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## **AUTOMATED SYSTEMS HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 771)**

- (1) PROPOSED RIGHTS ISSUE OF NOT LESS THAN 175,394,450 RIGHTS SHARES AND NOT MORE THAN 175,652,950 RIGHTS SHARES OF PAR VALUE HK\$0.10 EACH AT HK\$1.10 PER RIGHTS SHARE ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY TWO EXISTING SHARES HELD ON THE RECORD DATE**
- AND**
- (2) CLOSURE OF REGISTER OF MEMBERS**

**Financial Advisor to the Rights Issue**



**Underwriter to the Rights Issue**



### **PROPOSED RIGHTS ISSUE**

The Company proposes to raise gross proceeds of approximately HK\$192,934,000 to approximately HK\$193,218,000 by issuing not less than 175,394,450 Rights Shares (assuming no outstanding Share Options will be exercised on or before the Record Date) and not more than 175,652,950 Rights Shares (assuming the outstanding Share Options will be exercised in full on or before the Record Date) at the Subscription Price of HK\$1.10 per Rights Share on the basis of one (1) Rights Share for every two (2) existing Shares in issue on the Record Date. Fractional entitlements will not be allotted but will be aggregated and sold for the benefit of the Company.

The net proceeds from the Rights Issue after deducting expenses are estimated to be not less than approximately HK\$189,243,000 (assuming no outstanding Share Options will be exercised on or before the Record Date) and not more than approximately HK\$189,527,000 (assuming the outstanding Share Options will be exercised in full on or before the Record Date).

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

- (i) 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. As at the date of this announcement, 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
- (ii) approximately 10% as general working capital of the Group.

#### **IRREVOCABLE UNDERTAKING AND THE UNDERWRITING AGREEMENT**

The Committed Shareholder has irrevocably undertaken to the Company and the Underwriter, among other matters, that: (i) its Shares will remain registered in the same name until the close of business on the Record Date; (ii) it will subscribe or procure subscription in full for its entitlements under the Rights Issue pursuant to the terms of the Rights Issue and lodge with the Company's acceptance in respect of all the Rights Shares provisionally allotted to it, with payment in full; (iii) it will not and will procure that companies controlled by it will not, during the period from immediately after the execution of the Underwriting Agreement and prior to or on the date the Underwriting Agreement becoming unconditional, dispose of or transfer the beneficial interests in any of the Shares beneficially owned by it; (iv) it will apply or procure the application, by way of excess application, for 40,000,000 Rights Shares and lodge with the Company the form of application for 40,000,000 excess Rights Shares, with payment in full; and (v) it will accept or procure the acceptance of all the excess Rights Shares applied for or any less number of excess Rights Shares allotted to it.

The Underwriter has conditionally agreed to fully underwrite all the Rights Shares other than those agreed to be taken up by the Committed Shareholder pursuant to the Irrevocable Undertaking. Details of the major terms and conditions of the Underwriting Agreement are set out in the section headed “Underwriting Arrangements for the Rights Issue” in this announcement.

### **WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND THE NIL-PAID RIGHTS SHARES**

**The Rights Issue is conditional upon the fulfillment or waiver of the conditions set out below under the paragraph headed “Conditions of the Rights Issue” under the section headed “Proposed Rights Issue” in this announcement. In particular, it is subject to the Underwriting Agreement not being terminated in accordance with its terms (see the paragraph below headed “Termination of the Underwriting Agreement” under the paragraph headed “Underwriting Arrangements for the Rights Issue” in this announcement).**

**If the Underwriter terminates the Underwriting Agreement, or the conditions of the Rights Issue are not fulfilled or waived, the Rights Issue will not proceed.**

The last day of dealings in the Shares on the Stock Exchange on a cum-rights basis will be Thursday, 19th January 2017. The Shares will be dealt in on an ex-rights basis on the Stock Exchange from Friday, 20th January 2017. To qualify for the Rights Issue, a Qualifying Shareholder’s name must appear on the register of members of the Company on the Record Date, which is currently expected to be Friday, 27th January 2017. In order to be registered as Shareholders on the Record Date, all completed transfer forms accompanied by the relevant share certificates must be lodged for registration not later than 4:30 p.m. on Monday, 23rd January 2017.

**Any persons contemplating buying or selling Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled or waived, and any dealings in the Rights Shares in their nil-paid form between Tuesday, 7th February 2017 to Tuesday, 14th February 2017 (both days inclusive), bear the risk that the Rights Issue may not become unconditional or may not proceed.**

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Tuesday, 24th January 2017 to Friday, 27th January 2017, both days inclusive, for the purpose of, among other things, qualify for the Rights Issue. No transfer of Shares will be registered during this period.

## **GENERAL**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms. The Company will despatch the Rights Issue Documents to each Qualifying Shareholder and the Prospectus to each Non-Qualifying Shareholder (if any), for their information only, on or about Friday, 3rd February 2017.

## **PROPOSED RIGHTS ISSUE**

Basis of the Rights Issue: One (1) Rights Share for every two (2) existing Shares held on the Record Date

Number of existing shares in issue as at the date of this announcement: 350,788,900 Shares

Number of Rights Shares: Not less than 175,394,450 Rights Shares (assuming no outstanding Share Options will be exercised on or before the Record Date) and not more than 175,652,950 Rights Shares (assuming the outstanding Share Options will be exercised in full on or before the Record Date)

The nil-paid Rights Shares proposed to be provisionally allotted pursuant to the terms of the Rights Issue represent 50% of the Company's existing issued share capital as at the date of this announcement and approximately 33.3% of the enlarged issued share capital of the Company immediately following completion of the Rights Issue.

As at the date of this announcement, the Company had outstanding 517,000 Shares Options, of which 396,000 outstanding Share Options are exercisable during the period from 19th March 2013 to 18th March 2022 and 121,000 outstanding Share Options are exercisable during the period from 2nd May 2013 to 1st May 2022. Had such outstanding Share Options been exercised in full, an additional 517,000 Shares (entitled to 258,500 Rights Shares) would be issued for the period from the date of this announcement to the Record Date.

Save as aforesaid, as at the date of this announcement, the Company had no derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares.

### **Subscription Price**

The Subscription Price for the Rights Shares is HK\$1.10 per Rights Share, payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment under the Rights Issue or application for excess Rights Shares or when a transferee of nil-paid Rights Shares subscribes for the Rights Shares.

The Subscription Price represents:

- (a) a discount of approximately 42.11% to the closing price of HK\$1.900 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 32.65% to the theoretical ex-rights price of approximately HK\$1.633 per Share based on the closing price as quoted on the Stock Exchange on the Last Trading Day;
- (c) a discount of approximately 32.10% to the average closing price of approximately HK\$1.620 per Share for the five consecutive trading days as quoted on the Stock Exchange up to and including the Last Trading Day;
- (d) a discount of approximately 21.17% to the average closing price of approximately HK\$1.395 per Share for the 30 consecutive trading days as quoted on the Stock Exchange up to and including the Last Trading Day; and
- (e) a discount of approximately 17.15% to the average closing price of approximately HK\$1.328 per Share for the 60 consecutive trading days as quoted on the Stock Exchange up to and including the Last Trading Day.

The Subscription Price was determined by Directors with reference to the amount of fund raising targeted by the Company and market prices of Shares under prevailing market conditions. In order to enhance the attractiveness of the Rights Issue, issuance of new shares by way of rights issue at a discount to the market price has been commonly adopted by listed issuers in Hong Kong. The Directors consider that, in order to enhance the attractiveness of the Rights Issue, the discount

on the Subscription Price to the current market price of the Shares as proposed is appropriate. Each Qualifying Shareholder is entitled to subscribe for the Rights Shares at the same price in proportion to his/her/its shareholding in the Company held on the Record Date. The net price per Rights Share (i.e. Subscription Price less costs and expenses incurred in the Rights Issue) upon full acceptance of the relevant provisional allotment of Rights Shares will be approximately HK\$1.077.

### **Status of the Rights Shares**

The Rights Shares, when allotted, issued and fully-paid, will rank *pari passu* with the then existing Shares in issue on the date of allotment of the Rights Shares in fully-paid form. Holders of such Rights Shares will be entitled to receive all future dividends and distributions which are declared after the date of allotment and issue of the Rights Shares.

### **Fractions of the Rights Shares**

The Company will not provisionally allot fractions of Rights Shares in nil-paid form. All fractions of Rights Shares will be aggregated and all nil-paid Rights Shares arising from such aggregation will be sold in the market and, if a premium (net of expenses) can be achieved, the Company will keep the net proceeds for its own benefit. Any unsold fractions of Rights Shares will be made available for excess application.

### **Application for excess Rights Shares**

Qualifying Shareholders are entitled to apply for any unsold entitlements of the Non-Qualifying Shareholders (see the paragraph headed “Non-Qualifying Shareholders” below), any unsold fractions of Rights Shares and any nil-paid Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders.

Applications may be made by completing the form of application for excess Rights Shares and lodging the same with a separate remittance for the excess Rights Shares. The Directors will allocate the excess Rights Shares (if any) at their discretion on a pro rata basis in proportion to the number of excess Rights Shares being applied for under each application. No reference will be made to the Rights Shares subscribed through applications by a provisional allotment letter or the existing number of Shares held by Qualifying Shareholders. No preference will be given to topping up odd lots to whole board lots.

Shareholders with their Shares held by a nominee company (or which are held in CCASS) should note that the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, Shareholders should note that the aforesaid arrangement for allocation of excess Rights Shares will not be extended to ultimate beneficial owners individually. Shareholders with their Shares held by a nominee company (or which are held in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

For Shareholders whose Shares are held by their nominee(s) (or which are held in CCASS) and who would like to have their names registered on the register of members of the Company, they must lodge all necessary document with the Company's branch share registrar in Hong Kong for completion of the relevant registration by 4:30 p.m. on Monday, 23rd January 2017.

### **Qualifying Shareholders**

The Company will send (i) the Rights Issue Documents to the Qualifying Shareholders; and (ii) the Prospectus, for information only, to the Non-Qualifying Shareholders.

To qualify for the Rights Issue, the Shareholders must be registered as members of the Company on the Record Date.

In order to be registered as a member of the Company on the Record Date, all completed transfer forms accompanied by the relevant share certificates 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, for registration not later than 4:30 p.m. on Monday, 23rd January 2017. The last day of dealings in Shares on a cum-rights basis is therefore expected to be Thursday, 19th January 2017. The Shares will be dealt with on an ex-rights basis from Friday, 20th January 2017.

### **Closure of Register of Members**

The register of members of the Company will be closed from Tuesday, 24th January 2017 to Friday, 27th January 2017, both days inclusive, for the purpose of, among other things, qualify for the Rights Issue. No transfer of Shares will be registered during this period.

### **Non-Qualifying Shareholders**

As at the date of this announcement, there was one Shareholder whose address as shown on the register of members of the Company is outside Hong Kong. Overseas Shareholders on the Record Date, if any, may not be eligible to take part in the Rights Issue as explained below.

The Directors will make enquiries, to be based on legal opinions provided by legal advisers if the Directors consider it necessary, as to whether the issue of Rights Shares to the Overseas Shareholders may contravene the applicable securities legislation of the relevant overseas places or the requirements of the relevant regulatory body or stock exchange.

If, after making such enquiry, the Directors are of the opinion that it would be necessary or expedient, on account either of the legal restrictions under the laws of the relevant place or any requirement of the relevant regulatory body or stock exchange in that place, not to offer the Rights Shares to such Overseas Shareholders, no provisional allotment of nil-paid Rights Shares or allotment of fully-paid Rights Shares will be made to such Overseas Shareholders. In such circumstances, the Rights Issue will not be extended to the Non-Qualifying Shareholders.

The Company will only send the Prospectus to the Non-Qualifying Shareholders for their information.

The Rights Issue Documents are not intended to be registered or filed under the applicable securities legislation of any jurisdictions other than Hong Kong.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold in the open market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, of more than HK\$100 will be paid pro rata to the relevant Non-Qualifying Shareholders in Hong Kong dollars. The Company will retain individual amounts of HK\$100 or less for its own benefit.

### **Share certificates for the Rights Shares**

Subject to the fulfillment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted to Shareholders who have accepted and applied for (where appropriate), and paid for the Rights Shares by Monday, 27th February 2017 at their own risk.

### **Conditions of the Rights Issue**

The Rights Issue is conditional upon the following conditions being fulfilled:

- (a) the delivery to the Stock Exchange and registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Rights Issue Documents (and all other documents required to be attached thereto) not later than 5:00 p.m. on the Business Day immediately before the Prospectus Despatch Date in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance;



- (b) the compliance with the performance of all the undertakings and obligations of the Company under the Underwriting Agreement;
- (c) the posting of the Rights Issue Documents to the Qualifying Shareholders and the posting of a copy of the Prospectus stamped “For Information Only” to the Non-Qualifying Shareholders on the Prospectus Despatch Date;
- (d) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment), and not having revoked, listing of, and permission to deal in the Rights Shares in nil-paid and fully-paid forms by no later than the first day of their dealings;
- (e) the performance in full by the Committed Shareholder in respect of the Irrevocable Undertaking;
- (f) the obligations of the Underwriter under the Underwriting Agreement becoming unconditional and the Underwriting Agreement not being terminated in accordance with its terms;
- (g) the compliance with and the performance of all the undertakings and obligations of the sub-underwriter(s) under the sub-underwriting agreement entered or to be entered into between the Underwriter and any sub-underwriter(s) and the sub-underwriting agreement not being terminated in accordance with its terms;
- (h) the warranties given by the Company under the Underwriting Agreement remaining true and accurate;
- (i) the issue of the Rights Shares and the obligations of the Underwriter to underwrite under the Underwriting Agreement not being prohibited by any statutes, orders, rules, directives or regulations promulgated after the date of the Underwriting Agreement by any legislative, executive or regulatory body or authority of Hong Kong or Bermuda;
- (j) all necessary approvals, permits, waivers, consents and all the authorisations, if required, having been obtained for the Rights Issue and the issue of the Rights Shares;
- (k) the delivery of the documents as set out in the Underwriting Agreement to the Underwriter in the form and substance satisfactory to the Underwriter;

- (l) the Shares remaining listed on the Stock Exchange at all times up to and including the Latest Time for Termination and the current listing of the Shares not having been withdrawn or the trading of the Shares not having been suspended for a consecutive period of more than 10 trading days (other than any halt or suspension pending clearance of this announcement) and no indication being received before the Latest Time for Termination from the Stock Exchange to the effect that such listing may be withdrawn or objected to (or conditions will or may be attached thereto) including but not limited to as a result of the Rights Issue or in connection with the terms of the Underwriting Agreement or for any other reason;

and so that in the event the said conditions not being fulfilled or waived by the Underwriter (provided that conditions (a), (c), (d), (e) and (i) are incapable of being waived) by the Latest Time For Termination (unless specified in the relevant condition) (or such later date or dates as may be agreed between the Company and the Underwriter), all obligations and liabilities of the parties to the Underwriting Agreement shall forthwith cease and determine and no party shall have any claim against the others (save for any antecedent breaches hereof) provided that the Company shall remain liable to pay the Underwriter those fees and expenses (other than the underwriting commission) as specified in the Underwriting Agreement which shall remain in full force and effect.

## **UNDERWRITING ARRANGEMENTS FOR THE RIGHTS ISSUE**

### **(a) Irrevocable Undertaking**

As at the date of this announcement, the Committed Shareholder, was interested in aggregate of 229,672,295 Shares, representing approximately 65.5% of the existing issued share capital of the Company.

The Committed Shareholder has irrevocably undertaken to the Company and the Underwriter, among other matters, that: (i) its Shares will remain registered in the same name from the date of this announcement until the close of business on the Record Date; (ii) it will subscribe or procure the subscription in full for its entitlement under the Rights Issue pursuant to the terms of the Rights Issue and lodge with the Company acceptance in respect of all the Rights Shares provisionally allotted to it, with payment in full; (iii) it will not and will procure that companies controlled by it will not, during the period from immediately after the execution of the Underwriting Agreement and prior to or on the date the Underwriting Agreement becoming unconditional, dispose of or transfer the beneficial interests in any of the Shares beneficially owned by it; (iv) it will apply or procure the application, by way of excess application, for 40,000,000 Rights Shares and lodge with the Company the form of application for 40,000,000 excess Rights Shares, with payment in full; and (v) it will accept or procure the acceptance of all the excess Rights Shares applied for or any less number of excess Rights Shares allotted to it.

Any allocation of excess Rights Shares to the Committed Shareholder will be on a pro rata basis in proportion to the number of excess Rights Shares applied for by the Committed Shareholder to the total number of excess Rights Shares applied for by the Shareholders.

Pursuant to the Rights Issue, the Committed Shareholder will be entitled to a maximum of 114,836,147 Rights Shares.

**(b) Underwriting Agreement**

Date: 12th January 2017 (after trading hours)

Issuer: The Company

Underwriter: GF Securities (Hong Kong) Brokerage Limited

Minimum number of Underwritten Shares: 20,558,303 Rights Shares, being the total number Shares of Rights Shares under the Rights Issue excluding 154,836,147 Rights Shares being the maximum aggregate number of Rights Shares to be subscribed by the Committed Shareholder pursuant to its Irrevocable Undertaking (assuming no outstanding Share Options will be exercised on or before the Record Date)

Maximum number of Underwritten Shares: 20,816,803 Rights Shares, being the total number Shares of Rights Shares under the Rights Issue excluding 154,836,147 Rights Shares, being the maximum aggregate number of Rights Shares to be subscribed by the Committed Shareholder pursuant to its Irrevocable Undertaking (assuming the outstanding Share Options will be exercised in full on or before the Record Date)

Commission: A commission of HK\$2,550,000 shall be payable by the Company to the Underwriter.

**The Underwriter**

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Underwriter and its ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected persons.

Apart from the Underwriter, the Company had approached other potential underwriters before entering into the Underwriting Agreement. After taking into account the commission rate offered by the Underwriter, the Directors were of the view that the terms offered by the Underwriter were more favourable in terms of the commission and expenses payable by the Company. The Board considers that the terms of the Underwriting Agreement and the amount of commission payable by the Company are fair and reasonable as compared to the market practice and commercially reasonable as agreed between the Underwriter and the Company.

### **Termination of the Underwriting Agreement**

The Underwriter reserves the right to terminate the arrangements set out in the Underwriting Agreement by notice in writing given by the Underwriter to the Company at any time prior to the Latest Time For Termination, if:

- (a) the occurrence of the following events would, in the reasonable opinion of the Underwriter materially and adversely affect the business, financial or trading position or prospects of the Group as a whole or otherwise makes it inexpedient or inadvisable for the Company or the Underwriter to proceed with the Rights Issue:
  - (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof);
  - (ii) the occurrence of any local, national or international events or changes (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic, currency or other nature (whether or not sui generis with any of the foregoing or in the nature of any local, national or international outbreaks or escalation of hostilities or armed conflict affecting local securities market); or
  - (iii) any material adverse change in market conditions or combination of circumstances in Hong Kong (including without limitation to suspension or material restriction of trading in securities on the Stock Exchange);
- (b) the Company commits any breach of or omits to observe any of the material obligations or undertakings expressed to be assumed by it under the Underwriting Agreement;
- (c) the Underwriter shall receive notification, or shall otherwise become aware of, the fact that any of the representations or warranties by the Company in the Underwriting Agreement was, when given, or would be (when repeated), untrue or inaccurate; or

- (d) the Company shall, after any Specified Event has occurred or come to the attention of the Underwriter, fail promptly to send out any announcement or circular (after the despatch of the Rights Issue Documents), in such manner (and as appropriate with such contents) as the Underwriter may request for the purpose of preventing the creation of a false market in the securities of the Company.

Upon the giving of notice of termination pursuant to the Underwriting Agreement, all obligations of the Underwriter under the Underwriting Agreement shall cease and determine and no party shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with the Underwriting Agreement, save for any fees and expenses (other than the underwriting commission) and indemnities as payable by the Company to the Underwriter under the Underwriting Agreement. If the Underwriter exercises such right, the Rights Issue will not proceed.

**If the Underwriter terminates the Underwriting Agreement, the Rights Issue will not proceed. A further announcement would be made by the Company if the Underwriting Agreement is so terminated.**

## **WARNING OF THE RISK OF DEALING IN THE SHARES AND NIL-PAID RIGHTS SHARES**

**The Shares will be dealt in on an ex-rights basis from Friday, 20th January 2017. Dealings in the Rights Shares in the nil-paid form will take place from Tuesday, 7th February 2017 to Tuesday, 14th February 2017 (both days inclusive). If the conditions of the Rights Issue are not fulfilled and/or waived on or before the Latest Acceptance Time (or such later time and/or date as the Company and the Underwriter may determine in writing), or the Underwriting Agreement is terminated by the Underwriter, the Rights Issue will not proceed and the Rights Issue will lapse.**

**Any persons contemplating buying or selling Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled or waived, and any dealings in the Rights Shares in their nil-paid form between Tuesday, 7th February 2017 to Tuesday, 14th February 2017 (both days inclusive), bear the risk that the Rights Issue may not become unconditional or may not proceed.**

**Any Shareholders or other persons contemplating dealing in the Shares or nil-paid Rights Shares are recommended to consult their own professional advisers.**

## CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE RIGHTS ISSUE

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately upon completion of the Rights Issue assuming full acceptance of the Rights Shares and no exercise of the outstanding Share Options on or before the Record Date; (iii) immediately upon completion of the Rights Issue assuming full acceptance of the Rights Shares and full exercise of the outstanding Share Options on or before the Record Date; (iv) immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders other than the Committed Shareholder who has provided the Irrevocable Undertaking and no exercise of the outstanding Share Options on or before the Record Date; and (v) immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders other than the Committed Shareholder who has provided the Irrevocable Undertaking and full exercise of the outstanding Share Options on or before the Record Date:

Name of Shareholder	As at the date of this announcement		Immediately upon completion of the Rights Issue assuming full acceptance of the Rights Shares and no exercise of the outstanding Share Options on or before the Record Date		Immediately upon completion of the Rights Issue assuming full acceptance of the Rights Shares and full exercise of the outstanding Share Options on or before the Record Date		Immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders other than the Committed Shareholder who has provided the Irrevocable Undertaking and no exercise of the outstanding Share Options on or before the Record Date		Immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders other than the Committed Shareholder who has provided the Irrevocable Undertaking and full exercise of the outstanding Share Options on or before the Record Date	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
							(Note 2)		(Note 2)	
<b>Committed Shareholder</b>										
Teamsun Technology (HK) Limited	229,672,295 (Note 1)	65.5	344,508,442	65.5	344,508,442	65.4	384,508,442	73.1	384,508,442	73.0
The Underwriter	-	-	-	-	-	-	20,558,303	3.9	20,816,803	4.0
Other public Shareholders	121,116,605	34.5	181,674,908	34.5	182,450,408	34.6	121,116,605	23.0	121,633,605	23.0
<b>Total</b>	<b>350,788,900</b>	<b>100.0</b>	<b>526,183,350</b>	<b>100.0</b>	<b>526,958,850</b>	<b>100.0</b>	<b>526,183,350</b>	<b>100.0</b>	<b>526,958,850</b>	<b>100.0</b>

*Note 1:* These Shares were held directly by Teamsun Technology (HK) Limited, a wholly-owned subsidiary of Beijing Teamsun Technology Co., Ltd..

*Note 2:* The number of Shares held by Teamsun Technology (HK) Limited is on the assumption that it is the only Shareholder making the excess application and its excess application for 40,000,000 Rights Shares is fully satisfied.

Shareholders and public investors should note that the above shareholding changes are for illustration purposes only and the actual changes in the shareholding structure of the Company upon completion of the Rights Issue are subject to various factors, including the results of acceptance of the Rights Issue. For details in relation to the changes in shareholding structure of the Company arising from the Rights Issue, after taking into account the conversion shares issuable upon conversion of the convertible bonds under the Placing, please refer to the announcement of the Company dated 12th January 2017 in relation to, among other matters, the Placing.

## **REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS**

The net proceeds from the Rights Issue after deducting expenses are estimated to be not less than approximately HK\$189,243,000 (assuming no outstanding Share Options will be exercised on or before the Record Date) and not more than approximately HK\$189,527,000 (assuming the outstanding Share Options will be exercised in full on or before the Record Date).

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

- (i) 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 is intended to be applied to financing any future acquisition that the Company may conduct. As at the date of this announcement, 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
- (ii) approximately 10% as general working capital of the Group.

Accordingly, the Directors are of the view that the Rights Issue is in the interests of the Group and the Shareholders as a whole.

However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholders should note that their shareholdings will be diluted.

## EXPECTED TIMETABLE FOR THE RIGHTS ISSUE

The expected timetable for the Rights Issue set out below is indicative only and it has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled.

The expected timetable for the Rights Issue is set out below:

**2017**

### Events

**(Hong Kong time)**

Last day of dealing in Shares on a cum-rights basis ..... Thursday, 19th January

First day of dealing in Shares on an ex-rights basis ..... Friday, 20th January

Latest time for lodging transfer of Shares for  
the entitlement to the Rights Issue ..... 4:30 p.m. on Monday, 23rd January

Closure of register of members for  
the entitlement to the Rights Issue ..... Tuesday, 24th January to  
Friday, 27th January  
(both days inclusive)

Record Date determining the entitlement  
to the Rights Issue ..... Friday, 27th January

Despatch of the Rights Issue Documents ..... Friday, 3rd February

First day of dealings in nil-paid Rights Shares ..... 9:00 a.m. on Tuesday, 7th February

Latest time for splitting of nil-paid Rights Shares ..... 4:30 p.m. on Thursday, 9th February

Last day of dealings in nil-paid Rights Shares ..... 4:00 p.m. on Tuesday, 14th February

Latest time for acceptance of and payment for  
Rights Shares and application for  
excess Rights Shares ..... 4:00 p.m. on Friday, 17th February

Latest time for the Rights Issue  
to become unconditional ..... 4:00 p.m. on Tuesday, 21st February



Announcement of results of acceptance of and excess applications for the Rights Issue .....	Friday, 24th February
Despatch of refund cheques in respect of unsuccessful or partially unsuccessful excess applications for excess Rights Shares .....	On or before Monday, 27th February
Despatch of certificates for fully-paid Rights Shares .....	On or before Monday, 27th February
Commencement of dealings in fully-paid Rights Shares .....	9:00 a.m. on Tuesday, 28th February

### **APPLICATION FOR LISTING**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. The nil-paid Rights Shares shall have the same board lot size as the Shares, i.e. 2,000 Shares in one board lot.

Dealings in the Rights Shares in their nil-paid and fully-paid forms will be subject to the payment of stamp duty in Hong Kong.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms or such other dates as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

## FUND RAISING EXERCISE OF THE COMPANY DURING THE PAST 12 MONTHS

Save for the Placing, the Company has not conducted other equity fund raising exercise in the 12 months immediately preceding and including the date of this announcement.

<b>Date of announcement</b>	<b>Event</b>	<b>Net proceeds (approximate)</b>	<b>Intended use of proceeds as announced</b>	<b>Actual use of proceeds</b>
12th January 2017	Placing of convertible bonds	Approximately HK\$345,968,000	(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.	To be used as intended

## ADJUSTMENTS TO OPTIONS GRANTED BY THE COMPANY

Pursuant to the note to Rule 17.03(13) of the Listing Rules, the Company will engage the Company's auditors to review whether or not adjustments to the exercise price of the outstanding Share Options or the number of Shares to be subscribed for under the outstanding Share Options as a result of the completion of the Rights Issue are necessary. The adjustments to the exercise price of the outstanding Share Options, if any, will be disclosed in the Prospectus.

## **LISTING RULES IMPLICATIONS**

As the Rights Issue will increase the issued share capital and the market capitalisation of the Company by not more than 50% within the 12-month period immediately preceding the date of this announcement, the Rights Issue is not conditional on approval by the Shareholders.

## **GENERAL**

The Company is an investment holding company and the Group is principally focusing on five key solutions and services pillars (i.e. infrastructure, security, data intelligence, mobile and cloud) and engaged in the delivery of comprehensive one-stop information technology services with core business in systems integration, maintenance support, managed services and applications development to clients across all industries mainly in Hong Kong and other locations including Macau, China, Thailand, Taiwan, Singapore and Malaysia.

The Company will despatch the Rights Issue Documents to each of the Qualifying Shareholders and, for information only, the Prospectus to each of the Non-Qualifying Shareholders (if any) on or about Friday, 3rd February 2017.

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Acquisition”	the acquisition of Grid Dynamics International, Inc., a limited liability company incorporated in the State of California, the United States, by way of merger, as announced by the Company on 19th December 2016
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday or Sunday or any day on which a tropical cyclone warning signal no. 8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.) on which banks in Hong Kong are open for business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC

“Committed Shareholder”	Teamsun Technology (HK) Limited, which is interested in 229,672,295 Shares as at the date of this announcement
“Company”	Automated Systems Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange (stock code: 771)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Irrevocable Undertaking”	the irrevocable undertaking dated 12th January 2017 given by the Committed Shareholder in favour of the Company and the Underwriter
“Last Trading Day”	Thursday, 12th January 2017, being the last trading day of the Shares immediately before and including the date of this announcement
“Latest Acceptance Time”	4:00 p.m. on Friday, 17th February 2017 or such later time as maybe agreed between the Company and the Underwriter, being the latest time for acceptance of the Rights Shares
“Latest Time for Termination”	4:00 p.m. on Tuesday, 21st February 2017, being the latest time by which the Underwriter may terminate the Underwriting Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time

“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s) whom the Board, after making enquiries, considers it necessary or expedient on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant foreign regulatory body or stock exchange in that place not to extend the Rights Issue to them
“Overseas Shareholder(s)”	Shareholder(s) whose address(es) as shown on the register of members of the Company on the Record Date is/are outside Hong Kong
“Placing”	the proposed placing of convertible bonds in an aggregate principal amount of up to HK\$350,000,000, the details of which are set out in the announcement of the Company dated 12th January 2017
“Prospectus”	the prospectus to be issued by the Company in relation to the Rights Issue
“Prospectus Despatch Date”	Friday, 3rd February 2017 or such other date as may be agreed between the Company and the Underwriter, being the date of despatch of the Prospectus to the Shareholders
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date (excluding the Non-Qualifying Shareholder(s)), who are entitled to the Rights Issue
“Record Date”	Friday, 27th January 2017 or such other date as may be agreed between the Company and the Underwriter, being the date for determination of entitlement to the Rights Issue
“Rights Issue”	the proposed 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, pursuant to the terms and conditions of the issue
“Rights Issue Documents”	the Prospectus, the provisional allotment letter and the form of application for excess Rights Shares

“Rights Share(s)”	not less than 175,394,450 new Shares (assuming no outstanding Share Options will be exercised on or before the Record Date) and not more than 175,652,950 new Shares (assuming the outstanding Share Options will be exercised in full on or before the Record Date) to be issued by the Company pursuant to the Rights Issue
“Share(s)”	ordinary share(s) of par value HK\$0.10 each in the share capital of the Company
“Share Options”	the share options granted by the Company pursuant to the share option scheme adopted on 8 August 2002 which give holders thereof the rights to subscribe for Shares at the exercise price determined in accordance with the rules of the share option scheme
“Shareholder(s)”	holder(s) of the Share(s) in issue
“Specified Event”	prior to the despatch of the Rights Issue Documents or on or prior to the Latest Acceptance Time, any matter or event comes to the attention of the Company, as a result of which any representation or warranty, if repeated immediately after the occurrence thereof, would be untrue or inaccurate in any material respect or which would or might render untrue, inaccurate in any material respect or misleading in any statement, whether of fact or opinion, contained in the Rights Issue Documents if the same were issued immediately after such occurrence
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$1.10 per Rights Share
“Underwriter”	GF Securities (Hong Kong) Brokerage Limited, a corporation licensed to carry out 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 underwriter pursuant to the Underwriting Agreement

“Underwriting Agreement”	the underwriting agreement dated 12th January 2017 entered into between the Company and the Underwriter in relation to the Rights Issue
“Underwritten Shares”	an aggregate of not less than 20,558,303 Rights Shares and not more than 20,816,803 Rights Shares underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement other than those Rights Shares to be taken up under the Irrevocable Undertaking
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%”	per cent

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

Hong Kong, 12th January 2017

*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. Ye Fang being Independent Non-Executive Directors.*