THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this document 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 otherwise transferred all your shares in Automated Systems Holdings Limited, you should at once hand this document and the accompanying Form(s) of Acceptance to the purchaser(s) or transferee(s) or to the bank, the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s). This document should be read in conjunction with the accompanying Form(s) of Acceptance, the contents of which form part of the terms of the Offers contained herein.

AUTOMATED

TEAMSUN TECHNOLOGY (HK) LIMITED

(Incorporated in Hong Kong with limited liability)

AUTOMATED SYSTEMS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 771)

UNCONDITIONAL MANDATORY CASH OFFERS BY DELOITTE & TOUCHE CORPORATE FINANCE LIMITED FOR AND ON BEHALF OF TEAMSUN TECHNOLOGY (HK) LIMITED FOR ALL THE ISSUED SHARES IN AUTOMATED SYSTEMS HOLDINGS LIMITED (OTHER THAN THOSE ALREADY OWNED BY OR AGREED TO BE ACQUIRED BY TEAMSUN TECHNOLOGY (HK) LIMITED AND PARTIES ACTING IN CONCERT WITH IT) AND TO CANCEL ALL OUTSTANDING OPTIONS OF AUTOMATED SYSTEMS HOLDINGS LIMITED

Financial adviser to Teamsun Technology (HK) Limited

Deloitte.
德勤

Deloitte & Touche Corporate Finance Ltd.

Financial adviser to Automated Systems Holdings Limited

SOMERLEY LIMITED

Independent Financial Adviser to the Independent Board Committee

taifook
TAIFOOK CAPITAL LIMITED

A letter from the Independent Board Committee containing its recommendations to the Independent Shareholders and the Optionholders in respect of the Offers is set out on pages 27 and 28 of this document.

A letter from Taifook, the independent financial adviser to the Independent Board Committee, containing its advice in respect of the Offers is set out on pages 29 and 51 of this document.

The procedures for acceptance and settlement of the Offers are set out on pages 52 to 58 in Appendix I to this document and in the accompanying Form(s) of Acceptance. Acceptance of the General Offer should be received by the Hong Kong branch share registrar of the Company, Tricor Tengis Limited, 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, and acceptance of the Option Offer should be received by the company secretary of the Company, 15th Floor, Topsail Plaza, 11 On Sum Street, Shatin, New Territories, Hong Kong by no later than 4:00 p.m. on 20 October 2009 or such later time and/or date as Teamsun may determine and announce in accordance with the Takeovers Code.

29 September 2009

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	2009
Offers commence *(Note 1)*	29 September
Latest time and date for acceptance of the Offers	4:00 p.m. on 20 October
Closing Date *(Note 2)*	20 October
Announcement of the results of the Offers to be posted on the Stock Exchange's website	not later than 7:00 p.m. on 20 October
Latest date for posting of remittances for the amounts due in respect of valid acceptances received under the Offers *(Note 3)*	30 October

Notes:

1. Acceptance of the Offers shall be irrevocable and not capable of being withdrawn except as permitted under the Takeovers Code.

2. The Offers, which are unconditional, will be closed at 4:00 p.m. on 20 October 2009 unless the Offeror revises or extends the Offers in accordance with the Takeovers Code. The Offeror reserves the right to extend the Offers until such date as it may determine pursuant to the Takeovers Code. An announcement will be issued through the Stock Exchange's website by 7:00 p.m. on 20 October 2009 stating whether the Offers have been revised or extended or have expired. In the event that the Offeror decides to extend the Offers, at least 14 days' notice in writing will be given by way of announcement, before the Offers are closed, to those Shareholders and Optionholders who have not accepted the Offers. For further details, please refer to the paragraph headed "Acceptance period and revisions" in Appendix I to this document.

3. Remittances in respect of the cash consideration (after deducting the seller's ad valorem stamp duty in case of the General Offer) payable for the Shares and the Option(s) tendered under the Offers will be posted to those Shareholders and Optionholders accepting the Offers by ordinary post at their own risk as soon as possible but in any event within 10 days after the receipt by the Hong Kong branch share registrar of the Company (for the General Offer) or by the Company (for the Option Offer), as the case may be, of a duly completed acceptance.

Unless otherwise expressly stated, all time references contained in this document are to Hong Kong time and dates.

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

"acting in concert"	has the meaning ascribed to it in the Takeovers Code;
"ASL HK"	Automated Systems (H.K.) Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company;
"associates"	has the meaning ascribed to it in the Takeovers Code or the Listing Rules, as the context may require;
"Beijing Teamsun"	Beijing Teamsun Technology Co., Ltd. (北京華勝天成科技股份有限公司), a joint stock company with limited liability established under the laws of the PRC and whose shares are listed on the Shanghai Stock Exchange (stock code: 600410);
"Board"	the board of Directors;
"Business"	the business undertaken by ASL HK in the provision of services (which include information technology infrastructure administrative services function, facilities management, network operation maintenance and on-site support, hardware maintenance and desktop computing services) to the Global Account Clients in Asia and in particular in Hong Kong, Thailand and Taiwan in relation to the Global Account Client Contracts;
"Business Assets"	comprise: (a) all original and copy records, sales brochures and catalogues, lists and contact details of clients, documents, books, files, accounts, plans and correspondence belonging to or used by ASL HK exclusively for the Business other than corporate accounting and statutory records; and (b) subject to the consent of the other party to each Business Contract, the benefits and the obligations of that Business Contract;
"Business Contract"	comprise: (a) the Global Account Client Contracts; and (b) certain third party contracts as specified in the Global Account Transfer Agreement with the Global Account Vendors;

"Business Referral Agreement"	the agreement dated 26 August 1997 entered into between CSAM and ASL HK whereby, *inter alia*, CSAM and ASL HK agreed to regulate their activities with their customers and amongst themselves on the terms and conditions specified therein;
"Business Referral Termination Agreement"	the agreement dated 24 April 2009 entered into between CSAM and ASL HK whereby CSAM and ASL HK agreed to terminate the Business Referral Agreement;
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC;
"Circular"	the circular dated 30 June 2009 issued by the Company in respect of, among others, the Special Deals;
"Closing Date"	20 October 2009 or if the Offers are revised or extended, the closing date of the Offers as revised or extended by the Offeror in accordance with the Takeovers Code;
"Companies Ordinance"	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong);
"Company"	Automated Systems Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 771);
"Completion"	completion of the sale and purchase of the Sale Shares pursuant to the Share Purchase Agreement;
"Completion Date"	23 September 2009, being the date of Completion;
"Conditions"	being the conditions precedent to Completion;
"Consideration"	the aggregate consideration of approximately HK$262.4 million for the sale of the Sale Shares (equivalent to HK$1.29 per Sale Share) pursuant to the Share Purchase Agreement;
"CSA Holdings"	CSA Holdings Limited, a company incorporated under the laws of the Republic of Singapore with registration number 199005141C at registered address of 139, Cecil Street, #08-00, Cecil House, Singapore 069539 and is ultimately and beneficially owned by CSC;
"CSAM"	CSC Malaysia Sdn Bhd (formerly known as Computer Systems Advisers (M) Berhad), a company incorporated in Malaysia which is ultimately and beneficially owned by CSC;

"CSC"	Computer Sciences Corporation, a company incorporated in the United States of America with limited liability, the securities of which are currently listed on the New York Stock Exchange (stock code: CSC);
"CSC Group"	CSC and its subsidiaries and associates (excluding the Group);
"CSC HK"	CSC Computer Sciences HK Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of CSC International and is ultimately and beneficially owned by CSC;
"CSC International"	CSC Computer Sciences International Inc., a company incorporated under the laws of the United States of America with registration number C19123-1995 at registered address of 6100 Neil Road, Suite 500, Reno, Nevada, 89511, United States of America which is ultimately and beneficially owned by CSC;
"Data Centre Agreement"	the data centre facility management agreement dated 24 April 2009 entered into between ASL HK and CSC HK pursuant to the Global Account Transfer Agreement (as supplemented by an amendment agreement dated 3 June 2009);
"Data Centre Equipment"	certain equipment as specified in the Global Account Transfer Agreement;
"Director(s)"	the director(s) of the Company from time to time;
"Disinterested Shares"	all the Shares in issue, other than those Shares which are owned or acquired by the Offeror and the parties acting in concert with it;
"Disposal"	the transfer of the Business, the Business Assets, the Hardware Assets, the Data Centre Equipment and the use of the Specified Intellectual Property from ASL HK to CSC HK pursuant to the Global Account Transfer Agreement (being one of the Special Deals);
"Dividend Record Date"	21 August 2009, being the record date for determining entitlement to the Special Dividend;

"DTCFL"	Deloitte & Touche Corporate Finance Limited, a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and the financial adviser to the Offeror;
"Encumbrances"	all pledges, charges, liens, mortgages, security interests, pre-emption rights, options and any other encumbrances or third party rights or claims of any kind;
"Executive"	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director;
"First Master Subcontract Agreement"	the master subcontract framework agreement dated 24 April 2009 entered into between CSC HK and ASL HK, being the subcontractor, which sets out the process, structure and general terms and conditions under which the Group will provide certain specified services to the CSC Group for on-supply to certain specified customers of the CSC Group as a result of the Global Account Transfer Agreement;
"Form(s) of Acceptance"	one or more of the **WHITE** Form of Acceptance and/or **PINK** Form of Acceptance (as the context may require);
"GAC Special Deals"	the GAC Special Deal Agreements and all the transactions contemplated under each of the GAC Special Deal Agreements;
"GAC Special Deal Agreements"	include the following agreements: (a) the Global Account Transfer Agreement; (b) the Data Centre Agreement; (c) the First Master Subcontract Agreement; (d) the Second Master Subcontract Agreement; (e) the Business Referral Termination Agreement; and (f) the Territorial Termination Agreement;
"GAT Closing"	the closing of the transactions contemplated under and in accordance with the Global Account Transfer Agreement;

"General Offer"	the unconditional mandatory cash offer for the Disinterested Shares at the Offer Price being made by DTCFL on behalf of the Offeror in accordance with the Takeovers Code;
"Global Account Clients"	certain clients of ASL HK as specified in the Global Account Transfer Agreement;
"Global Account Client Contracts"	all written agreements and orders entered into, made or accepted by or on behalf of ASL HK in the conduct of the Business as specified in the Global Account Transfer Agreement;
"Global Account Transfer Agreement"	the agreement for sale and purchase of the global accounts and assets in Hong Kong dated 24 April 2009 entered into between ASL HK and CSC HK in relation to the transfer of the Business, the Business Assets, the Hardware Assets, the Data Centre Equipment and the use of the Specified Intellectual Property from ASL HK to CSC HK (as supplemented by an amendment agreement dated 3 June 2009);
"Global Account Vendors"	the third party vendors contracted and/or engaged by ASL HK for the delivery of services and/or equipment for the purposes of the Business as specified in the Global Account Transfer Agreement;
"Group"	the Company and its subsidiaries;
"Hardware Assets"	certain assets and/or leases as specified in the Global Account Transfer Agreement which were as of 31 March 2009;
"HKSCC"	Hong Kong Securities Clearing Company Limited;
"HK$" and "HK cents"	Hong Kong dollars and Hong Kong cents respectively, the lawful currencies of Hong Kong;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"Independent Board Committee"	the committee of the Board consisting of two non-executive Directors and all independent non-executive Directors who are not involved or interested in the General Offer and/or the Option Offer, namely Mr. Allen Joseph Pathmarajah, Mr. Moo Kwee Chong, John, Mr. Hon Sheung Tin, Peter and Mr. Li King Hang, Richard, formed to advise the Independent Shareholders and the Optionholders in respect of the Offers;

"Independent Financial Adviser" or "Taifook"	Taifook Capital Limited, a licensed corporation under the SFO to carry on type 6 (advising on corporate finance) regulated activity, the independent financial adviser appointed to advise the Independent Board Committee in relation to the terms of the Offers;
"Independent Shareholders"	the holders of Shares in issue, other than those Shares which are owned or acquired by the Offeror and the parties acting in concert with it;
"Joint Announcement"	the joint announcement dated 6 May 2009 made by Teamsun and the Company in respect of, among others, the General Offer and the Special Deals;
"Latest Practicable Date"	25 September 2009, being the latest practicable date for the purpose of ascertaining certain information for inclusion in this document;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"Offers"	the General Offer and the Option Offer;
"Offer Price"	the amount of HK$1.29 per Share payable by the Offeror to holders of the Disinterested Shares for each Disinterested Share accepted under the General Offer;
"Option(s)"	the outstanding options granted under the share option schemes adopted by the Company on 16 October 1997 and 8 August 2002 respectively;
"Option Offer"	the unconditional mandatory cash offer being made by DTCFL on behalf of Teamsun for the cancellation of the Options at the Option Offer Price;
"Option Offer Price"	the offer price of HK$0.01 per 1,000 Options;
"Optionholders"	the holders of Option(s);
"Overseas Optionholders"	holders of the Options who are citizens or residents or nationals of jurisdiction outside Hong Kong;
"Overseas Shareholders"	Shareholders whose address as appeared in the register of members of the Company are outside Hong Kong;
"**PINK** Form of Acceptance"	the form of acceptance for cancellation of the Options in **PINK** in respect of the Option Offer;

"PRC"	the People's Republic of China but excluding, for the purpose of this document, Hong Kong, the Macau Special Administrative Region and Taiwan;
"Relevant Period"	the period between 8 October 2008 (being the date falling six months prior to 8 April 2009 the date when the possible General Offer was first announced) and the Latest Practicable Date;
"Remaining Business"	all the businesses carried on by the Group after completion of the GAC Special Deals, being the business of information technology, providing systems integration, information technology infrastructure, software and consulting services, engineering support for products and solutions, managed services as well as supply of information technology and associated products save for the Business transferred under the Global Account Transfer Agreement upon completion of the Disposal;
"Remaining Group"	the Company and its subsidiaries after the Disposal;
"Sale Share(s)"	Share(s) which have been sold by the Vendors to the Offeror pursuant to the Share Purchase Agreement;
"Second Master Subcontract Agreement"	the master subcontract framework agreement dated 24 April 2009 entered into between ASL HK and CSC HK, being the subcontractor, which sets out the process, structure and general terms and conditions under which the CSC Group will provide certain specified services to the Group for on-supply to certain specified customers of the Group as a result of the Global Account Transfer Agreement;
"SFC"	the Securities and Futures Commission of Hong Kong;
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
"SGM"	the special general meeting of the Company held on 17 July 2009, in which the Special Deals and the Special Dividend were approved;
"Share(s)"	the ordinary share(s) of HK$0.10 each in the issued share capital of the Company;
"Shareholder(s)"	the registered holders of the Shares from time to time;
"Share Purchase"	the sale and purchase of the Sale Shares pursuant to the Share Purchase Agreement;

"Share Purchase Agreement"	the agreement in respect of the Share Purchase dated 24 April 2009;
"Special Deals"	the Special Deal Arrangements and all the transactions contemplated under each of the Special Deal Arrangements;
"Special Deal Arrangements"	include the following arrangement and agreements: (a) the GAC Special Deal Agreements; and (b) the undertaking given by the Vendors to the Offeror under the Share Purchase Agreement to permit continuous use of relevant application software by the Group (including associated companies of the Company) for six months after the Completion Date;
"Special Dividend"	HK$0.92 in cash paid to each Shareholder whose name appears on the register of members of the Company on the Dividend Record Date;
"Specified Intellectual Property"	all the software that is used for the performance of the obligations in the Global Account Client Contracts which are specified under the Global Account Transfer Agreement utilised for the purposes of the Business;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Takeovers Code"	the Hong Kong Code on Takeovers and Mergers;
"Teamsun" or "Offeror"	Teamsun Technology (HK) Limited, a company incorporated in Hong Kong with company number 895726 whose registered office is situated at Unit A, 20th Floor, 211 Johnston Road, Wan Chai, Hong Kong, being the purchaser of the Sale Shares and a wholly-owned Hong Kong subsidiary of Beijing Teamsun;
"Territorial Agreement"	the territorial agreement dated 16 October 1997 entered into between the Company and CSA Holdings under which, *inter alia*, the Company and CSA Holdings undertake to each other in relation to non-competition of business in certain geographic regions of the world;
"Territorial Termination Agreement"	the agreement dated 24 April 2009 entered into between CSA Holdings and the Company whereby CSA Holdings and the Company agreed to terminate the Territorial Agreement;

"Total Benefit"	an aggregate of HK$2.21 per Share (before taxes and expenses) from the Special Dividend and the General Offer;
"trading day"	a day on which the Stock Exchange is open for the business of dealings in securities;
"Vendors"	CSA Holdings and CSC International;
"**WHITE** Form of Acceptance"	the form of acceptance and transfer of the Shares in **WHITE** in respect of the General Offer; and
"%"	per cent.

Deloitte.
德勤

Deloitte & Touche Corporate Finance Ltd.

29 September 2009

To the Shareholders and the Optionholders

Dear Sir or Madam,

UNCONDITIONAL MANDATORY CASH OFFERS BY DELOITTE & TOUCHE CORPORATE FINANCE LIMITED FOR AND ON BEHALF OF TEAMSUN TECHNOLOGY (HK) LIMITED FOR ALL THE ISSUED SHARES IN AUTOMATED SYSTEMS HOLDINGS LIMITED (OTHER THAN THOSE ALREADY OWNED BY OR AGREED TO BE ACQUIRED BY TEAMSUN TECHNOLOGY (HK) LIMITED AND PARTIES ACTING IN CONCERT WITH IT) AND TO CANCEL ALL OUTSTANDING OPTIONS OF AUTOMATED SYSTEMS HOLDINGS LIMITED

INTRODUCTION

Reference is made to the Joint Announcement made by the Company and the Offeror dated 6 May 2009 and the Circular of the Company dated 30 June 2009.

The Vendors entered into the Share Purchase Agreement with Teamsun on 24 April 2009, pursuant to which the Vendors conditionally agreed to sell and Teamsun conditionally agreed to purchase the Sale Shares for cash consideration in an aggregate sum of approximately HK$262.4 million (equivalent to HK$1.29 per Sale Share). The Sale Shares represented approximately 65.3% of the issued share capital of the Company as at the Latest Practicable Date and the entire interest in the Company owned by the Vendors prior to Completion. The Share Purchase Agreement was conditional upon the fulfillment of a number of Conditions, including but not limited to, the GAT Closing and the payment of the Special Dividend.

On 24 April 2009, the Group entered into the GAC Special Deal Agreements comprising the Global Account Transfer Agreement, the Data Centre Agreement, the First Master Subcontract Agreement and the Second Master Subcontract Agreement with CSC HK and the Business Referral Termination Agreement and the Territorial Termination Agreement with CSAM and CSA Holdings respectively. The consideration for the Disposal pursuant to the Global Account Transfer Agreement was approximately HK$125 million, which had been satisfied by CSC HK entirely in cash on the date of GAT Closing.

On 17 July 2009, the resolutions in respect of the Special Deals and the Special Dividend were duly approved at the SGM.

After the GAT Closing on 28 August 2009, the Company distributed the proceeds under the Disposal and surplus cash of the Company for the Special Dividend on 10 September 2009 to all Shareholders (including CSA Holdings and CSC International) whose names appeared on the register of members of the Company on the Dividend Record Date (21 August 2009). The Special Dividend amounts to HK$0.92 per Share.

On 10 September 2009, all the Conditions were fulfilled and Completion took place on 23 September 2009.

At Completion, Teamsun and parties acting in concert with it acquired 203,431,896 Shares, representing approximately 68.4% and 65.3% of the entire issued share capital of the Company as at the date of the Joint Announcement and as at the Latest Practicable Date respectively. The reduction in percentage of Shares held by Teamsun and parties acting in concert with it was due to the exercises of Options by the Optionholders after the date of the Joint Announcement, which increased the number of total issued Shares from 297,427,000 as at the date of the Joint Announcement to 311,403,000 as at the Latest Practicable Date. In accordance with Rule 26.1 of the Takeovers Code, Teamsun is required to make the General Offer for all the Disinterested Shares and to make a comparable offer for all the Options in compliance with Rule 13 of the Takeovers Code upon Completion.

This letter sets out details of the terms of the Offers, information on the Offeror and the intention of the Offeror regarding the future of the Group. Further details of the terms of the Offers are set out in Appendix I to this document and in the accompanying Forms of Acceptance.

Your attention is also drawn to the letter from the Board, the letter from the Independent Board Committee to the Independent Shareholders and the Optionholders and the letter from Taifook to the Independent Board Committee contained in this document.

THE OFFERS

Principal terms of the General Offer

DTCFL, on behalf of Teamsun, is making the General Offer, which is unconditional in all respect, to acquire all the Disinterested Shares, and is making a comparable offer for all the Options in compliance with Rule 13 of the Takeovers Code, on the following basis:

For each Share . . . . .HK$1.29 in cash

As at the Latest Practicable Date, there were a total of 311,403,000 Shares in issue (of which 203,431,896 Shares are owned by the Offeror) and 1,966,000 outstanding Options which may confer rights to the Optionholders to subscribe for new Shares.

Principal terms of the Option Offer

For each 1,000 Options . . . . .HK$0.01 in cash

As at the Latest Practicable Date, the Company had 1,966,000 outstanding Options entitling the holders thereof to subscribe for an aggregate of 1,966,000 Shares with exercise prices ranging from HK$1.95 to HK$3.40 per Share. As the outstanding Options have exercise prices higher than the Offer Price, the Options are therefore out of the money. In this situation, the Option Offer is being made only at a nominal price of HK$0.01 for each 1,000 Options.

Following acceptance of the Option Offer, the relevant Options together with all rights attaching thereto will be entirely cancelled and renounced. Pursuant to the share option schemes of the Company adopted on 16 October 1997 and 8 August 2002, Optionholders shall be entitled to exercise the outstanding Options granted under the share option scheme of the Company adopted on 16 October 1997 in full within 21 days after the date on which the Offers become or are declared unconditional (i.e. the commencement date of the Offers) and for outstanding Options granted under the share option scheme of the Company adopted on 8 August 2002, within 14 days after the date on which the Offers become or are declared unconditional (i.e. the commencement date of the Offers). For those Optionholders who do not accept the Option Offer, Options that are not exercised within the said 21 days or 14 days period (as the case may be) will in the event lapse and determine.

The Offers are unconditional in all respects and are not conditional upon acceptances being received in respect of a minimum number of Shares or Options (as the case may be) nor any other conditions.

Save for the Options as mentioned above, the Company has no other outstanding options, warrants or securities convertible into Shares as at the Latest Practicable Date.

Comparison of value

The Offer Price of HK$1.29 per Disinterested Share receivable by the Shareholders under the General Offer represents:

(a) a discount of approximately 39.4% to the closing price of HK$2.130 per Share as quoted on the Stock Exchange on 2 April 2009, being the last trading day immediately before the date of the Joint Announcement;

(b) a discount of approximately 31.7% to the closing price of HK$1.890 per Share as quoted on the Stock Exchange on 1 April 2009, being the last full trading day immediately before the date of the Joint Announcement (the "Last Full Trading Day");

(c) a discount of approximately 27.7% to the average closing price of approximately HK$1.784 per Share as quoted on the Stock Exchange for the last 10 trading days up to and including the Last Full Trading Day;

(d) a discount of approximately 25.1% to the average closing price of approximately HK$1.722 per Share as quoted on the Stock Exchange for the 30 trading days up to and including the Last Full Trading Day;

(e) a discount of approximately 23.8% to the average closing price of approximately HK$1.692 per Share as quoted on the Stock Exchange for the 90 trading days up to and including the Last Full Trading Day;

(f) a discount of approximately 24.4% to the Group's audited consolidated net asset per Share of approximately HK$1.707 based on the Group's audited consolidated net assets of approximately HK$531.5 million as at 31 March 2009 and 311,403,000 Shares in issue as at the Latest Practicable Date;

(g) a discount of approximately 26.3% to the Group's unaudited net asset per Share of approximately HK$1.750 based on the Group's unaudited consolidated net assets of approximately HK$545.0 million as at 30 June 2009 and 311,403,000 Shares in issue as at the Latest Practicable Date; and

(h) a discount of approximately 18.4% to the closing price of HK$1.580 per share as quoted on the Stock Exchange on the Latest Practicable Date.

The Total Benefit of HK$2.21 per Disinterested Share receivable by the Shareholders under the Special Dividend and the General Offer represents:

(a) a premium of approximately 3.8% over the closing price of HK$2.130 per Share as quoted on the Stock Exchange on 2 April 2009, being the last trading day immediately before the date of the Joint Announcement;

(b) a premium of approximately 16.9% over the closing price of HK$1.890 per Share as quoted on the Stock Exchange on 1 April 2009, being the Last Full Trading Day;

(c) a premium of approximately 23.9% over the average closing price of approximately HK$1.784 per Share as quoted on the Stock Exchange for the last 10 trading days up to and including the Last Full Trading Day;

(d) a premium of approximately 28.3% over the average closing price of approximately HK$1.722 per Share as quoted on the Stock Exchange for the 30 trading days up to and including the Last Full Trading Day;

(e) a premium of approximately 30.6% over the average closing price of approximately HK$1.692 per Share as quoted on the Stock Exchange for the 90 trading days up to and including the Last Full Trading Day;

(f) a premium of approximately 29.5% over the Group's audited consolidated net asset per Share of approximately HK$1.707 each based on the Group's audited consolidated net assets of approximately HK$531.5 million as at 31 March 2009 and 311,403,000 Shares in issue as at the Latest Practicable Date;

(g) a premium of approximately 26.3% over the Group's unaudited net asset per Share of approximately HK$1.750 based on the Group's unaudited consolidated net assets of approximately HK$545.0 million as at 30 June 2009 and 311,403,000 Shares in issue as at the Latest Practicable Date; and

(h) a premium of approximately 39.9% over the closing price of HK$1.580 per share as quoted on the Stock Exchange on the Latest Practicable Date.

Shareholders who received the Special Dividend of HK$0.92 per Share and who opt to accept the General Offer in full can receive the Total Benefit of HK$2.21 per Share.

Highest and lowest Share prices

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the Relevant Period were HK$3.60 per Share on 4 August 2009 and HK$1.34 per Share on 28 October 2008.

Dealings in the Shares and other securities by the Offeror during the Relevant Period

Save for the 203,431,896 Shares acquired by the Offeror pursuant to the Share Purchase Agreement, none of the Offeror, its directors, its beneficial owners and parties acting in concert with any of them had dealt in or owned any Shares or any other securities of the Company convertible into Shares, including options, warrants, derivatives or subscription rights during the Relevant Period.

Arrangements relating to the General Offer

There is no arrangement (whether by way of option, indemnity or otherwise) in relation to shares of the Offeror or the Company which might be material to the General Offer. There is no agreement or arrangement to which the Offeror is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the General Offer.

Total consideration

On the basis of 311,403,000 Shares in issue as at the Latest Practicable Date, the General Offer based on the Offer Price values the equity value of the Company at HK$401,709,870. Assuming that the General Offer is accepted in full by the Shareholders and on the basis that there are 107,971,104 Disinterested Shares as at the Latest Practicable Date, the total amount of cash required to effect the General Offer will be approximately HK$139,282,724. Assuming all Optionholders exercised their 1,966,000 outstanding Options and the General Offer is accepted in full by the Shareholders (including the Optionholders who have exercised their Options) and on the basis that there will be 109,937,104 Disinterested Shares, the total amount of cash required to effect the General Offer will be approximately HK$141,818,864.

Financial resources

If all the outstanding Options are exercised, which would increase the number of Shares in issue from 311,403,000 to 313,369,000, Teamsun will finance the General Offer by a loan facility of up to a maximum amount of HK$150,000,000 provided by the Bank of Communications which is an independent third party not being a connected person of the Company. The payment of interest on, repayment of or security for any liability under the aforesaid facility will not depend on the Remaining Business. DTCFL is satisfied that sufficient financial resources are available to Teamsun to satisfy the full acceptance of the General Offer.

Effects of accepting the General Offer

By accepting the General Offer, the relevant Shareholders will sell their Shares to the Offeror free from all liens, claims and Encumbrances and with all rights attached to them as at the Completion Date, including the right to receive all dividends and distributions (except the Special Dividend) declared, paid or made, if any, on or after the Completion Date.

Stamp duty

Seller's ad valorem stamp duty arising in connection with acceptances of the General Offer, amounting to HK$1.00 for every HK$1,000 or part thereof of the greater of (i) the consideration payable by the Offeror in respect of the relevant acceptance; and (ii) the market value of the Shares, whichever is higher, will be payable by the Shareholders who accept the General Offer and will be deducted from the consideration payable to such Shareholders. The Offeror will pay the buyer's ad valorem stamp duty on its own behalf and the seller's ad valorem stamp duty on behalf of the accepting Shareholders in respect of the Shares accepted under the General Offer.

No Hong Kong stamp duty is payable in connection with the acceptances of the Option Offer.

Payment

Payment in cash in respect of acceptances of the Offers will be made as soon as possible but in any event within 10 days of the date of receipt of a duly completed acceptance.

Compulsory acquisition

The Offeror does not intend to avail itself of any powers of compulsory acquisition of any Shares after the close of the General Offer.

INFORMATION ON THE COMPANY

Details of the information on the Company are set out in the letter from the Board on pages 22 to 26 to this document.

INFORMATION ON THE OFFEROR AND ITS CONCERT PARTIES

The Offeror is a company incorporated in Hong Kong under the Companies Ordinance on 19 April 2004 with limited liability. The sole director of the Offeror is Mr. Wang Weihang. The Offeror is a direct wholly-owned subsidiary of and ultimately controlled by Beijing Teamsun, a joint stock company with limited liability established under the laws of the PRC and whose shares are listed on the Shanghai Stock Exchange. The Offeror is the window company of Beijing Teamsun in Hong Kong and mainly provides administrative support to the clients of Beijing Teamsun in the PRC and Hong Kong.

Beijing Teamsun was listed in Shanghai Stock Exchange in 2004. It is an integrated information technology service provider in China, with business scope covering information technology product service, application software development, value-added distribution, system integration. Beijing Teamsun's headquarter is located in Beijing, with wholly-invested subsidiaries in the United States of America and Hong Kong, and branches all over China.

Prior to the entering into of the Share Purchase Agreement, neither the Offeror, its beneficial owner nor the parties acting in concert with any of them owned any Shares.

The directors of Beijing Teamsun as at the Latest Practicable Date were Hu Liankui, Wang Weihang, Liu Jianzhu, Liu Yanjing, Su Gang, Ye Forong, Lan Boxiong, Zhu Wuxiang and Guo Xianchen. The shareholders of Beijing Teamsun as disclosed in the annual report for the year ended 31 December 2008 are set out below.

Liankui Hu	6.36%
Weihang Wang	12.08%
Gang Su	15.87%
Jianzhu Liu	10.11%
Yanjing Liu	9.52%
Tao Jing	1.59%
Beijing Huasheng Computer Limited *(Note)*	7.19%
Public shareholders	37.28%
Total	100.00%

Note: The ultimate beneficial owners of Beijing Huasheng Computer Limited are Beijing Huasun Hi-Tech Co., Ltd. and Singapore Fubao Limited. Beijing Huasun Hi-Tech Co., Limited is controlled by The 6th R&D of Ministry of Industry and Information Technology of the People's Republic of China ("6th R&D") and 6th R&D is controlled by China Electronics Corporation (CEC), CEC is controlled by State-owned Assets Supervision and Administration Commission of the State Council (SASAC). Singapore Fubao Limited is controlled by Bisheng Sun (孫必勝), Liren Zhang (張立人), Daquan Zhang (張大全) and Huaan He (何華安).

REASONS FOR THE OFFERS AND THE OFFEROR'S INTENTION FOR THE GROUP

Headquartered in Beijing, Beijing Teamsun is of the view that the Share Purchase would provide a unique opportunity to implement its international expansion strategy. Through the Share Purchase and the General Offer, Beijing Teamsun can fully reach out to the Company's strong customer base in Hong Kong and the Southeast Asia.

With a view to ensure steady development of the Group's business and to safeguard the interests of minority shareholders, the Offeror intends to maintain the listing status of the Company and to maintain the existing management of the Group and not to discontinue the employment of the employees of the Group as a result of the Offers. It is also the intention of the Offeror that the Group shall continue its existing operations with focus in Hong Kong, Macau, Taiwan and Southeast Asia, whilst positioning the Company as the major platform for Teamsun's expansion and collaboration in these regions.

Following Completion, the Offeror intends to conduct a detailed review on the Remaining Business of the Group for the purpose of formulating business plans and strategies for the business development of the Group as a whole. The Offeror also intends to assist the Company to develop its potentials in the PRC market by introducing the products and technologies having their competitive advantages in the PRC market to facilitate the Group's expansion in the Greater China region. Meanwhile, the Offeror recognises the importance of human resources in the development of the Group's business. In this regard, it is the intention of the Offeror to formulate incentive plans where appropriate to attract new talents for the Group.

The Offeror has no intention to introduce any major changes to the business of the Group or to dispose of or re-deploy the assets of the Group, other than in the ordinary course of the business of the Group, following Completion.

MAINTAINING THE LISTING STATUS OF THE COMPANY

Teamsun intends the Company to remain listed on the Main Board of the Stock Exchange after closing of the Offers.

The Stock Exchange has stated that if, at the closing of the Offers, less than 25% of the issued Shares are held by the public or if the Stock Exchange believes that: (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, then it will consider exercising its discretion to suspend dealings in the Shares. The director of Teamsun and the directors nominated by Teamsun to be appointed to the Board will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares.

PROPOSED CHANGE OF BOARD COMPOSITION OF THE COMPANY

The Board is currently made up of eleven Directors, comprising two executive Directors being Mr. Lai Yam Ting, Ready and Mr. Lau Ming Chi, Edward; seven non-executive Directors being Mr. Allen Joseph Pathmarajah, Mr. Kuo Chi Yung, Peter, Mr. Moo Kwee Chong, John, Mr. Michael Shove, Mr. Darren John Collins, Mr. Wang Yung Chang, Kenneth and Mr. Andrew John Anker; and two independent non-executive Directors being Mr. Hon Sheung Tin, Peter and Mr. Li King Hang, Richard.

Mr. Allen Joseph Pathmarajah, Mr. Moo Kwee Chong, John, Mr. Michael Shove, Mr. Darren John Collins, Mr. Wang Yung Chang, Kenneth and Mr. Andrew John Anker, being non-executive Directors, will resign from the Board with effect from the earliest time as permitted under the Takeovers Code. The appointment of one new executive Director, namely Mr. Leung Tat Kwong, Simon; three new non-executive Directors, namely Mr. Hu Liankui, Mr. Wang Waihang and Mr. Chen Zhaohui and three new independent non-executive Directors, namely Mr. Lu Jiaqi, Ms. Xu Peng and Ms. Young Meng Ying, who are nominated by the Offeror will take effect immediately after the posting of this document. The existing business will continue to be operated by the existing employees of the Group under the supervision and management of the new executive Board.

Any changes to the Board will be made in compliance with the Takeovers Code and the Listing Rules and further announcement will be made pursuant to Rule 13.51(2) of the Listing Rules accordingly.

The brief biographies of the new Directors nominated by the Offeror are set out below:

Executive Director

Mr. Leung Tat Kwong, Simon

Mr. Leung, aged 49, is currently the chief executive officer and the co-founder of AsiaSoft Company Limited ("AsiaSoft"), a company established in 2007 that engineers, sells and supports software solutions for enterprises' computing infrastructures. Prior to AsiaSoft's establishment, Mr. Leung spent 17 years with Sun Microsystems Inc., a company listed on NASDAQ (Stock Code: JAVA) in the Greater China region. He was the managing director, Hong Kong/Macau & Taiwan, the Senior Regional Director for Partner Sales/Industry Sales Organization Greater China and Global Sales and Services Greater China of Sun Microsystems Inc. and also served as a corporate director for Sun Microsystems Inc.. Prior to joining Sun Microsystems Inc., Mr. Leung held several finance and/or sales positions in companies such as Wang Pacific Limited, Unisys China Limited, Philip Morris Asia Inc. and Exxon Chemical Asia Pacific Ltd., Mr. Leung holds a Bachelor of Science Degree in Business Computer Method and a Master's Degree in Business Administration from the California State University, Long Beach, the United States of America.

Non-executive Directors

Mr. Hu Liankui

Mr. Hu, aged 59, is currently the chairman and a director of Beijing Teamsun, a company listed on the Shanghai Stock Exchange (Stock Code: 600410) and the chairman of Beijing Huasun Mingtian Technology Co. Ltd.. Mr. Hu was the chairman of the first board of directors of Beijing Teamsun before he was re-designated as the chairman of Beijing Teamsun. Mr. Hu holds a Master's Degree in Management Engineering from Tsinghua University in the PRC.

Mr. Wang Weihang

Mr. Wang, aged 43, is currently the vice chairman and president, and a director of Beijing Teamsun, a company listed on the Shanghai Stock Exchange (Stock Code: 600410) and the sole director of the Offeror. Mr. Wang was the general manager of Beijing Teamsun, and the vice chairman and general manager of the first board of directors of Beijing Teamsun before he was re-designated as the vice chairman and president of Beijing Teamsun. Mr. Wang holds an Executive Master's Degree in Business Administration from Tsinghua University in the 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*) and 中國軟件產業功勳人物 (China Software Industry Prestige Award Laureate*) by China Software Industry Association (中國軟件行業協會) in 2009.

Mr. Chen Zhaohui

Mr. Chen, aged 32, is currently the chief financial officer of Beijing Teamsun since January 2001. During his tenure with Beijing Teamsun, he is responsible for the management of corporate financial system, including budget management, credit management, capital management and investment and financing system works. Mr. Chen holds a Master's Degree in Business Administration from Peking University in the PRC, and is a certified public accountant (intermediate level) of the PRC.

Independent non-executive Directors

Mr. Lu Jiaqi

Mr. Lu, aged 59, is currently the chairman and managing director of Pearl River Distribution Limited (深圳市有榮配售有限公司). He previously worked for China Resources (Holdings) Company Limited and Modern Advance Company Limited in Hong

* *For identification purpose only*

Kong. Mr. Lu holds a Bachelor's Degree in Engineering from Huazhong Institute of Technology (華中工學院) (currently known as Huazhong University of Science and Technology (華中科技大學)) in the PRC and a Master's Degree in Management Engineering from Tsinghua University in the PRC.

Ms. Xu Peng

Ms. Xu, aged 52, is a PRC lawyer, currently the officer and partner of Beijing Hengde Law Firm (北京恒德律師事務所), a committee member of the 11th National Committee of the Chinese People's Political Consultative Conference, Chaoyang District of Beijing (中國人民政治協商會議北京市朝陽區第十一屆委員會委員) and a supervisor of Beijing Municipal Law Association (北京市律師協會監事). Ms. Xu received education at the Civil, Commercial and Economic Law School of the China University of Political Science and Law and completed 經濟法學專業研究生課程 (the postgraduate program of economic law*) in 2009.

Ms. Young Meng Ying

Ms. Young, aged 52, is currently a director of Sun & Young Business Advisory Limited. She worked for Barclays Bank PLC as a Senior Trust officer in 1992 and founded Lynch Consultancy Limited, a boutique business advisory/consultancy firm specialized in pre-IPO or pre-merger corporate restructuring in 2000. Ms. Young holds a Bachelor's Degree in Business Administration Management from the University of South Australia in Australia and a Master's Degree in Practising Accounting from the Monash University in Australia. Ms. Young is a certified public accountant of Hong Kong Institute of Certified Public Accountants, a certified practicing accountant of CPA Australia and an associate member of the Institute of Chartered Secretaries and Administrators. She is also a committee member of Public Practice Committee with CPA Australia-Hong Kong China Division.

TAXATION

The Offers will be open for acceptance from the date of despatch of this document on 29 September 2009 to 20 October 2009, both days inclusive. It is the responsibility of any Overseas Shareholders or Overseas Optionholders who wish to accept the Offers to satisfy themselves as to the full observance of the laws of any relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required to comply with other necessary formalities or legal requirements. The Overseas Shareholders and the Overseas Optionholders will be responsible for the payment of any transfer or other taxes and duties as a result of their acceptance of the Offers.

None of the Company, the Offeror, DTCFL or any of their respective directors or any other parties involved in the Offers is in a position to advise the Shareholders and the Optionholders on their individual tax implications. The Shareholders and the Optionholders are recommended to consult their own professional advisers as to the tax implications that may arise from accepting the Offers. None of the Company, the Offeror, the Directors, the professional adviser(s) to the

* *For identification purpose only*

Company and the Offeror or any other parties involved in the Offers accepts any responsibility for any tax effect on, or liabilities of, the Shareholders and the Optionholders.

ACCEPTANCE AND SETTLEMENT

The procedure for acceptance and further terms of the Offers are set out in Appendix I to this document.

GENERAL

To ensure equality of treatment of all Shareholders, those registered Shareholders who hold Shares as nominee for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. It is essential for the beneficial owners of the Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the General Offer.

The attention of the Overseas Shareholders and the Overseas Optionholders is drawn to paragraph 7(h) in Appendix I to this document.

All documents and remittances sent to the Shareholders and Optionholders by ordinary post will be sent to them at their own risk. Such documents and remittances will be sent to the Shareholders and Optionholders at their respective addresses as they appear in the register of members of the Company (in the case of the General Offer) or the records of the Company (in the case of the Option Offer) or, in the case of joint Shareholders, to the Shareholder whose name appears first in the register of members of the Company. None of the Company, the Offeror, DTCFL, or any of their respective directors or professional advisers or any other parties involved in the Offers will be responsible for any loss or delay in transmission or any other liabilities that may arise as a result thereof.

ADDITIONAL INFORMATION

Your attention is also drawn to the accompanying Forms of Acceptance and the additional information set out in this document and the appendices which form part of this document.

Yours faithfully,
For and on behalf of
Deloitte & Touche Corporate Finance Ltd.
Lawrence Chia
Managing Director

AUTOMATED SYSTEMS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 771)

Executive Directors:
Mr. Lai Yam Ting, Ready *(Managing Director)*
Mr. Lau Ming Chi, Edward

Non-executive Directors:
Mr. Allen Joseph Pathmarajah *(Chairman)*
Mr. Kuo Chi Yung, Peter *(Deputy Chairman)*
Mr. Moo Kwee Chong, John
Mr. Michael Shove
Mr. Darren John Collins
Mr. Wang Yung Chang, Kenneth
Mr. Andrew John Anker

Independent non-executive Directors:
Mr. Hon Sheung Tin, Peter
Mr. Li King Hang, Richard

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

29 September 2009

To the Shareholders and the Optionholders

UNCONDITIONAL MANDATORY CASH OFFERS BY DELOITTE & TOUCHE CORPORATE FINANCE LIMITED FOR AND ON BEHALF OF TEAMSUN TECHNOLOGY (HK) LIMITED FOR ALL THE ISSUED SHARES IN AUTOMATED SYSTEMS HOLDINGS LIMITED (OTHER THAN THOSE ALREADY OWNED BY OR AGREED TO BE ACQUIRED BY TEAMSUN TECHNOLOGY (HK) LIMITED AND PARTIES ACTING IN CONCERT WITH IT) AND TO CANCEL ALL OUTSTANDING OPTIONS OF AUTOMATED SYSTEMS HOLDINGS LIMITED

INTRODUCTION

Reference is made to the Joint Announcement made by the Company and the Offeror dated 6 May 2009 and the Circular of the Company dated 30 June 2009.

The Vendors entered into the Share Purchase Agreement with Teamsun on 24 April 2009, pursuant to which the Vendors conditionally agreed to sell and Teamsun conditionally agreed to purchase the Sale Shares for cash consideration in an aggregate sum of approximately HK$262.4

million (equivalent to HK$1.29 per Sale Share). The Sale Shares represented approximately 65.3% of the issued share capital of the Company as at the Latest Practicable Date and the entire interest in the Company owned by the Vendors prior to Completion. The Share Purchase Agreement was conditional upon the fulfillment of a number of Conditions, including but not limited to, the GAT Closing and the payment of the Special Dividend.

On 24 April 2009, the Group entered into the GAC Special Deal Agreements comprising the Global Account Transfer Agreement, the Data Centre Agreement, the First Master Subcontract Agreement and the Second Master Subcontract Agreement with CSC HK and the Business Referral Termination Agreement and the Territorial Termination Agreement with CSAM and CSA Holdings respectively. The consideration for the Disposal pursuant to the Global Account Transfer Agreement was approximately HK$125 million, which had been satisfied by CSC HK entirely in cash on the date of the GAT Closing.

On 17 July 2009, the resolutions in respect of the Special Deals and the Special Dividend were duly approved at the SGM.

After the GAT Closing on 28 August 2009, the Company distributed the proceeds under the Disposal and surplus cash of the Company for the Special Dividend on 10 September 2009 to all Shareholders (including CSA Holdings and CSC International) whose names appeared on the register of members of the Company on the Dividend Record Date (21 August 2009). The Special Dividend amounted to HK$0.92 per Share. For the purpose of providing further information to the Shareholders in relation to the impacts on the financial results and position on the Remaining Group as a result of the GAT Closing, the unaudited pro forma financial information on the Remaining Group, including pro forma income statement and pro forma assets and liabilities statement, is set out in Appendix III to this document.

On 10 September 2009, all the Conditions were fulfilled and Completion took place on 23 September 2009.

At Completion, Teamsun and parties acting in concert with it acquired 203,431,896 Shares, representing approximately 68.4% and 65.3% of the entire issued share capital of the Company as at the date of the Joint Announcement and as at the Latest Practicable Date respectively. The reduction in percentage of Shares held by Teamsun and parties acting in concert with it was due to the exercises of certain Options by the Optionholders after the date of the Joint Announcement, which increased the number of total issued Shares from 297,427,000 as at the date of the Joint Announcement to 311,403,000 as at the Latest Practicable Date. In accordance with Rule 26.1 of the Takeovers Code, Teamsun is required to make the General Offer for all the Disinterested Shares and to make a comparable offer for all the Options in compliance with Rule 13 of the Takeovers Code upon Completion.

The terms of the Offers are set out in the letter from DTCFL as well as in Appendix I to this document, of which this letter forms part, and in the accompanying Forms of Acceptance.

In accordance with Rule 2.1 of the Takeovers Code, the Independent Board Committee, comprising the two non-executive Directors and all the independent non-executive Directors who are not involved or interested in the General Offer and/or the Option Offer, namely Mr. Allen Joseph Pathmarajah, Mr. Moo Kwee Chong, John, Mr. Hon Sheung Tin, Peter and Mr. Li King

Hang, Richard, has been established by the Company to advise the Independent Shareholders and the Optionholders in respect of the General Offer and the Option Offer respectively. Mr. Michael Shove, Mr. Darren John Collins, Mr. Wang Yung Chang, Kenneth and Mr. Andrew John Anker, being the non-executive Directors, are not in the Independent Board Committee because they currently hold executive positions in CSC. Mr. Kuo Chi Yung, Peter, being a non-executive Director, is not in the Independent Board Committee because he has been a consultant to the Company on a part-time basis from 2002. Taifook has been appointed as the independent financial adviser to advise the Independent Board Committee in respect of the Offers. Such appointment has been approved by the Independent Board Committee.

This letter aims to provide you with, among other things, information relating to the Group and the Offers.

THE OFFERS

Principal terms of the General Offer

DTCFL, on behalf of the Offeror, makes the General Offer, which is unconditional in all respect, to acquire all the Disinterested Shares and a comparable offer for all the Options in compliance with Rule 13 of the Takeovers Code, on the following basis:

For each Share . . . . HK$1.29 in cash

As at the Latest Practicable Date, the Company had 311,403,000 Shares in issue (of which 203,431,896 Shares are owned by the Offeror) and 1,966,000 outstanding Options which may confer right to the Optionholders to subscribe for new Shares.

Principal terms of the Option Offer

For each 1,000 Options . . . . .HK$0.01 in cash

As at the Latest Practicable Date, the Company had 1,966,000 outstanding Options entitling the holders thereof to subscribe for an aggregate of 1,966,000 Shares with exercise prices ranging from HK$1.95 to HK$3.40 per Share. As the outstanding Options have exercise prices higher than the Offer Price, the Options are therefore out of the money. In this situation, the Option Offer is being made only at a nominal price of HK$0.01 for each 1,000 Options.

Following acceptance of the Option Offer, the relevant Options together with all rights attaching thereto will be entirely cancelled and renounced. Pursuant to the share option schemes of the Company adopted on 16 October 1997 and 8 August 2002, Optionholders shall be entitled to exercise the outstanding Options granted under the share option scheme of the Company adopted on 16 October 1997 in full within 21 days after the date on which the Offers become or are declared unconditional (i.e. the commencement date of the Offers) and for outstanding Options granted under the share option scheme of the Company adopted on 8 August 2002, within 14 days after the date on which the Offers become or are declared unconditional (i.e. the commencement date of the Offers). For those Optionholders who do not accept the Option Offer, Options that are not exercised within the said 21 days or 14 days period (as the case may be) will in the event lapse and determine.

The Offers are unconditional in all respects and are not conditional upon acceptances being received in respect of a minimum number of Shares or Options (as the case may be) nor any other conditions.

Save for the Options as mentioned above, the Company has no outstanding options, warrants or securities convertible into Shares as at the Latest Practicable Date.

INFORMATION ON THE COMPANY

The Company is an investment holding company with its subsidiaries principally engaged in the business of information technology, providing systems integration, information technology infrastructure, software and consulting services, engineering support for products and solutions, managed services as well as supply of information technology and associated products in Hong Kong, Macau, Taiwan, the PRC and Thailand.

The Group recorded an audited profit attributable to the Shareholders of approximately HK$53.6 million, HK$76.2 million and HK$42.7 million for the three financial years ended 31 March 2009 respectively. The unaudited profit of the Group attributable to the Shareholders (which is extracted from the first quarterly results announcement of the Company dated 26 August 2009) was approximately HK$8.0 million for the three months ended 30 June 2009. The audited and unaudited total equity of the Group attributable to the Shareholders as at 31 March 2009 and 30 June 2009 (which is extracted from the first quarterly results announcement of the Company dated 26 August 2009) were approximately HK$531.5 million and approximately HK$545.0 million respectively.

The Disposal was completed on 28 August 2009 and the Special Dividend was distributed on 10 September 2009. Accordingly, the net assets of the Company have been reduced significantly when compared to the audited consolidated net assets of the Company as at 31 March 2009. Based on the unaudited pro forma statement of assets and liabilities of the Remaining Group as set out in Appendix III to this document, the net assets of the Company would have been reduced to HK$316.3 million assuming, inter alia, that the completion of the Disposal and the distribution of the Special Dividend of HK$286.5 million had all taken place on 31 March 2009.

REASONS FOR THE OFFERS AND OFFEROR'S INTENTION FOR THE GROUP

Please refer to the section headed "Reasons for the Offers and the Offeror's intention for the Group" in the letter from DTCFL of this document for information regarding the Offeror's intention with respect to the Group following Completion.

RECOMMENDATIONS

Your attention is drawn to the letters from the Independent Board Committee and Taifook which set out their recommendations in relation to the Offers and the principal factors considered by them in arriving at their recommendations. The letter from the Independent Board Committee is set out on pages 27 to 28 of this document and the letter from Taifook is set out on pages 29 to 51 of this document.

ADDITIONAL INFORMATION

In considering what action to take in connection with the Offers, the Shareholders and the Optionholders should consider their own tax positions and, if they are in doubt, they should consult their professional advisers.

You are recommended to read the letter from DTCFL as well as the procedures for acceptance of the Offers as set out in Appendix I to this document and the accompanying Form(s) of Acceptance.

Your attention is also drawn to the additional information contained in other appendices to this document.

Yours faithfully,
for and on behalf of the Board
Mr. Lai Yam Ting, Ready
Managing Director

AUTOMATED SYSTEMS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 771)

29 September 2009

To the Independent Shareholders and the Optionholders

Dear Sir or Madam,

**UNCONDITIONAL MANDATORY CASH OFFERS BY
DELOITTE & TOUCHE CORPORATE FINANCE LIMITED
FOR AND ON BEHALF OF TEAMSUN TECHNOLOGY (HK) LIMITED
FOR ALL THE ISSUED SHARES IN
AUTOMATED SYSTEMS HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED BY OR
AGREED TO BE ACQUIRED BY
TEAMSUN TECHNOLOGY (HK) LIMITED
AND PARTIES ACTING IN CONCERT WITH IT)
AND TO CANCEL ALL OUTSTANDING OPTIONS OF
AUTOMATED SYSTEMS HOLDINGS LIMITED**

INTRODUCTION

We refer to the composite offer and response document dated 29 September 2009 jointly issued by the Company and the Offeror (the "Document") of which this letter forms a part. Terms defined in the Document shall have the same meanings when used in this letter unless the context otherwise requires.

As the Directors who are independent of the parties to the Offers, we have been appointed as members of the Independent Board Committee to consider the terms of the Offers and to advise you as to whether, in our opinion, the terms of the Offers are fair and reasonable so far as the Independent Shareholders and the Optionholders are concerned. Taifook has been appointed as the independent financial adviser to advise the Independent Board Committee in respect of the terms of the Offers. Details of its advice and the principal factors taken into consideration in arriving at its recommendation are set out in the letter from Taifook on pages 29 to 51 of the Document.

We also wish to draw your attention to (i) the letter from the Board, (ii) the letter from DTCFL, and (iii) the additional information set out in the appendices to the Document.

RECOMMENDATION

Having considered the terms of the Offers and the advice of Taifook, we are of the opinion that the General Offer and the Option Offer are fair and reasonable so far as the Independent Shareholders and the Optionholders are concerned and accordingly, we recommend the Shareholders to accept the General Offer and the Optionholders to accept the Option Offer.

However, Independent Shareholders should note that the closing price of the Shares as at the Latest Practicable Date was higher than the Offer Price. Accordingly, Independent Shareholders may be able to sell all or some of their Shares on the market at a price higher than the Offer Price. The Independent Shareholders who wish to realise all or part of their investment in the Shares should monitor the Share price performance during the period of the General Offer. In the event that the market price of the Shares exceed the Offer Price and the sale proceeds, net of all transaction costs, exceed the amount receivable under the General Offer, Independent Shareholders should consider selling their Shares in the market instead of accepting the General Offer. Independent Shareholders should also note that the overall trading volume of the Shares has been low during the Review Period. Accordingly, they may or may not be able to dispose of their Shares in the market without exerting downward pressure on the price of the Shares. The General Offer provides the Independent Shareholders an opportunity and alternative exit for the Independent Shareholders to realise their investment in the Shares.

Independent Shareholders who are attracted by the future prospects of the Group and are confident on the Offeror may consider retaining some or all of their Shares.

In the event that the trading price of the Shares is higher than the aggregate of the exercise price per Share of the Options and the Option Offer price during the period of the Option Offer, the Optionholders may consider exercising their Options and selling the Shares in the market if the sale proceeds of the Shares net of all transaction costs and after deducting the exercise price of the Options, exceed the amount receivable under the Option Offer. Notwithstanding the aforesaid, Optionholders should note that as the overall trading volume of the Shares has been low during the Review Period, it is uncertain whether a large number of Shares could be sold in the market without exerting a significant downward pressure of the price of the Shares, not to mention the fact that there might be a time lag between the date of exercise of the Options and the date of issue of the Shares. The Optionholders should exercise caution in doing so and monitor the market closely.

Yours faithfully,
Mr. Allen Joseph Pathmarajah **Mr. Moo Kwee Chong, John**
Mr. Hon Sheung Tin, Peter **Mr. Li King Hang, Richard**
Independent Board Committee

The following is the text of a letter of advice to the Independent Board Committee from Taifook for the purpose of incorporation into this document.

taifook
TAIFOOK CAPITAL LIMITED

25th Floor
New World Tower
16-18 Queen's Road Central
Hong Kong

29 September 2009

To the Independent Board Committee

Dear Sirs,

**UNCONDITIONAL MANDATORY CASH OFFERS BY
DELOITTE & TOUCHE CORPORATE FINANCE LIMITED
FOR AND ON BEHALF OF TEAMSUN TECHNOLOGY (HK) LIMITED
FOR ALL THE ISSUED SHARES IN
AUTOMATED SYSTEMS HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED BY OR
AGREED TO BE ACQUIRED BY
TEAMSUN TECHNOLOGY (HK) LIMITED
AND PARTIES ACTING IN CONCERT WITH IT)
AND TO CANCEL ALL OUTSTANDING OPTIONS OF
AUTOMATED SYSTEMS HOLDINGS LIMITED**

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee in relation to the terms of the Offers, details of which are set out in the composite offer and response document dated 29 September 2009 (the "**Composite Offer Document**") jointly issued by the Offeror and the Company to the Shareholders and the Optionholders, of which this letter forms part. Terms used in this letter shall have the same respective meanings as defined in the Composite Offer Document unless the context otherwise requires.

On 6 May 2009, the Company and the Offeror jointly announced that on 24 April 2009, the Vendors entered into the Share Purchase Agreement with the Offeror, pursuant to which the Vendors conditionally agreed to sell and the Offeror conditionally agreed to purchase the Sale Shares for cash consideration in an aggregate sum of approximately HK$262.4 million. As mentioned in the "Letter from the Board" contained in the Composite Offer Document (the "**Letter from the Board**"), completion of the Share Purchase Agreement took place on 23 September 2009 and at Completion, the Offeror and parties acting in concert with it acquired 203,431,896 Shares, representing approximately 65.3% and 68.4% of the entire issued share capital of the Company as at the Latest Practicable Date and as at the date of the Joint Announcement respectively. As set out in the Letter from the Board, the reduction in percentage of Shares held by the Offeror and parties acting in concert with it was due to the exercises of certain Options by the Optionholders after the date of the Joint Announcement, which increased the number of total issued Shares from

297,427,000 as at the date of the Joint Announcement to 311,403,000 as at the Latest Practicable Date. In accordance with Rule 26.1 of the Takeovers Code, the Offeror is required to make the General Offer for all the Disinterested Shares and to make a comparable offer for all the Options in compliance with Rule 13 of the Takeovers Code upon Completion.

Mr. Lai Yam Ting, Ready and Mr. Lau Ming Chi, Edward, both being executive Directors, and Mr. Kuo Chi Yung, Peter, a non-executive Director, maintain stock brokerage accounts with Taifook Securities Company Limited ("**Taifook Securities**"), a fellow subsidiary of us. Mr. Lam Kwong Shing, a director of certain subsidiaries of the Company, had maintained with Taifook Securities a stock brokerage account which had been closed as at the Latest Practicable Date. We consider that the above matters do not affect our independence in giving advice to the Independent Board Committee, given that (i) the provision of stock brokerage services to the aforesaid persons is in the ordinary and usual course of business of Taifook Securities; and (ii) the revenue generated from the provision of stock brokerage services to the aforesaid persons in the past two years was insignificant to Taifook Securities.

In our capacity as the independent financial adviser to the Independent Board Committee, our role is to provide you with our independent opinion and recommendations as to whether the terms of the Offers are fair and reasonable, and our advice to you as to whether or not you should recommend the Independent Shareholders to accept the General Offer and the Optionholders to accept the Option Offer. The Independent Board Committee, the composition of which is set out in the "Letter from Independent Board Committee" of the Composite Offer Document, has also been established to advise the Independent Shareholders and the Optionholders in respect of the terms of the Offers. Our appointment has been approved by the Independent Board Committee.

BASES AND ASSUMPTIONS

In formulating our recommendation, we have relied on the financial and other information and facts supplied to us and representations expressed by the Directors and/or management of the Group and have assumed that all such financial and other information and facts provided and any representations made to us, or contained in the Composite Offer Document, have been properly extracted from the relevant underlying accounting records (in case of financial information) and made after due and careful inquiry by the Directors and/or management of the Group. We have also assumed that all such financial and other information and facts provided and any representations made to us, or contained in the Composite Offer Document, were complete, true and accurate at the time they were made and continue to be so at the date of despatch of the Composite Offer Document and during the period up to the close of the Offers. We have been advised by the Directors and/or management of the Group that to the best of their knowledge and belief all relevant information has been supplied to us and that no material facts have been omitted from the information supplied and representations expressed to us and we are not aware of any facts or circumstances which would render such information provided and representations made to us untrue, inaccurate or misleading.

Our review and analyses were based upon, among others, the information provided by the Company as set out below:

(i) a copy of the Share Purchase Agreement;

(ii) the annual report of the Company for the year ended 31 March 2009 (the "**2009 Annual Report**");

(iii) the announcement of the Company dated 26 August 2009 in relation to the consolidated first quarterly results of the Group for the three months ended 30 June 2009 (the "**First Quarterly Results Announcement**"); and

(iv) the Composite Offer Document.

We have also discussed with the Directors and/or management of the Group with respect to the terms of the Offers, and considered that we have reviewed sufficient information to reach an informed view and have no reason to doubt the completeness, truth or accuracy of the information and facts provided and representations made to us. We have not, however, conducted an independent verification of the information nor have we conducted any form of investigation into the businesses, affairs, financial positions or prospects of the Group and the associated companies of the Company, the CSC Group and its associates as well as the Offeror and its associates.

We have not considered the tax implications on the Independent Shareholders and the Optionholders of their acceptances or non-acceptances of the General Offer and the Option Offer since these are particular to their own individual circumstances. In particular, the Independent Shareholders and the Optionholders who are resident outside Hong Kong or subject to overseas taxes or Hong Kong taxation on securities dealings should consider their own tax position with regard to the General Offer and the Option Offer and, if in any doubt, should consult their own professional advisers.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion in respect of the terms of the Offers, we have considered the following principal factors and reasons:

1. Background of and reasons for the Offers

On 24 April 2009, the Vendors entered into the Share Purchase Agreement with the Offeror, pursuant to which the Vendors conditionally agreed to sell and the Offeror conditionally agreed to purchase the Sale Shares for cash consideration in an aggregate sum of approximately HK$262.4 million. At Completion, which took place on 23 September 2009, the Offeror and parties acting in concert with it acquired approximately 65.3% of the entire issued share capital of the Company. As such, the Offeror is required to make the General Offer for all the Disinterested Shares and to make a comparable offer for all the Options.

2. Information about the Group

(A) Principal business of the Group

The Group is principally engaged in the business of information technology, providing systems integration, information technology infrastructure, software and consulting services, engineering support for products and solutions, managed services as well as supplying information technology and associated products in Hong Kong, Macau, Taiwan, the PRC and Thailand.

(B) Financial performance of the Group

Set out below are a summary of the unaudited consolidated financial information of the Remaining Business for the two financial years ended 31 March 2009 and the three months ended 30 June 2009 and 30 June 2008 based on the 2009 Annual Report and the First Quarterly Results Announcement, and the Remaining Group's unaudited pro forma consolidated net assets value as at 31 March 2009 based on the unaudited pro forma assets and liabilities statement of the Remaining Group as at 31 March 2009 as set out in Appendix III to the Composite Offer Document:

	The Remaining Business *(Note 1)*			
	For the three months ended		**For the year ended**	
	30 June 2009	**30 June 2008**	**31 March 2009**	**31 March 2008**
	HK$' million	*HK$' million*	*HK$' million*	*HK$' million*
Turnover from external customers *(Note 2)*	287.1	332.1	1,361.0	1,315.1
Segment profit *(Note 2)*	19.0	23.8	88.3	93.2
Segment profit margin	6.6%	7.2%	6.5%	7.1%
Profit after taxation *(Note 3)*	6.6	11.0	35.5	71.0

	As at 30 June 2009	**31 March 2009**	**31 March 2008**
	HK$' million	*HK$' million*	*HK$' million*
Net assets value *(Note 4)*	496.0	479.2	500.6
Remaining Group's pro forma consolidated net assets value as at 31 March 2009 *(Note 5)*			HK$602.8 million
Remaining Group's pro forma consolidated net assets value as at 31 March 2009 net of the Special Dividend *(Note 6)*			HK$316.3 million

Notes:

1. The Remaining Business comprises (i) the business of information technology in providing systems integration, software and consulting services, engineering support for products and solutions, managed services save for the Business ("**IT Services**"); and (ii) the business of information technology in supplying information technology and associated products save for the Business ("**IT Products**").

2. The consolidated turnover of the Remaining Business represents the aggregate of the audited (or in respect of the three months ended 30 June 2009 and 30 June 2008, unaudited) consolidated turnover from external customers of the IT Services and IT Products as published in the 2009 Annual Report or the First Quarterly Results Announcement. The consolidated segment profit of the Remaining Business represents the aggregate of the audited (or in respect of the three months ended 30 June 2009 and 30 June 2008, unaudited) consolidated segment profit of the IT Services and IT Products as published in the 2009 Annual Report or the First Quarterly Results Announcement.

3. The consolidated profit after taxation of the Remaining Business for the year ended 31 March 2009 and 31 March 2008 represents the audited consolidated profit after taxation of the Group less the unaudited consolidated profit after taxation of the Business (determined based on the segment profit relating to the Business after allocating relevant incomes and expenses attributable to the Business) as published in the 2009 Annual Report. The consolidated profit after taxation of the Remaining Business for the three months ended 30 June 2009 and 30 June 2008 is based on the First Quarterly Results Announcement.

4. The consolidated net assets value of the Remaining Business represents the audited (or in respect of 30 June 2009, unaudited) consolidated net assets value of the Group less the unaudited consolidated net assets value of the Business (representing the segment assets less segment liabilities of the Business as published in the 2009 Annual Report or the First Quarterly Results Announcement).

5. The Remaining Group's pro forma consolidated net assets value as at 31 March 2009 is based on the unaudited pro forma assets and liabilities statement of the Remaining Group as at 31 March 2009 (as set out in Appendix III to the Composite Offer Document), which is prepared based on (i) the audited consolidated balance sheet of the Group as at 31 March 2009; and (ii) the assumption that the Disposal had been completed on 31 March 2009 after incorporating certain unaudited pro forma adjustments. The Remaining Group's pro forma consolidated net assets value as at 31 March 2009 of approximately HK$602.8 million has not taken into account the distribution of the Special Dividend.

   The Remaining Group's pro forma consolidated net assets value as at 31 March 2009 of approximately HK$602.8 million is different from the consolidated net assets value of the Remaining Business as at 30 June 2009 of approximately HK$496.0 million due to the difference in consolidated net assets value of the Remaining Business as at 31 March 2009 and 30 June 2009 attributable to the operations for the three months ended 30 June 2009 and the fact that the consolidated net assets value of the Remaining Business as at 30 June 2009 has not taken into account the pro forma adjustments relating to: (i) the consideration for the Disposal of HK$125 million and the estimated professional and legal fees and other expenses of approximately HK$3.0 million in relation to the Disposal; (ii) the capital expenditure of HK$3.9 million borne by ASL HK in respect of Hardware Assets purchased by ASL HK during the period from 1 April 2009 to the date of the GAT Closing, and has not included the net current assets of the Business, including inventories, trade receivables, other receivables, trade payables and other payables in relation to the Business, which will be reimbursed by CSC HK (if realisable by CSC HK) to the Group after the GAT Closing. Details of the aforesaid are set out in the notes to the unaudited pro forma assets and liabilities statement of the Remaining Group as at 31 March 2009 as set out in Appendix III to the Composite Offer Document.

6. The Remaining Group's pro forma consolidated net assets value as at 31 March 2009 net of the Special Dividend is calculated by deducting the Special Dividend of approximately HK$286.5 million from the Remaining Group's pro forma consolidated net assets value as at 31 March 2009 of approximately HK$602.8 million.

During the year ended 31 March 2009, the Group recorded a growth of approximately 3.5% in turnover from external customers from the Remaining Business, from approximately HK$1,315.1 million for the year ended 31 March 2008 to approximately HK$1,361.0 million. However, the segment profit margin of the Remaining Business decreased from approximately 7.1% for the year ended 31 March 2008 to approximately 6.5% for the year ended 31 March 2009. As advised by the Directors, the decrease in segment profit margin was attributable to the increase in service delivery that demanded a higher cost structure, especially in meeting the delivery commitment in the fourth quarter which caused the reduction of profit. As advised by the Directors, the decrease in the profit after taxation of the Remaining Business for the year ended 31 March 2009 was also mainly attributable to recognition of a gain on disposal of available-for-sale investments of approximately HK$20.7 million for the year ended 31 March 2008 and the decrease in interest income by approximately HK$4.4 million as a result of decline in interest rate during the year ended 31 March 2009.

For the three months ended 30 June 2009, turnover from external customers from the Remaining Business decreased by approximately 13.5% to approximately HK$287.1 million, from approximately HK$332.1 million in the corresponding period of 2008. As advised by the Directors, the decrease in turnover was mainly attributable to the decrease in product sales in the commercial sector, as affected by the slowdown in the global economy. Both the segment profit and profit after taxation of the Remaining Business for the three months ended 30 June 2009 remained lower than those for the corresponding period of 2008, which as advised by the Directors, was mainly attributable to the decrease in turnover as explained above.

Based on the decrease in the profit of the Remaining Business for the year ended 31 March 2009 and the three months ended 30 June 2009 as compared to their respective corresponding year/period in 2008, we are not aware of any immediate signs of strong profit growth.

(C) Outlook of the Group's business environment

As mentioned in the 2009 Annual Report, with a view to strengthening the Group's presence in the Greater China, the Group continues to explore opportunities of partnering with strong PRC information technology service providers, to support the Group to serve existing Hong Kong and Taiwan clients for their mainland's operations as well as to sell solutions and services to PRC local enterprises, with Hong Kong continuing to serve as the center of excellence for the Group to capitalise new business opportunities in its existing operations in the region.

On the other hand, despite the global economic downturn, according to the data available on the website of the National Bureau of Statistics of China as at the Latest Practicable Date, the PRC has been able to attain a growth rate of approximately 7.1% in its gross domestic product for the first two quarters of 2009 as compared to the same period in 2008. However, the robust market will also drive new competitors into the PRC such that the information technology market in the PRC will become more and more competitive. As mentioned in the First Quarterly Results Announcement, the Group sees opportunities to capture information technology demand from customers who have operations in China or are keen to pursue Mainland's untapped potential. The Group sees an opportunity to expand operations within the Pearl River Delta region and recognises Shanghai's potential as an international finance centre in the region. With the termination of the Territorial Agreement, the Group is free to expand into the PRC market. We understand from the Directors that the Company is considering various business development plans for the expansion of the Group into the PRC market or other overseas territories but these plans are still under consideration and have not been finalised. As advised by the Directors, as at the Latest Practicable Date, no decision had been made and no agreement, arrangement or understanding had been entered into in respect of the business development plans and there was no expected time line to finalise these plans.

(D) Further analysis

In assessing whether the Remaining Business's financial performance may improve in the near future, we have taken into account the following factors:

(i) it was noted that for the year ended 31 March 2009, due to, among others, the decrease in segment profit margin of the Remaining Business, the increase in turnover of the Remaining Business had not turned into a higher level of profit. For the three months ended 30 June 2009, the segment profit margin of the Remaining Business remained lower than that for the three months ended 30 June 2008. There is no guarantee that the financial performance of the Remaining Business will improve significantly in the near future given the competitive operating environment of the information technology industry and the business development plans of the Group for expansion into regions are still under consideration by the management and have not been finalised;

(ii) the segment profit margins of the Remaining Business fluctuate from year to year. As advised by the Directors, this is largely due to the changes in revenue mix and general economic environment and the revenue of the Remaining Business is derived from various services, products and solutions provided to the customers, which have different cost structures and profit margins. In addition, the turnover and profit of the Remaining Business will be affected by the general economic environment. As such, the profitability of the Remaining Business is subject to factors that may be beyond the control of the Group from the Directors' view; and

(iii) the Company is still considering various business development plans for the future expansion of the Group in the PRC or other overseas territories, accordingly the future prospects of the Group's business are yet to be ascertained.

After considering the above factors, we concur with the Directors' view that there is no guarantee that the Group's financial performance will be improved significantly in the near future.

Taking into account: (i) the segment profit margin of the Remaining Business for the year ended 31 March 2009 and for the three months ended 30 June 2009 was lower than that in their respective last corresponding year/period; (ii) there was no material turnover growth of the Remaining Business for the year ended 31 March 2009 as compared to the year ended 31 March 2008 and the turnover of the Remaining Business for the three months ended 30 June 2009 decreased as compared to the three months ended 30 June 2008; (iii) the uncertainties of the general economic environment following the global financial crisis; and (iv) the business development plans for future expansion of the Group are still under consideration and have not been finalised, we concur with the view of the Directors that there is no guarantee that the prospects of the Group's business will have a significant improvement in the near future.

3. Information about the Offeror

(A) Principal business of the Offeror

As set out in the "Letter from DTCFL" contained in the Composite Offer Document (the "**Letter from DTCFL**"), the Offeror is a company incorporated in Hong Kong on 19 April 2004 with limited liability. The sole director of the Offeror is Mr. Wang Weihang. The Offeror is a direct wholly-owned subsidiary of and ultimately controlled by Beijing Teamsun, a joint stock company with limited liability established under the laws of the PRC and whose shares are listed on the Shanghai Stock Exchange. The Offeror is the window company of Beijing Teamsun in Hong Kong and mainly provides administrative support to the clients of Beijing Teamsun in the PRC and Hong Kong.

As set out in the Letter from DTCFL, Beijing Teamsun is an integrated information technology service provider in China, with business scope covering information technology product service, application software development, value-added distribution, system integration. Its headquarter is located in Beijing, with wholly-invested subsidiaries in the United States of America and Hong Kong, and branches over China.

(B) Intention of the Offeror

As set out in the Letter from DTCFL, the Offeror intends to maintain the listing status of the Company and to maintain the existing management of the Group and not to discontinue the employment of the employees of the Group as a result of the Offers, and to continue its existing operations with focus in Hong Kong, Macau, Taiwan and Southeast Asia, whilst positioning the Company as the major platform for the Offeror's expansion and collaboration in these regions.

As set out in the Letter from DTCFL, following Completion, the Offeror intends to conduct a detailed review on the Remaining Business of the Group for the purpose of formulating business plans and strategies for the business development of the Group as a whole. The Offeror also intends to assist the Company to develop its potentials in the PRC market by introducing the products and technologies having their competitive advantages in the PRC market to facilitate the Group's expansion in the Greater China region. It is also the intention of the Offeror to formulate incentive plans where appropriate to attract new talents for the Group. As at the Latest Practicable Date, the Offeror has no intention to introduce any major changes to the business of the Group or to dispose of or re-deploy the assets of the Group, other than in the ordinary course of the business of the Group, following Completion.

4. Principal terms of the Offers

As set out in the Letter from DTCFL, DTCFL, on behalf of the Offeror, is making the General Offer to acquire all the Disinterested Shares, and a comparable offer for all the Options in compliance with Rule 13 of the Takeovers Code, on the following basis:

For each Share . . . . HK$1.29 in cash

As at the Latest Practicable Date, there were a total of 311,403,000 Shares in issue (of which 203,431,896 Shares were owned by the Offeror).

For each 1,000 Options. . . . . HK$0.01 in cash

As at the Latest Practicable Date, there were a total of 1,966,000 outstanding Options which may confer rights to the Optionholders to subscribe for new Shares. All outstanding Options have exercise prices higher than the Offer Price and accordingly such Options are out of the money (when comparing with the Offer Price). In this situation, the Option Offer is being made only at a nominal price of HK$0.01 for each 1,000 Options. As set out in the Letter from the Board, pursuant to the share option schemes of the Company adopted on 16 October 1997 and 8 August 2002, Optionholders shall be entitled to exercise the outstanding Options granted under the share option scheme of the Company adopted on 16 October 1997 in full within 21 days after the date on which the Offers become or are declared unconditional (i.e. the commencement date of the Offers) and for outstanding Options granted under the share option scheme of the Company adopted on 8 August 2002, within 14 days after the date on which the Offers become or are declared unconditional (i.e. the commencement date of the Offers). For those Optionholders who do not accept the Option Offer, Options that are not exercised within the said 21 days or 14 days period (as the case may be) will in the event lapse and be determined.

As set out in the Letter from DTCFL, the Offers are unconditional in all respects and are not conditional upon acceptances being received in respect of a minimum number of Shares or Options (as the case may be) nor any other conditions.

Further terms of the Offers, including, among others, the procedures for acceptance, are set out in Appendix I to the Composite Offer Document.

5. The Offer Price

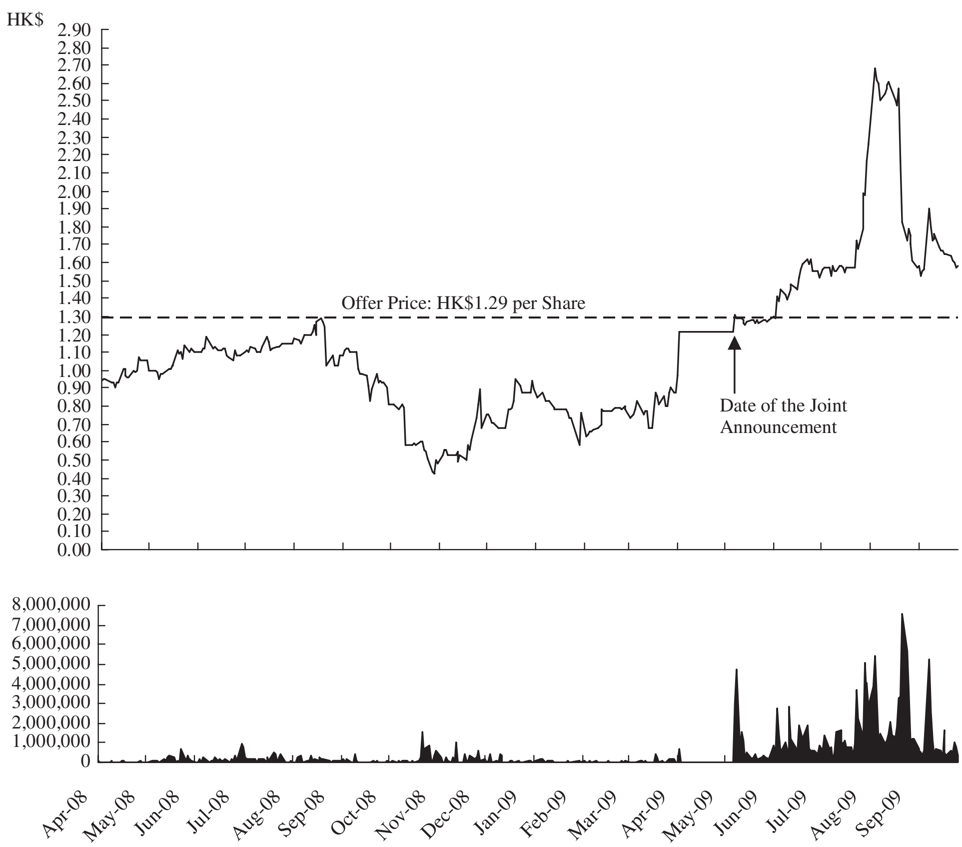
(A) Historical market price and liquidity of the Shares

(a) Share price

As stated in the Letter from the Board, after the GAT Closing, the Company distributed the proceeds under the Disposal and surplus cash of the Company for the Special Dividend to all Shareholders (including CSA Holdings and CSC International) whose names appeared on the register of members of the Company on 21 August 2009. The Special Dividend amounted to HK$0.92 per Share and was distributed on 10 September 2009. The Shares commenced trading at ex-entitlement to such Special Dividend on 20 August 2009. Shareholders whose names appeared on the register of members of the Company on the Dividend Record Date are entitled to the Special Dividend regardless of their acceptance or non-acceptance of the General Offer.

When comparing and analysing the Offer Price relative to the historical price performance of the Shares, we have made adjustments to the historical daily closing prices of Shares prior to 20 August 2009, being the date of ex-Special Dividend, by deducting the amount of Special Dividend per Share ("**Adjusted Prices**").

The following chart shows the closing price (as adjusted by deducting the Special Dividend in respect of the closing prices prior to 20 August 2009) and trading volume of the Shares as quoted on the Stock Exchange from 1 April 2008, being the first trading day of the month falling twelve months prior to 2 April 2009 (the last trading day of the Shares immediately prior to the suspension of trading in the Shares from 11:58 a.m. on 2 April 2009 pending the release of the Joint Announcement), to the Latest Practicable Date (both dates inclusive):



Source: Bloomberg

The Offer Price represents:

(i) a premium of approximately 6.6% over the Adjusted Price of HK$1.21 per Share as quoted on the Stock Exchange on 2 April 2009;

(ii) a premium of approximately 33.0% over the Adjusted Price of HK$0.97 per Share as quoted on the Stock Exchange on 1 April 2009, being the last full trading day of the Shares immediately prior to the publication of the Joint Announcement (the "**Last Full Trading Day**");

(iii) a premium of approximately 49.3% over the average Adjusted Price of HK$0.864 per Share as quoted on the Stock Exchange for the last 10 trading days up to and including the Last Full Trading Day;

(iv) a premium of approximately 60.8% over the average Adjusted Price of HK$0.802 per Share as quoted on the Stock Exchange for the 30 trading days up to and including the Last Full Trading Day;

(v) a discount of approximately 18.4% to the closing price of HK$1.58 per Share on the Latest Practicable Date;

(vi) a premium of approximately 21.4% over the Remaining Group's unaudited pro forma consolidated net assets value (net of the Special Dividend) of approximately HK$1.063 per Share ("**Pro forma NAV per Share of Remaining Group**") (calculated based on the Remaining Group's unaudited pro forma consolidated net assets value as at 31 March 2009 (net of the Special Dividend) of approximately HK$316.3 million as mentioned above and 297,427,000 Shares in issue as at 31 March 2009).

As shown in the above chart, during the period from 1 April 2008 to 2 April 2009 (both dates inclusive) (the "**Pre-Announcement Period**"), the highest and lowest Adjusted Prices of the Shares were HK$1.29 per Share recorded on 18 August 2008 and HK$0.42 per Share recorded on 28 October 2008 and 29 October 2008 respectively. The Offer Price is the same as the highest Adjusted Price per Share and represents a premium of approximately 207.1% over the lowest Adjusted Price per Share during the Pre-Announcement Period.

Trading in the Shares was suspended during the period from 11:58 a.m. on 2 April 2009 up to and including 6 May 2009 pending the release of the Joint Announcement. During the period from 7 May 2009 to the Latest Practicable Date (both dates inclusive) (the "**Post-Announcement Period**"), the highest and lowest Adjusted Prices of the Shares as quoted on the Stock Exchange were HK$2.68 per Share recorded on 4 August 2009 and HK$1.25 per Share recorded on 14 May 2009 respectively. The Offer Price represents a discount of approximately 51.9% to the highest Adjusted Price per Share and a premium of 3.2% over the lowest Adjusted Price per Share during the Post-Announcement Period.

It was noted that during the Pre-Announcement Period, the Adjusted Prices of the Shares were below or equal to the Offer Price while the Adjusted Prices of the Shares have increased following the publication of the Joint Announcement. Such increase may be due to the market speculation on the Group's future business prospects as a result of the change of the controlling Shareholder and the improvement in general stock market sentiment as evidenced by the general increase in Hang Seng Index. However, as the overall liquidity of the Shares was low in particular during the Pre-Announcement Period, there is no certainty that such level of share price will be sustained. The closing price of the Shares also decreased from a high of HK$2.68 per Share (being Adjusted Price after deducting the Special Dividend of HK$0.92 per Share) on 4 August 2009 to HK$1.58 on the Latest Practicable Date.

(b) Trading volume

The following table sets out the trading volume of the Shares during the period from 1 April 2008 to the Latest Practicable Date (both dates inclusive) (the "**Review Period**"):

Month/period	Total trading volume for the month/period *(Shares)*	Average daily trading volume for the month/period *(Shares)* *(Note 1)* *(approximately)*	Percentage of average daily trading volume to the total number of Shares in issue *(Note 2)* *(approximately)*	Percentage of average daily trading volume to the total number of Shares held by public Shareholders *(Note 3)* *(approximately)*
2008				
April	676,000	32,190	0.01%	0.04%
May	2,952,000	147,600	0.05%	0.19%
June	3,054,000	152,700	0.05%	0.19%
July	4,208,000	191,273	0.06%	0.24%
August	2,550,000	134,211	0.05%	0.17%
September	1,344,000	64,000	0.02%	0.08%
October	5,118,000	243,714	0.08%	0.31%
November	4,174,000	208,700	0.07%	0.26%
December	2,023,000	96,333	0.03%	0.12%
2009				
January	1,004,000	55,778	0.02%	0.07%
February	634,000	31,700	0.01%	0.04%
March	1,684,000	76,545	0.03%	0.10%
April (from 1 April 2009 to 2 April 2009, both dates inclusive) *(Note 4)*	718,000	359,000	0.12%	0.45%
May (from 7 May 2009 onwards) *(Note 4)*	14,224,000	889,000	0.30%	1.11%
June	23,805,000	1,082,045	0.36%	1.32%
July	35,559,000	1,616,318	0.52%	1.71%
August	52,943,000	2,521,095	0.81%	2.62%
From 1 September 2009 to the Latest Practicable Date, both dates inclusive	18,583,000	978,053	0.31%	1.02%

Source: Bloomberg

Notes:

1. Average daily trading volume is calculated by dividing the total trading volume for the month/period by the number of trading days during the month/period which exclude any trading day on which trading in the Shares on the Stock Exchange was suspended for the whole trading day. For the purpose of calculating the average daily trading volume, 2 April 2009 is counted as one trading day.

2. Calculated based on the total number of Shares in issue as at the end of each month/period.

3. Calculated based on the total number of Shares held by public Shareholders as at the end of each month/period.

4. Trading in the Shares on the Stock Exchange was suspended during the period from 11:58 a.m. on 2 April 2009 up to and including 6 May 2009 pending the release of the Joint Announcement.

As illustrated in the above table, the average daily trading volume of the Shares in each month during the Pre-Announcement Period ranged from 31,700 Shares in February 2009 (representing approximately 0.01% of the total number of Shares in issued at the month end and approximately 0.04% of the total number of Shares held by the public Shareholders at the month end) to 359,000 Shares in April 2009 (representing approximately 0.12% of the total number of Shares in issue at the month end and approximately 0.45% of the total number of Shares held by the public Shareholders at the month end).

Trading volume of the Shares increased to 3,004,000 Shares on 7 May 2009, the date of publication of the Joint Announcement. However, the average daily trading volume of the Shares during the Post-Announcement Period was low, ranging from 889,000 Shares in May 2009 (representing approximately 0.30% of the total number of Shares in issue at the month end and approximately 1.11% of the total number of Shares held by the public Shareholders at the month end) to approximately 2,521,095 Shares in August 2009 (representing approximately 0.81% of the total number of Shares in issue at the month end and approximately 2.62% of the total number of Shares held by the public Shareholders at the month end).

In view of the above, we consider that the overall liquidity of the Shares was low in the Review Period. As such, Independent Shareholders who intend to dispose of a large number of Shares may not be able to do so without exerting a downward pressure on the price of the Shares. We consider that the Offer provides an alternative exit to such Shareholders to realise their investment in the Shares.

(B) Earnings and net assets value

Based on the unaudited consolidated pro forma profit after taxation of the Remaining Group for the year ended 31 March 2009 of approximately HK$35.5 million (being the pro forma profit for the year of the Remaining Group of approximately HK$106.8 million less the expected gain on Disposal after taxation of approximately HK$71.3 million as set out in Appendix III to the Composite Offer Document) and the 297,075,000 weighted average number of Shares in issue for the year ended 31 March 2009 as published in the 2009 Annual Report, the unaudited consolidated pro forma earnings per Share of the Remaining Group was approximately HK$0.1196 ("**EPS of Remaining Group**") for the year ended 31 March 2009. Based on the aforesaid earnings per Share, the Offer Price of HK$1.29 per Share represents a price earnings ratio of approximately 10.8 times. In calculating the EPS of the Remaining Group, the gain on Disposal of approximately HK$71.3 million as stated in the unaudited pro forma income statement of the Remaining Group for the year ended 31 March

2009 have not been taken into account as it is a one-off gain arising from the Disposal and does not arise from the normal business operations of the Remaining Group.

Based on the Pro forma NAV per Share of Remaining Group as set out in the paragraph headed "(a) Share price" above, the Offer Price of HK$1.29 per Share represents a price to book multiple of approximately 1.2 times.

For the purpose of assessing the fairness and reasonableness of the Offer Price, we have identified eight Hong Kong listed companies principally engaged in similar business as that of the Remaining Group. We have excluded China Information Technology Development Limited ("**China Information Technology**"), a Hong Kong listed company principally engaged in the provision of information technology services, as its latest published audited consolidated annual results are in respect of the financial year ended 31 December 2007, which was more than 20 months ago, and its shares had been suspended from trading on the Stock Exchange since 29 January 2009, and accordingly, the latest published audited consolidated annual results and latest stock price of China Information Technology do not reflect the recent financial position of the China Information Technology group and the effect of recent economic market situation. Trading in shares of China Information Technology on the Stock Exchange remained suspended as at the Latest Practicable Date. We consider that the list of comparables is an exhaustive list of relevant comparable companies.

We have reviewed and compared the price earnings ratios ("**PER**") and price to book multiples ("**P/B**") of the seven comparable companies ("**Comparable Companies**") with the PER and P/B of the Remaining Group as implied by the Offer Price. The valuation multiples of the Comparable Companies have been computed on a historical basis, using the financial data obtained from their respective latest published annual reports for the year ended 31 December 2008 or the year ended 31 March 2009 (where applicable), or the interim reports or interim results announcement for the six months ended 30 June 2009 (where applicable) and based on their respective closing prices of shares.

			PER *(Notes 1 and 3)* (approximately)						**P/B** *(Notes 2 and 3)* (approximately)					
Company/stock code	**Principal business**	**Market capitalisation** *(HK$'million)*	**Based on LPD Closing Price** *(times)*	**Based on LFTD Closing Price** *(times)*	**Based on 30-Day Average Closing Price** *(times)*	**Based on 90-Day Average Closing Price** *(times)*	**Based on 180-Day Average Closing Price** *(times)*	**Based on 360-Day Average Closing Price** *(times)*	**Based on LPD Closing Price** *(times)*	**Based on LFTD Closing Price** *(times)*	**Based on 30-Day Average Closing Price** *(times)*	**Based on 90-Day Average Closing Price** *(times)*	**Based on 180-Day Average Closing Price** *(times)*	**Based on 360-Day Average Closing Price** *(times)*
Computer And Technologies Holdings Limited (46)	Provision of system and network integration services, application development services, information technology solutions implementation and related maintenance outsourcing services, provision of enterprise software applications and related operation outsourcing and e-business services, and property and treasury investments	310.9	9.5	7.0	9.7	9.1	7.9	7.0	0.9	0.7	0.9	0.9	0.8	0.7
Founder Holdings Limited (418)	Software development and system integration	412.6	17.4	8.6	17.6	17.7	13.8	13.3	1.1	0.5	1.1	1.1	0.8	0.8
Chinasoft International Limited (354)	Development and provision of solutions and information technology system, provision of information technology consulting, training, outsourcing services and sale of standalone software and hardware products	838.5	11.7	8.3	12.0	13.4	10.8	11.7	0.9	0.7	1.0	1.1	0.9	0.9
Wai Chun Group Holdings Limited (1013) ("**Wai Chun**") *(Note 4)*	Sales and service, provision of integration services of computer and communication systems, design, consultation, production of information system software and management training services, and sale of communication systems equipment for intelligent buildings and provision of installation services	646.9	N/A	N/A	N/A	N/A	N/A	N/A	7.7	4.3	8.4	7.7	6.3	N/A

			PER *(Notes 1 and 3)* (approximately)						**P/B** *(Notes 2 and 3)* (approximately)					
Company/stock code	**Principal business**	**Market capitalisation**	**Based on LPD Closing Price**	**Based on LFTD Closing Price**	**Based on 30-Day Average Closing Price**	**Based on 90-Day Average Closing Price**	**Based on 180-Day Average Closing Price**	**Based on 360-Day Average Closing Price**	**Based on LPD Closing Price**	**Based on LFTD Closing Price**	**Based on 30-Day Average Closing Price**	**Based on 90-Day Average Closing Price**	**Based on 180-Day Average Closing Price**	**Based on 360-Day Average Closing Price**
		(HK$'million)	*(times)*	*(times)*	*(times)*	*(times)*	*(times)*	*(times)*	*(times)*	*(times)*	*(times)*	*(times)*	*(times)*	*(times)*
Excel Technology International Holdings Limited (8048)	Sale of enterprise software products and provision of maintenance services, provision of systems integration services and resale of complementary hardware and software products, provision of consultancy services, and services in respect of application service provider business	98.5	N/A	N/A	N/A	N/A	N/A	N/A	1.1	0.3	1.1	0.9	0.6	0.7
Computech Holdings Limited (8081) ("**Computech**")	Provision of information technology services, including consultancy, technical support, systems integration, development and sales of relevant hardware and software products	296.7	N/A	N/A	N/A	N/A	N/A	N/A	19.3	2.9	9.6	5.9	4.3	4.0
Armitage Technologies Holding Limited (8213)	Provision of information solutions and design, development, sales of application software packages and magazine publication	57.0	N/A	N/A	N/A	N/A	N/A	N/A	2.2	0.9	2.4	2.6	1.7	1.5
Mean			12.9	7.9	13.1	13.4	10.8	10.7	4.7	1.5	3.5	2,9	2.2	1.4
Mean (for the purpose of calculating the mean of P/Bs, excluding Wai Chun and Computech)			12.9	7.9	13.1	13.4	10.8	10.7	1.2	0.6	1.3	1.3	1.0	0.9
Median			11.7	8.3	12.0	13.4	10.8	11.7	1.1	0.7	1.1	1.1	0.9	0.9
High			17.4	8.6	17.6	17.7	13.8	13.3	19.3	4.3	9.6	7.7	6.3	4.0
Low			9.5	7.0	9.7	9.1	7.9	7.0	0.9	0.3	0.9	0.9	0.6	0.7

		PER (approximately)	**P/B** (approximately)
		(times)	*(times)*
The Company	**(based on the Offer Price)**	10.8	1.2

*Source of information for Comparable Companies: Bloomberg, www.hkex.com.hk and annual reports and interim reports or interim results announcement of the respective companies above. Amounts denominated in Renminbi ("*__RMB__*")*, if any, have been translated into HK$ at an exchange rate of RMB1 = HK$1.124 for comparison purpose only.

Notes:

(1) PERs of the Comparable Companies are calculated based on the closing price per share as quoted on the Stock Exchange and the basic earnings per share as disclosed in the latest published annual report of the relevant company for the year ended 31 December 2008. PER of the Company is calculated based on the Offer Price and the EPS of Remaining Group.

Each of Excel Technology International Holdings Limited, Computech and Armitage Technologies Holding Limited was loss making for the year ended 31 December 2008 or 31 March 2009 (as the case may be). Wai Chun recorded a net loss for the year ended 31 March 2009 before the gain on debt restructuring as part of the restructuring proposal for the purpose of the withdrawal of winding-up petitions and discharge of the provisional liquidators of Wai Chun. Accordingly, no PER is presented for each of the aforesaid four companies and the aforesaid four companies have been excluded in arriving at the mean, median, high and low of the PERs shown above.

(2) P/Bs of the Comparable Companies are calculated based on the closing price per share as quoted on the Stock Exchange and the consolidated net assets value per share calculated by dividing consolidated net assets value attributable to the shareholders of the respective companies (in the case of Computer And Technologies Holdings Limited, Founder Holdings Limited, Chinasoft International Limited, Excel Technology International Holdings Limited and Computech) as at 30 June 2009 as disclosed in the latest published unaudited interim report or interim results announcement of the relevant company, or (in case of Wai Chun and Armitage Technologies Holding Limited) as at 31 March 2009 as disclosed in the latest published annual report of the relevant company, by the number of ordinary shares of the relevant company in issue as at the respective balance sheet date. P/B of the Company is calculated based on the Offer Price and the Pro forma NAV per Share of Remaining Group.

(3) PERs and P/Bs of the Comparable Companies are calculated based on the following closing prices: (i) the closing price per share as quoted on the Stock Exchange on the Latest Practicable Date or in the event that trading of shares of the relevant company on the Stock Exchange has been suspended on the Latest Practicable Date, the last trading day of the shares immediately prior to the Latest Practicable Date ("**LPD Closing Price**"); (ii) the closing price per share as quoted on the Stock Exchange on the Last Full Trading Day ("**LFTD Closing Price**"); (iii) the average of the closing prices per share as quoted on the Stock Exchange for the 30 consecutive trading days of the shares up to and including the Latest Practicable Date ("**30-Day Average Closing Price**"); (iv) the average of the closing prices per share as quoted on the Stock Exchange for the 90 consecutive trading days of the shares up to and including the Latest Practicable Date ("**90-Day Average Closing Price**"); (v) the average of the closing prices per share as quoted on the Stock Exchange for the 180 consecutive trading days of the shares up to and including the Latest Practicable Date ("**180-Day Average Closing Price**"); and (vi) the average of the closing prices per share as quoted on the Stock Exchange for the 360 consecutive trading days of the shares up to and including the Latest Practicable Date ("**360-Day Average Closing Price**").

(4) The P/B of Wai Chun based on 360-Day Average Closing Price is not presented as trading in the shares of Wai Chun on the Stock Exchange has been suspended during the period from 17 December 2004 to 24 August 2008. Accordingly, the aforesaid company has been excluded in arriving at the mean, median, high and low of the P/Bs based on 360-Day Average Closing Price.

The PER of the Company based on the Offer Price is lower than the mean, but within the range, of the PERs of the Comparable Companies calculated based on the LPD Closing Price, 30-Day Average Closing Price or the 90-Day Average Closing Price. On the other hand, the PER of the Company based on the Offer Price is higher than or approximately the same as the mean of the PERs of the Comparable Companies calculated based on the LFTD Closing Price, 180-Day Average Closing Price or 360-Day Average Closing Price.

The P/B of the Company based on the Offer Price is within the range of, and higher than the median of, the P/Bs of the Comparable Companies calculated based on the LPD Closing Price, LFTD Closing Price, 30-Day Average Closing Price, 90-Day Average Closing Price, 180-Day Average Closing Price or 360-Day Average Closing Price. However, the P/B of the Company based on the Offer Price is lower than the mean of the P/Bs of the Comparable Companies, which is mainly attributable to the fact that the P/Bs of Computech and Wai Chun are exceptionally high (being approximately 19.3 times and 7.7 times respectively based on the LPD Closing Price) as compared to the P/Bs of the other Comparable Companies. We have reviewed the latest financial reports and share price movement of the two companies and noted that:

(i) both companies recorded losses from their ordinary course of business in respect of their latest financial years (in the case of Computech, for the year ended 31 December 2008 and the six months ended 30 June 2009, and in the case of Wai Chun, for the two years ended 31 March 2009);

(ii) the closing price of Computech surged significantly from HK$0.475 per share on 25 August 2009 to HK$1.88 per share on 23 September 2009, being the last trading day of the shares of Computech prior to the Latest Practicable Date and Computech had not made any announcement about its business and financial positions and outlook during the period from 25 August 2009 to 23 September 2009 which we consider can account for such significant price increase;

(iii) the closing price of Wai Chun also increased from HK$0.061 per share on 27 March 2009 to HK$0.12 per share on the Latest Practicable Date and Wai Chun had not made any announcement about its business and financial positions and outlook during the aforesaid period which we consider can account for such significant price increase;

(iv) the size of business of both companies are much smaller than that of the Remaining Group, as evidenced by the relatively lower consolidated net assets value of both companies as compared to the Remaining Group (the unaudited consolidated net assets value of Computech as at 30 June 2009 was approximately HK$15.3 million and the audited consolidated net assets value of Wai Chun as at 31 March 2009 was approximately HK$83.5 million, as compared to the unaudited pro forma consolidated net assets value (net of the Special Dividend) of the Remaining Group as at 31 March 2009 of approximately HK$316.3 million, while the audited consolidated turnover of Computech for the year ended 31 December 2008 and Wai Chun for the year ended 31 March 2009 was approximately HK$38.8 million and HK$152.9 million respectively, as compared to the unaudited consolidated turnover of the Remaining Group of approximately HK$1,361.0 million; and

(v) based on the published information of the two companies available on the website of the Stock Exchange, we are not aware of any underlying business and financial factors of both companies which support the exceptionally high P/Bs and the recent increase in share price of both companies.

Given the above, in particular, the exceptionally high P/Bs of the two companies cannot be accounted for by their fundamentals and financial performance, we consider that it may not be appropriate to include them as comparables when assessing the fairness and reasonableness of the Offer Price. As such, we have also calculated the mean of the P/Bs of the Comparable Companies excluding Computech and Wai Chun. We note that the P/B of the Company based on the Offer Price is slightly lower than the mean of the P/Bs of the Comparable Companies excluding Computech and Wai Chun based on the LPD Closing

Price, 30-Day Average Closing Price or 90-Day Average Closing Price, and is higher than the mean of the P/Bs of the Comparable Companies excluding Computech and Wai Chun based on the LFTD Closing Price, 180-Day Average Closing Price or 360-Day Average Closing Price.

Based on the above and having considered:

(i) the PER of the Company based on the Offer Price is higher than or approximately the same as the mean of the PERs of the Comparable Companies calculated based on the LFTD Closing Price, 180-Day Average Closing Price or 360-Day Average Closing Price;

(ii) notwithstanding that the PER of the Company based on the Offer Price is lower than the mean of the PERs of the Comparable Companies calculated based on the LPD Closing Price, 30-Day Average Closing Price or 90-Day Average Closing Price, such results may be partly attributable to the improvement in the general market sentiment of the stock market in recent months, as evidenced by the increase in Hang Seng Index from around 11,300 points on 9 March 2009 to around 21,000 points on the Latest Practicable Date, and the stock market may still be susceptible to the adverse impact brought about by the global financial crisis. Accordingly, the current stock market prices may not be sustainable;

(iii) based on the decrease in the profit of the Remaining Business for the year ended 31 March 2009 and the three months ended 30 June 2009 as compared to their respective corresponding year/period in 2008, there are no signs of strong profit growth of the Remaining Business;

(iv) the P/B of the Company based on the Offer Price is higher than the mean of the P/Bs of the Comparable Companies excluding Computech and Wai Chun based on the LFTD Closing Price, 180-Day Average Closing Price or 360-Day Average Closing Price and is slightly lower than the mean of the P/Bs of the Comparable Companies excluding Computech and Wai Chun based on the LPD Closing Price, 30-Day Average Closing Price or 90-Day Average Closing Price;

(v) even when Computech and Wai Chun are included, the P/B of the Company based on the Offer Price is still within the range of, and higher than the median of, the P/Bs of the Comparable Companies;

(vi) the Offer Price was higher than or equal to the Adjusted Prices of the Shares in the one-year Pre-Announcement Period; and

(vii) given the low liquidity of the trading of the Shares, the Independent Shareholders who intend to dispose of a large number of Shares may not be able to do so without exerting a downward pressure on the price of the Shares,

we consider that the Offer Price is fair and reasonable.

(C) Dividends

The following table sets out the dividend yields and total dividend yields of the Comparable Companies and the Company:

Company/stock code	**Dividend yield** *(Notes 1 and 3)*	**Total dividend yield** *(Notes 2 and 3)*
Computer And Technologies Holdings Limited (46)	4.9%	6.5%
Founder Holdings Limited (418)	Nil	Nil
Chinasoft International Limited (354)	Nil	Nil
Wai Chun (1013)	Nil	Nil
Excel Technology International Holdings Limited (8048)	Nil	Nil
Computech (8081)	Nil	Nil
Armitage Technologies Holding Limited (8213)	Nil	Nil
Average	0.7%	0.9%
The Company (based on the Offer Price) ***(Note 3)***	3.1%	74.4%

Source: www.hkex.com.hk and annual reports of the respective companies above

Notes:

1. The dividend yield of the Comparable Companies represents the dividend, but excluding special dividend (if any), per ordinary share in respect of the last financial year of the Comparable Companies, being the year ended 31 March 2009 for Wai Chun and Armitage Technologies Holding Limited, and the year ended 31 December 2008 for the other Comparable Companies, as disclosed in the latest published annual report of the relevant company, divided by the LPD Closing Price of the Comparable Companies. A special dividend of 2 HK cents has been proposed by Computer And Technologies Holdings Limited and no special dividend has been proposed by the other Comparable Companies in respect of their respective last financial year.

2. The total dividend yield of the Comparable Companies represents the dividend, including special dividend (if any), per ordinary share in respect of the last financial year of the Comparable Companies, being the year ended 31 March 2009 for Wai Chun and Armitage Technologies Holding Limited, and the year ended 31 December 2008 for the other Comparable Companies, as disclosed in the latest published annual report of the relevant company, divided by the LPD Closing Price of the Comparable Companies. A special dividend of 2 HK cents has been proposed by Computer And Technologies Holdings Limited and no special dividend has been proposed by the other Comparable Companies in respect of their respective last financial year.

3. The dividend yield of the Company represents the dividend, but excluding special dividend, per ordinary share in respect of the year ended 31 March 2009 as disclosed in the 2009 Annual Report, divided by the Offer Price. The total dividend yield of the Company represents the aforesaid dividend per ordinary share in respect of the year ended 31 March 2009 plus the Special Dividend, divided by the Offer Price. The Company has declared/proposed an interim dividend of 4 HK cents in respect of the financial year ended 31 March 2009 and the Special Dividend of 92 HK cents subsequent to the year end date.

As illustrated in the above table, the dividend yields of the Company based on the Offer Price are approximately 3.1% (excluding special dividend) and approximately 74.4% (including special dividend) respectively. The dividend yields of the Comparable Companies range from nil to approximately 4.9% (excluding special dividend) and from nil to approximately 6.5% (including special dividend). We also note that the Company had declared dividends in the past few years, with the dividend per share in respect of the financial year ended 31 March 2007 and 2008 being 15 HK cents (which includes a special dividend of 6 HK cents) and 21 HK cents (which includes a special dividend of 11 HK cents) respectively. Accordingly, the Shares may be an attractive investment for investors.

However, Independent Shareholders should note that given that: (i) the Offeror had made no representation on the dividend policy of the Company; (ii) the bank balances and cash of the Group were significantly reduced as a result of the distribution of the Special Dividend; and (iii) there is no certainty that future profit of the Remaining Group will be improved significantly in the near future, there is no certainty whether the Company will continue to declare dividends or maintain dividends at a similar level after the change of the controlling Shareholder.

6. Option Offer Price

As advised by the Directors, as at the Latest Practicable Date, the Company had 1,966,000 outstanding Options entitling the holders thereof to subscribe for an aggregate of 1,966,000 Shares with exercise prices ranging from HK$1.95 to HK$3.40 per Share.

Pursuant to the Takeovers Code, where an offer is made for equity share capital and the offeree company has convertible securities outstanding, equality of treatment is required in respect of the offer made to the holders of the convertible securities. Accordingly, we have adopted the "see-through" price approach in evaluating the terms of the Option Offer. The "see-through" price refers to the Offer Price per Share less the exercise price per Share payable on exercise of an Option, and will be the minimum offer price for an option under a general offer. As all the outstanding Options have an exercise price higher than the Offer Price, such Options are out of the money (when comparing with the Offer Price) and for such Options, the Option Offer is being made only at a nominal price of HK$0.01 for each 1,000 Options. On the basis that a "see through" price has been adopted to make the Option Offer and given our view that the Offer Price is fair and reasonable as mentioned above, we consider that the Option Offer Price is fair and reasonable.

RECOMMENDATION

1. The General Offer

Having considered the above principal factors and reasons, in particular:

(i) the segment profit margin of the Remaining Business decreased from approximately 7.1% for the year ended 31 March 2008 to approximately 6.5% for the year ended 31 March 2009 and from approximately 7.2% for the three months ended 30 June 2008 to approximately 6.6% for the three months ended 30 June 2009, and there is no certainty that the Group's financial performance will be improved significantly in the near future and after the change of the controlling Shareholder;

(ii) we understand from the Directors that the business development plans of the Group for expansion into regions are still under consideration by the management and have not been finalised, accordingly the future prospects of the Group's business have yet to be ascertained;

(iii) the Offer Price is the same as the highest Adjusted Price per Share and represents a premium of approximately 207.1% over the lowest Adjusted Price per Share during the Pre-Announcement Period and a premium of approximately 21.4% over the Pro forma NAV per Share of Remaining Group;

(iv) the trading volume of the Shares was low during the Review Period, which implies that it may be difficult for the Shareholders to dispose of a large number of Shares in the market without exerting downward pressure on the prices of the Shares;

(v) the PER of the Company based on the Offer Price are either within the range of, or higher than the mean of, the PERs of the Comparable Companies;

(vi) the P/B of the Company based on the Offer Price is higher than the mean of the P/Bs of the Comparable Companies excluding Computech and Wai Chun based on the LFTD Closing Price, 180-Day Average Closing Price or 360-Day Average Closing Price and is slightly lower than the mean of the P/Bs of the Comparable Companies excluding Computech and Wai Chun based on the LPD Closing Price, 30-Day Average Closing Price or 90-Day Average Closing Price. Even when Computech and Wai Chun are included, the P/B of the Company based on the Offer Price is still within the range of, and higher than the median of, the P/Bs of the Comparable Companies; and

(vii) there is no certainty whether the Company will continue to declare dividends or maintain dividends at a similar level after the change of the controlling Shareholder,

we consider that the terms of the General Offer are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to accept the General Offer.

However, Independent Shareholders should note that the closing price of the Shares as at the Latest Practicable Date was higher than the Offer Price. Accordingly, Independent Shareholders may be able to sell all or some of their Shares on the market at a price higher than the Offer Price. The Independent Shareholders who wish to realise all or part of their investment in the Shares should monitor the Share price performance during the period of the General Offer. In the event that the market price of the Shares exceed the Offer Price and the sale proceeds, net of all transaction costs, exceed the amount receivable under the General Offer, Independent Shareholders should consider selling their Shares in the market instead of accepting the General Offer. Independent Shareholders should also note that the overall trading volume of the Shares has been low during the Review Period. Accordingly, they may or may not be able to dispose of their Shares in the market without exerting downward pressure on the price of the Shares. The General Offer provides the Independent Shareholders an opportunity and alternative exit for the Independent Shareholders to realise their investment in the Shares.

Independent Shareholders who are attracted by the future prospects of the Group and are confident on the Offeror may consider retaining some or all of their Shares.

2. The Option Offer

Based on our recommendations in respect of the General Offer and our discussion of the Option Offer Price in the paragraph headed "6. Option Offer Price" above, we consider that the Option Offer Price is fair and reasonable so far as the Optionholders are concerned. Accordingly, we advise the Independent Board Committee to recommend the Optionholders to accept the Option Offer.

However, in the event that the trading price of the Shares is higher than the aggregate of the exercise price per Share of the Options and the Option Offer Price during the period of the Option Offer, the Optionholders may consider exercising their Options and selling the Shares in the market if the sale proceeds of the Shares net of all transaction costs and after deducting the exercise price of the Options, exceed the amount receivable under the Option Offer. Notwithstanding the aforesaid, Optionholders should note that as the overall trading volume of the Shares has been low during the Review Period, it is uncertain whether a large number of Shares could be sold in the market without exerting a significant downward pressure of the price of the Shares, not to mention the fact that there might be a time lag between the date of exercise of the Options and the date of issue of the Shares. The Optionholders should exercise caution in doing so and monitor the market closely.

Yours faithfully,
For and on behalf of
Taifook Capital Limited

Derek C. O. Chan — *Managing Director*

Kenneth Ng — *Director*

1. PROCEDURES FOR ACCEPTANCE

A. The General Offer

(a) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in your name, and you wish to accept the General Offer, you must send the completed **WHITE** Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Company's share registrar in Hong Kong, Tricor Tengis Limited, 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.

(b) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the General Offer whether in full or in part of your Shares, you must either:

i. lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) with the nominee company, or other nominee, with instructions authorising it to accept the General Offer on your behalf and requesting it to deliver the completed **WHITE** Form of Acceptance together with the relevant share certificate(s) and/ or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Company's share registrar; or

ii. arrange for the Shares to be registered in your name by the Company through the Company's share registrar, and send the completed **WHITE** Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Company's share registrar; or

iii. if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the General Offer on your behalf on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/ registered institution in securities/custodian bank as required by them; or

iv. if your Shares have been lodged with your investor participant's account maintained with CCASS, authorise your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set out by HKSCC Nominee Limited.

(c) If the share certificate(s) and/or transfer receipts and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are not readily available and/or is/are lost and you wish to accept the General Offer, the **WHITE** Form of Acceptance should nevertheless be completed and delivered to the Company's share registrar together with a letter stating that you have lost one or more of your share certificate(s) and/or transfer receipts and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) or that it/they is/are not readily available. If you find such document(s) or if it/they become(s) available, it/ they should be forwarded to the Company's share registrar as soon as possible thereafter. If you have lost your share certificate(s), you should also write to the Company's share registrar for a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Company's share registrar.

(d) If you have lodged transfer(s) of any of your Shares for registration in your name and have not yet received your share certificate(s), and you wish to accept the General Offer in respect of your Shares, you should nevertheless complete the **WHITE** Form of Acceptance and deliver it to the Company's share registrar together with the transfer receipt(s) duly signed by yourself. Such action will be deemed to be an irrevocable authority to DTCFL and/or the Offeror or their respective agent(s) to collect from the Company's share registrar on your behalf the relevant share certificate(s) when issued and to deliver such certificate(s) to the Company's share registrar as if it was/they were delivered to the Company's share registrar with the **WHITE** Form of Acceptance.

(e) Acceptance of the General Offer will be treated as valid only if the completed **WHITE** Form of Acceptance is received by the Company's share registrar by no later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code, and is:

i. accompanied by the relevant share certificate(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and, if those share certificate(s) is/are not in your name, such other documents in order to establish your right to become the registered holder of the relevant Shares; or

ii. from a registered Shareholder or his personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under the other sub-paragraph of this paragraph (e)); or

iii. certified by the Company's share registrar or the Stock Exchange.

If the **WHITE** Form of Acceptance is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of a power of attorney) to the satisfaction of the Company's share registrar must be produced.

(f) No acknowledgement of receipt of any **WHITE** Form of Acceptance, share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

B. The Option Offer

(a) If you accept the Option Offer, you should complete the **PINK** Form of Acceptance in accordance with the instructions printed thereon, which form part of the terms and conditions of the Option Offer.

(b) The completed **PINK** Form of Acceptance should be sent, together with any document(s) of title stating the number of outstanding Options in respect of which you intend to accept the Option Offer, to the company secretary of the Company, 15th Floor, Topsail Plaza, 11 On Sum Street, Shatin, New Territories, Hong Kong, marked "**ASL Option Offer**" on the envelope, as soon as possible and in any event so as to reach the company secretary of the Company at the aforesaid address by no later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code.

2. SETTLEMENT

A. The General Offer

(a) Provided that the **WHITE** Form of Acceptance and the relevant share certificate(s) and/ or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are in complete and good order in all respects and have been received by the Company's share registrar by no later than 4:00 p.m. on the Closing Date, a cheque for the amount representing the cash consideration due to each accepting Shareholder in respect of the Shares tendered by him under the General Offer, less seller's ad valorem stamp duty payable by him, will be despatched to each accepting Shareholder by ordinary post at his own risk as soon as possible but in any event within 10 days of the date on which the duly completed acceptances are received by the Company's share registrar.

B. The Option Offer

Provided that a valid **PINK** Form of Acceptance and the relevant letters of grant of the Options are complete and in good order and have been received by the company secretary of the Company not later than 4:00 p.m. on the Closing Date, a cheque for the amount due to each of the holders of Options in respect of the Options surrendered by the relevant holders of Options under the Option Offer will be despatched to each of them as soon as possible but in any event, within 10 days of the date on which all the relevant documents are received by the company secretary of the Company to render such acceptance complete and valid.

Settlement of the consideration to which any accepting holder(s) of Shares and Options is/are entitled under the Offers will be implemented in full in accordance with the terms of the Offers without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such accepting holder(s) of Shares and Options.

3. ACCEPTANCE PERIOD AND REVISIONS

(a) Unless the Offers have previously been revised or extended with the consent of the Executive, all acceptances must be received by the Company's share registrar (in the case of the General Offer) and the company secretary of the Company (in the case of the Option Offer) by 4:00 p.m. on 20 October 2009.

(b) If the Offers are extended or revised, the announcement of such extension or revision will state the next closing date and the Offers will remain open for acceptance for a period of not less than 14 days from the posting of the written notification of the extension or revision to the Shareholders and the Optionholders and, unless previously extended or revised, shall be closed on the subsequent closing date. If the Offeror revises the terms of the Offers, all Shareholders and Optionholders, whether or not they have already accepted the Offers, will be entitled to accept the revised Offers under the revised terms.

(c) If the Closing Date is extended, any reference in this document and in the Forms of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the Closing Date of the Offers as so extended.

4. NOMINEE REGISTRATION

(a) To ensure equality of treatment of all Shareholders, those registered Shareholders who hold Shares as nominee for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for the beneficial owners of the Shares, whose investments are registered in nominee names, to accept the General Offer, it is essential that they provide instructions to their nominees of their intentions with regard to the General Offer.

(b) The completed Forms of Acceptance and remittances sent by or to the Shareholders and the Optionholders through ordinary post will be sent by or to them at their own risk. The remittances will be sent to them at their addresses as they appear in the register of members of the Company (in the case of the General Offer) or the records of the Company (in the case of the Option Offer) (or in the case of joint Shareholders, to the Shareholder whose name stands first in the register of members of the Company).

(c) All such documents and remittances will be sent at the risk of the persons entitled thereto and none of the Offeror, the Company, DTCFL, the Company's share registrar or any of their respective directors or any other persons involved in the Offers will be responsible for any loss or delay in transmission or any other liabilities that may arise as a result thereof.

5. ANNOUNCEMENTS

(a) By 6:00 p.m. on 20 October 2009 (or such later time as the Executive may in exceptional circumstances permit) which is the Closing Date, the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the revision, extension or expiry of the Offers. The Offeror must post an announcement on the Stock Exchange's website by 7:00 p.m. on the Closing Date stating the results of the Offers and whether the Offers have been revised, extended or expired. The announcement must state the following:

i. the total number of Shares and rights over Shares or Options for which acceptances of the Offers have been received;

ii. the total number of Shares and rights over Shares or Options held, controlled or directed by the Offeror or persons acting in concert with it before the offer period (as defined under the Takeovers Code);

iii. the details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror or any person acting in concert with it has borrowed or lent, save for any borrowed shares which have been either on-lent or sold; and

iv. the total number of Shares and rights over Shares or Options acquired or agreed to be acquired during the offer period (as defined under the Takeovers Code) by the Offeror or persons acting in concert with it. The announcement must specify the percentages of the relevant classes of the issued share capital of the Company and the percentages of voting rights of the Company represented by these numbers of Shares.

(b) In computing the total number of Shares or Options represented by acceptances, only valid acceptances that are complete and in good order and which have been received by the Company's share registrar (as regards the General Offer) or the company secretary of the Company (as regards the Option Offer) no later than 4:00 p.m. on the Closing Date shall be included.

(c) As required under the Takeovers Code, all announcements in relation to the Offers will be made in accordance with the requirements of the Listing Rules.

6. RIGHT OF WITHDRAWAL

(a) Acceptance of the Offers tendered by the Shareholders/Optionholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out in subparagraph (b) below.

(b) If the Offeror is unable to comply with the requirements set out in the paragraph headed "Announcements" above, the Executive may require that the Shareholders/Optionholders who have tendered acceptances to the Offers be granted a right of withdrawal on terms that are acceptable to the Executive until the requirements set out in that paragraph are met.

7. GENERAL

(a) All communications, notices, Forms of Acceptance, certificates of Shares, transfer receipts, other documents of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to settle the consideration payable under the Offers to be delivered by or sent to or from the Shareholders/Optionholders will be delivered by or sent to or from them, or their designated agents through ordinary post at their own risk, and none of the Company, the Offeror, DTCFL, the Company's share registrar nor any of their respective directors or professional advisers or other parties involved in the Offers accept any liability for any loss in postage or any other liabilities that may arise as a result thereof.

(b) The provisions set out in the Forms of Acceptance form part of the terms of the Offers.

(c) The accidental omission to despatch this document and/or Forms of Acceptance or any of them to any person to whom the Offers are made will not invalidate the Offers in any way.

(d) The Offers are, and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong.

(e) Due execution of the Forms of Acceptance will constitute an authority to the Offeror, DTCFL, or such person or persons as the Offeror may direct to complete and execute any document on behalf of the person or persons accepting the Offers and to do any other act that may be necessary or expedient for the purposes of vesting in the Offeror, or such person or persons as it may direct, the Shares and the Options in respect of which such person or persons has/have accepted the Offers.

(f) Acceptance of the General Offer by any person or persons holding Shares will be deemed to constitute a warranty by such person or persons to the Offeror and the Company that the Shares acquired under the General Offer are sold by such person or persons free from all liens, charges, options, claims, equities, adverse interests, third party rights or encumbrances whatsoever and together with all rights accruing or attaching thereto including the rights to receive all future dividends or other distributions declared, paid or made on the Shares (except the Special Dividend) on or after 23 September 2009, being the date of Completion. The settlement of the consideration to which any Shareholder is entitled under the General Offer will be implemented in full in accordance with the terms of the General Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Shareholder.

(g) References to the Offers in this document and in the Forms of Acceptance shall include any revision and/or extension thereof.

(h) The making of the Offers to the Overseas Shareholders and the Overseas Optionholders may be prohibited or affected by the laws of the relevant jurisdictions. The Overseas Shareholders and the Overseas Optionholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of each Overseas Shareholder and each Overseas Optionholder who wishes to accept the Offers to satisfy himself/herself/ itself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental or other consent, exchange control and any registration or filing which may be required in compliance with all necessary formalities, regulatory and/or legal requirements. Such Overseas Shareholders and Overseas Optionholders shall be fully responsible for the payment of any transfer or other taxes and duties as a result of their acceptance of the Offers.

(i) Acceptances of the Offers by any persons will be deemed to constitute a warranty by such persons that such persons are permitted under all applicable laws to receive and accept the Offers, and any revision thereof, and such acceptances shall be valid and binding in accordance with all applicable laws. Any such persons will be responsible for any such issue, transfer and other applicable taxes or other governmental payments payable by such persons.

(j) Subject to the Takeovers Code, the Offeror reserves the right to notify any matter (including the making of the Offers) to all or any Shareholders with registered address(es) outside Hong Kong or whom the Offeror or DTCFL knows to be nominees, trustees or custodians for third parties or to all or any Overseas Optionholders by announcement or paid advertisement in any daily newspaper published and circulated in Hong Kong in which case such notice, and all references in this document to notice in writing shall be construed accordingly.

(k) In making their decision, Shareholders and Optionholders must rely on their own examination of the Offeror, the Group and the terms of the Offers, including the merits and risks involved. The contents of this document, including any general advice for recommendation contained herein together with the Forms of Acceptance shall not be construed as any legal or business advice on the part of the Company, the Offeror or DTCFL or their respective professional advisers. Shareholders and Optionholders should consult their own professional advisers for professional advice.

(l) The English text of this document and the Forms of Acceptance shall prevail over their Chinese text for the purpose of interpretation.

1. FINANCIAL SUMMARY

The following is a summary of the financial results of the Group for each of the three years ended 31 March 2009 as extracted from its annual reports for the years ended 31 March 2009 and 2008 and its 2009/10 first quarterly results announcement for the three months ended 30 June 2009.

EXTRACTS OF CONSOLIDATED INCOME STATEMENTS

	For the three months ended 30 June 2009	For the year ended 31 March 2009	2008	2007
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
TURNOVER	306,639	1,441,963	1,393,393	1,274,979
Profit before taxation	9,633	53,815	89,275	61,837
Taxation	(1,667)	(11,164)	(13,122)	(8,277)
Profit for the period/year	7,966	42,651	76,153	53,560
Earnings per Share				
– basic	2.67 HK cents	14.36 HK cents	25.76 HK cents	18.21 HK cents
– diluted	2.67 HK cents	14.31 HK cents	25.51 HK cents	18.10 HK cents
Dividends	–	*(Note)* 285,522	62,378	44,347
Dividends per share	–	*(Note)* 96 HK cents	21 HK cents	15 HK cents

Note: the dividends and dividends per share include the Special Dividend.

EXTRACTS OF CONSOLIDATED BALANCE SHEETS

	As at 30 June	As at 31 March		
	2009	**2009**	**2008**	**2007**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Total assets	863,868	883,562	994,995	892,453
Total liabilities	(318,869)	(352,066)	(426,874)	(368,498)
Shareholders' funds	544,999	531,496	568,121	523,955

There were no extraordinary items, exceptional items or minority interests for each of the three months ended 30 June 2009 and the three years ended 31 March 2009.

There was no qualification in the auditor's reports issued by Deloitte Touche Tohmatsu for each of the three years ended 31 March 2009.

2. AUDITED FINANCIAL STATEMENTS

The followings are the audited financial statements of the Group for the year ended 31 March 2009 as extracted from the annual report of the Company for the year ended 31 March 2009. Reference to page numbers therein are to the page numbers in the annual report.

CONSOLIDATED INCOME STATEMENT

For the year ended 31st March, 2009

	Notes	**2009** *HK$'000*	**2008** *HK$'000*
Turnover	*6*	1,441,963	1,393,393
Cost of goods sold		(761,890)	(799,508)
Cost of services rendered		(497,076)	(419,858)
Other income	*7*	8,612	32,589
Selling expenses		(87,572)	(75,176)
Administrative expenses		(50,868)	(42,626)
Finance costs	*8*	(234)	(2)
Share of results of associates		880	463
Profit before taxation	*9*	53,815	89,275
Taxation	*12*	(11,164)	(13,122)
Profit for the year		42,651	76,153
Dividends	*13*	62,419	47,370
		HK cents	*HK cents*
Earnings per share	*14*		
Basic		14.36	25.76
Diluted		14.31	25.51

CONSOLIDATED BALANCE SHEET
At 31st March, 2009

	Notes	2009 HK$'000	2008 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	15	174,899	223,225
Intangible assets	16	2,503	4,138
Interests in associates	17	1,381	705
		178,783	228,068
CURRENT ASSETS			
Inventories	18	104,467	111,556
Trade receivables	19	126,314	146,080
Other receivables, deposits and prepayments	20	24,861	65,202
Amounts due from customers for contract work	21	63,184	45,408
Short term bank deposits	22	–	100
Bank balances and cash	22	385,953	398,581
		704,779	766,927
CURRENT LIABILITIES			
Trade and bills payables	23	151,499	182,058
Other payables and accruals	24	58,849	75,920
Receipts in advance	25	121,371	139,392
Tax liabilities		5,776	6,362
		337,495	403,732
NET CURRENT ASSETS		367,284	363,195
TOTAL ASSETS LESS CURRENT LIABILITIES		546,067	591,263
NON-CURRENT LIABILITY			
Deferred taxation	26	14,571	23,142
		531,496	568,121
CAPITAL AND RESERVES			
Share capital	27	29,743	29,666
Reserves		501,753	538,455
Equity attributable to equity holders of the Company		531,496	568,121

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, 2009

	Share capital HK$'000	Share premium HK$'000	Special reserve HK$'000	Investment revaluation reserve HK$'000	Property revaluation reserve HK$'000	Translation reserve HK$'000	Share options reserve HK$'000	Accumu-lated profits HK$'000	Total HK$'000
At 1st April, 2007	29,417	74,466	34,350	14,088	14,272	1,382	4,667	351,313	523,955
Exchange difference on translation of overseas operations	–	–	–	–	–	2,746	–	–	2,746
Revaluation increase of leasehold land and buildings	–	–	–	–	26,155	–	–	–	26,155
Deferred taxation arising on revaluation of leasehold land and buildings	–	–	–	–	(4,577)	–	–	–	(4,577)
Increase in fair value of available-for-sale investments	–	–	–	7,174	–	–	–	–	7,174
Net income recognised directly in equity	–	–	–	7,174	21,578	2,746	–	–	31,498
Profit for the year	–	–	–	–	–	–	–	76,153	76,153
Total recognised income for the year	–	–	–	7,174	21,578	2,746	–	76,153	107,651
Exercise of share options	249	3,780	–	–	–	–	–	–	4,029
Release on disposal of available-for-sales investments	–	–	–	(21,262)	–	–	–	–	(21,262)
Recognition of equity-settled share-based payments	–	–	–	–	–	–	1,118	–	1,118
Special dividend for FY07 paid	–	–	–	–	–	–	–	(17,761)	(17,761)
Final dividend for FY07 paid	–	–	–	–	–	–	–	(17,761)	(17,761)
Interim dividend for FY08 paid	–	–	–	–	–	–	–	(11,848)	(11,848)

	Share capital *HK$'000*	Share premium *HK$'000*	Special reserve *HK$'000*	Investment revaluation reserve *HK$'000*	Property revaluation reserve *HK$'000*	Translation reserve *HK$'000*	Share options reserve *HK$'000*	Accumu-lated profits *HK$'000*	Total *HK$'000*
At 31st March, 2008	29,666	78,246	34,350	–	35,850	4,128	5,785	380,096	568,121
Exchange difference on translation of overseas operations	–	–	–	–	–	(3,223)	–	–	(3,223)
Revaluation decrease of leasehold land and buildings	–	–	–	–	(18,279)	–	–	–	(18,279)
Deferred taxation arising on revaluation of leasehold land and buildings	–	–	–	–	3,016	–	–	–	3,016
Net expense recognised directly in equity	–	–	–	–	(15,263)	(3,223)	–	–	(18,486)
Profit for the year	–	–	–	–	–	–	–	42,651	42,651
Total recognised income (expense) for the year	–	–	–	–	(15,263)	(3,223)	–	42,651	24,165
Exercise of share options	77	698	–	–	–	–	–	–	775
Recognition of equity-settled share-based payments	–	–	–	–	–	–	854	–	854
Special dividend for FY08 paid	–	–	–	–	–	–	–	(32,696)	(32,696)
Final dividend for FY08 paid	–	–	–	–	–	–	–	(17,834)	(17,834)
Interim dividend for FY09 paid	–	–	–	–	–	–	–	(11,889)	(11,889)
At 31st March, 2009	29,743	78,944	34,350	–	20,587	905	6,639	360,328	531,496

The special reserve of the Group represents the difference between the nominal value of the shares of the acquired subsidiaries and the nominal value of the Company's shares issued for the acquisition at the time of the group reorganisation prior to the listing of the Company's shares in 1997.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st March, 2009

	2009	2008
	HK$'000	*HK$'000*
OPERATING ACTIVITIES		
Profit before taxation	53,815	89,275
Adjustments for:		
Share of results of associates	(880)	(463)
Finance costs	234	2
Share-based payment expense	854	1,118
Allowance for bad and doubtful debts	2,787	115
Depreciation and amortisation	51,464	51,591
Loss on disposal of property, plant and equipment	30	1,535
Loss on disposal/write off of intangible assets	–	166
Interest income	(3,869)	(8,250)
Gain on disposal of available-for-sale investments	–	(20,690)
Dividend income from available-for-sale investments	–	(398)
Operating cash flows before movements in working capital	104,435	114,001
Decrease (increase) in inventories	7,089	(2,583)
Decrease (increase) in trade receivables	16,979	(43,903)
Decrease in other receivables, deposits and prepayments	34,915	1,496
Decrease (increase) in amounts due from fellow subsidiaries	5,379	(6,574)
Decrease in amount due from immediate holding company	–	6
Increase in amounts due from customers for contract work	(17,776)	(11,826)
Decrease in trade and bills payables	(30,559)	(3,294)
(Decrease) increase in other payables and accruals	(13,041)	3,909
(Decrease) increase in receipts in advance	(18,021)	41,458
(Decrease) increase in amounts due to fellow subsidiaries	(7,591)	345
Cash from operations	81,809	93,035
Tax refunded	–	4,497
Hong Kong Profits Tax paid	(16,459)	(7,369)
Overseas taxation paid	(846)	(228)
NET CASH FROM OPERATING ACTIVITIES	64,504	89,935

	2009 *HK$'000*	2008 *HK$'000*
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(26,763)	(48,267)
Proceeds from disposal of property, plant and equipment	6,796	171
Interest received	3,869	8,250
Decrease in interests in associates	204	–
Decrease in short term bank deposits	100	7,814
Proceeds from disposal of available-for-sale investments	–	41,785
Dividend received from listed securities	–	398
Additions to intangible assets	–	(466)
NET CASH (USED IN) FROM INVESTING ACTIVITIES	(15,794)	9,685
FINANCING ACTIVITIES		
Dividends paid	(62,419)	(47,370)
(Repayment to) advance from immediate holding company	(5,165)	4,332
Interest paid	(234)	(2)
(Repayment to) advance from an associate	(9)	719
Advance from ultimate holding company	8,735	805
Proceeds from issue of shares upon exercise of share options	775	4,029
Repayment from an associate	47	741
NET CASH USED IN FINANCING ACTIVITIES	(58,270)	(36,746)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(9,560)	62,874
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	398,581	335,197
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(3,068)	510
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, represented by bank balances and cash	385,953	398,581

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2009

1. GENERAL

The Company was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its immediate holding company is CSA Holdings Ltd, a company incorporated in Singapore and its ultimate holding company is Computer Sciences Corporation, a public listed company in the United States of America. The address of the registered office and principal place of business of the Company are disclosed in the corporate information on the annual report.

The Company acts as an investment holding company and provides corporate management services. The principal activities of its associates and subsidiaries are set out in notes 17 and 35, respectively.

The consolidated financial statements are presented in Hong Kong dollars, which is also the functional currency of the Company.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied, for the first time, the following amendments and new interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of these new HKFRSs had no material effect on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been required.

Besides, the Group has early adopted HKFRS 8 "Operating Segments" in advance of its effective date, with effect from 1st April, 2008. Amounts for the current and prior years have been reported on the new basis.

The Group has not early applied the following new and revised standards, amendments and interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[2]
HKAS 1 (Revised)	Presentation of Financial Statements[3]
HKAS 23 (Revised)	Borrowing Costs[3]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[4]
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[3]
HKAS 39 (Amendment)	Eligible Hedged Items[4]
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate[3]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[3]
HKFRS 3 (Revised)	Business Combinations[4]
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments[3]
HK(IFRIC) – Int 9 & HKAS 39 (Amendments)	Embedded Derivatives[8]
HK(IFRIC) – Int 13	Customer Loyalty Programmes[5]
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate[3]
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation[6]
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners[4]
HK(IFRIC) – Int 18	Transfer of Assets from Customers[7]

[1] Effective for annual periods beginning on or after 1st January, 2009 except the amendments to HKFRS 5, effective for annual periods beginning on or after 1st July, 2009

[2] Effective for annual periods beginning on or after 1st January, 2009, 1st July, 2009 and 1st January, 2010, as appropriate

[3] Effective for annual periods beginning on or after 1st January, 2009

[4] Effective for annual periods beginning on or after 1st July, 2009

[5] Effective for annual periods beginning on or after 1st July, 2008

[6] Effective for annual periods beginning on or after 1st October, 2008

[7] Effective for transfers on or after 1st July, 2009

[8] Effective for annual periods ending on or after 30th June, 2009

The adoption of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1st July, 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions. The directors of the Company anticipate that the application of the other new or revised standards, amendments and interpretations will have no material impact on the results and the financial position of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis, except for leasehold land and buildings and certain financial instruments, which are measured at revalued amounts or fair values, as explained in the accounting policies set out below.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance. The significant accounting policies adopted are as follows:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31st March each year. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses have been eliminated on consolidation.

Interests in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any identified impairment loss. When the Group's share of losses of an associate equals or exceeds its interest in that associate, the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and service provided in the normal course of business, less returns and allowances.

Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to buyers (generally on delivery, satisfactory installation and customer acceptance) and the amount of revenue and the costs incurred for the transaction can be measured reliably.

Revenue from rendering of services, other than maintenance services, is recognised as revenue by reference to the stage of completion, provided that the revenue, the costs incurred and the estimated costs to completion can be measured reliably, unless they are incidental to the sale of a product, in which case they are recognised when the goods are sold. Stage of completion is established by reference to the costs incurred to date as compared to the total costs to be incurred under the transaction. Provision is made for foreseeable losses as soon as they are anticipated by the management.

Revenue on outsourcing contracts is recognised based on the services performed or information processed during the period in accordance with contract terms and the agreed – upon billing rates.

Maintenance service income is recognised on a straight-line basis over the term of the maintenance service contract.

Rental income, including rentals invoiced in advance from computer equipment let under operating leases, is recognised in the consolidated income statement on a straight-line basis over the terms of the relevant leases.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Property, plant and equipment

Property, plant and equipment, other than leasehold land and buildings, are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

Leasehold land and buildings are stated in the balance sheet at their revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and amortisation and accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the balance sheet date.

Any revaluation increase arising on revaluation of land and buildings is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease of the same assets previously recognised as an expense, in which case the increase is credited to the consolidated income statement to the extent of the decrease previously charged. A decrease in net carrying amount arising on revaluation of an asset is dealt with as an expense to the extent that it exceeds the balance, if any, on the revaluation reserve relating to a previous revaluation of that asset. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus is transferred to accumulated profits.

Depreciation and amortisation are provided to write off the cost or fair value of items of property, plant and equipment over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated income statement in the year in which the item is derecognised.

Intangible assets

Intangible assets acquired separately

On initial recognition, intangible assets acquired separately are recognised at cost. After initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. Alternatively, intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses (see the accounting policy in respect of impairment losses on tangible and intangible assets below).

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated income statement when the asset is derecognised.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development expenditure is recognised only if it is anticipated that the development costs incurred on a clearly-defined project will be recovered through future commercial activity. The resultant asset is amortised on a straight-line basis over the commercial lives of the underlying products, commencing in the year when the products are put into commercial production. Development expenditure capitalised is carried at cost less subsequent accumulated amortisation and any accumulated impairment loss.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible asset is reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Outsourcing contract costs

Costs on outsourcing contracts are generally expensed as incurred. Certain incremental external costs or specific internal costs that are directly related to contract acquisition or transition activities which were incurred upon initiation of an outsourcing contract are capitalised as intangible assets and amortised over the life of the contract. These costs include the cost of due diligence activities after competitive selection, costs associated with installation of systems and processes. Computer equipment acquired in connection with outsourcing transactions are capitalised in property, plant and equipment.

Club memberships

Club memberships with indefinite useful lives are stated at cost less any identified impairment loss and are tested for impairment annually by comparing their carrying amounts with their recoverable amounts, irrespective of whether there is any indication that they may be impaired.

Impairment losses on tangible and intangible assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in the profit or loss immediately, unless the relevant asset is carried at a revalued amount under another accounting standard, in which case the impairment loss is treated as revaluation decrease under that accounting standard.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised in the profit or loss immediately, unless the relevant asset is carried at a revalued amount under another accounting standard, in which case the impairment loss is treated as revaluation decrease under that accounting standard.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Installation contracts

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as amounts due to customers for contract work. Amounts received before the related work is performed are included in the consolidated balance sheets, as a liability, as advances received. Amounts billed for work performed but not yet paid by the customer are included in the consolidated balance sheet under amounts due from customers for contract work.

Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset/liability and of allocating interest income/expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset/liability, or, where appropriate, a shorter period.

Interest income/expense is recognised on an effective interest basis.

Financial assets

The Group's financial assets are classified into loans and receivables. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Loans and receivables

Loans and receivables (including trade receivables, other receivables, short term bank deposits and bank balances) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables are carried at amortised cost using the effective interest method, less any identified impairment losses.

Impairment of loans and receivables

Loans and receivables are assessed for indicators of impairment at each balance sheet date. Loans and receivables are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition, the estimated future cash flows of the financial assets have been impacted.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For loans and receivables, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in certain portfolio past the average credit period, observable changes in local economic conditions that correlate with default on receivables.

An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

The carrying amount is reduced by the impairment loss directly for all loans and receivables with the exception of trade receivables and amounts due from fellow subsidiaries, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable and amounts due from fellow subsidiaries are considered uncollectible, they are written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

The Group's financial liabilities (including trade and bills payables and other payables) are subsequently measured at amortised cost, using the effective interest method.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in equity is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Taxation

Taxation represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from the profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes income statement items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the consolidated balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to the profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income, included rentals invoiced in advance from computer equipment let under operating leases, is recognised in the consolidated income statement on a straight-line basis over the terms of the relevant leases.

The Group as lessee

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

Leasehold land and building

The land and building elements of a lease of land and building are considered separately for the purpose of lease classification, unless the lease payments cannot be allocated reliably between the land and building elements, in which case, the entire lease is generally treated as a finance lease and accounted for as property, plant and equipment. To the extent the allocation of the lease payments can be made reliably, leasehold interests in land are accounted for as operating leases.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (the translation reserve). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme (the "MPF Scheme") and other defined contribution retirement benefit plans are charged as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses which exceed 10 per cent of the greater of the present value of the Group's retirement benefit obligations and the fair value of plan assets are amortised over the expected average remaining working lives of the participating employees.

Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits vest.

The retirement benefit obligation recognised in the consolidated balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains/losses and unrecognised past service cost, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to unrecognised actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

Share-based payment transactions

Share options granted to directors of the Company and employees

Share options granted to employees after 7th November, 2002 and vested on or after 1st April, 2005

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period or recognised as an expense in full at the grant date when the share options granted vest immediately, with a corresponding increase in equity (share options reserve).

At each balance sheet date, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the estimates during the vesting period, if any, is recognised in profit or loss, with a corresponding adjustment to share options reserve.

At the time when the share options are exercised, the amount previously recognised in share options reserve will be transferred to share options reserve. When the share options are forfeited after the vesting date or are still not exercised at the expiry dates, the amount previously recognised in share options reserve will continue to be held in share options reserve.

Share options granted to employees on or before 7th November, 2002, or granted after 7th November, 2002 and vested before 1st April, 2005

The financial impact of share options granted is not recorded in the consolidated financial statements until such time as the options are exercised, and no charge is recognised in the consolidated income statement in respect of the value of options granted. Upon the exercise of the share options, the resulting shares issued are recorded as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded as share premium. Options which lapse or are cancelled prior to their exercise date are deleted from the register of outstanding options.

4. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of equity attributable to equity holders of the Company, comprising issued share capital, reserves and accumulated profits as disclosed in the consolidated statement of changes in equity.

The directors of the Company review the capital structure periodically. As part of this review, the directors of the Company prepare the annual budget taking into account of the provision of funding. Based on the proposed annual budget, the directors of the Company consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the management of the Group, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt, if necessary.

There are no changes on the Group's approach to capital risk management during the year.

5. FINANCIAL INSTRUMENTS

The Group's major financial instruments include trade receivables, other receivables, short term bank deposits and bank balances and cash, trade and bills payables, other payables. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(a) Categories of financial instruments

	2009	**2008**
	HK$'000	*HK$'000*
Financial assets		
Loans and receivables (including cash and cash equivalents)	517,855	568,173
Financial liabilities		
Amortised cost	183,613	223,394

(b) Interest rate risk

The Group is exposed to variable interest rate risk in respect of the bank balances and deposits of the Group. The Group currently does not have any interest rate hedging policy. However, from time to time, if interest rate fluctuated significantly, appropriate measures would be taken to manage interest rate exposure. The Group's interest rate risk is mainly concentrated on the fluctuation of Hong Kong dollars variable interest rate on bank balance and bank deposits.

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments including bank balances, at the balance sheet date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rate.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's:

- profit before taxation for the year ended 31st March, 2009 would increase/decrease by approximately HK$1,930,000 (FY08: increase/decrease by approximately HK$1,993,000). This is mainly attributable to the Group's exposure to interest rates on its variable-rate bank deposits and balances.

(c) Credit risk

As at 31st March, 2009, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated balance sheet.

In order to minimise the credit risk, the directors of the Company has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue trade receivables and amounts due from fellow subsidiaries. In addition, the Group reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group has no significant concentration of credit risk in relation to trade receivables and bank deposits and balances, with exposure spread over a number of counterparties and customers.

With respect to amount due from fellow subsidiaries, the directors of the Company consider the credit risk is limited because they have strong financial positions.

The credit risk for bank deposits and balances is considered minimal as the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

(d) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and financial liabilities. The Group relies on operating cash flow as a significant source of liquidity.

The following table details the Group's remaining contracted maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of its financial liabilities based on the earliest date on which the Group can be required to pay.

	On demand or within 90 days	**91 to 180 days**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
2009			
Trade and bills payables	150,970	529	151,499
Other payables	31,362	752	32,114
	182,332	1,281	183,613
Total contractual undiscounted cash flow	182,332	1,281	183,613

	On demand or within 90 days *HK$'000*	91 to 180 days *HK$'000*	Total *HK$'000*
2008			
Trade and bills payables	180,695	1,363	182,058
Other payables	41,336	–	41,336
	222,031	1,363	223,394
Total contractual undiscounted cash flow	222,031	1,363	223,394

(e) Fair values of financial instruments

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised costs in the consolidated financial statements approximate to their corresponding fair values.

(f) Foreign currency risk

The Group mainly earns revenue and incurs costs in US dollars and Hong Kong dollars. Foreign exchange exposure of the Group will continue to be minimal as long as the policy of the Government of the Hong Kong Special Administrative Region to peg the Hong Kong dollars to the US dollars remains in effect. There was no material exposure to fluctuations in exchange rates, and therefore no related hedging financial instrument was applied during the year ended 31st March, 2009.

6. TURNOVER AND SEGMENT INFORMATION

Turnover represents the net amounts received and receivable for goods sold by the Group to outside customers, less returns and allowances, and revenue from service contracts, and is analysed as follows:

	2009 *HK$'000*	2008 *HK$'000*
Sales of goods	855,334	888,487
Revenue from service contracts	586,629	504,906
	1,441,963	1,393,393

The Group has adopted HKFRS 8 "Operating Segments" in advance of its effective date, with effect from 1st April, 2008. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. In contrast, the predecessor Standard (HKAS 14 "Segment Reporting") required an entity to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity's "system of internal financial reporting to key management personnel" serving only as the starting point for the identification of such segments. As a result, following the adoption of HKFRS 8, the identification of the Group's reportable segments has changed.

In prior year, segment information reported externally was analysed on the basis of geographical locations of its customers, which over 90% of the Group's revenue is derived from the Hong Kong market. Also, the Group is principally engaged in providing Information Technology products ("IT Products") accompanied with services. No business segment analysis was presented as the management considered that the Group has one single business segment. However, information reported to chief operating decision maker for the purpose of resources allocation and assessment performance is more specifically focused on the operating divisions for different products and services with adoption of HKFRS 8 in this year.

For management purpose, the Group is currently organised into three operating divisions – IT Products, Information Technology Services ("IT Services") and Global Managed Services ("GMS"). These divisions are the basis on which the Group reports its primary segment information to the chief operating decision maker. The business nature of each segment is disclosed as follows:

IT Products

Being the business of information technology in supplying of information technology and associated products save for the business under GMS segment.

IT Services

Being the business of information technology in providing systems integration, software and consulting services, engineering support for products and solutions, managed services save for the business under GMS segment.

GMS

The business undertaken by the Group in the provision of global management services (which include information technology infrastructure administrative services function, facilities management, network operation maintenance and on-site support, hardware maintenance and desktop computing services) to clients in Asia including Hong Kong, Thailand and Taiwan.

Segment information about these businesses is presented below.

Year ended 31st March, 2009

	IT Products	IT Services	GMS	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Turnover from external customers	855,334	505,654	80,975	1,441,963
Intersegment turnover	21,831	40,961	–	62,792
Segment turnover	877,165	546,615	80,975	1,504,755
Reportable segment profit	22,644	65,682	10,553	98,879
Reportable segment assets	202,872	106,965	63,590	373,427
Reportable segment liabilities	175,603	97,769	11,332	284,704
Depreciation and amortisation	1,944	10,733	29,554	42,231
Additions to property, plant and equipment	87	8,692	9,379	18,158

Year ended 31st March, 2008

	IT Products	IT Services	GMS	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Turnover from external customers	888,487	426,573	78,333	1,393,393
Intersegment turnover	17,236	42,604	–	59,840
Segment turnover	905,723	469,177	78,333	1,453,233
Reportable segment profit	21,250	71,981	7,636	100,867
Reportable segment assets	251,877	94,013	96,496	442,386
Reportable segment liabilities	239,889	84,138	28,977	353,004
Depreciation and amortisation	2,634	8,910	31,937	43,481
Additions to property, plant and equipment	443	6,046	31,855	38,344
Additions to intangible assets	–	–	14	14

(a) The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Performance is measured based on segment profit that is used by the chief operating decision maker for the purposes of resource allocation and assessment of segment performance. Taxation is not allocated to reportable segments.

The turnover, profit or loss, assets and liabilities of the Group are allocated based on the operations of the segments.

Reportable segments profit is profit before taxation, excluding unallocated investment and other income, share-based payment expense, share of results of associates, finance costs, result on disposal of property, plant and equipment, depreciation and amortisation for property, plant and equipment and intangible assets that are used for all segments, allowance on bad and doubtful debts and other corporate expenses (mainly including staff costs and other general administrative expenses) of the head office.

Reportable segment assets exclude interests in associates, amounts due from fellow subsidiaries, bank balances and cash and unallocated corporate assets (mainly including property, plant and equipment and intangible assets that are used for all segments, prepayments and deposits).

Reportable segment liabilities exclude tax liabilities, deferred taxation, amounts due to fellow subsidiaries, ultimate holding company and associate and unallocated corporate liabilities (mainly including accrued charges of the head office).

(b) Reconciliation of the reportable segment turnover, profit or loss, assets and liabilities.

Reportable segment turnover, profit or loss, assets and liabilities are reconciled to results and total assets and total liabilities of the Group as follows:

Turnover	**2009**	**2008**
	HK$'000	*HK$'000*
Reportable segment turnover	1,504,755	1,453,233
Elimination of intersegment turnover	(62,792)	(59,840)
Turnover per consolidated income statement	1,441,963	1,393,393

Inter-segment sales are charged at cost plus a percentage profit mark-up.

Profit or loss	**2009**	**2008**
	HK$'000	*HK$'000*
Reportable segment profit	98,879	100,867
Unallocated amounts:		
Unallocated other income	5,158	30,574
Unallocated finance costs	(234)	(2)
Allowance for bad and doubtful debts	(2,787)	(115)
Loss on disposal of property, plant and equipment	(30)	(1,535)
Share-based payment expense	(854)	(1,118)
Share of results of associates	880	463
Unallocated corporate expenses	(47,197)	(39,859)
Profit before taxation per consolidated income statement	53,815	89,275

Assets	**2009**	**2008**
	HK$'000	*HK$'000*
Reportable segment assets	373,427	442,386
Unallocated assets:		
Interests in associates	1,381	705
Unallocated bank balances and cash	385,953	398,681
Unallocated corporate assets	122,801	153,223
Total assets per consolidated balance sheet	883,562	994,995

Liabilities	2009	2008
	HK$'000	*HK$'000*
Reportable segment liabilities	284,704	353,004
Unallocated liabilities:		
Tax liabilities	5,776	6,362
Deferred taxation	14,571	23,142
Unallocated corporate liabilities	47,015	44,366
Total liabilities per consolidated balance sheet	352,066	426,874

The Group's businesses and segment assets are all located in the respective place of domicile of the relevant group entities which include Hong Kong, Guangzhou, Macau, Taiwan and Thailand.

Place of domicile	Turnover from external customers		Non-current assets	
	2009	2008	2009	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Hong Kong	1,271,458	1,283,263	173,700	223,104
Guangzhou	18,379	5,133	381	683
Macau	62,280	56,751	2,816	2,334
Taiwan	54,415	7,320	616	853
Thailand	35,431	40,926	1,270	1,094
	1,441,963	1,393,393	178,783	228,068

7. OTHER INCOME

	2009	2008
	HK$'000	*HK$'000*
Interest on bank deposits	3,869	8,250
Equipment rental income	3,454	2,015
Gain on disposal of available-for-sale investments (net of transaction costs of HK$572,000)	–	20,690
Dividend income from available-for-sale investments	–	398
Exchange gain	–	48
Miscellaneous	1,289	1,188
	8,612	32,589

8. FINANCE COSTS

The amount represents interest on bank borrowings borrowed and wholly repaid during the year.

9. PROFIT BEFORE TAXATION

	2009	2008
	HK$'000	*HK$'000*
Profit before taxation has been arrived at after charging:		
Directors' remuneration *(Note 10)*	6,366	7,474
Other staff costs		
Salaries and other benefits	318,185	286,817
Retirement benefit scheme contributions, net of forfeited contributions of approximately HK$nil (FY08: HK$105,000)	8,965	5,825
Share-based payment expense	776	987
Total staff costs	334,292	301,103
Depreciation and amortisation:		
Property, plant and equipment	49,829	49,873
Intangible assets (included in cost of services rendered)	1,635	1,718
	51,464	51,591
Allowance for bad and doubtful debts	2,787	115
Auditor's remuneration:		
Current year	1,563	1,131
Underprovision in respect of prior year	684	58
Cost of inventories recognised as an expense	761,890	799,508
Exchange loss	182	–
Loss on disposal of property, plant and equipment	30	1,535
Loss on disposal of intangible assets	–	166
Operating lease rentals in respect of:		
Premises	8,277	8,786
Computer equipment	3,075	1,793
Research and development costs	794	–

10. DIRECTORS' REMUNERATION

	2009	2008
	HK$'000	*HK$'000*
Fees	868	1,030
Other emoluments:		
Salaries and other benefits	4,259	4,032
Performance related incentive bonus	877	2,003
Retirement benefit scheme contributions	284	278
Share-based payment expense	78	131
	6,366	7,474

The emoluments paid or payable to each of the twelve (FY08: thirteen) directors were as follows:

			2009			
Name of director	Fees	Salaries and other benefits	Performance related incentive payments	Retirement benefit scheme contributions	Share-based payment expense	Total
	HK$'000	*HK$'000*	*HK$'000* *(Note)*	*HK$'000*	*HK$'000*	*HK$'000*
Lai Yam Ting, Ready	–	2,526	691	260	40	3,517
Lau Ming Chi, Edward	–	1,373	186	12	38	1,609
Allen Joseph Pathmarajah	118	–	–	–	–	118
Kuo Chi Yung, Peter	74	360	–	12	–	446
Moo Kwee Chong, John	74	–	–	–	–	74
Michael Shove	50	–	–	–	–	50
Darren John Collins	50	–	–	–	–	50
Wang Yung Chang, Kenneth	50	–	–	–	–	50
Andrew John Anker	50	–	–	–	–	50
Cheung Man, Stephen	152	–	–	–	–	152
Hon Sheung Tin, Peter	122	–	–	–	–	122
Li King Hang, Richard	128	–	–	–	–	128
	868	4,259	877	284	78	6,366

			2008			
Name of director	Fees	Salaries and other benefits	Performance related incentive payments	Retirement benefit scheme contributions	Share-based payment expense	Total
	HK$'000	*HK$'000*	*HK$'000* *(Note)*	*HK$'000*	*HK$'000*	*HK$'000*
Lai Yam Ting, Ready	–	2,396	1,520	254	73	4,243
Lau Ming Chi, Edward	–	1,276	483	12	58	1,829
Allen Joseph Pathmarajah	124	–	–	–	–	124
Kuo Chi Yung, Peter	128	360	–	12	–	500
Moo Kwee Chong, John	80	–	–	–	–	80
George Finlay Bell	33	–	–	–	–	33
Michael Shove	17	–	–	–	–	17
Darren John Collins	50	–	–	–	–	50
Wang Yung Chang, Kenneth	50	–	–	–	–	50
Andrew John Anker	50	–	–	–	–	50
Cheung Man, Stephen	170	–	–	–	–	170
Hon Sheung Tin, Peter	140	–	–	–	–	140
Li King Hang, Richard	188	–	–	–	–	188
	1,030	4,032	2,003	278	131	7,474

Note: The performance related incentive payments are determined as a percentage of profit for the year of the Group.

During the year, no remuneration has been paid by the Group to the directors as an inducement to join or upon joining the Group and no directors have waived any remuneration.

11. FIVE HIGHEST PAID EMPLOYEES

The five highest paid individuals in the Group for the year included one (FY08: two) director(s), details of whose remuneration are set out in note 10 above. The remuneration of the remaining four (FY08: three) highest paid individuals for the year are as follows:

	2009	**2008**
	HK$'000	*HK$'000*
Salaries and other benefits	6,717	4,298
Performance related incentive bonus	4,197	4,477
Retirement benefit scheme contributions	312	186
Share-based payment expense	52	128
	11,278	9,089

Their remuneration was within the following bands:

	Number of employees	
	2009	**2008**
HK$1,500,001 to HK$2,000,000	–	1
HK$2,000,001 to HK$2,500,000	2	–
HK$2,500,001 to HK$3,000,000	1	–
HK$3,000,001 to HK$3,500,000	–	1
HK$4,000,001 to HK$4,500,000	–	1
HK$4,500,001 to HK$5,000,000	1	–

12. TAXATION

	2009	**2008**
	HK$'000	*HK$'000*
The charge comprises:		
Current taxation:		
Hong Kong Profits Tax	15,730	12,640
Overseas taxation	906	1,407
Under(over)provision in prior years:		
Hong Kong Profits Tax	83	(88)
Overseas taxation	–	–
	16,719	13,959
Deferred taxation *(Note 26)*		
Current year	(4,232)	(837)
Effect of change in tax rate	(1,323)	–
	(5,555)	(837)
Taxation attributable to the Company and its subsidiaries	11,164	13,122

Hong Kong Profits Tax is calculated at 16.5% (FY08: 17.5%) on the estimated assessable profits derived from Hong Kong for the year.

Overseas taxation is calculated at the rates prevailing in the respective jurisdictions.

Taxation charge for the year can be reconciled to the profit before taxation per the consolidated income statement as follows:

	2009	2008
	HK$'000	*HK$'000*
Profit before taxation	53,815	89,275
Tax at Hong Kong Profits Tax rate of 16.5% (FY08: 17.5%)	8,879	15,623
Tax effect of expenses not deductible for tax purpose	766	860
Tax effect of income not taxable for tax purpose	(628)	(1,513)
Tax effect of share of profit of associates	(145)	(81)
Under(over)provision in prior years	83	(88)
Effect of different tax rate applied to gain on disposal of available-for-sale investments in other jurisdiction	–	(1,552)
Effect of different tax rates of overseas operations	53	599
Tax effect of tax loss not recognised	2,683	77
Tax effect of utilisation of tax loss not previously recognised	–	(37)
Effect of change in tax rate	(1,323)	–
Others	796	(766)
Taxation charge for the year	11,164	13,122

13. DIVIDENDS

	2009	2008
	HK$'000	*HK$'000*
Dividends recognised as distribution during the year:		
Interim dividend in respect of FY09 of 4.0 HK cents (FY08: 4.0 HK cents) per share	11,889	11,848
Final dividend in respect of FY08 of 6.0 HK cents (FY08: 6.0 HK cents in respect of FY07) per share	17,834	17,761
Special dividend in respect of FY08 of 11.0 HK cents (FY08: 6.0 HK cents in respect of FY07) per share	32,696	17,761
	62,419	47,370
Dividends proposed:		
Final dividend in respect of FY08 of 6.0 HK cents per share	–	17,800
Special dividend in respect of FY09 of 92.0 HK cents (FY08: 11.0 HK cents) per share	273,633	32,632
	273,633	50,432

No final dividend is proposed by the directors (FY08: HK$17,800,000), The special dividend for the year of 92.0 HK cents per share, totalling HK$273,633,000 (FY08: HK$32,632,000) have been proposed by the directors subsequent to 31st March, 2009 and is subject to approval by the Company's shareholders in the forthcoming special general meeting.

14. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	2009 *HK$'000*	2008 *HK$'000*
Earnings for the purpose of basic earnings per share and diluted earnings per share	42,651	76,153

	Number of shares 2009 *'000*	 2008 *'000*
Weighted average number of ordinary shares for the purpose of basic earnings per share	297,075	295,581
Effect of dilutive potential ordinary shares – Share options	964	2,963
Weighted average number of ordinary shares for the purpose of diluted earnings per share	298,039	298,544

15. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings *HK$'000*	Furniture and fixtures *HK$'000*	Motor vehicles *HK$'000*	Data centre equipment *HK$'000*	Computer and office equipment *HK$'000*	Total *HK$'000*
THE GROUP						
COST OR VALUATION						
At 1st April, 2007	94,800	34,007	2,244	7,178	280,565	418,794
Exchange realignment	–	644	24	–	(244)	424
Additions	–	1,738	1,646	6,339	38,544	48,267
Disposals	–	(138)	(95)	–	(16,915)	(17,148)
Revaluation adjustment	23,800	–	–	–	–	23,800
At 31st March, 2008	118,600	36,251	3,819	13,517	301,950	474,137
Comprising:						
At cost	–	36,251	3,819	13,517	301,950	355,537
At valuation – 2008	118,600	–	–	–	–	118,600
	118,600	36,251	3,819	13,517	301,950	474,137
Exchange realignment	–	726	(28)	–	(1,836)	(1,138)
Additions	–	3,561	64	2,141	20,997	26,763
Disposals	–	(497)	(30)	–	(10,430)	(10,957)
Transfer	–	4,055	–	364	(4,419)	–
Revaluation adjustment	(21,300)	–	–	–	–	(21,300)
At 31st March, 2009	97,300	44,096	3,825	16,022	306,262	467,505
Comprising:						
At cost	–	44,096	3,825	16,022	306,262	370,205
At valuation – 2009	97,300	–	–	–	–	97,300
	97,300	44,096	3,825	16,022	306,262	467,505

	Leasehold land and buildings	Furniture and fixtures	Motor vehicles	Data centre equipment	Computer and office equipment	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
DEPRECIATION AND AMORTISATION						
At 1st April, 2007	–	31,457	2,007	4,055	181,359	218,878
Exchange realignment	–	515	24	–	(581)	(42)
Provided for the year	2,355	1,267	294	857	45,100	49,873
Eliminated on disposals	–	(116)	(95)	–	(15,231)	(15,442)
Eliminated on revaluation	(2,355)	–	–	–	–	(2,355)
At 31st March, 2008	–	33,123	2,230	4,912	210,647	250,912
Exchange realignment	–	614	(28)	–	(1,568)	(982)
Provided for the year	3,022	2,146	398	1,167	43,096	49,829
Eliminated on disposals	–	(492)	(30)	–	(3,609)	(4,131)
Transfer	–	3,660	–	364	(4,024)	–
Eliminated on revaluation	(3,022)	–	–	–	–	(3,022)
At 31st March, 2009	–	39,051	2,570	6,443	244,542	292,606
CARRYING AMOUNTS						
At 31st March, 2009	97,300	5,045	1,255	9,579	61,720	174,899
At 31st March, 2008	118,600	3,128	1,589	8,605	91,303	223,225

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Leasehold land and buildings	Over the remaining term of the lease or 50 years, whichever is shorter
Furniture and fixtures	10% – 20%
Motor vehicles	20%
Data centre equipment	10%
Computer and office equipment	20% – 33⅓%

The leasehold land and buildings were revalued by DTZ Debenham Tie Leung Limited, an independent professional valuer, at 31st March, 2009 at market value basis which is determined by reference to market evidence of recent transactions for similar properties. The revaluation gave rise to a net revaluation decrease of HK$18,279,000 (FY08: increase of HK$26,155,000) which has been charged to the property revaluation reserve.

If the leasehold land and buildings had not been revalued, they would have been included in these consolidated financial statements at historical cost, less accumulated depreciation and amortisation, of approximately HK$69,182,000 (FY08: HK$71,638,000).

16. INTANGIBLE ASSETS

	Deferred development costs	Outsourcing contract costs	Patents and licences	Club memberships	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
THE GROUP					
COST					
At 1st April, 2007	17,993	3,589	7,800	900	30,282
Exchange realignment	–	375	–	–	375
Additions	452	14	–	–	466
Disposals/write off	–	(166)	–	–	(166)
At 31st March, 2008	18,445	3,812	7,800	900	30,957
Additions	–	–	–	–	–
Disposals/write off	(2,030)	(172)	–	–	(2,202)
At 31st March, 2009	16,415	3,640	7,800	900	28,755
AMORTISATION AND IMPAIRMENT					
At 1st April, 2007	15,263	1,936	7,800	–	24,999
Exchange realignment	–	102	–	–	102
Provided for the year	1,313	405	–	–	1,718
At 31st March, 2008	16,576	2,443	7,800	–	26,819
Provided for the year	1,212	423	–	–	1,635
Eliminated on disposals/write off	(2,030)	(172)	–	–	(2,202)
At 31st March, 2009	15,758	2,694	7,800	–	26,252
CARRYING AMOUNTS					
At 31st March, 2009	657	946	–	900	2,503
At 31st March, 2008	1,869	1,369	–	900	4,138

The club memberships acquired from third parties with indefinite useful life are stated at cost less any identified impairment.

Other than club memberships, the above intangible assets have finite useful lives and are amortised on a straight-line basis over the following periods:

Deferred development costs	3 years
Outsourcing contract costs	Over contract life
Patents and licences	2 years

All of the Group's patents and licences were acquired from third parties.

17. INTERESTS IN ASSOCIATES

	2009	**2008**
	HK$'000	*HK$'000*
Share of net assets	1,381	705

Particulars of the Group's unlisted associates at 31st March, 2009 and 31st March, 2008 are as follows:

Name of associate	**Country/place of incorporation**	**Percentage of nominal value of issued ordinary share capital held indirectly by the Company**	**Principal activities**
ASL Automated Services (Thailand) Limited	Thailand	49%	Provision of engineering and software services
IN Systems (Macao) Limited	Macau	33.3%	Provision of engineering and software services

The summarised consolidated financial information in respect of the Group's associates is set out below:

	2009	**2008**
	HK$'000	*HK$'000*
Total assets	9,088	3,563
Total liabilities	4,945	2,062
Net assets	4,143	1,501
Group's share of net assets of associates	1,381	705
Total revenue	11,380	11,407
Total profit for the year	2,640	1,402
Group's share of results of associates for the year	880	463

The Group has discontinued recognition of its share of losses of an associate. The amounts of unrecognised share of this associate, extracted from the relevant management accounts of an associate, both for the year and cumulatively, are as follows:

	2009	**2008**
	HK$'000	*HK$'000*
Unrecognised share of (gain) loss of an associate for the year	(13)	80
Accumulated unrecognised share of losses of an associate	620	633

18. INVENTORIES

	2009	2008
	HK$'000	*HK$'000*
Goods held for resale	27,618	39,509
Goods pending customers' acceptance	76,849	59,454
Contracts in progress	–	12,593
	104,467	111,556

Goods held for resale and goods pending customers' acceptance mainly represent computer equipment and software products. Contracts in progress as at 31st March, 2008 mainly comprised costs of labour directly engaged in project development and installation contracts.

19. TRADE RECEIVABLES

The Group has granted credit to substantially all of its customers for 30 days. An aged analysis of the trade receivables at the balance sheet date, based on aging from payment due date and net of allowance of HK$4,535,000 (FY08: HK$4,183,000), is as follows:

	2009	2008
	HK$'000	*HK$'000*
Not yet due	77,559	88,710
< 30 days	24,893	25,637
31 – 60 days	9,786	10,299
61 – 90 days	4,428	5,822
> 90 days	9,648	15,612
	126,314	146,080

The aged analysis of trade receivables that are past due and not impaired are as follows:

	2009	2008
	HK$'000	*HK$'000*
Past due less than 90 days	39,107	41,758
Past due over 90 days	9,648	15,612
	48,755	57,370

The Group assessed the credit quality of trade receivables based on historical default rates and the creditworthiness of the trade receivables. For the trade receivables which are past due but not impaired at the balance sheet date, the subsequent settlement is over 70% (FY08: over 90%). For the remaining unsettled trade receivables which are past due but not yet impaired at the balance sheet date, the historical default rate is low and the relevant debtors have good repayment history. Accordingly, no further impairment loss is considered necessary. The Group does not hold any collateral over these balances.

Movement in the allowance for bad and doubtful debts

	2009	2008
	HK$'000	*HK$'000*
Balance at the beginning of the year	4,183	4,068
Increase in allowance recognised in profit or loss	2,787	115
Bad and doubtful debts written off during the year	(2,435)	–
Balance at the end of the year	4,535	4,183

Trade receivables that were neither past due nor impaired related to a wide range of customers that have a good payment record.

20. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2009	2008
	HK$'000	*HK$'000*
Other receivables	101	12,599
Deposits	6,351	2,974
Prepayments	12,922	38,716
Amounts due from fellow subsidiaries	5,487	10,866
Amount due from an associate	–	47
	24,861	65,202

Other debtors and the amounts due from fellow subsidiaries and an associate are unsecured, interest free and are repayable on demand.

The credit terms for the amounts due from fellow subsidiaries are usually 30 to 90 days. As at the balance sheet date, amounts due from fellow subsidiaries were not yet due.

21. AMOUNTS DUE FROM CUSTOMERS FOR CONTRACT WORK

	2009	2008
	HK$'000	*HK$'000*
Contracts in progress at the balance sheet date:		
Contract costs incurred plus recognised profits less recognised losses	63,184	45,408
Less: Progress billings	–	–
Due from customers included in current assets	63,184	45,408

22. SHORT TERM BANK DEPOSITS/BANK BALANCES AND CASH

As at 31st March, 2008, short term bank deposits comprise deposits held by the Group with an original maturity not less than three months and include bank deposits of approximately HK$100,000 that have been pledged to secure certain short term banking facilities of the Group. Other bank balances comprise deposits held by the Group with an original maturity of three months or less.

Bank balances and short term bank deposits carry interest at market rates with average interest rate of 0.3% and 1.89% (FY08: 0.9% and 2.72%) per annum, respectively.

23. TRADE AND BILLS PAYABLES

An aged analysis of the trade and bills payables as at the balance sheet date, based on payment due date, is as follows:

	2009	2008
	HK$'000	*HK$'000*
Not yet due	96,245	93,391
< 30 days	46,312	66,105
31 – 60 days	5,751	5,464
61 – 90 days	1,283	5,862
> 90 days	1,908	11,236
	151,499	182,058

24. OTHER PAYABLES AND ACCRUALS

	2009	2008
	HK$'000	*HK$'000*
Other payables	5,370	10,562
Accruals	26,735	34,584
Amount due to ultimate holding company	16,874	8,139
Amount due to immediate holding company	–	5,165
Amounts due to fellow subsidiaries	9,160	16,751
Amount due to an associate	710	719
	58,849	75,920

The amounts due to ultimate holding company, immediate holding company, fellow subsidiaries and an associate are unsecured, interest free and are repayable on demand.

As at the balance sheet date, amounts due to fellow subsidiaries were not yet due.

25. RECEIPTS IN ADVANCE

Receipts in advance represent advance payments received prior to:

(i) delivery of goods which is recognised in profit or loss upon the delivery of goods; and

(ii) delivery of service which is recognised in profit or loss over the service period stipulated in the respective customer contract.

26. DEFERRED TAXATION

The following are the major deferred tax liabilities (assets) recognised by the Group and movements thereon during the current and preceding year:

	Accelerated tax depreciation	Revaluation of properties	Tax loss	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 1st April, 2007	16,375	3,027	–	19,402
Credit to consolidated income statement	(837)	–	–	(837)
Charge to equity	–	4,577	–	4,577
At 31st March, 2008	15,538	7,604	–	23,142
Credit to consolidated income statement	(3,011)	(914)	(307)	(4,232)
Credit to equity	–	(3,016)	–	(3,016)
Effect of change in tax rate	(888)	(435)	–	(1,323)
At 31st March, 2009	11,639	3,239	(307)	14,571

As at 31st March, 2009, the Group has unused tax losses of HK$18,121,000 (FY08: HK$440,000) available for offset against future profits. A deferred tax asset has been recognised in respect of HK$1,863,000 (FY08: HK$nil) of such losses. No deferred tax asset has been recognised in respect of the remaining HK$16,258,000 (FY08: HK$440,000) due to unpredictability of future profit streams.

27. SHARE CAPITAL

	Number of shares		Amount	
	2009	2008	2009	2008
	'000	*'000*	*HK$'000*	*HK$'000*
Ordinary shares of HK$0.10 each				
Authorised:				
At 1st April and 31st March	600,000	600,000	60,000	60,000
Issued and fully paid:				
At 1st April	296,657	294,170	29,666	29,417
Exercise of share options	770	2,487	77	249
At 31st March	297,427	296,657	29,743	29,666

During the year, the Company issued 770,000 ordinary shares of HK$0.10 each at the subscription prices ranging from HK$0.90 to HK$1.95 per share (FY08: 2,487,000 ordinary shares of HK$0.10 each at the subscription prices ranging from HK$0.90 to HK$2.40 per share) under the share option scheme of the Company.

The new shares rank pari passu with the then existing shares in issue in all respects.

28. SHARE OPTION SCHEMES

The Company adopted a share option scheme (the "Scheme") on 16th October, 1997 for the purpose of providing incentives and rewards to any employee and/or director of the Company or any of its subsidiaries. The maximum number of shares in respect of which options may be granted to any individual under the Scheme shall not exceed 25% of the aggregate number of shares for the time being issued and issuable under the Scheme. Options granted must be taken up within 28 days of the date of offer, upon payment of HK$1 as consideration per grant. The exercise price is determined by the directors of the Company, and will not be less than the higher of 80% of the average of the closing prices of the shares on the Stock Exchange for the five trading days immediately preceding the date of grant of the options, and the nominal value of the shares.

Pursuant to the amendments to Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange which became effective from 1st September, 2001, any options granted after 1st September, 2001 must comply with the provisions of the revised Chapter 17. In order for the Company to be able to grant options to its director and/or other eligible participants after 1st September, 2001, the Scheme was terminated and a new share option scheme (the "New Scheme") was adopted pursuant to a resolution passed in the general meeting held on 8th August, 2002. As a result, the Company can no longer grant any further share option under the Scheme. However, all share options granted prior to 1st September, 2001 will remain in full force and effect.

Under the New Scheme, the directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company. The total number of shares in respect of which options may be granted under the New Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time. The total number of shares in respect of which options may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time. Options granted must be taken up within 28 days of the date of offer, upon payment of HK$1 as consideration per grant. There is no general requirement that an option must be held for any minimum period before it can be exercised but the directors of the Company is empowered to impose at its discretion any such minimum period at the time of grant of any particular option. The period during which an option may be exercised will be determined by the directors of the Company at its absolute discretion, save that no option may be exercised more than 10 years after it has been granted. The exercise price is determined by the directors of the Company, and will not be less than the higher of (a) the closing price of the shares on the Stock Exchange on the date of grant; (b) the average of the closing prices of the shares on the Stock Exchange for the five trading days immediately preceding the date of grant of the options; and (c) the nominal value of the shares. The New Scheme will expire on 7th August, 2012.

At 31st March, 2009, the aggregate number of shares in respect of which options had been granted under the Scheme and the New Scheme was 16,000,000 (FY08: 17,736,000), representing 5.4% (FY08: 6.0%) of the shares of the Company in issue at that date.

The following table discloses details of the share options held by employees (including directors) under the Scheme and the New Scheme and movements in such holdings during the current and preceding years:

	Number of shares to be issued upon exercise of share options							
Date of grant	Balance at 1.4.2008	Granted during the year	Exercised during the year	Lapsed during the year	Cancelled during the year	Balance at 31.3.2009	Exercise period	Exercise price per share
								HK$
2009								
Scheme								
2.3.1999	660,000	–	(600,000)	(60,000)	–	–	3.3.2001 to 2.3.2009	0.90
19.10.1999	1,855,000	–	–	(20,000)	–	1,835,000	20.10.2001 to 19.10.2009	2.30
11.2.2000	55,000	–	–	–	–	55,000	12.2.2002 to 11.2.2010	3.35
30.6.2000	40,000	–	–	–	–	40,000	1.7.2002 to 30.6.2010	3.40
27.7.2001	2,076,000	–	–	(68,000)	–	2,008,000	27.7.2003 to 26.7.2011	2.40
	4,686,000	–	(600,000)	(148,000)	–	3,938,000		
Exercisable at the end of the year						3,938,000		
Weighted average exercise price	2.17	–	0.90	1.78	–	2.38		
New Scheme								
20.11.2002	1,598,000	–	(48,000)	(120,000)	–	1,430,000	20.11.2003 to 19.11.2012	1.34
6.8.2004	1,436,000	–	(100,000)	(40,000)	–	1,296,000	6.8.2005 to 5.8.2014	1.28
9.6.2005	2,444,000	–	–	(80,000)	–	2,364,000	9.6.2006 to 8.6.2015	1.98
19.6.2006	2,768,000	–	–	–	–	2,768,000	19.6.2007 to 18.6.2016	1.95
30.6.2006	1,072,000	–	–	(22,000)	–	1,050,000	30.6.2006 to 29.6.2016	1.95
30.6.2006	844,000	–	(22,000)	(286,000)	–	536,000	30.6.2007 to 29.6.2016	1.95
4.10.2007	2,888,000	–	–	(270,000)	–	2,618,000	4.10.2008 to 3.10.2017	2.32
	13,050,000	–	(170,000)	(818,000)	–	12,062,000		
Exercisable at the end of the year						9,086,000		
Weighted average exercise price	1.89	–	1.38	1.95	–	1.89		

Date of grant	Number of shares to be issued upon exercise of share options Balance at 1.4.2007	Granted during the year	Exercised during the year	Lapsed during the year	Cancelled during the year	Balance at 31.3.2008	Exercise period	Exercise price per share *HK$*
2008								
Scheme								
2.3.1999	740,000	–	(80,000)	–	–	660,000	3.3.2001 to 2.3.2009	0.90
19.10.1999	1,980,000	–	(115,000)	(10,000)	–	1,855,000	20.10.2001 to 19.10.2009	2.30
11.2.2000	65,000	–	–	(10,000)	–	55,000	12.2.2002 to 11.2.2010	3.35
30.6.2000	40,000	–	–	–	–	40,000	1.7.2002 to 30.6.2010	3.40
27.7.2001	2,194,000	–	(108,000)	(10,000)	–	2,076,000	27.7.2003 to 26.7.2011	2.40
	5,019,000	–	(303,000)	(30,000)	–	4,686,000		
Exercisable at the end of the year						4,686,000		
Weighted average exercise price	2.16	–	1.97	3.02	–	2.17		
New Scheme								
20.11.2002	2,144,000	–	(522,000)	(24,000)	–	1,598,000	20.11.2003 to 19.11.2012	1.34
6.8.2004	2,224,000	–	(772,000)	(16,000)	–	1,436,000	6.8.2005 to 5.8.2014	1.28
9.6.2005	2,808,000	–	(336,000)	(28,000)	–	2,444,000	9.6.2006 to 8.6.2015	1.98
19.6.2006	2,888,000	–	(120,000)	–	–	2,768,000	19.6.2007 to 18.6.2016	1.95
30.6.2006	1,272,000	–	(190,000)	(10,000)	–	1,072,000	30.6.2006 to 29.6.2016	1.95
30.6.2006	1,156,000	–	(244,000)	(68,000)	–	844,000	30.6.2007 to 29.6.2016	1.95
4.10.2007	–	2,888,000	–	–	–	2,888,000	4.10.2008 to 3.10.2017	2.32
	12,492,000	2,888,000	(2,184,000)	(146,000)	–	13,050,000		
Exercisable at the end of the year						6,570,000		
Weighted average exercise price	1.73	2.32	1.57	1.78	–	1.89		

For options granted under the New Scheme, other than the 1,072,000 options granted on 30th June, 2006 which are vested immediately, the rests are vested equally over 3 years from the date of grant.

In respect of the share options exercised during the year, the weighted average share price at the date of exercise is HK$1.81 (FY08: HK$2.28 per share). The weighted average closing price immediately before the date of exercise is HK$1.81 (FY08: HK$2.28 per share).

In respect of the share options granted on 4th October, 2007, the estimated fair values of the options on the dates of grant were calculated using the Black-Scholes model. The estimated fair values were ranging from HK$0.41 to HK$0.476 per share. The inputs into the model were as follows:

	2008
Weighted average share price	HK$2.28
Exercise price	HK$2.32
Expected volatility	29.95%
Expected life	3.1 to 8.7 years
Risk-free rate	4.12 – 4.17%
Expected dividend yield	4.48%

Expected volatility was determined by using the historical volatility of the Company for the weekly closing share price for the period of 52 weeks before the date of grant.

During the year, the Group recognised total expense of HK$854,000 (FY08: HK$1,118,000) in relation to equity-settled share-based payment transactions.

No consideration is received during the year from employees for taking up the shares under the options (FY08: HK$28).

29. RETIREMENT BENEFIT SCHEMES

Defined contribution plans:

The Group operates a MPF Scheme for all qualifying employees. The MPF Scheme is established under the Mandatory Provident Fund Ordinance in December 2000. Contributions are made based on a percentage of the employees' basic salaries and are charged to consolidated income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of trustees. The Group's contributions vest fully with the employees when contributed into the MPF Scheme.

Defined benefit plan:

The Group also operates a defined benefit plan for a qualifying director of the Company. Under the plan, the director is entitled to retirement benefits based on 120% or 175.25% of final average salary multiplied by completed months of service on attainment of a retirement age of 60, or of age at least 50 with 25 years of services. The assets of the fund are held separately from those of the Company, in funds under the control of trustees. The scheme is non- contributory on the part of the director and the Company is obliged to meet the full cost of all benefits due to the director under the plan.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation at 31st March, 2009 were carried by Watson Wyatt Hong Kong Limited, independent actuary. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method. The main actuarial assumptions used were as follows:

	2009	**2008**
Discount rate	2.2%	2.7%
Expected return on plan assets	6.3%	7.0%
Expected rate of salary increases	3.0%	5.2%

Expected return rate on plan assets is determined by reference to historical data of Hang Seng Index.

The actuarial valuation showed that the market value of plan assets was HK$5,775,000 (FY08: HK$11,760,000) and the present value of the funded obligations was HK$8,226,000 (FY08: HK$11,659,000). The actuarial value of these assets represented 70.2% (FY08: 100.9%) of the benefits that had accrued to members. The shortfall of HK$2,451,000 (FY08: surplus of HK$101,000) is to be cleared over the estimated remaining service period of the current membership of four years.

Amounts recognised in the consolidated income statement during the year in respect of the defined benefit plan are as follows:

	2009	2008
	HK$'000	*HK$'000*
Current service costs	284	422
Interest cost	314	313
Expected return on plan assets	(820)	(505)
Transitional liability recognised	–	928
Net actuarial gain recognised in the year	(86)	(84)
Administrative cost	–	2
	(308)	1,076

The credit for the year of HK$308,000 (FY08: charge of HK$1,076,000) has been included in administrative expenses.

The actuarial loss on plan assets was HK$5,985,000 (FY08: actuarial gain on plan assets was HK$4,105,000).

The amount included in the balance sheet arising from the Group's obligation in respect of its defined benefit plan is as follows:

	2009	2008
	HK$'000	*HK$'000*
Present value of funded obligations	8,226	11,659
Fair value of plan assets	(5,775)	(11,760)
Deficit (surplus)	2,451	(101)
Net actuarial (loss) gain not recognised	(1,254)	1,606
Net liability arising from defined benefit obligation	1,197	1,505

Movements in the present value of the defined benefit obligations in the current year were as follows:

	2009	2008
	HK$'000	*HK$'000*
At 1st April	11,659	6,019
Current service costs	284	422
Interest cost	314	313
Actuarial (loss) gain	(4,031)	4,905
At 31st March	8,226	11,659

Movements in the fair value of the plan assets in the current year were as follows:

	2009	2008
	HK$'000	*HK$'000*
At 1st April	11,760	7,216
Expected return on plan assets	820	505
Actuarial (loss) gain	(6,805)	3,600
Contributions from the employer	–	439
At 31st March	5,775	11,760

The major categories of plan assets as a percentage of total plan assets are as follows:

	2009	2008
	%	%
Equity instruments	70	70
Debt instruments	25	25
Cash	5	5
	100	100

30. OPERATING LEASE COMMITMENTS

The Group as lessee:

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of certain of its office premises and computer equipment which fall due as follows:

	2009	2008
	HK$'000	*HK$'000*
Within one year	8,959	9,345
In the second to fifth year inclusive	1,602	6,018
	10,561	15,363

Leases for office premises are negotiated for an average term of two years and rentals are fixed over the terms of the leases.

Leases for computer equipment are negotiated for an average term of three years and rentals are fixed over the terms of the leases.

The Group as lessor:

At 31st March, 2009, the Group had contracted with a customer for future minimum lease payments in respect of certain computer equipment under operating leases which fall due as follows:

	2009	2008
	HK$'000	*HK$'000*
Within one year	3,454	3,454
In the second to fifth year inclusive	–	3,454
	3,454	6,908

The lease is contracted for two years and rentals are fixed over the term of the lease.

31. CAPITAL COMMITMENTS

	2009	2008
	HK$'000	*HK$'000*
Capital expenditure in respect of property, plant and equipment contracted for but not provided in the consolidated financial statements	322	3,435

32. COUNTER INDEMNITIES

At 31st March, 2009, the Group has provided counter indemnities to banks for performance guarantees issued by the banks to the Group's customers in respect of the Group's service performance to these customers amounting to HK$25,538,000 (FY08: HK$26,942,000).

33. PLEDGE OF ASSETS

In prior year, the Group's bank deposits of approximately HK$100,000 had been pledged to secure the banking facilities of the Group. No pledged bank deposit noted in current year. At 31st March, 2009, no bank facilities were being utilised.

34. RELATED PARTY TRANSACTIONS

(1) Transactions with fellow subsidiaries and ultimate holding company:

Nature of transaction	**2009**	**2008**
	HK$'000	*HK$'000*
Fellow subsidiaries:		
Sales by the Group	2,112	4,013
Purchases by the Group	–	1,016
Staff costs recharged by the Group	8,625	1,959
Rentals and administrative expenses charged to the Group	13,888	17,741
Immediate holding company:		
Expenses charged to the Group	–	547
Ultimate holding company:		
Sub-contracting costs charged by the Group	260	195
Rentals and administrative expenses charged to the Group	5,443	6,753

(2) At 31st March, 2009, no contribution was required in respect of a defined benefit plan for a director of the Company (FY08: HK$439,000) (note 29).

(3) The Group's balances with related parties are set out in notes 20 and 24.

(4) Key management compensation is disclosed in notes 10 and 11.

35. PARTICULARS OF SUBSIDIARIES

Particulars of the Company's subsidiaries at 31st March, 2009 and 31st March, 2008 are as follows:

Name of subsidiary	Country/place of incorporation/ establishment and operation	Nominal value of issued and fully paid share capital/registered capital	Percentage of nominal value of issued share capital held directly by the Company	Principal activities
Automated Systems (H.K.) Limited	Hong Kong	HK$2 Ordinary shares HK$55,350,000 *Non-voting deferred shares	100%	Investment holding, sales of computer products and solutions and provision of hardware services (including installation and maintenance services) and software services (including software development, consulting and professional services)
ELM Computer Technologies Limited	Hong Kong	HK$12,000,000 Ordinary shares	100%	Sales of computer products and solutions and provision of hardware services (including installation and maintenance services) and software services (including software development, consulting and professional services)
CSA Automated (Macau) Limited	Macau	MOP10,000 Ordinary shares	100%	Sales of computer products and solutions and provision of hardware services (including installation and maintenance services) and software services (including software development, consulting and professional services)
ASL Automated (Thailand) Limited	Thailand	BHT50,000,000 Ordinary shares	100%	Sales of computer products and solutions and provision of hardware services (including installation and maintenance services) and software services (including software development, consulting and professional services)
Guangzhou Automated Systems Limited	People's Republic of China	HK$10,000,000 *(Note 1)*	100%	Sales of computer products and solutions and provision of hardware services (including installation and maintenance services) and software services (including software development, consulting and professional services)

Name of subsidiary	Country/place of incorporation/ establishment and operation	Nominal value of issued and fully paid share capital/registered capital	Percentage of nominal value of issued share capital held directly by the Company	Principal activities
Taiwan Automated Systems Limited	Republic of China	NTD42,000,000 *(Note 2)*	100%	Sales of computer products and solutions and provision of hardware services (including installation and maintenance services) and software services (including software development, consulting and professional services)
Express Success Limited	British Virgin Islands#	US$2 Ordinary shares	100%	Property holding
Express Returns Limited	British Virgin Islands#	US$2 Ordinary shares	100%	Property holding
Express Profits Development Limited	British Virgin Islands#	US$2 Ordinary shares	100%	Property holding

* *The non-voting deferred shares, which are not held by the Company, carry practically no rights to dividends nor to receive notice of nor to attend or vote at any general meeting of the company nor to participate in any distribution on winding up.*

These companies operate in Hong Kong.

Note:

1. Guangzhou Automated Systems Limited was registered in the People's Republic of China as a wholly foreign owned enterprise and had a registered capital of HK$10,000,000. The amount of HK$10,000,000 disclosed above represents the amount of registered capital paid up to 31st March, 2009 and 31st March, 2008.

2. Taiwan Automated Systems Limited was registered in the Republic of China and has a registered capital of NTD42,000,000. The amount of NTD42,000,000 disclosed above represents the amount of registered capital paid up to 31st March, 2009 and 31st March, 2008.

None of the subsidiaries had issued any debt securities at the end of the year.

36. POST BALANCE SHEET EVENTS

On 24th April, 2009, CSC the ultimate holding company of the Company, has entered into a conditional agreement with an independent third party to transfer its controlling interest in the Company to the third party (the "Share Purchase Agreement"). The conditions precedent to the Share Purchase Agreement include, inter alia, the completion of a conditional agreement entered into between the Company and CSC Computer Sciences HK Limited ("CSC HK", a fellow subsidiary of the Company) on 24th April, 2009 (hereinafter referred to as the "Global Account Transfer Agreement") and the payment of a special dividend of 92.0 HK cents per share to the shareholders of the Company (the "Special Dividend").

Pursuant to the terms of the Global Account Transfer Agreement, the Group will transfer its GMS business to CSC HK (the "Disposal", which is effected through transfer of service contracts, customer orders, hardware, software and licensed intellectual property) for a cash consideration of HK$125 million. The completion of the Global Account Transfer Agreement is subject to the approval by the independent shareholders of the Company.

The Special Dividend is conditional on, and shall not be made earlier than the date of, the completion of the Global Account Transfer Agreement. However, the Special Dividend and the completion of the Global Account Transfer Agreement are not conditional on the completion of the Share Purchase Agreement. Details of the above are set out in the Company's announcement dated 6th May, 2009 made by Teamsun Technology (HK) Limited and the Company.

The conditions of the Share Purchase Agreement and the Global Account Transfer Agreements are still being satisfied. The Company is in the midst of preparing a circular in respect of the Disposal for consideration and approval by the independent shareholders of the Company; and is in the process of assessing the financial impact that may result from the Disposal. Also, the directors of the Company have proposed the Special Dividend to the shareholders of the Company, which is subject to the approval by shareholders of the Company in a special general meeting to be considered by the Company.

3. UNAUDITED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 30 JUNE 2009

The following is the extract of the 2009/10 first quarterly results announcement of the Company for the three months ended 30 June 2009.

RESULTS

This announcement is made pursuant to the disclosure obligation under Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Board of Directors (the "Directors") of Automated Systems Holdings Limited (the "Company") are pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group" or "ASL") for the three months ended 30th June, 2009. The first quarterly financial statements have been reviewed by the Company's Audit Committee.

Condensed Consolidated Income Statement

		Unaudited Three months ended 30th June,	
		2009	**2008**
	Notes	*HK$'000*	*HK$'000*
TURNOVER	*(2)*	306,639	353,831
Cost of goods sold		(156,178)	(188,015)
Cost of services rendered		(114,097)	(123,871)
Other income	*(3)*	1,206	2,090
Selling expenses		(16,364)	(16,969)
Administrative expenses		(11,732)	(11,794)
Finance costs	*(4)*	–	(1)
Share of results of associates		159	199
PROFIT BEFORE TAXATION	*(5)*	9,633	15,470
Taxation	*(6)*	(1,667)	(2,608)
Profit for the period		7,966	12,862
EARNINGS PER SHARE	*(7)*		
Basic		HK2.67 cents	HK4.34 cents
Diluted		HK2.67 cents	HK4.33 cents

Condensed Consolidated Balance Sheet

	Notes	Unaudited 30th June, 2009 HK$'000	Audited 31st March, 2009 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	(8)	165,982	174,899
Intangible assets		2,324	2,503
Interests in associates		1,539	1,381
		169,845	178,783
CURRENT ASSETS			
Inventories		96,367	104,467
Trade receivables	(9)	133,577	126,314
Other receivables, deposits and prepayments		46,555	24,861
Amounts due from customers for contract work		79,466	63,184
Bank balances and cash		338,058	385,953
		694,023	704,779
CURRENT LIABILITIES			
Trade and bills payables	(10)	128,519	151,499
Other payables and accruals		62,132	58,849
Receipts in advance		110,979	121,371
Tax liabilities		2,668	5,776
		304,298	337,495
NET CURRENT ASSETS		389,725	367,284
TOTAL ASSETS LESS CURRENT LIABILITIES		559,570	546,067
NON-CURRENT LIABILITY			
Deferred income		25	–
Deferred taxation		14,546	14,571
		14,571	14,571
		544,999	531,496
CAPITAL AND RESERVES			
Share capital		30,095	29,743
Reserves		514,904	501,753
Equity attributable to equity holders of the Company		544,999	531,496

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The accounting policies and basis of preparation used in the preparation of these financial statements are consistent with those used in the annual financial statements for the year ended 31st March, 2009.

2. TURNOVER AND SEGMENT INFORMATION

Turnover represents the net amounts received and receivable for goods sold by the Group to outside customers, less returns and allowances, and revenue from service contracts, and is analysed as follows:

	Unaudited Three months ended 30th June,	
	2009	**2008**
	HK$'000	*HK$'000*
Sales of goods	174,244	216,420
Revenue from service contracts	132,395	137,411
	306,639	353,831

The Group has adopted HKFRS 8 "Operating Segments" with effect from 1st April, 2008. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. In contrast, the predecessor Standard (HKAS 14 "Segment Reporting") required an entity to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity's "system of internal financial reporting to key management personnel" serving only as the starting point for the identification of such segments. As a result, following the adoption of HKFRS 8, the identification of the Group's reportable segments has changed.

In prior period, segment information reported externally was analysed on the basis of geographical locations of its customers, which over 90% of the Group's revenue is derived from the Hong Kong market. Also, the Group is principally engaged in providing Information Technology products ("IT Products") accompanied with services. No business segment analysis was presented as the management considered that the Group has one single business segment. However, information reported to chief operating decision maker for the purpose of resources allocation and assessment performance is more specifically focused on the operating divisions for different products and services with adoption of HKFRS 8 in this year.

For management purpose, the Group is currently organised into three operating divisions – IT Products, Information Technology Services ("IT Services") and Global Managed Service ("GMS"). These divisions are the basis on which the Group reports its primary segment information to the chief operating decision maker. The business nature of each segment is disclosed as follows:

IT Products

Being the business of information technology in supplying of information technology and associated products save for the business under GMS segment.

IT Services

Being the business of information technology in providing systems integration, software and consulting services, engineering support for products and solutions, managed services save for the business under GMS segment.

GMS

The business undertaken by the Group in the provision of global management services (which include information technology infrastructure administrative services function, facilities management, network operation maintenance and on-site support, hardware maintenance and desktop computing services) to clients in Asia including Hong Kong, Thailand and Taiwan.

The Group's revenue and results by operating segment for the period under review is presented below.

Unaudited
Three months ended 30th June, 2009

	IT Products	IT Services	GMS	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Turnover from external customers	174,244	112,867	19,528	306,639
Intersegment turnover	2,139	9,554	–	11,693
Segment turnover	176,383	122,421	19,528	318,332
Reportable segment profit	7,003	11,954	1,913	20,870
Depreciation and amortisation	345	1,813	7,857	10,015
Capital additions	215	885	1,111	2,211

Unaudited
Three months ended 30th June, 2008

	IT Products	IT Services	GMS	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Turnover from external customers	218,305	113,792	21,734	353,831
Intersegment turnover	3,287	9,781	–	13,068
Segment turnover	221,592	123,573	21,734	366,899
Reportable segment profit	14,422	9,346	2,526	26,294
Depreciation and amortisation	373	2,087	6,524	8,984
Capital additions	366	1,593	4,056	6,015

The Group's assets and liabilities by operating segment for the period under review is presented below.

Unaudited
As at 30th June, 2009

	IT Products	IT Services	GMS	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Reportable segment assets	209,023	132,979	58,613	400,615
Reportable segment liabilities	157,329	86,441	9,573	253,343

Audited
As at 31st March, 2009

	IT Products	IT Services	GMS	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Reportable segment assets	202,872	106,965	63,590	373,427
Reportable segment liabilities	175,603	97,769	11,332	284,704

(a) The accounting policies of the reportable segments are the same as the Group's accounting policies. Performance is measured based on segment profit that is used by the chief operating decision maker for the purposes of resource allocation and assessment of segment performance. Taxation is not allocated to reportable segments.

The turnover, profit or loss, assets and liabilities of the Group are allocated based on the operations of the segments.

Reportable segments profit is profit before taxation, excluding unallocated investment and other income, share-based payment expense, share of results of associates, finance costs, result on disposal of property, plant and equipment, depreciation and amortisation for property, plant and equipment and intangible assets that are used for all segments and other corporate expenses (mainly including staff costs and other general administrative expenses) of the head office.

Reportable segment assets exclude interests in associates, amounts due from fellow subsidiaries, bank balances and cash and unallocated corporate assets (mainly including property, plant and equipment and intangible assets that are used for all segments, prepayments and deposits).

Reportable segment liabilities exclude tax liabilities, deferred taxation, amounts due to fellow subsidiaries, ultimate holding company and associate and unallocated corporate liabilities (mainly including accrued charges of the head office).

(b) *Reconciliation of the reportable segment turnover, profit or loss, assets and liabilities*

Reportable segment turnover, profit or loss, assets and liabilities are reconciled to results and total assets and total liabilities of the Group as follows:

Turnover

	Unaudited Three months ended 30th June,	
	2009	2008
	HK$'000	*HK$'000*
Reportable segment turnover	318,332	366,899
Elimination of intersegment turnover	(11,693)	(13,068)
Turnover per condensed consolidated income statement	306,639	353,831

Inter-segment sales are charged at cost plus a percentage profit mark-up.

Profit/ (Loss)

	Unaudited Three months ended 30th June, 2009 HK$'000	2008 HK$'000
Reportable segment profit	20,870	26,294
Unallocated amounts:		
Unallocated other income	336	1,194
Unallocated finance costs	–	(1)
Gain/(Loss) on disposal of property, plant and equipment	2	(7)
Share-based payment expenses	(97)	(330)
Share of results of associates	159	199
Unallocated corporate expenses	(11,637)	(11,879)
Profit before taxation per condensed consolidated income statement	9,633	15,470

Assets

	Unaudited 30th June, 2009 HK$'000	Audited 31st March, 2009 HK$'000
Reportable segment assets	400,615	373,427
Unallocated assets:		
Interests in associates	1,539	1,381
Unallocated bank balances and cash	338,058	385,953
Unallocated corporate assets	123,656	122,801
Total assets per condensed consolidated balance sheet	863,868	883,562

Liabilities

	Unaudited 30th June, 2009 HK$'000	Audited 31st March, 2009 HK$'000
Reportable segment liabilities	253,343	284,704
Unallocated liabilities:		
Tax liabilities	2,668	5,776
Deferred taxation	14,546	14,571
Unallocated corporate liabilities	48,312	47,015
Total liabilities per condensed consolidated balance sheet	318,869	352,066

The Group's businesses and segment assets are all located in the respective place of domicile of the relevant group entities which include Hong Kong, Guangzhou, Macau, Taiwan and Thailand.

Place of domicile

	Turnover from external customers Unaudited Three months ended 30th June,		Non-current assets	
			Unaudited 30th June,	Audited 31st March,
	2009	**2008**	**2009**	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Hong Kong	266,213	312,785	164,829	173,700
Guangzhou	7,669	5,877	291	381
Macau	20,694	15,408	2,886	2,816
Taiwan	4,559	9,863	567	616
Thailand	7,504	9,898	1,272	1,270
	306,639	353,831	169,845	178,783

3. OTHER INCOME

	Unaudited Three months ended 30th June,	
	2009	**2008**
	HK$'000	*HK$'000*
Interest on bank deposits	311	1,049
Equipment rental income	882	863
Miscellaneous	13	178
	1,206	2,090

4. FINANCE COSTS

The amount represents interest on bank borrowings borrowed and wholly repaid during the period.

5. PROFIT/(LOSS) BEFORE TAXATION

	Unaudited Three months ended 30th June,	
	2009	**2008**
	HK$'000	*HK$'000*
Profit/ (Loss) before taxation has been arrived at after charging/(crediting):		
Depreciation and amortisation:		
Property, plant and equipment	11,747	10,740
Intangible assets (included in cost of services rendered)	166	223
Gain/ (Loss) on disposal of property, plant and equipment	2	(7)
Share-based payment expense	97	330

6. TAXATION

	Unaudited Three months ended 30th June, 2009 HK$'000	2008 HK$'000
The charge/(credit) comprises:		
Current taxation:		
Hong Kong Profits Tax	1,618	2,543
Overseas taxation	74	65
Deferred taxation		
Current period	(25)	–
Taxation attributable to the Company and its subsidiaries	1,667	2,608

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits derived from Hong Kong for the current and prior periods.

Overseas taxation is calculated at the rates prevailing in the respective jurisdictions.

7. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	Unaudited Three months ended 30th June, 2009 HK$'000	2008 HK$'000
Earnings for the purpose of basic earnings per share and diluted earnings per share	7,966	12,862

	Number of shares 2009 '000	2008 '000
Weighted average number of ordinary shares for the purpose of basic earnings per share	297,842	296,657
Effect of dilutive potential ordinary shares – Share options	307	345
Weighted average number of ordinary shares for the purpose of diluted earnings per share	298,149	297,002

8. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group spent approximately HK$2,776,000 (three months ended 30th June, 2008: HK$6,791,000) mainly on additions to computer and office equipment.

The Group's leasehold land and buildings were stated at valuations made at 31st March, 2009 less depreciation and amortisation. The Directors, after taking into account the current market condition, considered that the carrying amounts of the Group's leasehold land and buildings at 30th June, 2009 did not differ significantly from their market value at the same date.

9. TRADE RECEIVABLES

The Group has granted credit to substantially all of its customers for 30 days and has credit control procedures to minimise credit risk. Overdue balances are reviewed regularly by senior management.

An aged analysis of the trade receivables at the balance sheet date, based on aging from payment due date and net of allowance of HK$4,773,000 (31st March, 2009 : HK$4,535,000), is as follows:

	Unaudited 30th June, 2009 *HK$'000*	**Audited 31st March 2009** *HK$'000*
Not yet due	74,625	77,559
< 30 days	24,004	24,893
31 – 60 days	12,670	9,786
61 – 90 days	15,512	4,428
> 90 days	6,766	9,648
	133,577	126,314

10. TRADE AND BILLS PAYABLES

An aged analysis of the trade and bills payables as at the balance sheet date, based on payment due date, is as follows:

	Unaudited 30th June, 2009 *HK$'000*	**Audited 31st March, 2009** *HK$'000*
Not yet due	80,247	96,245
< 30 days	32,858	46,312
31 – 60 days	6,249	5,751
61 – 90 days	1,051	1,283
> 90 days	8,114	1,908
	128,519	151,499

11. PLEDGE OF ASSETS

In prior period, the Group's bank deposits of approximately HK$100,000 had been pledged to secure the banking facilities of the Group. No pledged bank deposit was noted in current period.

12. POST BALANCE SHEET EVENTS

On 24th April, 2009, Computer Sciences Corporation ("CSC"), the ultimate holding company of the Company, has entered into a conditional agreement with an independent third party to transfer its controlling interest in the Company to the third party (the "Share Purchase Agreement"). The conditions precedent to the Share Purchase Agreement include, inter alia, the completion of a conditional agreement entered into between the Company and CSC Computer Sciences HK Limited ("CSC HK", a fellow subsidiary of the Company) on 24th April, 2009 (hereinafter referred to as the "Global Account Transfer Agreement") and the payment of a special dividend of 92.0 HK cents per share to the shareholders of the Company (the "Special Dividend").

Pursuant to the terms of the Global Account Transfer Agreement, the Group will transfer its GMS business to CSC HK (the "Disposal", which is effected through transfer of service contracts, customer orders, hardware, software and licensed intellectual property) for a cash consideration of HK$125 million. The Global Account Transfer Agreement and the Special Dividend have been approved in the special general meeting of the Company held on 17th July, 2009.

The Special Dividend is conditional on, and shall not be made earlier than the date of, the completion of the Global Account Transfer Agreement. However, the Special Dividend and the completion of the Global Account Transfer Agreement are not conditional on the completion of the Share Purchase Agreement. Details of the above are set out in the Company's joint announcement dated 6th May, 2009 made by Teamsun Technology (HK) Limited ("Teamsun") and the Company (the "Joint Announcement") and the Company's circular dated 30th June, 2009 (the "Circular").

As at the date of this announcement, the Global Account Transfer Agreement has not been completed and the conditions of the Share Purchase Agreement are still being satisfied.

DIVIDEND

The Directors has declared the Special Dividend of 92.0 HK cents subject to certain conditions to be fulfilled as contained in the Joint Announcement and the Circular. The Directors did not recommend the payment of dividend for the three months ended 30th June, 2009.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

Turnover for the first quarter in FY10 was HK$306.6 million; lower by HK$47.2 million or 13.3% compared to the corresponding period in FY09. Product sales and service revenue for the first quarter decreased by 19.5% and 3.7% respectively against last year's figures to HK$42.2 million and HK$5.0 million, contributing to 56.8% and 43.2% of the first quarter's turnover. Commercial and public sector sales of the quarter under review contributed 51.0% and 49.0% to turnover respectively compared to 58.7% and 41.3% last year. Overseas business decreased by 1.6% against last year's figures.

Profit before taxation during the quarter was HK$9.6 million, decreasing by HK$5.8 million or 37.7% from the same quarter last year. The decrease was mainly attributed to the decrease in product sales in the commercial sector.

As at 30th June, 2009, the order book balance stood at HK$550.6 million. The balance sheet was healthy during this period with net cash of approximately HK$338.1 million. There were no debts during this period and working capital was 2.28:1.

Business Review

Major contracts and tenders secured in the first quarter of FY10.

Hong Kong

Infrastructure Business	A statutory body	A multi-million dollar tender for the provision of storage systems
	A leading mobile network operator	A multi-million dollar contract for the supply of software, storage, networking products and 10 units of Sun enterprise servers
	The Chinese University of Hong Kong	Implementation of server consolidation project

Solution Business	A government department	A multi-million dollar tender for the provision of knowledge management solution
	An operating company of a leading Hong-Kong based multinational conglomerate	Provision of ASL Human Resources Management System
	A boutique hotel	Provision of Front Office Solution
Services Business	The Hong Kong Housing Authority	Provision of 3-year Information Technology (IT) Development Services amounted over HK$40 million
	A government department	A multi-million dollar contract for the Supply, Delivery, Installation, Commissioning and Maintenance of Computer Equipment, covering over 2,000 personal computers
	A government department	A multi-million dollar contract for the provision of Computer Technician Support Services for 32 Hong Kong public libraries
Overseas		
PRC	Ketchum Newscan Public Relations (Shanghai) Co., Ltd	Provision of IT Infrastructure and support services
	Sainsbury's Asia Shanghai Limited	Provision of IT infrastructure with onsite support services
	A judiciary department	Implementation of a customised enterprise content management system
Macau	University of Macau	Provision of storage, switches and related software to boost operational efficiency
	A gaming solutions provider	Provision of networked storage and security products to support for the client's new portal

Thailand	Bank for Agriculture And Agricultural Cooperatives	Provision of large order of desktop computers and printers
	Bangkok Commercial Asset Management Co., Ltd.	Provision of large order of desktop computers and printers
Taiwan	A leading IT products manufacturer	Provision of servers and storage products with 3-year 7x24 maintenance services

As indicated in the table above, the Group saw the IT Infrastructure Business continued to make a significant contribution to the Group's results this quarter. The Solution Business also demonstrated a stable performance by continuing to provide tailor-made solutions to help customers achieve operational efficiency, costs saving and to maintain service level, while facing current economic challenges. The Service Business continued to earn considerable higher margins with several significant contracts won during the quarter.

Share Purchase Agreement for Sale Shares and GAC Special Deal Agreements

Reference is made to the Joint Announcement and the Circular. Capitalised terms used in the section shall have the same meanings as those in the Joint Announcement and the Circular unless otherwise defined. On 24th April, 2009, the Company was informed by CSA Holdings Ltd. and CSC Computer Sciences International Inc. (collectively the "Vendors") that the Vendors entered into a Share Purchase Agreement with Teamsun, pursuant to which the Vendors had conditionally agreed to sell their entire holding of 203,431,896 shares (the "Sale Shares") in the Company and Teamsun had conditionally agreed to purchase the Sale Shares for cash consideration of approximately HK$262.4 million (equivalent to HK$1.29 per Sale Share). The Share Purchase Agreement is conditional upon the fulfillment of certain conditions including the payment of a special dividend of HK$0.92 per share (the "Special Dividend").

The Group also entered into the GAC Special Deal Agreements. The GAC Special Deal Agreements and the Special Dividend have been approved in a special general meeting of the Company on 17th July, 2009. The conditions of the Share Purchase Agreement and the GAC Special Deal Agreements are still being satisfied.

The profit before and after taxation of the Remaining Business for the period ended 30th June, 2009 was HK$8.0 million and HK$6.6 million respectively, compared to HK$13.3 million and HK$11.0 million of the corresponding period last year.

Outlook and Prospect

With the termination of the Territorial Agreement, the Group is now free to pursue expansion both in China and Asian markets. The Group sees opportunities to capture IT demand from customers who have operations in China or are keen to pursue Mainland's untapped potential. ASL is currently under studies on the Chinese Central Government's policy on the development of the Pearl River Delta and Hong Kong's standing within the Chinese Central Government's plan. With careful consideration of these variables, the Group sees an opportunity to expand operations within the Pearl River Delta region.

Apart from focusing on the development in the Pearl River Delta region, the Group also recognised Shanghai's potential as an international finance centre in the region evidenced by the fact that a number of Hong Kong-based and overseas banks and financial firms have already expanded to Shanghai. The Group will continue to align the need of our customer with these regional developments, providing them with quality IT services.

Aside from opportunities overseas, the Group has maintained a strong position within the Hong Kong market. According to IDC Asia/Pacific Semiannual IT Services Tracker, 2H 2008, a subsidiary of the Group, Automated Systems (HK) Ltd., was one of the top 5 IT services players in Hong Kong in 2008. Being able to consistently win sizable service contracts from both the private and public sectors, we demonstrate to clients our ability to provide a wide range of large-scale and long-term IT support services. The subsidiary of the Group, Automated Systems (HK) Ltd, continues to be awarded sizable contracts from customers, particularly from government departments and statutory bodies.

In July, Automated Systems (HK) Ltd. continued its success to enter into a new set of Standing Offer Agreements, referred to as Standing Offer Agreement for Quality Professional Services 2 (SOA-QPS2), with the Government of the HKSAR from its first win in 2005. Under this agreement, ASL will provide the Information Technology Professional Services to government bureaux and departments under four separate service categories (Category 1, Category 2 and 3 in Major Service Group and Category 4) with a period of 48 months, effective from 31st July, 2009.

The Group's services capability was further demonstrated by another tender won in the same month. Automated Systems (HK) Ltd. obtained a 3-year Standing Offer Agreement from the Office of the Government Chief Information Officer (OGCIO) for the provision of information technology (IT) contract staff services to government departments. The Group is one of the eleven contractors who have been given the IT contract staff services agreement.

In August, Automated Systems (HK) Ltd. was awarded a multi-million dollar tender from the Hong Kong Examinations and Assessment Authority (HKEAA) for the provision of certain professional services, hardware and software for the development of the Hong Kong Diploma of Secondary Education (HKDSE) Examination System. The HKDSE Examination, which is to be implemented in 2012 under the new 3+3+4 academic structure, will replace the existing Hong Kong Certificate of Education Examination (HKCEE) and the Hong Kong Advanced Level Examination (HKALE). The new, web-based and automated system can support HKDSE which will adopt the standards-referenced reporting.

Due to the recession in the global economy, the business sector has only recently begun showing signs of recovery. While the Group's performance is still being affected, strong support from the public sector has helped bolster our position in the market. Finally, the Group will continue to maintain stringent cost control policies by eliminating unnecessary costs while maximising utility from existing resources.

Financial Resources and Liquidity

As at 30th June, 2009, the Group's total assets of HK$863.9 million were financed by current liabilities of HK$304.3 million, non-current liabilities of HK$14.6 million and shareholders' equity of HK$545.0 million. The Group had a working capital ratio of approximately 2.28:1.

As at 30th June, 2009, the Group had an aggregate composite banking facilities from banks of approximately HK$96.1 million of which HK$66.6 million was utilised (31st March, 2009: HK$25.5 million). The Group's gearing ratio was zero (31st March, 2009: zero) as at 30th June, 2009.

Treasury Policies

The Group generally financed its operations with internally generated resources and credit facilities provided by banks. Bank facilities available for the Group include trust receipt loans, overdrafts and term loans. The interest rates of most of these will be fixed by reference to the respective countries' Interbank Offer Rate. The bank deposits will be mainly in Hong Kong dollars and United States dollars ("US dollars").

Foreign Exchange Exposure

The Group mainly earns revenue and incurs costs in US dollars and Hong Kong dollars. Foreign exchange exposure of the Group will continue to be minimal as long as the policy of the Government of the Hong Kong Special Administrative Region to link the Hong Kong dollars to the US dollars remains in effect. There was no material exposure to fluctuations in exchange rates, and therefore no related hedging financial instrument was applied during the three-month period ended 30th June, 2009.

Contingent Liabilities

Corporate guarantee to banks and vendors as security for banking facilities and goods supplied to the Group amounted to approximately HK$96.1 million and HK$51.5 million respectively as at 30th June, 2009. The amount utilised against such facilities and goods supplied as at 30th June, 2009 which was secured by the corporate guarantee amounted to approximately HK$0.02 million. The performance bond issued by the Group to customers as security of contract was approximately HK$66.6 million as at 30th June, 2009.

Employee and Remuneration Policies

As at 30th June, 2009, the Group, excluding its associates, employed 1,556 permanent and contract staff in Hong Kong, Macau, Taiwan, mainland China and Thailand. The Group remunerates its employees based on their performance, working experience and the prevailing market conditions. Bonuses are granted on a discretionary basis. Other employee benefits include mandatory provident fund, insurance, medical coverage and share option scheme.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the three months ended 30th June, 2009, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the unaudited first quarterly results.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules. The Company has made specific enquiry of all Directors regarding any non-compliance with the Model Code during the three months ended 30th June, 2009, and they all confirmed that they have fully complied with the required standard set out in the Model Code.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules throughout the accounting period for the three months ended 30th June, 2009 except with respect to Code A.4.1, all non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation and re-election in accordance with the Company's Bye-laws.

By Order of the Board
Lai Yam Ting, Ready
Managing Director

Hong Kong, 26 August 2009

4. INDEBTEDNESS

As at the close of business on 30 June 2009, corporate guarantee to banks and vendors as security for banking facilities and goods supplied to the Group amounted to approximately HK$96.1 million and HK$51.5 million respectively. The amount utilised against such facilities and goods supplied as at the close of business on 30 June 2009 which was secured by the corporate guarantee amounted to approximately HK$0.02 million. The performance bond issued by the Group to customers as security of contract was approximately HK$66.6 million as at the close of business on 30 June 2009.

Save as disclosed in this paragraph and apart from normal trade payable in the ordinary course of business and intra-group liabilities, at the close of business on 30 June 2009 (being the latest practicable date for the purpose of this indebtedness statement), the Group did not have any outstanding loan capital, bank overdrafts and liabilities under acceptances or other similar indebtedness, debentures, mortgages, charges, or loans or acceptance credits or hire purchase commitments, guarantees or other material contingent liabilities.

5. MATERIAL CHANGE

Save for the following, there was no material change in the financial or trading position or outlook of the Group subsequent to 31 March 2009, the date to which the latest published audited consolidated financial statements of the Company were made up:

(a) the entering into and the completion of the Share Purchase Agreement and the GAC Special Deal Agreements;

(b) the declaration and payment of the Special Dividend; and

(c) the information as disclosed in the 2009/10 first quarterly results announcement of the Company for the three months ended 30 June 2009.

The following are the unaudited pro forma financial information on the Remaining Group and the text of a comfort letter thereon received from the reporting accountant Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, prepared for the purpose of inclusion in this document.

(A) UNAUDITED PRO FORMA FINANCIAL INFORMATION

For illustrative purpose only, set out below is the unaudited pro forma financial information on the Remaining Group after completion of the Disposal prepared for the purpose of incorporation in this document. The unaudited pro forma financial information is prepared in accordance with Paragraph 4.29(1) of the Listing Rules to illustrate the effect of the Disposal on the Remaining Group's financial information.

The accompanying unaudited pro forma financial information on the Remaining Group includes (i) the unaudited pro forma income statement of the Remaining Group for the year ended 31 March 2009; and (ii) the unaudited pro forma assets and liabilities statement of the Remaining Group as at 31 March 2009.

The unaudited pro forma income statement of the Remaining Group for the year ended 31 March 2009 is prepared based on (i) the audited consolidated income statement of the Group for the year ended 31 March 2009 as set out in Appendix II to this document; and (ii) the assumption that the Disposal had been completed on 1 April 2008 after incorporating the unaudited pro forma adjustments described in the accompanying notes. The unaudited pro forma assets and liabilities statement of the Remaining Group as at 31 March 2009 is prepared based on (i) the audited consolidated balance sheet of the Group as at 31 March 2009 as set out in Appendix II to this document; and (ii) the assumption that the Disposal had been completed on 31 March 2009 after incorporating the unaudited pro forma adjustments described in the accompanying notes.

A narrative description of the unaudited pro forma adjustments of the Disposal that are (i) directly attributable to the Disposal and not relating to future events or decisions; and (ii) factually supportable, are summarised in the accompanying notes.

The unaudited pro forma financial information of the Remaining Group is based on a number of assumptions, estimates, uncertainties and currently available information. As a result of these assumptions, estimates and uncertainties, the accompanying unaudited pro forma financial information of the Remaining Group does not purport to describe the actual financial position of the Remaining Group that would have been attained had the Disposal been completed on 31 March 2009 or the actual results of the Remaining Group that would have been attained had the Disposal been completed on 1 April 2008. Furthermore, the accompanying unaudited pro forma financial information of the Remaining Group does not purport to predict the Remaining Group's future financial position or results.

1. Unaudited pro forma income statement for the year ended 31 March 2009

	The Group	Pro forma adjustments		The Remaining Group
	HK$' million	*HK$' million* *(Note 1)*	*HK$' million* *(Note 2)*	*HK$' million*
TURNOVER	1,442.0	(81.0)		1,361.0
Cost of goods sold	(761.9)			(761.9)
Cost of services rendered	(497.1)	70.4		(426.7)
Other income	8.6		71.3	79.9
Selling expenses	(87.6)			(87.6)
Administrative expenses	(50.9)	1.6		(49.3)
Finance costs	(0.2)			(0.2)
Share of results of associates	0.9			0.9
PROFIT BEFORE TAXATION	53.8	(9.0)	71.3	116.1
Taxation	(11.2)	1.9	–	(9.3)
Profit for the year	42.6	(7.1)	71.3	106.8

See accompanying notes to the unaudited pro forma income statement of the Remaining Group.

Notes:

1. The adjustment reflects the effects resulting from the completion of the Disposal, which is assumed to have been completed at the commencement of the financial year ended 31 March 2009. The amounts represent the elimination of turnover and expenses in connection with the Business. Administrative expenses (including staff costs and share-based payment expenses) of the Group attributable to the Business is computed based on the proportion of the number of employees of the Business and the Remaining Group. Taxation expenses attributable to the Business are computed by applying the effective tax rate of the Group to profit before taxation of the Business. This adjustment is expected to have a continuing effect on the Group.

2. The adjustment represents the expected gain on the Disposal after taxation, calculated with reference to (i) the consideration of HK$125.0 million for the Disposal, (ii) the carrying amount of the property, plant and equipment and intangible assets of the Business of approximately HK$50.7 million (including Hardware Assets amounted to HK$3.9 million purchased by the Business before GAT Closing); (iii) the estimated professional and legal fees and other expenses of approximately HK$3.0 million, and (iv) the recognition of taxation expense of HK$12.3 million resulting from the Disposal and the reversal of deferred tax liability as at 1 April 2008 of the same amount attributable to the property, plant and equipment and intangible assets disposed of, which is subject to the tax payable finally agreed with the Inland Revenue Department in Hong Kong. This adjustment is not expected to have a continuing effect on the Group.

2. Unaudited pro forma assets and liabilities statement as at 31 March 2009

	The Group	Pro forma adjustments					The Remaining Group
	HK$' million	*HK$' million*	*HK$' million*	*HK$' million*	*HK$' million*	*HK$' million*	*HK$' million*
		(Note 1)	*(Note 2)*	*(Note 3)*	*(Note 4)*	*(Note 5)*	
NON-CURRENT ASSETS							
Property, plant and equipment	174.9	3.9	(49.8)				129.0
Intangible assets	2.5		(0.9)				1.6
Interests in associates	1.4						1.4
	178.8	3.9	(50.7)	–	–	–	132.0
CURRENT ASSETS							
Inventories	104.5						104.5
Trade receivables	126.3						126.3
Other receivables, deposits and prepayments	24.9						24.9
Amounts due from customers for contract work	63.1						63.1
Bank balances and cash	386.0	(3.9)		125.0	(3.0)		504.1
	704.8	(3.9)	–	125.0	(3.0)	–	822.9
CURRENT LIABILITIES							
Trade and bills payables	151.5						151.5
Other payables and accruals	58.8						58.8
Receipts in advance	121.4						121.4
Tax liabilities *(Note 6)*	5.8					7.5	13.3
	337.5	–	–	–	–	7.5	345.0
NET CURRENT ASSETS	367.3	(3.9)	–	125.0	(3.0)	(7.5)	477.9
TOTAL ASSETS LESS CURRENT LIABILITIES	546.1	–	(50.7)	125.0	(3.0)	(7.5)	609.9
NON-CURRENT LIABILITY							
Deferred taxation	14.6					(7.5)	7.1
	531.5	–	(50.7)	125.0	(3.0)	–	602.8

See accompanying notes to the unaudited pro forma assets and liabilities statement of the Remaining Group.

Notes:

1. The adjustment represents the Hardware Assets of HK$3.9 million purchased by the Business before GAT Closing.

2. The adjustment reflects the effects resulting from completion of the Disposal, which is assumed to have been completed on 31 March 2009. The amounts represent the de-recognition of assets of the Business, including the Hardware Assets, in connection with the Disposal pursuant to the Global Account Transfer Agreement.

3. The adjustment represents the consideration of HK$125.0 million for the Disposal received by the Group pursuant to the Global Account Transfer Agreement.

4. The adjustment represents the estimated professional and legal fees and other expenses incurred by the Group in relation to the Disposal amounting to HK$3.0 million.

5. The adjustment represents the tax effect as at 31 March 2009 on the Group arise from the Disposal pursuant to the Global Account Transfer Agreement.

6. The net current assets of the Business, including inventories, trade receivables, other receivables, trade payables and other payables in relation to the Business, of approximately HK$5.5 million will be transferred to CSC HK and reimbursed by CSC HK (if realisable by CSC HK) to the Group on a dollar-for-dollar basis after the GAT Closing. This is not adjusted in the unaudited pro forma assets and liabilities statement above as it is not a condition specified under the Global Account Transfer Agreement.

Deloitte.
德勤

REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION TO THE DIRECTORS OF AUTOMATED SYSTEMS HOLDINGS LIMITED

We report on the unaudited pro forma financial information of AUTOMATED SYSTEMS HOLDINGS LIMITED (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group"), which has been prepared by the directors of the Company for illustrative purposes only, to provide information about how the disposal transaction, whereby the Group disposed of the segment named "Global Managed Services ("GMS")" of the Group pursuant to an agreement dated 24 April 2009 entered into between the Company and CSC Computer Sciences HK Limited, might have affected the financial information presented, for inclusion in Appendix III to the composite offer and response document on the Unconditional Mandatory Cash Offers by Deloitte & Touche Corporate Finance Limited for and on behalf of Teamsun Technology (HK) Limited (other than those already owned by or agreed to be acquired by Teamsun Technology (HK) Limited and parties acting in concert with it) dated 29 September 2009 (the "Composite Document"). The basis of preparation of the unaudited pro forma financial information is set out on pages 121 to 124 of the Composite Document.

Respective responsibilities of directors of the Company and reporting accountants

It is the responsibility solely of the directors of the Company to prepare the unaudited pro forma financial information in accordance with paragraph 29 of Chapter 4 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 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants.

It is our responsibility to form an opinion, as required by paragraph 29 of Chapter 4 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.

Basis of opinion

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 "Accountants' Reports on Pro Forma Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the unaudited pro forma financial information with the directors of the Company. This engagement did not involve independent examination of any of the underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purpose of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

The unaudited pro forma financial information is for illustrative purpose only, based on the judgments and assumptions of the directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in future and may not be indicative of:

- the financial position of the Group as at 31 March 2009 or any future date; or
- the results of the Group for the year ended 31 March 2009 or any future period.

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 29(1) of Chapter 4 of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
29 September 2009

1. RESPONSIBILITY STATEMENT

The information in this document relating to the Group has been supplied by the Directors. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this document relating to the Group and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed by the Group in this document have been arrived at after due and careful consideration and there are no other facts not contained in this document, the omission of which would make any statement in this document misleading.

The information in this document relating to the Offeror, the terms and conditions of the Offers and the Offeror's intentions regarding the Group have been supplied by the Offeror. The directors of the Offeror and Beijing Teamsun accept full responsibility for the accuracy of the information contained in this document (other than that relating to the Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this document (other than those expressed by the Group) have been arrived at after due and careful consideration and there are no other facts not contained in this document, the omission of which would make any statement in this document misleading.

2. 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) are 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 are taken or deemed to have under such provision of the SFO); or (b) are required to be entered in the register pursuant to section 352 of the SFO; or (c) are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies; or (d) are required to be disclosed pursuant to rule 2(ii) of Schedule II to the Takeovers Code, were as follows:

(i) Shares

Name of company	Director	Personal interests	Family interests	Corporate interests	Other	Total	Approximate % of shareholding
The Company	Lai Yam Ting, Ready	3,949,621	–	–	–	3,949,621	1.27%
	Kuo Chi Yung, Peter	6,170,241	–	–	–	6,170,241	1.98%
ASL HK	Lai Yam Ting, Ready	1,070,000[1]	–	–	–	1,070,000	N/A[2]
	Kuo Chi Yung, Peter	2,140,000[1]	–	–	–	2,140,000	N/A[2]

(ii) Underlying Shares

Name of company	Director	Personal interests	Family interests	Corporate interests	Other	Total
The Company	Lai Yam Ting, Ready	126,000[3 and 4]	–	–	–	126,000
	Lau Ming Chi, Edward	100,000[3 and 4]	–	–	–	100,000

Notes:

1. These shares were non-voting deferred shares.

2. The issued shares of ASL HK comprise 55,350,000 non-voting deferred shares and 2 ordinary shares. The 2 ordinary shares are beneficially owned by the Company.

3. The interests are options to acquire ordinary shares of the Company.

4. These options were granted on 4 October 2007 with an exercise price of HK$2.32 and an exercise period from 4 October 2008 to 3 October 2017.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had, any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interest and short position which they are taken or deemed to have under such provision of the SFO); or (b) are required to be entered in the register pursuant to section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies; or (d) are required to be disclosed pursuant to rule 2(ii) of Schedule II to the Takeovers Code.

(b) Substantial Shareholders' Interests in the Company

As at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company, the following persons (other than a Director or chief executive of the Company), were deemed or taken to have an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Name of shareholder	Number of ordinary shares of the Company held			Percentage of issued share capital	*Note*
	Direct interest	Deemed interest	Total	%	
Teamsun	203,431,896	–	203,431,896	65.3%	*1*
Beijing Teamsun	–	203,431,896	203,431,896	65.3%	*2*

Note:

1. Out of the 203,431,896 Shares, Teamsun has not yet obtained the share certificates for 13,730,000 Shares (representing approximately 4.4% of the entire issued share capital of the Company as at the Latest Practicable Date) originally owned by CSC International. These share certificates are currently in progress of being replaced by the Hong Kong branch share registrar of the Company (the "Share Registrar") and are expected to be provided to Teamsun in October 2009. In the interim, Teamsun is unable to apply to the Share Registrar for registration as the holder of these 13,730,000 Shares, but will do so upon receipt of the relevant share certificates. For the avoidance of doubt, Teamsun owns the beneficial interests, including voting rights, of these 13,730,000 Shares at Completion and as at the Latest Practicable Date.

2. Beijing Teamsun is interested in the entire issued share capital of Teamsun and is therefore deemed to be interested in the 203,431,896 Shares in which Teamsun is interested.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors, no other person (other than a Director or chief executive of the Company) had, or was deemed or taken to have an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. SHARE CAPITAL

Authorised and issued share capital

As at the Latest Practicable Date, the authorised and issued share capital of the Company were as follows:

Authorised:

600,000,000 Shares	HK$60,000,000

Issued and fully paid:

311,403,000 Shares	HK$31,140,300

Since 31 March 2009 (being the date to which the Company's latest published audited accounts were prepared) and up to the Latest Practicable Date, 13,976,000 new Shares had been issued by the Company pursuant to the exercise of 13,976,000 Options. All of the Shares currently in issue rank pari passu in all respects with each other, including, in particular, as to dividends, voting rights and return of capital.

As at the Latest Practicable Date, there were 1,966,000 outstanding Options. Save as disclosed herein, there are no other options, warrants, derivatives or other securities carrying rights of conversion into or exchange or subscription for Shares.

4. DISCLOSURE OF SHAREHOLDING IN THE GROUP AND THE OFFEROR

As at the Latest Practicable Date:

(i) save for 203,431,896 Shares, representing approximately 65.3% of the issued share capital of the Company as at the Latest Practicable Date, owned by the Offeror, none of the Offeror or its sole director or any parties acting in concert with any of them owned or controlled any shares, convertible securities, warrants, options and derivatives in respect of the Shares;

(ii) neither the Company nor any of the Directors held any interest in the securities of the Offeror;

(iii) no subsidiary of the Company, nor any pension fund of the Company or of any member of the Group, nor any adviser to the Company as specified in class (2) of the definition of associate under the Takeovers Code owned or controlled any shares, convertible securities, warrants, options and derivatives in respect of the Shares;

(iv) no shares, convertible securities, warrants, options and derivatives in respect of the Shares are managed on a discretionary basis by fund managers connected with the Company;

(v) no person had an arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Offeror or any person acting in concert with it;

(vi) no person who had an arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is an associate of the Company by virtue of classes (1), (2), (3) and (4) of the definition of associate in the Takeovers Code owned or controlled any shares, convertible securities, warrants, options and derivatives in respect of the Shares;

(vii) no person had any arrangement of the kind referred to in the third paragraph of Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is an associate of the Company by virtue of classes (1), (2), (3) or (4) of the definition of associate of in the Takeovers Code;

(viii) none of the Offeror or any parties acting in concert with it has borrowed or lent any Shares;

(ix) Mr. Lai Yam Ting, Ready, who is a Director, intends to reject the General Offer but accept the Option Offer;

(x) Mr. Lau Ming Chi, Edward, who is a Director, intends to accept the Option Offer;

(xi) Mr. Kuo Chi Yung, Peter, who is a Director, has not decided to accept or reject the General Offer;

(xii) Save for the Directors mentioned in (ix), (x) and (xi) of this section, no shareholdings in the Company owned or controlled by any person who, prior to the posting of this document, has irrevocably committed himself to accept or reject the Offers; and

(xiii) none of the Company or any Director has borrowed or lent any shares, convertible securities, warrants, options and derivatives in respect of the Shares.

5. DEALINGS IN SECURITIES

During the Relevant Period:

(a) save for the purchase of the Sale Shares by the Offeror pursuant to the Share Purchase Agreement, none of the Offeror, the sole director of the Offeror, or parties acting in concert with any of them had dealt for value in any securities of the Company;

(b) other than the dealings as disclosed below, neither the Company nor any of the Directors had dealt in any securities, convertible securities, warrants, options and derivatives of the Offeror or the Company:

Name	Date	Type of transaction	Number of Shares transacted	Price per Share (HK$)	Option grant date	Exercise period From	To	Number of Options exercised	Number of underlying shares	Exercise price per Option (HK$)
Lai Yam Ting, Ready	22 June 2009	Sale of Shares	64,000	2.54	–	–	–	–	–	–
		Sale of Shares	160,000	2.56	–	–	–	–	–	–
		Sale of Shares	220,000	2.57	–	–	–	–	–	–
		Sale of Shares	46,000	2.58	–	–	–	–	–	–
	25 June 2009	Exercise of Options	–	–	20 November 2002	20 November 2003	19 November 2012	412,000	412,000	1.34
	8 July 2009	Exercise of Options	–	–	6 August 2004	6 August 2005	5 August 2014	232,000	232,000	1.28
			–	–	30 June 2006	30 June 2006	29 June 2016	124,000	124,000	1.95
	10 July 2009	Sale of Shares	40,000	2.48	–	–	–	–	–	–
		Sale of Shares	80,000	2.49	–	–	–	–	–	–
		Sale of Shares	80,000	2.50	–	–	–	–	–	–
	14 July 2009	Exercise of Options	–	–	4 October 2007	4 October 2008	3 October 2017	62,000	62,000	2.32
	14 July 2009	Sale of Shares	52,000	2.51	–	–	–	–	–	–
	15 July 2009	Exercise of Options	–	–	9 June 2005	9 June 2006	8 June 2015	248,000	248,000	1.98
	22 July 2009	Sale of Shares	200,000	2.49	–	–	–	–	–	–
	23 July 2009	Sale of Shares	20,000	2.54	–	–	–	–	–	–
		Sale of Shares	80,000	2.55	–	–	–	–	–	–
		Sale of Shares	20,000	2.56	–	–	–	–	–	–
		Sale of Shares	20,000	2.58	–	–	–	–	–	–
		Sale of Shares	20,000	2.59	–	–	–	–	–	–
		Sale of Shares	20,000	2.61	–	–	–	–	–	–
		Sale of Shares	20,000	2.62	–	–	–	–	–	–
		Sale of Shares	24,000	2.64	–	–	–	–	–	–

Name	Date	Type of transaction	Number of Shares transacted	Price per Share (HK$)	Option grant date	Exercise period From	Exercise period To	Number of Options exercised	Number of underlying shares	Exercise price per Option (HK$)
		Sale of Shares	100,000	2.65	–	–	–	–	–	–
		Sale of Shares	60,000	2.66	–	–	–	–	–	–
		Sale of Shares	16,000	2.67	–	–	–	–	–	–
	23 July 2009	Exercise of Options	–	–	19 October 1999	20 October 2001	19 October 2009	245,000	245,000	2.30
	24 July 2009	Sale of Shares	10,000	2.60	–	–	–	–	–	–
		Sale of Shares	24,000	2.61	–	–	–	–	–	–
		Sale of Shares	80,000	2.62	–	–	–	–	–	–
	17 August 2009	Exercise of Options	–	–	27 July 2001	27 July 2003	26 July 2011	196,000	196,000	2.40
	28 August 2009	Sale of Shares	20,000	1.69	–	–	–	–	–	–
	31 August 2009	Sale of Shares	24,000	1.55	–	–	–	–	–	–
			8,000	1.56	–	–	–	–	–	–
			4,000	1.57	–	–	–	–	–	–
			40,000	1.58	–	–	–	–	–	–
	7 September 2009	Sales of Shares	80,000	1.78	–	–	–	–	–	–
			66,000	1.79	–	–	–	–	–	–
			30,000	1.80	–	–	–	–	–	–
			10,000	1.81	–	–	–	–	–	–
			2,000	1.82	–	–	–	–	–	–
			78,000	1.83	–	–	–	–	–	–
			11,000	1.84	–	–	–	–	–	–
			40,000	1.86	–	–	–	–	–	–
			10,000	1.87	–	–	–	–	–	–
			60,000	1.88	–	–	–	–	–	–
			40,000	1.89	–	–	–	–	–	–
			20,000	1.90	–	–	–	–	–	–
			10,000	1.91	–	–	–	–	–	–
Lau Ming Chi, Edward	3 July 2009	Exercise of Options	–	–	19 October 1999	20 October 2001	19 October 2009	120,000	120,000	2.30
			–	–	27 July 2001	27 July 2003	26 July 2011	148,000	148,000	2.40
			–	–	4 October 2007	4 October 2008	3 October 2017	50,000	50,000	2.32
	3 July 2009	Sale of Shares	108,000	2.48	–	–	–	–	–	–
		Sale of Shares	140,000	2.49	–	–	–	–	–	–
		Sale of Shares	70,000	2.50	–	–	–	–	–	–
	9 July 2009	Exercise of Options	–	–	9 June 2005	9 June 2006	8 June 2015	210,000	210,000	1.98
	9 July 2009	Sale of Shares	100,000	2.45	–	–	–	–	–	–
		Sale of Shares	72,000	2.47	–	–	–	–	–	–
		Sale of Shares	38,000	2.48	–	–	–	–	–	–

Name	Date	Type of transaction	Number of Shares transacted	Price per Share *(HK$)*	Option grant date	Exercise period From	Exercise period To	Number of Options exercised	Number of underlying shares	Exercise price per Option *(HK$)*
	10 July 2009	Exercise of Options	–	–	19 June 2006	19 June 2007	18 June 2016	200,000	200,000	1.95
	10 July 2009	Sale of Shares	60,000	2.47	–	–	–	–	–	–
		Sale of Shares	40,000	2.48	–	–	–	–	–	–
		Sale of Shares	60,000	2.49	–	–	–	–	–	–
		Sale of Shares	40,000	2.50	–	–	–	–	–	–
	13 July 2009	Exercise of Options	–	–	19 June 2006	19 June 2007	18 June 2016	228,000	228,000	1.95
			–	–	30 June 2006	30 June 2006	29 June 2016	60,000	60,000	1.95
	13 July 2009	Sale of Shares	100,000	2.48	–	–	–	–	–	–
		Sale of Shares	40,000	2.49	–	–	–	–	–	–
		Sale of Shares	20,000	2.50	–	–	–	–	–	–
		Sale of Shares	88,000	2.51	–	–	–	–	–	–
		Sale of Shares	40,000	2.52	–	–	–	–	–	–
	14 July 2009	Exercise of Options	–	–	20 November 2002	20 November 2003	19 November 2012	330,000	330,000	1.34
			–	–	6 August 2004	6 August 2005	5 August 2014	140,000	140,000	1.28
	14 July 2009	Sale of Shares	256,000	2.49	–	–	–	–	–	–
		Sale of Shares	214,000	2.50	–	–	–	–	–	–
Kuo Chi Yung, Peter	10 July 2009	Sale of Shares	38,000	2.47	–	–	–	–	–	–
		Sale of Shares	70,000	2.48	–	–	–	–	–	–
		Sale of Shares	132,000	2.48	–	–	–	–	–	–
		Sale of Shares	36,000	2.51	–	–	–	–	–	–
	13 July 2009	Exercise of Options	–	–	27 July 2001	27 July 2003	26 July 2011	218,000	218,000	2.40
			–	–	19 October 1999	20 October 2001	19 October 2009	245,000	245,000	2.30
			–	–	30 June 2006	30 June 2006	29 June 2016	124,000	124,000	1.95
	13 July 2009	Sale of Shares	132,000	2.50	–	–	–	–	–	–
		Sale of Shares	200,000	2.51	–	–	–	–	–	–
		Sale of Shares	50,000	2.52	–	–	–	–	–	–
		Sale of Shares	70,000	2.50	–	–	–	–	–	–
		Sale of Shares	106,000	2.51	–	–	–	–	–	–
	15 July 2009	Sale of Shares	180,000	2.47	–	–	–	–	–	–
		Sale of Shares	20,000	2.48	–	–	–	–	–	–
		Sale of Shares	20,000	2.51	–	–	–	–	–	–

Name	Date	Type of transaction	Number of Shares transacted	Price per Share (HK$)	Option grant date	Exercise period From	To	Number of Options exercised	Number of underlying shares	Exercise price per Option (HK$)
	16 July 2009	Sale of Shares	40,000	2.49	–	–	–	–	–	–
		Sale of Shares	20,000	2.48	–	–	–	–	–	–
		Sale of Shares	32,000	2.48	–	–	–	–	–	–
		Sale of Shares	36,000	2.47	–	–	–	–	–	–
	17 July 2009	Sale of Shares	74,000	2.48	–	–	–	–	–	–
		Sale of Shares	40,000	2.48	–	–	–	–	–	–
		Sale of Shares	20,000	2.48	–	–	–	–	–	–
		Sale of Shares	30,000	2.48	–	–	–	–	–	–
	20 July 2009	Sale of Shares	56,000	2.50	–	–	–	–	–	–
		Sale of Shares	50,000	2.49	–	–	–	–	–	–
	23 July 2009	Sale of Shares	50,000	2.65	–	–	–	–	–	–
		Sale of Shares	290,000	2.66	–	–	–	–	–	–
		Sale of Shares	100,000	2.67	–	–	–	–	–	–
		Sale of Shares	80,000	2.67	–	–	–	–	–	–
		Sale of Shares	12,000	2.62	–	–	–	–	–	–
		Sale of Shares	84,000	2.63	–	–	–	–	–	–
		Sale of Shares	100,000	2.64	–	–	–	–	–	–
		Sale of Shares	4,000	2.65	–	–	–	–	–	–
	24 July 2009	Sale of Shares	72,000	2.61	–	–	–	–	–	–
		Sale of Shares	50,000	2.63	–	–	–	–	–	–
		Sale of Shares	2,000	2.65	–	–	–	–	–	–
		Sale of Shares	100,000	2.66	–	–	–	–	–	–
		Sale of Shares	66,000	2.64	–	–	–	–	–	–
		Sale of Shares	40,000	2.67	–	–	–	–	–	–
	11 September 2009	Sale of Shares	318,000	1.71	–	–	–	–	–	–
	14 September 2009	Sale of Shares	448,000	1.69	–	–	–	–	–	–
	23 September 2009	Sale of Shares	420,000	1.59	–	–	–	–	–	–

(c) no subsidiary of the Company, nor any pension fund of the Company or of any of the members of the Group , nor any adviser to the Company as specified in class (2) of the definition of associate in the Takeovers Code had dealt for value in any shares, convertible securities, warrants, options and derivatives in respect of the Shares;

(d) no person who had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is an associate of the Company by virtue of classes (1), (2), (3) and (4) of the definition of associate in the Takeovers Code had dealt for value in any shares, convertible securities, warrants, options and derivatives in respect of the Shares;

(e) no fund managers connected with the Company had dealt in for value in any shares, convertible securities, warrants, options and derivatives in respect of the Shares;

(f) no person had any arrangement of the kind referred to in the third paragraph of Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is an associate of the Company by virtue of classes (1), (2), (3) or (4) of the definition of associate in the Takeovers Code; and

(g) no person who had an arrangement of the kind referred to in the third paragraph of Note 8 to Rule 22 of the Takeovers Code with the Offeror or any person acting in concert with it had dealt for value in any shares, convertible securities, warrants, options and derivatives in respect of the Shares.

6. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries were engaged in any outstanding litigation of material importance and no litigation of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

7. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has any existing or proposed service contract with any member of the Group which:

(i) (including both continuous and fixed term contracts) had been entered into or amended within the Relevant Period;

(ii) were continuous contracts with a notice period of 12 months or more; or

(iii) which were fixed term contracts with more than 12 months to run irrespective of the notice period.

8. MARKET PRICES

(a) The highest and lowest closing prices of the Shares quoted on the Stock Exchange during the Relevant Period were HK$3.60 per Share on 4 August 2009 and HK$1.34 per Share on 28 October 2008 respectively.

(b) The table below sets out the closing prices of the Shares as quoted on the Stock Exchange on (i) the last trading day of each of the calendar months during the Relevant Period; (ii) the closing price of the Shares quoted on the Stock Exchange on 2 April 2009, being the last trading day immediately prior to the suspension of trading in the Shares pending the release of the Joint Announcement; and (iii) the Latest Practicable Date:

	Closing price *(HK$)*
31 October 2008	1.40
28 November 2008	1.60
31 December 2008	1.81
30 January 2009	1.68
27 February 2009	1.70
31 March 2009	1.80
2 April 2009 (the last trading day preceding the date of the Joint Announcement)	2.13
30 April 2009	trading suspended
29 May 2009	2.20
30 June 2009	2.44
31 July 2009	3.18
31 August 2009	1.57
25 September 2009 (the Latest Practicable Date)	1.58

Note: The Shares have been traded ex-entitlement to the Special Dividend since 20 August 2009.

9. MATERIAL CONTRACTS

Save as disclosed below, no contract was entered into by the Company or its subsidiaries which were not in the ordinary course of business and are or may be material in the two years immediately preceding 8 April 2009 and up to the Latest Practicable Date:

(i) the GAC Special Deal Agreements; and

(ii) the disposal by ASL HK of 4,011,665 shares of Data Systems Consulting Co., Ltd. (a company incorporated in Taiwan and the shares of which was listed in the Taiwan Securities Exchange) pursuant to the acceptance by ASL HK of an offer made by 鼎華投資股份有限公司 ("Ding Hwa Investment Co., Ltd."*) to acquire the entire issued share capital of Data Systems Consulting Co., Ltd. at the offer price of New Taiwan Dollar 44.51 per share (equivalent to approximately HK$10.50 per share) pursuant to the offer document titled 公開收購説明書 dated 25 July 2007 issued by 鼎華投資股份有限公司 and the total consideration of which is approximately HK$42.12 million.

* *for identification purpose only*

10. EXPERTS AND CONSENTS

The following are the qualifications of the experts who have given advice or opinion which are contained in this document:

Name	Qualification
Taifook	a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO
Deloitte Touche Tohmatsu	certified public accountant

As at the Latest Practicable Date, Taifook and Deloitte Touche Tohmatsu had no shareholding in any member of the Group nor any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Taifook has given and has not withdrawn its written consent to the issue of this document with the inclusion of its letter and the references to its name in the form and context in which they are respectively included.

Deloitte Touche Tohmatsu has given and has not withdrawn its written consent to the issue of this document with the inclusion of its accountants' report on the unaudited pro forma financial information of the Remaining Group dated 29 September 2009 and the references to its name in the form and context in which they are respectively included.

11. GENERAL

(a) As at the Latest Practicable Date, no benefit (other than statutory compensation) would be given to any Director as compensation for loss of office or otherwise in connection with the Offers.

(b) As at the Latest Practicable Date, there was no agreement, arrangement or understanding (including any compensation arrangement) between the Offeror or any person acting in concert with it on one hand and any Directors, recent Directors, Shareholders or recent Shareholders on the other hand having any connection with or was dependent upon the outcome of the Offers.

(c) As at the Latest Practicable Date, there was no agreement or arrangement between any Directors and any other person which is conditional on or dependent upon the outcome of the Offers or otherwise connected with the Offers.

(d) As at the Latest Practicable Date, there was no material contract entered into by the Offeror in which any Director has a material personal interest.

(e) As at the Latest Practicable Date, the Offeror has no agreement, arrangement or understanding or intention to transfer, charge or pledge the Shares acquired in pursuance with the Offers to any other persons.

(f) The registered office of Teamsun is at Unit A, 20th Floor, 211 Johnston Road, Wan Chai, Hong Kong.

(g) The address of Somerley Limited is at 10th Floor, The Hong Kong Club Building, 3A Chater Road, Central, Hong Kong.

(h) The address of DTCFL is at 32/F One Pacific Place, 88 Queensway, Hong Kong.

(i) The registered office of Taifook is at 25th Floor, New World Tower, 16–18 Queen's Road, Central, Hong Kong.

(j) The English text of this document and the Form(s) of Acceptance shall prevail over the Chinese text.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the office of Messrs. Woo Kwan Lee & Lo at 26th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this document up to and including the closing date of the Offers:

(a) the memorandum of association and bye-laws of the Company and the memorandum and articles of association of the Offeror;

(b) the annual reports of the Company for the two years ended 31 March 2009;

(c) the quarterly results announcement of the Company for the three months ended 30 June 2009;

(d) the letter from DTCFL, the text of which is set out on pages 11 to 21 of this document;

(e) the letter from the Board, the text of which is set out on pages 22 to 26 of this document;

(f) the letter from the Independent Board Committee, the text of which is set out on pages 27 to 28 of this document;

(g) the letter from Taifook, the text of which is set out on pages 29 to 51 of this document;

(h) the letter from Deloitte Touche Tohmatsu on the unaudited pro forma financial information, the text of which is set out on pages 125 to 126 of this document;

(i) the letters of consent given by Taifook and Deloitte Touche Tohmatsu referred to in the section headed "Experts and consents" of this appendix;

(j) the material contracts referred to in the paragraph headed "Material Contracts" in this appendix; and

(k) the Share Purchase Agreement.

Copies of these documents will be available for inspection on the SFC's website at www.sfc.hk and the Company's website at www.asl.com.hk while the Offers remain open for acceptance.