercise of the subscription rights conferred by, such securities at the initial conversion or exchange rate or subscription price.

Such adjustment shall become effective (if appropriate retrospectively) from the close of business in Hong Kong on the Business Day next preceding whichever is the earlier of the date on which the issue is announced and the date on which the Company determines the conversion or exchange rate or subscription price.

LETTER FROM THE BOARD

For the purposes of this paragraph (e), the “Total Effective Consideration” receivable for the securities issued shall be deemed to be the consideration receivable by the Company for any such securities plus the additional minimum consideration (if any) to be received by the Company upon (and assuming) the conversion or exchange thereof or the exercise of such subscription rights, and the Total Effective Consideration per Share initially receivable for such securities shall be such aggregate consideration divided by the number of Shares to be issued upon (and assuming) such conversion or exchange at the initial conversion or exchange rate or the exercise of such subscription rights at the initial subscription price, in each case without any deduction for any commissions, discounts or expenses paid, allowed or incurred in connection with the issue.

- (f) If and whenever the Company shall issue wholly for cash any Shares at a price per Share which is less than 80% of the Market Price at the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of such announcement by the following fraction:

$$\frac{A+B}{A+C}$$

where:

A = the number of Shares in issue immediately before the date of such announcement;

B = the number of Shares which the aggregate amount payable for the issue would purchase at such Market Price;

C = the number of Shares so issued.

Such adjustment shall become effective on the date of the issue.

LETTER FROM THE BOARD

- (g) If and whenever the Company shall issue Shares for the acquisition of asset at a Total Effective Consideration (as defined below) per Share which is less than 80% of the Market Price at the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the issue by the following fraction:

$$\frac{A+B}{A+C}$$

where:

A = the number of Shares in issue immediately before the date of the issue;

B = the number of Shares which the Total Effective Consideration payable for the securities issued would purchase at such Market Price; and

C = the number of Shares so issued.

Each such adjustment shall be effective (if appropriate retroactively) from the close of business in Hong Kong on the Business Day next preceding the date on which the Company determines the issue price for such Shares.

For the purpose of this paragraph (g) “Total Effective Consideration” shall be the aggregate consideration credited as being paid for such Shares by the Company on acquisition of the relevant asset without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and the “Total Effective Consideration per Share” shall be the Total Effective Consideration divided by the number of Shares issued as aforesaid.

LETTER FROM THE BOARD

Events of default:

If any of the following events occurs, the Bondholder may give notice to the Company that the Convertible Bonds are, and it shall on the giving of such notice immediately become, due and payable at its principal amount together with any accrued returns and interest (including default interest payable) calculated up to and including the date of actual repayment:

- (a) the Company fails to pay the principal when due or the Company fails to pay returns or interest on the Convertible Bonds when due unless non-payment of such returns or interest is due solely to administrative or technical error and payment is made within seven Business Days of the due date thereof;
- (b) the Company defaults in performance or observance or compliance with any of its other material obligations set out in the Placing Agreement which default is incapable of remedy or, if capable of remedy, is not remedied within 14 Business Days after notice of the occurrence of such default by the Company;
- (c) an encumbrancer takes possession or a receiver, manager or other similar officer is appointed of the whole or any substantial part of the undertaking, property, assets or revenues of the Company or any of its subsidiaries;
- (d) the Company or any of its subsidiaries becomes insolvent or is unable to pay its debts as they fall due or applies for or consents to or suffers the appointment of any administrator, liquidator or receiver of the Company or any of its subsidiaries or the whole or any substantial part of the undertaking, property, assets or revenues of the Company or any of its subsidiaries or takes any proceeding under any law for a readjustment or deferment of its obligations or any part of them or makes or enters into a general assignment or compromise with or for the benefit of its creditors;

LETTER FROM THE BOARD

- (e) a petition is presented or a proceeding is commenced or an order is made or an effective resolution is passed for the winding-up, insolvency, administration or dissolution of the Company or any of its subsidiaries except in the case of winding-up of subsidiaries of the Company in the course of internal reorganisation;
- (f) trading of the Shares on the Stock Exchange has been suspended for over 90 consecutive trading days or that the Stock Exchange or the SFC have notified the Company that the listing of the Shares shall be withdrawn or suspended or that the listing status of the Shares have been objected to;
- (g) the insolvency of the Company; and
- (h) a moratorium is agreed or declared in respect of any indebtedness of the Company or any of its subsidiaries or any governmental authority or agency condemns, seizes, compulsorily purchases or expropriates all or a substantial part of the assets of the Company or any of its subsidiaries.

At any time after the principal amount of the Convertible Bonds outstanding has become payable upon the Bondholder's notice to the Company in the event of default, the Bondholder shall be entitled to require the Company to redeem the outstanding Convertible Bonds immediately, and the redemption amount shall ensure that the Bondholder obtains a compound annual rate of return of 12% in the amount of the principal outstanding.

Voting:

The Bondholders shall not be entitled to attend or vote at any meeting of the Company by reason only of them being Bondholders.

Application for listing:

No application will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock or securities exchange.

Application will be made to the Listing Committee by the Company for the listing of, and permission to deal in, the Conversion Shares.

LETTER FROM THE BOARD

Ranking: The Conversion Shares shall rank *pari passu* with all other Shares in issue as at the date on which the conversion rights to be attached to the Convertible Bonds are exercised and be entitled to all dividends, bonus and other distributions the record date of which falls on a date on or after such conversion date.

EFFECTS ON SHAREHOLDING STRUCTURE

The table below sets out, for the purpose of illustration only, the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately upon full conversion of the Convertible Bonds and before completion of the Rights Issue; (iii) immediately upon conversion of the Convertible Bonds by Viewforth to the extent that the public float is maintained at 25% and before completion of the Rights Issue; (iv) immediately upon full conversion of the Convertible Bonds by China Fortune and before completion of the Rights Issue; (v) immediately upon full conversion of the Convertible Bonds and after completion of the Rights Issue, assuming nil acceptance of the rights Shares by the qualifying Shareholders other than Teamsun HK; and (vi) immediately upon full conversion of the Convertible Bonds and after completion of the Rights Issue, assuming full acceptance of the rights Shares by the qualifying Shareholders assuming as other change in shareholding of the Company except for the Convertible Bonds and the Right Issues.

Shareholders	As at the Latest Practicable Date		Immediately upon full conversion of the Convertible Bonds and before the completion of the Rights Issue (Notes 1 and 2)		Immediately upon conversion of the Convertible Bonds by Viewforth to the extent that the public float is maintained at 25% and before completion of the Rights Issue (Notes 2 and 3)		Immediately upon full conversion of the Convertible Bonds by China Fortune and before completion of the Rights Issue (Notes 2 and 3)		Immediately upon full conversion of the Convertible Bonds and after completion of the Rights Issue, assuming nil acceptance of the rights Shares by the qualifying Shareholders other than Teamsun HK (Notes 1 and 2)		Immediately upon full conversion of the Convertible Bonds and after completion of the Rights Issue, assuming full acceptance of the rights Shares by the qualifying Shareholders (Notes 1 and 2)	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
The Placees (Notes 3 and 4)												
Viewforth	-	-	208,333,333	32.4	133,677,520	27.6	-	-	208,333,333	25.5	208,333,333	25.5
China Fortune	-	-	83,333,333	13.0	-	-	83,333,333	19.2	83,333,333	10.2	83,333,333	10.2
	-	-	291,666,666	45.4	133,677,520	27.6	83,333,333	19.2	291,666,666	35.7	291,666,666	35.7
Teamsun HK	229,672,295	65.5	229,672,295	35.7	229,672,295	47.4	229,672,295	52.9	384,508,442	47.0	344,508,442	42.1
Other public Shareholders	121,116,605	34.5	121,116,605	18.9	121,116,605	25.0	121,116,605	27.9	141,674,908	17.3	181,674,908	22.2
Total:	350,788,900	100.0	642,453,566	100.0	484,466,420	100.0	484,466,420	100.0	817,850,016	100.0	817,850,016	100.0

Notes:

- For the purpose of illustration only, without taking into account: (a) the conversion period of the Convertible Bonds, commencing from the 90th day after the date of issue of the Convertible Bonds; and (b) the conversion restrictions (including those relating to, among other matters, the Public Float Requirement, to ensure that any exercise of the conversion rights to be attached to the Convertible Bonds will not result in the Company not meeting the Public Float Requirement) set out in the terms and conditions of the Convertible Bonds.
- Assuming the Convertible Bonds are fully placed.
- For the purpose of illustration only, without taking into account the conversion period of the Convertible Bonds, commencing from the 90th day after the date of issue of the Convertible Bonds, and assuming no conversion of the Convertible Bonds by any other Placee.

LETTER FROM THE BOARD

4. In event that more than one placee choose to exercise their conversion rights under the Convertible Bonds, the Company will proceed with their conversion on a first-come, first-serve basis, subject to the compliance with the Public Float Requirement and such other terms of the Convertible Bonds.

REASONS FOR THE PLACING AND USE OF PROCEEDS

Reference is made to the announcement of the Company dated 19th December 2016 in relation to, among other matters, the Acquisition, where it was indicated that the Company was evaluating different options of financing the Acquisition, which would be a combination of the Group's internal resources, loan facilities by commercial banks and possible equity financing activities. The Placing is therefore, among other matters, to procure funding for financing the Acquisition as set out below.

Assuming the Convertible Bonds are fully placed by the Placing Agent and based on the estimated expenses of the Placing, the gross and net proceeds from the Placing are estimated to be HK\$350,000,000 and approximately HK\$345,968,000 respectively. Therefore, assuming the Convertible Bonds are fully placed and the conversion rights of all the Convertible Bonds are exercised, the net price for the Placing is approximately HK\$1.186 per Conversion Share.

The net proceeds from the Placing are intended to be applied in the following manner:

- (a) approximately 90% for financing the Acquisition. As the consummation of the Acquisition is subject to the fulfilment of certain conditions (the details of which are set out in the announcement of the Company dated 19th December 2016), in the event that completion of the Acquisition does not take place, such portion of the net proceeds may be applied to financing future acquisition that the Company may conduct. As at the Latest Practicable Date, the Company has not identified any specific target for such acquisition and the Company will closely monitor the potential development of the business of the Group and the market; and
- (b) approximately 10% as general working capital, which will be used, among other matters, for staff incentive and remuneration payment and improvement in the liquidity for the operations of the Group as enlarged upon completion of the Acquisition.

The Directors (including independent non-executive Directors) consider that the terms of the Placing Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Save as disclosed below and the Placing, the Company has not conducted any equity fund raising activities in the past 12 months immediately preceding the Latest Practicable Date.

Date of announcement/prospectus	Event	Net proceeds (approximate)	Intended use of proceeds as announced	Actual use of proceeds
12th January 2017 and 3rd February 2017	Rights Issue	Approximately HK\$189,170,000	(a) approximately 90% for financing the Acquisition. As the consummation of the Acquisition is subject to the fulfilment of certain conditions (the details of which are set out in the announcement of the Company dated 19th December 2016), in the event that completion of the Acquisition does not take place, such portion of the net proceeds may be applied to financing any future acquisition that the Company may conduct; and (b) approximately 10% as general working capital of the Group, which will be used, among other matters, for repaying bank borrowings and improving the liquidity for the operations of the Group in Hong Kong	To be used as intended

(2) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The existing authorised share capital of the Company is HK\$60,000,000 divided into 600,000,000 Shares, of which 350,788,900 Shares are in issue. For the purpose of the Placing and in order to provide the Company with greater flexibility for future development, the Board proposes to increase the authorised share capital of the Company to HK\$100,000,000 divided into 1,000,000,000 Shares by the creation of an additional 400,000,000 Shares. Such new Shares, upon issue, shall rank *pari passu* in all respects with the existing Shares.

The Increase in Authorised Share Capital is subject to the approval of the Shareholders by way of passing an ordinary resolution at the SGM.

LETTER FROM THE BOARD

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 resolutions 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.

SGM

The Notice is set out on pages 28 to 30 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.

LETTER FROM THE BOARD

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.

RECOMMENDATION OF THE BOARD

The Board (including the independent non-executive Directors) is of the opinion that (i) the terms of the Placing Agreement and all the transactions contemplated thereunder, including the issue of the Convertible Bonds and the allotment and issue of Conversion Shares under the Specific Mandate, and (ii) the Increase in Authorised Share Capital are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of such resolutions at the SGM.

Completion of the Placing is subject to the satisfaction (or, if applicable, the waiver) of the conditions precedent set out in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

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 Group. The Directors, having made all reasonable enquiries, 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

NOTICE OF SGM



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 10:00 a.m. for the purposes of considering and, if thought fit, passing (with or without amendments) each of the following resolutions (the “**Resolution(s)**”) as an ordinary resolution:

ORDINARY RESOLUTIONS

1. “THAT

- (a) the authorised share capital of the Company be increased from HK\$60,000,000 divided into 600,000,000 ordinary shares of HK\$0.10 each (the “**Share(s)**”) to HK\$100,000,000 divided into 1,000,000,000 Shares by the creation of an additional 400,000,000 Shares (the “**Increase in Authorised Share Capital**”) with effect upon passing this Resolution; and
- (b) any one or more of the directors of the Company (the “**Director(s)**”) be and is/are hereby authorised to do all such acts and things and execute for and on behalf of the Company, including under seal where applicable, all such documents which he/she/they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Increase in Authorised Share Capital.”

2. “THAT

- (a) the conditional placing agreement dated 12th January 2017 (the “**Placing Agreement**”) entered into between the Company and GF Securities (Hong Kong) Brokerage Limited (the “**Placing Agent**”), pursuant to which the Placing Agent conditionally agreed to procure, on a best efforts basis, placee(s) to subscribe for the convertible bonds in an aggregate principal amount of up to HK\$350,000,000 (the “**Convertible Bonds**”) at the issue price equal to 100% of the principal amount of the Convertible Bonds due on the third anniversary of the date of issue, with the conversion rights to convert the principal amount thereof into Shares (the “**Conversion Share(s)**”) at the initial conversion price of HK\$1.20 (subject to adjustment) per Conversion Share (a copy of the Placing Agreement has been produced at the SGM and marked “A” and initialled by the chairman of the SGM for the purpose of identification) and all the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;

NOTICE OF SGM

- (b) subject to the fulfillment and/or waiver of the conditions set out in the Placing Agreement, the Directors be and are hereby authorised to allot and issue the Convertible Bonds in accordance with the terms and conditions of the Placing Agreement;
- (c) subject to the listing committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Conversion Shares to be allotted and issued, the Directors be and are hereby granted a specific mandate to exercise the powers of the Company to allot and issue the Conversion Shares; and
- (d) any one or more of the Director be and is/are hereby authorised to exercise all powers of the Company and take all steps as might in his/her/their opinion be necessary, desirable or expedient to give effect to or in connection with the Placing Agreement and the Convertible Bonds including without limitation to:
 - (i) the execution, amendment, supplement, delivery, submission and/or implementation of any further documents or agreements in relation to the Placing Agreement, the allotment and issue of the Convertible Bonds and the allotment and issue of the Conversion Shares; and
 - (ii) the implementation of the transactions contemplated under the Placing Agreement.”

By Order of the Board
Automated Systems Holdings Limited
Wang Yueou
Executive Directors and Chief Executive Officer

Hong Kong, 24th February 2017

NOTICE OF SGM

Notes:

- (a) Voting on the Resolutions 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 the Company.
- (f) Completion and return of the proxy form will not preclude a shareholder of the Company from attending and voting in person 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.