



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.

Automated Systems Holdings Limited



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.

**AUTOMATED**

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*