

# Strategic Acquisition in Hong Kong

## Highlights

- **RAS Technology Holdings Limited has established a wholly owned subsidiary, Racing and Sports Asia ("RASA"), in Hong Kong to support growth in the Asian region.**
- **RASA has agreed to acquire six established racing publications and a data service for HKD\$20.0 million (around \$A4.02 million).**
- **The publications are all market leading Hong Kong-based racing publications, including the Hong Kong Daily News Racing Booklet and Newspaper.**
- **The acquisition provides RAS with a significant presence in Hong Kong, one of the world's largest wagering markets.**
- **Provides diversification of revenue and major growth opportunities in Hong Kong and Asia more broadly through leveraging RAS's data, digital and technology assets.**
- **The assets being acquired delivered FY24 revenue of \$A3.60 million and a profit of \$A404k.**
- **The acquisition is expected to be earnings accretive within the first year with considerable future growth opportunities.**
- **The Company will host an investor webinar to discuss the acquisition and its 1H FY25 results at 12:00pm AEDT on Thursday, 27 February 2025. [Click here to register.](#)**

RAS Technology Holdings Limited (ASX: RTH) ("RAS" or the "Company") is pleased to announce that Racing and Sports Asia Limited ("RASA"), which is a wholly owned subsidiary of RAS, has acquired six leading Hong Kong-based racing data and editorial publications. This strategic acquisition provides RAS with a significant presence in Hong Kong, one of the world's largest wagering markets, and is expected to drive substantial growth opportunities for RAS in Hong Kong and Asia more broadly.

Asia Pacific commands around 59% of the global racing wagering market, representing turnover of around AUD\$106B. The top four APAC countries with approximate values are:

- Japan A\$40.3 billion
- Australia A\$28.7 billion
- Hong Kong A\$21.0 billion
- South Korea A\$7.8 billion

### Commenting on the acquisition, RAS CEO Stephen Crispe said:

"The strategic importance of establishing a local Hong Kong business combined with this acquisition will have a significant impact on the Company's future growth in the region. By establishing a leading position in Hong Kong, and leveraging the Company's world class technology and data, it enables us to rapidly expand in Hong Kong as well as the broader Asian arena.

"This will further position RAS as a dominant player in the region and support expansion with new opportunities as they arise."

### **Acquisition will be earnings accretive and provide considerable future growth opportunities**

RASA has agreed to acquire the assets for \$20 million HKD (\$A4.02 million), to be funded through the Company's existing cash reserves. Completion under the asset sale and purchase agreement is subject to customary conditions including landlord consent, and the satisfaction of all regulatory approvals and requirements. Completion is currently expected to occur within 45 days.

The acquisition is expected to be earnings accretive within the first year, with substantial revenue and profit growth anticipated in the short to medium term. The assets being acquired delivered revenues of \$A3.60 million in FY24, with a profit of \$A404,000.

The acquisition is expected to incur circa A\$500,000 in one-off transaction costs including corporate adviser and due diligence expenses. RAS intends to invest a further A\$500,000 in capital across 2025 to uplift the products and systems of the acquired brands to improve quality, increase automation and create efficiencies through the integration of RAS's market leading data and tech assets. This additional investment, which will be partly funded with profits from the acquired Hong Kong assets, is expected to support significant cost efficiencies and underpin strong revenue growth in the business going forward.

RASA's acquisition of these assets is expected to deliver significant expense synergies through increased automation and capitalising on existing data and technology assets. This combined with strong growth strategies including price optimisation, increased HK race meetings, promotion of the increased number of international meetings and opportunities to grow through Asia using the Company's data and technology assets presented a compelling business case.

RAS revenues from Asia will increase from 2% of total current revenue to around 17% of total current revenue following the acquisition. We expect Asia to continue growing strongly as a percentage of our total revenue as this strategy evolves.

### **Provides a strong strategic position in one of the world's largest wagering markets**

The acquisition establishes a strong foothold in Hong Kong, a major global wagering market, and will diversify RAS' revenue while providing major growth opportunities in Hong Kong and Asia. It will also reinforce RAS' position as the leading provider of racing media, data, and technology in the region.

Additionally, RASA plans to elevate these publications by integrating advanced content, data analytics and launching a cutting-edge online platform designed to target the younger demographic and digital natives.

The strategic move enhances RAS' collaboration with the Hong Kong Jockey Club (HKJC) through key existing contracts. The Company is committed to supporting the growth of the local racing industry as it expands internationally, including new initiatives in China at the Conghua Racecourse. Furthermore,

the dynamic and fast-growing simulcast racing of the World Pool meetings will create fresh opportunities for RAS' multilingual racing publications, digital services, and data solutions.

The acquisition aligns with RAS' strategic goals of diversifying revenue, optimising existing businesses, and expanding into key Asian markets. RAS plans to maximise the value of these assets through a range of strategies, including streamlining operations and enhancing all products under the Racing and Sports Asia umbrella.

### **RAS will leverage existing operations to expand further in Hong Kong and the region**

As part of the deal, RASA will obtain an office in Hong Kong and continue to employ a local team that will operate, maintain, and grow the business. This is a pivotal move by RAS and demonstrates its commitment to investing and expanding in the Hong Kong and Asian region.

RAS will implement the disciplines, policies, and procedures needed to elevate operations to the standards expected of a subsidiary of a listed company. RASA will also continue to identify talent in the region and make strategic hires to manage the integration, growth and running of the business.

- Ends -

This announcement was authorised for release by the Board of RAS.

For Further Information:

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#### **About Racing and Sports**

Founded in 1999, RAS Technology Holdings Limited ('Racing and Sports') is a leading provider of fully integrated premium data and enhanced content to the global racing and wagering industries. It services consumer and enterprise markets and its clients span the spectrum of the racing and wagering industries such as Entain Group (including Ladbrokes and Neds), Flutter Group (including Sportsbet, Paddy Power and Betfair), Tabcorp, BlueBet Holdings Limited (ASX: BBT), Bet365, Singapore Pools, Australian Turf Club, Hong Kong Jockey Club and Racing Victoria.

#### **Important Notice**

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