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## THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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**If you are in any doubt** as to any aspect of this prospectus or as to the action you should take, you should consult your licensed securities dealer or registered institution 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 the Rights Issue Documents to the purchaser or transferee or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

A copy of each of the Rights Issue Documents, having attached thereto the documents specified in the paragraph headed "14. Documents delivered to the Registrar of Companies" in Appendix III to this prospectus, has been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (WUMP) Ordinance. The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility as to the contents of any of the Rights Issue Documents.

Dealings in the Rights Shares in their nil-paid and fully-paid forms may be settled through CCASS established and operated by HKSCC. You should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests.

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 their respective commencement dates of dealings in the Rights Shares on the Stock Exchange or such other dates as 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 trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of any of the Rights Issue Documents, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of any of the Rights Issue Documents.

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## AUTOMATED SYSTEMS HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 771)**

### **RIGHTS ISSUE OF 175,394,450 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**

**Financial Advisor to the Rights Issue**



**Underwriter to the Rights Issue**



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Capitalised terms used in this cover shall have the same meanings as those defined in this prospectus.

The latest time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Friday, 17th February 2017. The procedures for acceptance and payment or transfer of the Rights Shares and application and payment for excess Rights Shares are set out on pages 13 to 16 of this prospectus.

The Underwriting Agreement in respect of the Rights Issue contains provisions entitling the Underwriter by notice in writing to the Company to terminate the Underwriting Agreement on the occurrence of certain events including force majeure. These events are set out in the section headed "Termination of the Underwriting Agreement" on page 7 of this prospectus.

Shareholders should note that the existing Shares have been dealt in on ex-rights basis from Friday, 20th January 2017. The Rights Shares in their nil-paid form will be dealt in from Tuesday, 7th February 2017 to Tuesday, 14th February 2017 (both days inclusive). If prior to the Latest Time for Termination, the Underwriter terminates the Underwriting Agreement or if any of the other conditions of the Rights Issue as set out in the paragraphs headed "Conditions of the Rights Issue" contained in this prospectus is not fulfilled or waived (as applicable), the Rights Issue will not proceed.

Any dealings in the Shares up to the date on which all the conditions of the Rights Issue are fulfilled and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases, will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing the Shares who is in any doubt about his/her/its position is recommended to consult his/her/its own professional adviser.

Hong Kong, 3rd February 2017

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## CONTENTS

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	<i>Page</i>
<b>NOTICE TO INVESTORS IN THE UNITED KINGDOM</b> .....	ii
<b>EXPECTED TIMETABLE</b> .....	1
<b>DEFINITIONS</b> .....	3
<b>TERMINATION OF THE UNDERWRITING AGREEMENT</b> .....	7
<b>LETTER FROM THE BOARD</b> .....	8
<b>APPENDIX I – FINANCIAL INFORMATION OF THE GROUP</b> .....	25
<b>APPENDIX II – UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP</b> .....	28
<b>APPENDIX III – GENERAL INFORMATION</b> .....	33

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## NOTICE TO INVESTORS IN THE UNITED KINGDOM

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### SHAREHOLDERS RESIDING OR LOCATING IN THE UNITED KINGDOM

None of the Rights Issue Documents has been delivered for approval to the Financial Conduct Authority in the United Kingdom. No approved prospectus within the meaning of section 85(1) of the Financial Services and Markets Act 2000, as amended (the “FSMA”) has been published or is intended to be published in relation to the Rights Issue. Accordingly the nil-paid Rights Shares and the fully-paid Rights Shares referred to in this prospectus may not be, and are not being, offered to the public in the United Kingdom under section 85(1) FSMA except in circumstances where section 86(1) FSMA applies. Any Shareholder (including the beneficial owner) in the United Kingdom who takes up Rights Shares shall be deemed to represent and warrant that he/she/it is not taking up those Rights Shares on behalf of other persons in the United Kingdom.

None of the Rights Issue Documents is a financial promotion to which section 21(1) FSMA applies since article 43 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 removes the financial promotion restriction from communications (which are communicated by a body corporate to its members) which relate to shares in the share capital of the body corporate.

### EUROPEAN ECONOMIC AREA (THE “EEA”) INVESTORS

In relation to the EEA States that have implemented the European Union’s Directive 2003/71/EC (and any amendments thereto, including those made by Directive 2010/73/EU) (the “Prospectus Directive”) (each, a “relevant member state”), with effect from and including the date on which the Prospectus Directive was implemented in that relevant member state (the “relevant implementation date”), no Shares, nil-paid Rights Shares and fully-paid Rights Shares have been offered or will be offered pursuant to the Rights Issue to the public in that relevant member state prior to the publication of a prospectus in relation to the Shares, nil-paid Rights Shares and fully paid Rights Shares which has been approved by the competent authority in that relevant member state or, where appropriate, approved in another relevant member state and notified to the competent authority in the relevant member state, all in accordance with the Prospectus Directive, except that with effect from and including the relevant implementation date, offers of Shares, nil-paid Rights Shares and fully-paid Rights Shares may be made to the public in that relevant member state at any time under the following exemptions under the Prospectus Directive, if they are implemented in that relevant member state:

- (a) to any legal entity which is a qualified investor, as defined in the Prospectus Directive;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) in such relevant member states; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

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## NOTICE TO INVESTORS IN THE UNITED KINGDOM

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provided that no such offer of Shares, nil-paid Rights Shares and fully-paid Rights Shares shall result in a requirement for the publication by the Company or the Underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in that relevant member state.

For this purpose, the expression “an offer of any Shares, nil-paid Rights Shares and fully-paid Rights Shares to the public” in relation to any Shares, nil-paid Rights Shares and fully-paid Rights Shares in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the Rights Issue and any Shares, nil-paid Rights Shares and fully-paid Rights Shares to be offered so as to enable an investor to decide to subscribe for or acquire any Shares, nil-paid Rights Shares and fully-paid Rights Shares, as the same may be varied in that relevant member state by any measure implementing the Prospectus Directive in that relevant member state.

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## EXPECTED TIMETABLE

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

<b>Events</b>	<b>2017 (Hong Kong time)</b>
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
<b>Latest time for acceptance of and payment for Rights Shares and application for excess Rights Shares .....</b>	<b>4:00 p.m. on Friday, 17th February</b>
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

Dates or deadlines specified in this prospectus are indicative only and may be varied by agreement between the Company and the Underwriter. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

### **EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND FOR APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES**

The latest time for acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares will not take place at the time indicated above if there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Latest Acceptance Time. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or

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## EXPECTED TIMETABLE

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- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Latest Acceptance Time. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m..

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares does not take place on the Latest Acceptance Time, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event as soon as practicable.

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## DEFINITIONS

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*In this prospectus, unless the context otherwise requires, the following terms shall 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 relating to, <i>inter alia</i> , the Rights Issue
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“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
“close associates”	has the meaning ascribed to it under the Listing Rules
“Committed Shareholder”	Teamsun Technology (HK) Limited, which is interested in 229,672,295 Shares as at the Latest Practicable Date
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong, as amended or supplemented from time to time
“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)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

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## DEFINITIONS

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“EAF(s)”	the form(s) of application for use by the Qualifying Shareholders who wish to apply for excess Rights Shares in connection with the Rights Issue
“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
“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 the 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 Practicable Date”	27th January 2017, being the latest practicable date prior to the printing of this prospectus for the purpose of ascertaining certain information contained herein
“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 (if any)
“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



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## DEFINITIONS

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“PAL(s)”	the provisional allotment letter(s) proposed to be issued to the Qualifying Shareholders in connection with the Rights Issue
“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 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 this 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
“Registrar”	Tricor Tengis Limited, Hong Kong branch share registrar and transfer office of the Company, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“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”	this prospectus, PAL and EAF
“Rights Share(s)”	175,394,450 new Shares to be allotted and issued by the Company to the Qualifying Shareholders for subscription 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 8th 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

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## DEFINITIONS

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“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 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 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 20,558,303 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
“%”	per cent

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## TERMINATION OF THE UNDERWRITING AGREEMENT

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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.**

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## LETTER FROM THE BOARD

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### **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, 3rd February 2017

*To the Qualifying Shareholders,*

Dear Sir or Madam,

**RIGHTS ISSUE OF 175,394,450 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**

#### **INTRODUCTION**

Reference is made to the Announcement, in relation to, among other matters, the Rights Issue. On 12th January 2017, the Board announced that the Company proposed 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 would be exercised on or before the Record Date) and not more than 175,652,950 Rights Shares (assuming the outstanding Share Options would 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 on the Record Date. The Rights Issue is not available to the Non-Qualifying Shareholder(s) (if any).

The purpose of this prospectus is to provide the Shareholders with further details about the Rights Issue, certain financial information and other general information on the Group.

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## LETTER FROM THE BOARD

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### RIGHTS ISSUE

#### Issue statistics

Basis of the Rights Issue:	One (1) Rights Share for every two (2) existing Shares held on the Record Date
Subscription Price:	HK\$1.10 per Rights Share
Number of Shares in issue as at the Latest Practicable Date:	350,788,900 Shares
Number of Rights Shares:	175,394,450 Rights Shares
Number of issued Shares upon completion of the Rights Issue:	526,183,350 Shares
Amount to be raised:	Approximately HK\$192,934,000 before expenses
Right of excess applications:	Qualifying Shareholders may apply for Rights Shares in excess of their provisional allotment

As at the Latest Practicable Date, the Company had 517,000 outstanding 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. There may be adjustment to the exercise price of the Share Options as a result of the Rights Issue. The Company will instruct the auditors of the Company to review and certify the basis of any adjustments as soon as possible. The Company will publish further announcement(s) in respect of such adjustments as and when appropriate.

Save for the aforesaid, the Company had no derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares as at the Latest Practicable 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 the Latest Practicable Date and approximately 33.3% of the enlarged issued share capital of the Company immediately following completion of the Rights Issue.

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## LETTER FROM THE BOARD

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### **Qualifying Shareholders**

To qualify for the Rights Issue, the Shareholders must be registered as members of the Company on the Record Date and not be a Non-Qualifying Shareholder.

Qualifying Shareholders who take up their pro rata entitlements in full under the Rights Issue will not suffer any dilution to their interests in the Company. If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

### **Basis of provisional allotments**

The basis of the provisional allotment shall be one (1) Rights Share (in nil-paid form) for every two (2) existing Shares in issue held by the Qualifying Shareholders on the Record Date.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing a PAL and lodging the same with a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Acceptance Time.

### **Rights of Overseas Shareholder**

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

Based on the register of members of the Company, there was one Overseas Shareholder with a registered address in the United Kingdom who held 2,200 Shares on the Record Date. The Directors, having made reasonable enquiries as to the legal requirements regarding the feasibility of extending the Rights Issue to the Overseas Shareholder in the United Kingdom, are of the view that it is neither necessary nor expedient not to extend the Rights Issue to the Overseas Shareholder located in United Kingdom and accordingly, such Overseas Shareholder will be a Qualifying Shareholder and there will not be any Non-Qualifying Shareholder.

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## LETTER FROM THE BOARD

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No action has been taken to permit the offering of the Rights Shares, or the distribution of this prospectus or any of the PAL or EAF, in any territory or jurisdiction outside Hong Kong. No person receiving a copy of this prospectus and/or the PAL and the EAF in any territory or jurisdiction outside Hong Kong may treat it as an offer or an invitation to apply for the Rights Shares or the excess Rights Shares, unless in the relevant jurisdiction such an offer or invitation could lawfully be made without compliance with any registration or other legal or regulatory requirements. It is the responsibility of any person (including but without limitation to nominee, agent and trustee) receiving a copy of this prospectus or any of the PAL or EAF outside Hong Kong (including the ultimate beneficial owner(s) of the Qualifying Shareholders) and wishing to take up the Rights Shares or make an application for the excess Rights Shares to satisfy himself/herself/itself as to the observance of the laws and regulations of all relevant jurisdiction, including obtaining any government or other consents for observing any other formalities which may be required in such territory or jurisdiction, and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith. The Company will not be responsible for verifying the legal qualification of any such resident in such territory or jurisdiction, thus, should the Company suffer any losses or damages due to non-compliance with the relevant laws of such territory or jurisdiction by any such resident, the resident shall be responsible to compensate the Company for the same. The Company shall not be obliged to issue the nil-paid Rights Shares or fully-paid Rights Shares to any such resident, if at the Company's absolute discretion issuing the nil-paid Rights Shares or fully-paid Rights Shares to them does not comply with the relevant laws of such territory or jurisdiction. Any acceptance by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited has given, or be subject to, any of the above representation or warranty. If you are in any doubt as to your position, you should consult your professional advisers.

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## LETTER FROM THE BOARD

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### 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;
- (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; and
- (f) a discount of approximately 17.29% to the closing price of HK\$1.330 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

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.

Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted upon completion of the Rights Issue. The possible maximum dilution to shareholdings of those Qualifying Shareholders who do not subscribe to the Rights Issue is approximately 33.33%.



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## LETTER FROM THE BOARD

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The Directors consider that, despite the potential dilution impact of the Rights Issue on the shareholding interests of the Shareholders, the terms and structure of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole, after taking into account the following factors: (i) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the Rights Issue are able to sell the nil-paid rights in the market, while the Qualifying Shareholders who wish to increase their shareholding in the Company through the Rights Issue are able to acquire additional nil-paid rights in the market and/or through an EAF; (ii) the Qualifying Shareholders who choose to accept their provisional entitlements in full can maintain their respective existing shareholding interests in the Company after the Rights Issue; and (iii) the Rights Issue gives the Qualifying Shareholders an opportunity to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company at a relatively low price as compared to the historical market price of the Shares.

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\$1.079.

### **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.

### **Procedures for acceptance and payment or transfer**

Qualifying Shareholders will find enclosed with this prospectus a PAL which entitles them to subscribe for the number of Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PAL, they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:00 p.m. on Friday, 17th February 2017. All remittances must be made in Hong Kong dollars. Cheques must be drawn on an account with, or cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "**Automated Systems Holdings Limited – Provisional Allotment Account**" and crossed "**Account Payee Only**".

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## LETTER FROM THE BOARD

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It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar by 4:00 p.m. on Friday, 17th February 2017, whether by the original allottee or any person to whom the rights have been validly transferred, the relevant provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for application under the EAFs by the Qualifying Shareholders. The Company may, at its sole discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions.

If the Qualifying Shareholders wish to accept only part of their provisional allotment and/or to transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or to transfer their rights to more than one person, the original PAL must be surrendered and lodged for cancellation by no later than 4:30 p.m. on Thursday, 9th February 2017 to the Registrar who will cancel the original PAL and issue new PALs in the denominations required, which will be available for collection at the Registrar after 9:00 a.m. on the second Business Day after the surrender of the original PAL.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques and cashier's orders accompanying completed PALs will be presented for payment immediately upon receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and return of the PAL will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions other than Hong Kong in connection with the PAL and any acceptance of it, have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited has given, or be subject to, any of the above representation or warranty. Completion and return of the PAL with a cheque or a cashier's order, whether by a Qualifying Shareholder or by any nominated transferee, will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the accompanying cheque and/or cashier's order is dishonoured on first presentation, and, in such event, the relevant provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled.

The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction.

If the Underwriter exercises the rights to terminate the Underwriting Agreement or if the conditions of the Rights Issue are not fulfilled or waived (as applicable), the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the nil-paid Rights Shares shall have been validly transferred, or in case of joint acceptances, to the first-named person, without interest by means of cheques despatched by ordinary post to their respective registered addresses at their own risk on or before Monday, 27th February 2017.

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## LETTER FROM THE BOARD

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### Application and payment for excess Rights Shares

Qualifying Shareholders may apply, by way of excess application, for any Rights Shares provisionally allotted but not accepted and for any unsold Rights Shares arising from the aggregation of fractional entitlement.

Any Qualifying Shareholder wishing to apply for any excess Rights Shares must complete and sign the enclosed EAF as indicated thereon and lodge it, together with a separate remittance for the amount payable on application in respect of the excess Rights Shares applied for, with the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:00 p.m. on Friday, 17th February 2017. All remittances must be made in Hong Kong dollars and cheques or cashier's orders must be drawn on a bank account in Hong Kong and made payable to "**Automated Systems Holdings Limited – Excess Application Account**" and crossed "**Account Payee Only**".

The Directors will allocate the excess Rights Shares 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 PAL or the existing number of Shares held by Qualifying Shareholders. No preference will be given to topping up odd lots to whole board lots. No application for any excess Rights Shares should be made with intention to abuse the mechanism.

Shareholders with Shares held by a nominee (or which are held in CCASS) should note that the Board will consider the nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company. Accordingly, such Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to the relevant beneficial owners individually.

The allocation of excess Rights Shares made to the Qualifying Shareholders will be announced on or about Friday, 24th February 2017. If no excess Rights Shares are allocated to the Qualifying Shareholders, the amount tendered on application is expected to be refunded in full on or before Monday, 27th February 2017. If the number of excess Rights Shares allocated to the Qualifying Shareholders is less than that applied for, the surplus application monies are also expected to be refunded to them on or before Monday, 27th February 2017.

All cheques and cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the EAF will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions in connection of the EAF and any acceptance of it, have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited has given, or be subject to, any of the above representation or warranty.

Completion and return of the EAF together with a cheque or cashier's order in payment for excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. If any cheque or cashier's order accompanying a completed EAF is dishonoured on first presentation, without prejudice to the other rights of the Company, such EAF is liable to be rejected.

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## LETTER FROM THE BOARD

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The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including cheques or cashier's orders for the amount due, will be despatched by ordinary post at the risk of the persons entitled thereto to their respective registered addresses as shown in the register of members of the Company on the Record Date.

If the Underwriter exercises the right to terminate the Underwriting Agreement or if the conditions of the Rights Issue are not fulfilled or waived (as applicable), the monies received in respect of the relevant applications for excess Rights Shares will be returned to the applicants, or in case of joint applicants, to the first-named person, without interest by means of cheques despatched by ordinary post to their respective addresses at their own risk on or before Monday, 27th February 2017.

### **Share certificates and refund cheques for Rights Issue**

Subject to the fulfilment 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, to their registered addresses.

Applicant(s) will receive one share certificate for all the fully-paid Rights Shares issued to him/her/it/them.

The first day of dealings in the Rights Shares in their fully-paid form is expected to commence on 9:00 a.m. on Tuesday, 28th February 2017.

### **Application for listing**

Application has been made by the Company 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.

None of the Shares is listed, or dealt in, or for which listing or permission to deal is being or is proposed to be sought on any other stock exchange other than Stock Exchange.

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.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

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## LETTER FROM THE BOARD

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### 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 this 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;

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## LETTER FROM THE BOARD

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- (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 the 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.

As at the Latest Practicable Date, none of the conditions set out above had been fulfilled, and the Company was not aware of any matter which would render any of such conditions being unable to be fulfilled.

### **The Irrevocable Undertaking**

As at the Latest Practicable Date, 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 the 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

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## LETTER FROM THE BOARD

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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.

Accordingly, pursuant to the Rights Issue, the Committed Shareholder will be entitled to a maximum of 154,836,147 Rights Shares (assuming that its application for 40,000,000 excess Rights Shares will be satisfied in full). For the avoidance of doubt, 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.

### **The Underwriting Agreement**

Date:	12th January 2017 (after trading hours)
Issuer:	The Company
Underwriter:	GF Securities (Hong Kong) Brokerage Limited
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
Commission:	A commission of HK\$2,550,000 shall be payable by the Company to the Underwriter

The terms of the Underwriting Agreement (including the commission rate) were determined after arm's length negotiation between the Company and the Underwriter by reference to the recent global economic environment and volatility of the stock market. The Board considers the terms of the Underwriting Agreement including the commission rate are fair and reasonable so far as the Company and the Shareholders are concerned.

### **The Underwriter**

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the Latest Practicable Date, the Underwriter is independent of and not connected with the Company and its connected persons.

### **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:



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## LETTER FROM THE BOARD

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- (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.**



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## LETTER FROM THE BOARD

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

Save as disclosed below, the Company has not conducted any fund raising activity in the 12 months immediately preceding the Latest Practicable Date.

Date of Announcement	Event	Net proceeds (approximate)	Intended use of proceeds as announced	Actual use of proceeds
12th January 2017	Placing of convertible bonds	Approximately HK\$345,968,000	<ol style="list-style-type: none"><li>1. 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</li><li>2. approximately 10% as general working capital of the Group.</li></ol>	To be used as intended

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

The net proceeds from the Rights Issue after deducting expenses are estimated to be approximately HK\$189,170,000.

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 the 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, which will be used, among other matters, for repaying bank borrowings and improving the liquidity for the operations of the Group in Hong Kong.

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

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## LETTER FROM THE BOARD

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### WARNING OF THE RISKS OF DEALING IN THE SHARES AND RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the sub-paragraph headed “Termination of the Underwriting Agreement” above). Accordingly, the Rights Issue may or may not proceed.

The Shares have been dealt in on an ex-rights basis from Friday, 20th January 2017. Dealings in the Rights Shares in nil-paid form are expected to take place from Tuesday, 7th February 2017 to Tuesday, 14th February 2017 (both days inclusive). Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s). Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter’s right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

## LETTER FROM THE BOARD

### SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the date of the Latest Practicable Date; (ii) immediately upon completion of the Rights Issue assuming full acceptance of the Rights Shares; (iii) 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.

Name of Shareholder	As at the date of Latest Practicable Date		Immediately upon completion of the Rights Issue assuming full acceptance of the Rights Shares		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 (Note 2)	
	<i>Approximate</i>		<i>Approximate</i>		<i>Approximate</i>	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
<b>Committed Shareholder</b>						
Teamsun Technology (HK) Limited	229,672,295 <i>(Note 1)</i>	65.5	344,508,442	65.5	384,508,442	73.1
<b>The Underwriter</b>	-	-	-	-	20,558,303	3.9
<b>Other public Shareholders</b>	121,116,605	34.5	181,674,908	34.5	121,116,605	23.0
<b>Total</b>	<b>350,788,900</b>	<b>100.0</b>	<b>526,183,350</b>	<b>100.0</b>	<b>526,183,350</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 will be satisfied in full.

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.

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## LETTER FROM THE BOARD

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### TAXATION

Qualifying Shareholders are recommended to consult their professional advisors if they are in any doubt as to the tax implications of the holding or disposal of, or dealing in the Rights Shares in both their nil-paid and fully-paid forms. It is emphasised that none of the Company, its Directors or any other parties involved in the Rights Issue accepts responsibility for any tax effects or liabilities of holders of the Rights Shares resulting from the purchase, holding or disposal of, or dealing in the Rights Shares in both their nil-paid and fully-paid forms.

### 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 the Announcement, the Rights Issue is not conditional on approval by the Shareholders.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this prospectus.

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

## 1. SUMMARY OF FINANCIAL INFORMATION

The published audited consolidated financial statements of the Group for the three years ended 31st December 2013, 2014 and 2015 are disclosed in the annual reports of the Company for the three years ended 31st December 2013, 2014 and 2015. The said annual reports of the Company are available on both the website of the Stock Exchange (<http://www.hkex.com.hk>) and the website of the Company (<http://www.asl.com.hk>).

Set out below are links to the annual reports of the Company:

- (a) Annual report of the Company for the year ended 31st December 2013:  
<http://www.hkexnews.hk/listedco/listconews/SEHK/2014/0415/LTN201404151094.pdf>
- (b) Annual report of the Company for the year ended 31st December 2014:  
<http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0415/LTN20150415769.pdf>
- (c) Annual report of the Company for the year ended 31st December 2015:  
<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0413/LTN20160413634.pdf>
- (d) Interim report of the Company for the six months ended 30th June 2016:  
<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0913/LTN20160913319.pdf>

## 2. INDEBTEDNESS STATEMENT

### Bank borrowings

As at 31st December 2016, being the latest practicable date for the purpose of this indebtedness statement, the Group had bank borrowings of HK\$10,000,000 (unguaranteed) which were secured by the Group's leasehold land and building. The carrying amount of the leasehold land and building as at 31st December 2016, which were pledged to secure to Group's bank borrowings amounted to approximately HK\$107,250,000.

### Contingent liabilities

As at 31st December 2016, performance bonds of approximately HK\$62,628,000 have been issued by the banks on behalf of the Group to customers as security of contracts. As at 31st December 2016, the Group had restricted bank deposit of approximately HK\$487,000 and leasehold land and buildings with carrying amount of approximately HK\$107,250,000 held as security for performance bonds.

### Commitments

As at 31st December 2016, the Group had capital commitments, which were contracted but not provided for, in respect of property, plant and equipment of approximately HK\$132,000.

**Disclaimer**

Save as aforesaid in this section of the prospectus and apart from intra-group liabilities and normal trade payables in the ordinary course of business, at the close of business on 31st December 2016, the Group did not have any debt securities issued and outstanding, or authorised or otherwise created but unissued, loans or any term loans (secured, unsecured, guaranteed or otherwise), any other borrowings or indebtedness in the nature of borrowing including bank overdrafts and any liabilities under acceptances (other than normal trade bills) or other similar indebtedness, acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, guarantees or other material contingent liabilities.

**3. WORKING CAPITAL**

The Directors, after due and careful enquiry, are of the opinion that, after taking into account the estimated net proceeds from the Rights Issue, its presently available financial resources, including funds internally generated from operation and the available banking facilities, the Group will have sufficient working capital for its operation for at least the next twelve months from the date of this prospectus.

**4. MATERIAL ADVERSE CHANGE**

The Directors confirm that there was no material adverse change in the financial or trading position or outlook of the Group since 31st December 2015, being the date to which the latest published audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.

**5. FINANCIAL AND TRADING PROSPECT OF THE GROUP**

At present, 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 (“IT”) 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, mainland China, Thailand, Taiwan, Singapore and Malaysia.

The Group, continuously focusing on five key solutions and services pillars in 2016, has been consistent in its development strategy and has made remarkable progress. In respect of the managed service business, the result was particularly impressive. As there is an increasing demand for enhancing operational efficiency from the public and private sectors in Hong Kong and the Greater China region, the Group has successfully introduced a “customer-oriented” concept to various locally-based enterprises through providing long-term IT managed services and those enterprises may outsource their IT support and management operations from their internal IT departments. This has considerably increased the business flexibility of those enterprises and, with the performance pledge made by the Group, further increased their support service standard and coverage.

In view of the latest market trend, a new generation of third platform technologies is emerging and fast-growing and the traditional IT enterprise and application architecture can no longer meet the digital needs of today's enterprises. In the pursuit of digital transformation, more and more enterprises are looking for third platform technology-enabled mission-critical business applications to help them reduce costs, streamline operational processes and improve business agility. To this end, the Group decided to make an important move of expanding the Group's business to capture the shift in demand to third platform technologies by the Acquisition.

Looking ahead, the Group will strenuously consolidate its leading position in the IT industry and leverage its competitiveness through the development of innovative technologies and grasping new opportunities for the development of the Group in the future.

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**APPENDIX II    UNAUDITED PRO FORMA FINANCIAL INFORMATION  
OF THE GROUP**

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**1.    UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP**

**Unaudited Pro Forma Statement of Adjusted Consolidated Net Tangible Assets of the Group**

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group (the “Unaudited Pro Forma Financial Information”) has been prepared by the Directors in accordance with paragraph 4.29 of the Listing Rules to illustrate the effect of the Rights Issue on the consolidated net tangible assets of the Group as if the Rights Issue had been completed on 30th June 2016.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited consolidated net tangible assets of the Group attributable to equity holders of the Company as at 30th June 2016, as extracted from the published interim report of the Company for the six months ended 30th June 2016 and is adjusted to reflect the effect of the Rights Issue.

The Unaudited Pro Forma Financial Information has prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to equity holders of the Company following the Rights Issue as at the date to which it is made up or at any future date.

Unaudited consolidated net tangible assets of the Group attributable to equity holders of the Company as at 30th June 2016 <i>HK\$'000</i> <i>(Note 1)</i>	Estimated net proceeds from the Rights Issue <i>HK\$'000</i> <i>(Note 2)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity holders of the Company immediately after completion of the Rights Issue <i>HK\$'000</i>	Unaudited consolidated net tangible assets of the Group per Share as at 30th June 2016 <i>(Note 3)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group per Share immediately after completion of the Rights Issue <i>(Note 4)</i>
Based on 175,394,450 Rights Shares to be issued				
<u>703,281</u>	<u>189,243</u>	<u>892,524</u>	<u>HK\$2.00</u> per Share	<u>HK\$1.70</u> per Share

*Notes:*

- (1) The unaudited consolidated net tangible assets of the Group attributable to equity holders of the Company as at 30th June 2016 is calculated based on the unaudited consolidated net assets of the Group attributable to equity holders of the Company as at 30th June 2016 of approximately HK\$704,796,000 after deducting intangible assets as at 30th June 2016 of approximately HK\$1,515,000, as extracted from the published interim report of the Company for the six months ended 30th June 2016.



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**APPENDIX II    UNAUDITED PRO FORMA FINANCIAL INFORMATION  
OF THE GROUP**

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- (2) The estimated net proceeds from the Rights Issue are based on 175,394,450 Rights Shares at the Subscription Price of HK\$1.10 per Rights Share on the basis of one Rights Share for every two existing Shares of the Company held on the Record Date, after deducting the estimated underwriting commission and other related expenses of approximately HK\$3,764,000 to be incurred by the Company.
- (3) The number of Shares used for the calculation of the unaudited consolidated net tangible assets of the Group per Share as at 30th June 2016 is based on the 350,788,900 Shares in issue as at 30th June 2016.
- (4) The number of Shares used for the calculation of the unaudited pro forma adjusted consolidated net tangible assets of the Group per Share immediately after completion of the Rights Issue is based on 526,183,350 Shares which comprise of 350,788,900 Shares in issue as at 30th June 2016 and 175,394,450 Rights Shares assumed to be issued on completion of the Rights Issue.
- (5) Save as disclosed above, no adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 30th June 2016.

**2.    INDEPENDENT REPORTING ACCOUNTANT’S ASSURANCE REPORT ON THE  
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

*The following is the text of a report prepared by Grant Thornton Hong Kong Limited, Certified Public Accountants, Hong Kong, in respect of the Unaudited Pro Forma Financial Information of the Group for the purpose of incorporation in this Prospectus.*



3rd February 2017

**To the Directors of Automated Systems Holdings Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Automated Systems Holdings Limited (the “Company”) and its subsidiaries (collectively the “Group”) by the directors for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at 30th June 2016, and related notes (the “Unaudited Pro Forma Financial Information”) as set out on pages 28 to 29 of the Company’s prospectus dated 3rd February 2017 (the “Prospectus”), in connection with the proposed rights issue of the Company. The applicable criteria on the basis of which the directors have compiled the Unaudited Pro Forma Financial Information are described on pages 28 to 29 of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the directors to illustrate the impact of the proposed rights issue on the Group’s financial position as at 30th June 2016 as if the proposed rights issue had taken place at 30th June 2016. As part of this process, information about the Group’s financial position has been extracted by the directors from the Group’s unaudited condensed consolidated financial statements for the six months ended 30th June 2016, on which a review report has been published.

***Directors’ Responsibility for the Unaudited Pro Forma Financial Information***

The directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with reference to Accounting Guideline 7 (“AG 7”) “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

***Our Independence and Quality Control***

We have complied with the independence and other ethical requirement of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

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## APPENDIX II    UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

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Our firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Review of Financial Statements, and other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### *Reporting Accountant’s Responsibilities*

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus”, issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of Unaudited Pro Forma Financial Information included in this prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the proposed rights issue at 30th June 2016 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

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**APPENDIX II    UNAUDITED PRO FORMA FINANCIAL INFORMATION  
OF THE GROUP**

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- The related pro forma adjustments give appropriate effect to those criteria; and
- The Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

***Opinion***

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,

**Grant Thornton Hong Kong Limited**

*Certified Public Accountants*

Level 12

28 Hennessy Road

Wanchai

Hong Kong

Shaw Chi Kit

Practising Certificate Number: P04834

## 1. RESPONSIBILITY STATEMENT

This prospectus, 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 Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this prospectus 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 in this prospectus misleading.

## 2. SHARE CAPITAL AND SHARE OPTIONS

### (a) Share Capital

The authorised and issued share capital of the Company as at the Latest Practicable Date and immediately following completion of the Rights Issue were and are expected to be as follows:

#### (a) As at the Latest Practicable Date:

<i>Authorised share capital</i>	<i>HK\$</i>
600,000,000 Shares	60,000,000.00
<i>Issued and fully paid share capital</i>	
350,788,900 Shares	35,078,890.00

#### (b) Immediately following completion of the Rights Issue:

<i>Authorised share capital</i>	<i>HK\$</i>
600,000,000 Shares	60,000,000.00
<i>Rights Shares to be allotted and issued under the Rights Issue</i>	
175,394,450 Shares	17,539,445.00
<i>Shares in issue immediately following completion of the Rights Issue</i>	
526,183,350 Shares (assuming no other Shares (other than the Rights Shares) are allotted and issued on or before completion of the Rights Issue)	52,618,335.00

**(b) Share Options**

Details of the outstanding Share Options as Latest Practicable Date were as follows:

<b>Participants</b>	<b>Date of grant of share options</b>	<b>Exercise period of share options</b>	<b>Exercise price of share options HK\$</b>	<b>Number of outstanding share options at Latest Practicable Date</b>
Other Employees	19.3.2012	19.3.2013 to 18.3.2022	0.99	396,000
	2.5.2012	2.5.2013 to 1.5.2022	1.02	121,000

Save as disclosed in the paragraph 2(b), the Company did not have any other options, warrants or other convertible securities or rights affecting the Shares and no capital of any member of the Group is under option, or agreed conditionally or unconditionally to be put under option as at the Latest Practicable Date.

Save as disclosed in this prospectus, as at the Latest Practicable Date, no share or loan capital of the Company or any members of the Group had been put under option or agreed conditionally or unconditionally to be put under option and no warrant or conversion right affecting the Shares has been issued or granted or agreed conditionally, or unconditionally to be issued or granted.

As at the Latest Practicable Date, there is no arrangement under which future dividends are waived or agreed to be waived.

### 3. DISCLOSURE OF INTERESTS

#### (a) Directors and chief executives

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were recorded in the register required to be kept by the Company under section 352 of the SFO; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”), to be notified to the Company and the Stock Exchange (“Directors’ Interests in Shares and Underlying Shares”), were as follows:

#### (i) Shares

Name of company	Director	Personal interests	Family interests	Corporate interests	Other	Total	Approximate % of shareholding
Beijing	Wang Weihang	91,913,216	-	-	-	91,913,216	8.32
Teamsun Technology Co., Ltd (“Teamsun”)	Li Wei	240,520	-	-	-	240,520	0.02

#### (ii) Underlying Shares

Name of company	Director	Personal interests	Family interests	Corporate interests	Other	Total	Approximate % of shareholding
Teamsun	Li Wei	196,000 <sup>1</sup>	-	-	-	196,000	0.02
	Cui Yong	245,000 <sup>1</sup>	-	-	-	245,000	0.02

*Note:*

1. Restricted shares of Teamsun may be unlocked and traded on the Shanghai Stock Exchange after unlocking conditions are met pursuant to Teamsun’s second phase of equity incentive plan, details of which were disclosed in Teamsun’s announcements dated 27th May 2015 and 14th July 2015.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and the chief executives of the Company had any Directors’ Interests in Shares and Underlying Shares.

**(b) Substantial Shareholders' Interests in the Company**

As at the Latest Practicable Date, so far as is known to the Directors and chief executives of the Company, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or were recorded in the register of interests required to be kept by the Company under section 336 of the SFO:

Name of shareholder	Nature	Number of ordinary shares of the Company held		Percentage of issued share capital %
		Direct interest	Deemed interest	
The Committed Shareholder	Long Position	384,508,442	–	109.61
Teamsun ( <i>Note 1</i> )	Long Position	–	384,508,442	109.61

*Note:*

1. Teamsun was interested in the entire issued share capital of the Committed Shareholder and was therefore deemed to be interested in the 384,508,442 Shares in which the Committed Shareholder was interested.
2. The percentage is calculated in relation to 350,788,900 Shares, being the issued share of the Company as of the Latest Practicable Date.

Save as mentioned above, as at the Latest Practicable Date, to the Directors' knowledge, there was no other person (other than the Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

**4. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors or proposed Directors had any existing or proposed service contracts with the any member of the Group (excluding contracts expiring or determinable by the Company within one year without payment of compensation (other than statutory compensation)).

**5. DIRECTORS' INTERESTS IN CONTRACTS OR ARRANGEMENTS**

As at the Latest Practicable Date, none of the Directors were materially interested in any contract or arrangement subsisting as at the Latest Practicable Date, and which was significant in relation to the business of the Group.



## 6. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, the following Directors were considered to have interests in businesses which competed or were likely to compete, either directly or indirectly, with the businesses of the Group, particulars of which are set out below:

<b>Name of Director</b>	<b>Name of the entities which were considered to compete or likely to compete with the businesses of the Group</b>	<b>Description of businesses of the entities which were considered to compete or likely to compete with the businesses of the Group</b>	<b>Nature of Director's interest in the entities</b>
Wang Weihang	Teamsun	Information technology product service, application software development, value-added distribution and system integration	Chairman, president and director
	The Committed Shareholder	Window company of Teamsun in Hong Kong and mainly provides administrative support to the clients of Teamsun in the PRC and Hong Kong	Sole director
	Certain subsidiaries of Teamsun	Information technology related	Director
Wang Yueou	Carnation Software Ltd. (a subsidiary of Teamsun)	Information technology related	Director
Li Wei	Teamsun	Information technology product service, application software development, value-added distribution and system integration	Director
	Certain subsidiaries of Teamsun	Information technology related	Director

As the Board is independent from the board of directors of the aforesaid companies, and as none of the above Directors controls the Board, the Group is capable of carrying on its business independently of, and at arm's length from, the businesses of the aforesaid companies.

Save as disclosed above, each of the Directors confirmed that as at the Latest Practicable Date, he and his close associates did not have any other interests in a business apart from the Group's business, which competed or was likely to compete, either directly or indirectly with the Group's business.

**7. EXPERT**

The following is the qualification of the expert who has given opinions or advice, which are contained in this prospectus:

<b>Name</b>	<b>Qualification</b>
Grant Thornton Hong Kong Limited	Certified Public Accountants

As at the Latest Practicable Date, Grant Thornton Hong Kong Limited did not have any direct or indirect interest in any securities of any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group nor did they have any interest, either directly or indirectly, in any assets which had been, since 31st December 2015 (being the date to which the latest published audited consolidated financial statements of the Company and its subsidiaries were made up), acquired or disposed of by or leased to or were proposed to be acquired or disposed of by or leased to any member of the Group.

Grant Thornton Hong Kong Limited has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its letters, reports and/or summary of its opinions (as the case may be) and references to its name in the form and context in which they respectively appear herein.

**8. LITIGATION**

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

**9. MATERIAL CONTRACTS**

The following contracts have been entered into by the Group (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the Latest Practicable Date and are or may be material:

- the agreement and plan of merger dated 16th December 2016 entered into between the Company, GDD International Holding Company (the “Purchaser”) and GDD International Merger Company (the “Merger Sub”) in relation to the merger of Grid Dynamics International, Inc. (the “Target Company”) and the Merger Sub, with the Target Company as the surviving corporation and wholly-owned by the Purchaser as an indirect wholly-owned subsidiary of the Company;

- the conditional placing agreement dated 12th January 2017 entered into between the Company as issuer and GF Securities (Hong Kong) Brokerage Limited as placing agent (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 at the initial conversion price of HK\$1.20 per conversion share (subject to adjustment) (the “Conversion Price”) due on the third anniversary of the date of issue, with the conversion rights to convert at the Conversion Price; and
- the Underwriting Agreement.

## 10. CORPORATION INFORMATION AND PARTIES TO THE RIGHTS ISSUE

<b>Registered office</b>	Canon’s Court 22 Victoria Street Hamilton HM12 Bermuda
<b>Head office and principal place of business in Hong Kong</b>	15th Floor, Topsail Plaza 11 On Sum Street Shatin New Territories Hong Kong
<b>Principal share registrar and transfer office</b>	Estera Management (Bermuda) Limited Canon’s Court 22 Victoria Street Hamilton HM12 Bermuda
<b>Hong Kong branch shares registrar and transfer office</b>	Tricor Tengis Limited Level 22 Hopewell Centre 183 Queen’s Road East Hong Kong
<b>Authorised representatives</b>	Mr. Wang Yueou Mr. Ngan Wai Hing, <i>HKICPA, CPA (Aust.)</i>
<b>Company secretary</b>	Mr. Ngan Wai Hing, <i>HKICPA, CPA (Aust.)</i>
<b>Underwriter to the Rights Issue</b>	GF Securities (Hong Kong) Brokerage Limited 29-30/F Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong

<b>Legal advisers to the Company for the Rights Issue</b>	<i>(As to Hong Kong law)</i> Jones Day 31st Floor Edinburgh Tower, The Landmark 15 Queen's Road Central Hong Kong
	<i>(as to Bermuda law)</i> Appleby 2206-2219 Jardine House 1 Connanght Place Central Hong Kong
<b>Auditor</b>	Grant Thornton Hong Kong Limited <i>Certified Public Accountants</i> Level 12 28 Hennessy Road, Wan Chai Hong Kong
<b>Principal bankers</b>	The HongKong and Shanghai Banking Corporation Limited 1 Queen's Road Central Hong Kong

## 11. DIRECTORS AND SENIOR MANAGEMENT

### (A) Particulars

#### *Executive Directors*

**Mr. Wang Weihang**, aged 50, has been a Director of the Company since 2009 and was re-designated from a Non-Executive Director to an Executive Director in May 2014. Mr. Wang is currently the chairman and president, and a director of Teamsun and the sole director of the Committed Shareholder. The Committed Shareholder is a wholly-owned subsidiary of Teamsun, the Company's ultimate holding company listed on the Shanghai Stock Exchange. Prior to re-designation as the chairman and president of Teamsun, Mr. Wang was the general manager of Teamsun, and the vice chairman and general manager of the first board of directors of Teamsun. Mr. Wang holds an Executive Master's Degree in Business Administration from Tsinghua University in the People's Republic of China ("PRC") and a Master's Degree in Semi-Conductor Materials and Microelectronic Technology from the Information and Electronic Engineering Department of Zhejiang University in the PRC. Mr. Wang was awarded as 中國軟件產業傑出企業家 (China Software Industry Outstanding Entrepreneur Laureate<sup>#</sup>) and 中國軟件產業功勳人物 (China Software Industry Prestige Award Laureate<sup>#</sup>) by China Software Industry Association in 2009. He was also awarded the "Innovation Outstanding Personality of Chinese Brand Award" in 2011.

**Mr. Wang Yueou**, aged 42, has been the Chief Executive Officer and an Executive Director of the Company since September 2016 and September 2015 respectively. Mr. Wang joined the Group in 2011 and was the Financial Controller, the Chief Financial officer and the Joint Company Secretary of the Group. He is currently a director of certain subsidiaries and an associate of the Company (i.e. the directorship of i-Sprint Innovations Pte Ltd) and the chief financial officer and a director of Carnation Software Ltd., a subsidiary of Teamsun. Mr. Wang was the chief financial officer and a board secretary of Guangzhou Headway Technology Co., Ltd. and a regional finance manager (China) of Wistron Information Technology & Services Corporation. Mr. Wang holds a Bachelor's Degree in International Accounting from Jinan University, a Master's Degree in Business Administration from University of Wales in the United Kingdom and an Executive Master's Degree in Business Administration from Research Institute of Tsinghua University in the PRC.

*Non-Executive Directors*

**Mr. Li Wei**, aged 52, has been appointed as the Chairman of the Board and a Non-Executive Director of the Company since September 2015. He has been appointed as a director of Teamsun since March 2014. Mr. Li is currently a director of certain subsidiaries of Teamsun. He was an instructor of Jinling Institute of Technology, the manager of Jiangsu East Securities Brokerage Company, a wholly-owned subsidiary of Huatai Securities Co., Ltd. (formerly known as Jiangsu Securities Co., Ltd.), a company listed on Shanghai Stock Exchange (Stock Code: 601688.SH), the general manager of Nanjing Weizhong Technology Industrial Co., Ltd., the general manager of Nanning Yinhe South Software Co., Ltd., a wholly-owned subsidiary of Beihai Yinhe Industry Investment Co., Ltd., a company listed on the Shenzhen Stock Exchange (Stock Code: 000806.SZ), a director of the East China Representative Office of China Venture Capital Research Institute and the general manager of Shanghai Business Department of the International Division of China Potevio Co., Ltd., in the PRC. Mr. Li holds a Bachelor's Degree from East China Normal University, a Master's Degree from Nanjing Normal University and an Executive Master's Degree in Business Administration from Cheung Kong Graduate School of Business.

**Mr. Cui Yong**, aged 49, has been a Non-Executive Director of the Company since September 2015. He joined Teamsun in March 2005. He has been appointed as the vice president and the general manager of the system information product (plate) division of Teamsun since October 2008 and January 2015 respectively. During his tenure with Teamsun, Mr. Cui was the general manager of various divisions, including telecommunications industry, value-added storage business division and system product business division. Mr. Cui holds an Executive Master of Business Administration from Guanghua School of Management in Peking University.

*Independent Non-Executive Directors*

**Mr. Pan Xinrong**, aged 62, has been an Independent Non-Executive Director of the Company since September 2015. He was an executive director and the deputy chairman of Sinopec Kantons Holdings Limited, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (Stock Code: 00934) from 2004 to 2007 and was the chief executive officer of Petro-Cyberworks Information Technology Co., Ltd. from 2006 to 2014. Mr. Pan also held financial positions in various companies including China Petroleum & Chemical Corporation (“SINOPEC”), China Petrochemical Corporation, China Eastern United Petrochemical (Group) Company Limited and SINOPEC Anqing Company (formerly known as China Petrochemical Anqing Petrochemical Plate). Mr. Pan graduated from China Huazhong University of Science and Technology with a profession in Quantitative Economics. Mr. Pan was awarded the “Outstanding Management Award” by China Petroleum and Chemical Industries Integration of Informatization and Industrialization in 2011 and the First Prize of SINOPEC Technology Advancement in 2014.

**Mr. Deng Jianxin**, aged 52, has been an Independent Non-Executive Director of the Company since September 2015. He is currently the chairman of Shenzhen Zhuoyuan Capital Investment Management Co., Ltd., a director of Suzhou Gardens Construction Industry Corporation, a company listed on the National Equities Exchange and Quotations System (the New Third Board<sup>#</sup>) (Stock Code: 833209.OC), a director of Shandong Bori Biological Energy Co., Ltd. and an independent director of Guangbo Group Stock Co., Ltd., a company listed on Shenzhen Stock Exchange (Stock Code: 002103.SZ). Mr. Deng was a partner of Beijing JD Capital Co., Ltd., a partner of Deloitte Touche Tohmatsu Limited (“Deloitte”) and a full time member of the 7th and 8th Stock Offering Approval Committee of China Securities Regulatory Commission. Mr. Deng was mainly responsible for managing and auditing the Listing of Companies as well as the merger and acquisition services in Deloitte. Mr. Deng holds a Bachelor Degree and Master Degree in Accounting from Zhongnan University of Economics and Law and an Executive Master’s Degree in Business Administration from Cheung Kong Graduate School of Business.

**Ms. Ye Fang**, aged 37, has been an Independent Non-Executive Director of the Company since November 2015. She joined AllBright (Shanghai) Law Offices (“AllBright”) since 2009, and is currently a senior partner of AllBright. In addition, she is a part-time legal counsel of Bonded Area Administration of China (Shanghai) Pilot Free Trade Zone Administration. Ms. Ye was an of counsel of Shanghai Jia Chuang Run Hua Law Office and a teacher of China Executive Leadership Academy Pudong. Ms. Ye holds a Bachelor’s degree in Law from East China University of Political Science and Law, a Master’s degree in Law from Tsinghua University in the PRC, a Master’s degree in Law from William S. Richardson School of Law, University of Hawaii in the United States of America (“USA”) and a Doctor’s degree in Law from East China University of Political Science and Law. Ms. Ye is a practice lawyer in the PRC and an honorary member of Hawaii State Bar Association International Section in the USA.

*Senior management and company secretary*

**Mr. Ngan Wai Hing**, aged 45, has been the Company Secretary and the Financial Controller of the Company since September 2016. Mr. Ngan joined the Company in 2009 and was a financial controller of a subsidiary of the Company. He was also the Joint Company Secretary of the Company from September 2014 to August 2016. Mr. Ngan holds a Bachelor's Degree in Financial Administration (major in accounting) from University of New England, Australia and is a certified public accountant of Hong Kong Institute of Certified Public Accountants and a certified practicing accountant of CPA Australia.

*# For identifications purpose only*

**(B) Business address**

The business address of all the Directors and the company secretary of the Company is the same as the principal place of business in Hong Kong of the Company at 15th Floor, Topsail Plaza, 11 On Sum Street, Shatin, New Territories, Hong Kong.

**12. MISCELLANEOUS**

The English texts of each of the Rights Issue Documents shall prevail over their respective Chinese texts in case of inconsistencies.

The Company has no founder shares, management shares or deferred shares.

**13. EXPENSES**

The expenses in connection with the Rights Issue, including the underwriting commission, printing, registration, translation, legal and accounting fees, are estimated to be approximately HK\$3,764,000, and will be payable by the Company.

**14. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES**

A copy of each of the Rights Issue Documents, having attached thereto the written consent referred to under the paragraph headed "Expert" in this appendix, have been registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (WUMP) Ordinance.

**15. BINDING EFFECT**

The Rights Issue Documents, and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the laws of Hong Kong. Where an application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions, other than the penal provisions, of sections 44A and 44B of the Companies (WUMP) Ordinance, so far as applicable.

**16. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours at the principal place of business in Hong Kong of the Company at 15th Floor, Topsail Plaza, 11 On Sum Street, Shatin, New Territories, Hong Kong during normal business hours from 9:00 a.m. to 5:00 p.m. on any weekday, except public holidays during the period of 14 days from the date of this prospectus:

- (a) the memorandum of association and bye-laws of the Company;
- (b) the annual reports of the Company for the three years ended 31st December 2015;
- (c) the letter on the unaudited pro forma financial information of the Group issued by Grant Thornton Hong Kong Limited set out in appendix II to this prospectus;
- (d) the material contracts referred to in the paragraph under the heading “Material Contracts” in this appendix;
- (e) the written consent referred to in the paragraph under the heading “Expert” in this appendix;
- (f) the Rights Issue Documents; and
- (g) the Irrevocable Undertaking.