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AUTOMATED SYSTEMS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 771)

DISCLOSEABLE TRANSACTION DISPOSAL OF GDH SHARES

THE DISPOSAL

The Board is pleased to announce that on 12th September 2024 (New York time), GDD, a wholly-owned subsidiary of the Company, disposed of a total of 913,387 GDH Shares by way of block trade through the Broker, representing approximately 1.19% of the total issued and outstanding GDH Shares, at an aggregate consideration of approximately US\$11.7 million (approximately HK\$91.2 million) (exclusive of transaction costs). The selling price for each GDH Share is approximately US\$12.8 (approximately HK\$99.8 per GDH Share), representing a discount of approximately 8.90% to the closing price of US\$14.05 per GDH Share as quoted on NASDAQ on 12th September 2024 (New York time).

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal are more than 5% but all of them are less than 25%, the Disposal constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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The aggregate consideration of the Disposal of approximately US\$11.7 million (approximately HK\$91.2 million) (exclusive of transaction costs), which the selling price applied a discount of approximately 8.90% to the closing price of US\$14.05 per GDH Share as quoted on NASDAQ on 12th September 2024 (New York time), was determined based on arm's length negotiations with the Broker with reference to the prevailing market price of GDH Shares. The consideration of the Disposal will be settled in cash on completion, which is expected to take place on 16th September 2024 (New York time).

As the Disposal was made by way of block trade through the Broker (who is bound by confidentiality obligations), the identities of the ultimate purchasers of the GDH Shares cannot be ascertained. To the best of the Directors' knowledge, information and belief having made reasonable enquiries, the Broker and its ultimate beneficial owner(s) are Independent Third Parties.

As at the date of this announcement and prior to completion of the Disposal, the Group, through GDD, held 14,802,570 GDH Shares, representing approximately 19.31% of the total issued and outstanding GDH Shares. Upon completion of the Disposal, the Group will hold 13,889,183 GDH Shares, representing approximately 18.12% of the total issued and outstanding GDH Shares based on publicly available information as at the date of this announcement, and GDH will continue to be accounted for as an associate of the Company.

FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS

The net book value of the relevant GDH Shares being the subject of the Disposal was approximately US\$9.7 million (approximately HK\$76.0 million) as at 31st December 2023 whilst the total consideration for all GDH Shares pursuant to the Disposal is approximately US\$11.7 million (approximately HK\$91.2 million), representing a premium of 20.0% over its net book value as at 31st December 2023.

The Group is expected to realise a book gain of approximately US\$2.0 million (approximately HK\$15.2 million), being the difference between the agreed consideration of approximately US\$11.7 million (approximately HK\$91.2 million) expected to be received from the Disposal and the carrying value of the relevant GDH Shares being the subject of the Disposal of approximately US\$9.7 million (approximately HK\$76.0 million) as at 31st December 2023 (before deducting tax and related expenses).

Shareholders should note that the financial effect of the Disposal, including the actual amount of gains or losses in respect of the Disposal to be recorded by the Company, shall be subject to the final review by the Company's auditors.

The gross proceeds generated from the Disposal are expected to be approximately US\$11.7 million (approximately HK\$91.2 million). After deducting tax and related expenses, the net proceeds are intended to be used for any potential investment or general working capital purpose.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Directors are of the view that the Disposal enables the Group to realise profits of its investment in GDH and to re-allocate resources to other reinvestment opportunities as and when they arise. Also, the Disposal represents a good opportunity to increase the cash flow of the Group, and that the interests of the Company and its Shareholders as a whole could be adequately safeguarded given that (a) the Disposal has been effected through the Broker in compliance with the applicable securities laws and regulations in the United States; and (b) the Directors believe the discount to market price of 8.90% offered in respect of the selling price of GDH Shares pursuant to the Disposal is reasonable to facilitate the Disposal by way of block trade and is in line with market practice in the United States.

As such, the Directors believe that the Disposal was on normal commercial terms and the terms of the Disposal were fair and reasonable and in the interest of the Company and the Shareholders as a whole.

INFORMATION ON THE GROUP, GDH AND THE BROKER

The Company

The Company is an investment holding company with its subsidiaries principally engaging in the business of innovative solutions, intelligent cybersecurity and integrated managed services and is one of the leading and professional information technology (“IT”) service providers in Hong Kong. The Group’s core business is based in Hong Kong and Macau and covers Asia Pacific, Europe and the United States. It is dedicated to offering professional and trustworthy IT services to global corporate clients.

GDD

GDD is an investment holding company incorporated in the State of Delaware of the United States and is an indirect wholly-owned subsidiary of the Company.

GDH

GDH is a company incorporated in the State of Delaware and listed on NASDAQ (ticker symbol: GDYN). As at the date of this announcement, GDH is an associate of the Company. GDH is a leading provider of technology consulting, platform and product engineering, and advanced analytics services. Fusing technical vision with business acumen, GDH solves the most pressing technical challenges and enables positive business outcomes for enterprise companies undergoing business transformation. A key differentiator for GDH is its 8 years of experience and leadership in enterprise AI, supported by profound expertise and ongoing investment in data, analytics, cloud & DevOps, application modernization, and customer experience. Founded in 2006, GDH is headquartered in Silicon Valley with offices across the Americas, Europe and India.

Set out below is the summary of the audited consolidated financial information of GDH for the two financial years ended 31st December 2022 and 31st December 2023 based on the United States Generally Accepted Accounting Principle, as extracted from the published disclosures of GDH:

	For the year ended 31 December 2022	For the year ended 31 December 2023
	<i>US\$'000</i>	<i>US\$'000</i>
	(Audited)	(Audited)
Net profit/(loss) before taxation	4,838	(20,453)
	(approximately HK\$37,736)	(approximately HK\$(159,533))
Net profit/(loss) after taxation	(1,765)	(29,214)
	(approximately HK\$(13,767))	(approximately HK\$(228,649))

Pursuant to the unaudited condensed consolidated balance sheets of GDH set out in its quarterly report on the Exhibit 99.1 to Form 8-K filed with the SEC, the net assets of GDH as at 30th June 2024 was approximately US\$388.4 million (approximately HK\$3,029.9 million).

The Broker

Based on the information provided by the Broker, the Broker provides investment banking, asset management for private wealth and institutional clients, institutional sales and trading, equity research, and corporate and executive services. The Broker is registered with the SEC and is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC) of the United States. Registration with the SEC does not imply a certain level of skill or training. As at 30th June 2024, the Broker had approximately US\$72 billion in client assets, of which approximately US\$53 billion constitutes regulatory assets under management. The Broker is engaged by the Group in relation to the Disposal.

IMPLICATIONS UNDER THE LISTING RULES

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DEFINITIONS

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

“Board”	the board of directors of the Company
“Broker”	William Blair & Company, L.L.C., a securities broker-dealer engaged by the Group in relation to the Disposal
“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)
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of a total of 913,387 GDH Shares by the Group by way of block trade on 12th September 2024 (New York time)
“GDD”	GDD International Holding Company, a corporation incorporated in the State of Delaware of the United States, an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“GDH”	Grid Dynamics Holdings, Inc., a corporation incorporated in the State of Delaware of the United States and listed on NASDAQ (ticker symbol: GDYN), an associate of the Company as at the date of this announcement

“GDH Share(s)”	share(s) of common stock in GDH
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s) which, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, are third parties independent of the Company and its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“NASDAQ”	The Nasdaq Stock Market LLC
“SEC”	the United States Securities and Exchange Commission
“Shareholder(s)”	holder(s) of share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent

For the purpose of this announcement, the exchange rate of US\$1.00 = HK\$7.8 has been used for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at any particular rate on the date or dates in question or any other date.

By Order of the Board
Automated Systems Holdings Limited
Ngan Wai Hing Lau Nga Ting
Joint Company Secretary

Hong Kong, 13th September 2024

As at the date of this announcement, the Board comprises Mr. Wang Weihang and Mr. Wang Yueou being Executive Directors; Ms. Zhang Bingxia being Non-Executive Director; and Mr. Pan Xinrong, Mr. Deng Jianxin and Ms. Or Siu Ching Rerina being Independent Non-Executive Directors.