AUTOMATED

A Member of the Teamsun Group

Automated Systems Holdings Limited

(Incorporated in Bermuda with Limited Liability)

Stock Code: 771

Interim Report

For the six months ended

30th June 2011

Powering Ahead

Hong Kong • Mainland China • Taiwan

Macau • Thailand • Singapore • Malaysia

Contents

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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TO THE BOARD OF DIRECTORS OF
AUTOMATED SYSTEMS HOLDINGS LIMITED
(incorporated in Bermuda with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 3 to 28, which comprises the condensed consolidated balance sheet of Automated Systems Holdings Limited (the "Company") and its subsidiaries (together the "Group") as at 30th June 2011 and the related condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 19th August 2011

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30th June 2011

	Notes	Unaudited Six months ended 30th June 2011 HK$'000	2010 HK$'000
Revenue	6	**761,142**	729,444
Cost of goods sold		**(412,786)**	(422,572)
Cost of services rendered		**(259,839)**	(215,303)
Other income	7	**1,778**	4,168
Other loss	8	**(477)**	–
Fair value gain on revaluation of investment properties		**–**	3,590
Selling expenses		**(36,461)**	(34,217)
Administrative expenses		**(29,928)**	(27,210)
Finance income	9	**396**	390
Share of results of associates		**468**	1,245
Profit before income tax		**24,293**	39,535
Income tax expense	11	**(5,509)**	(6,837)
Profit for the period attributable to equity holders of the Company		**18,784**	32,698
		HK cents	HK cents
Earnings per share attributable to equity holders of the Company	13		
Basic and diluted earnings per share		**6.03**	10.50

The notes on pages 9 to 28 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30th June 2011

	Unaudited Six months ended 30th June 2011 HK$'000	2010 HK$'000
Profit for the period	**18,784**	32,698
Other comprehensive income:		
Revaluation surplus of leasehold land and buildings	–	19,418
Deferred taxation arising from revaluation surplus of leasehold land and buildings	–	(3,204)
Exchange differences on translation of overseas operations	**295**	786
Total comprehensive income for the period attributable to equity holders of the Company	**19,079**	49,698

The notes on pages 9 to 28 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED BALANCE SHEET

At 30th June 2011

	Notes	Unaudited 30th June 2011 HK$'000	Audited 31st December 2010 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	14	**159,914**	162,907
Investment properties	15	**24,700**	24,700
Intangible assets	22	**12,331**	900
Goodwill	22	**33,694**	–
Interests in associates		**876**	1,865
Trade receivables	16	**3,967**	1,869
Finance lease receivables		**13,518**	3,210
Long-term bank deposit	18	**151**	–
		249,151	195,451
CURRENT ASSETS			
Inventories		**99,463**	76,972
Trade receivables	16	**138,665**	163,722
Finance lease receivables		**4,637**	1,914
Other receivables, deposits and prepayments	17	**32,199**	23,605
Amounts due from customers for contract work		**150,776**	161,659
Restricted bank deposits	18	**2,870**	1,924
Cash and cash equivalents	18	**194,575**	195,552
		623,185	625,348
TOTAL ASSETS		**872,336**	820,799
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
Share capital	21	**31,140**	31,140
Share premium		**104,947**	104,947
Reserves		**327,817**	321,154
TOTAL EQUITY		**463,904**	457,241

The notes on pages 9 to 28 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED BALANCE SHEET (Cont'd)

At 30th June 2011

	Notes	Unaudited 30th June 2011 HK$'000	Audited 31st December 2010 HK$'000
NON-CURRENT LIABILITIES			
Contingent consideration payable	22	**13,074**	–
Deferred income tax liabilities		**20,250**	17,996
Deferred income		**–**	73
		33,324	18,069
CURRENT LIABILITIES			
Trade payables	19	**188,608**	193,000
Other payables and accruals	20	**51,289**	48,190
Contingent consideration payable	22	**1,566**	–
Receipts in advance		**123,780**	91,979
Current income tax liabilities		**9,865**	12,320
		375,108	345,489
TOTAL LIABILITIES		**408,432**	363,558
TOTAL EQUITY AND LIABILITIES		**872,336**	820,799
NET CURRENT ASSETS		**248,077**	279,859
TOTAL ASSETS LESS CURRENT LIABILITIES		**497,228**	475,310

The notes on pages 9 to 28 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th June 2011

	Unaudited						
	Share capital HK$'000	Share premium HK$'000	Special reserve Note (i) HK$'000	Property revaluation reserve HK$'000	Translation reserve HK$'000	Retained earnings HK$'000	Total HK$'000
As 1st January 2010	31,140	104,947	34,350	20,587	853	173,215	365,092
Profit for the period	–	–	–	–	–	32,698	32,698
Other comprehensive income:							
Exchange differences on translation of overseas operations	–	–	–	–	786	–	786
Revaluation of leasehold land and buildings	–	–	–	19,418	–	–	19,418
Deferred taxation arising from revaluation of leasehold land and buildings	–	–	–	(3,204)	–	–	(3,204)
Total comprehensive income for the period	–	–	–	16,214	786	32,698	49,698
At 30th June 2010	31,140	104,947	34,350	36,801	1,639	205,913	414,790
As 1st January 2011	31,140	104,947	34,350	63,685	3,277	219,842	457,241
Profit for the period	–	–	–	–	–	18,784	18,784
Other comprehensive income:							
Exchange differences on translation of overseas operations	–	–	–	–	295	–	295
Total comprehensive income for the period	–	–	–	–	295	18,784	19,079
Transaction with owners							
Forfeiture of unclaimed dividends	–	–	–	–	–	40	40
Final dividend for the nine months ended 31st December 2010	–	–	–	–	–	(12,456)	(12,456)
Total transaction with owners	–	–	–	–	–	(12,416)	(12,416)
At 30th June 2011	**31,140**	**104,947**	**34,350**	**63,685**	**3,572**	**226,210**	**463,904**

Note (i): 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.

The notes on pages 9 to 28 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30th June 2011

	Unaudited Six months ended 30th June 2011 HK$'000	2010 HK$'000
Cash flows from operating activities	**41,247**	38,543
Cash flows used in investing activities	**(29,838)**	(4,191)
Cash flows used in financing activities	**(12,459)**	–
Net (decrease)/increase in cash and cash equivalents	**(1,050)**	34,352
Cash and cash equivalents at the beginning of the period	**195,552**	168,889
Effect of foreign exchange rate changes	**73**	799
Cash and cash equivalents at the end of the period	**194,575**	204,040

The notes on pages 9 to 28 form an integral part of this condensed consolidated interim financial information.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30th June 2011

1. General information

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"). The address of its registered office is Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda.

The condensed consolidated interim financial information is presented in Hong Kong dollars, unless otherwise stated. This condensed consolidated interim financial information was approved for issue on 19th August 2011.

This condensed consolidated interim financial information has not been audited.

Key events

The operational highlight of the period was the acquisition of i-Sprint Innovations Pte. Ltd. ("i-Sprint"). The i-Sprint group is principally engaged in the business of developing, distributing, implementing and supporting technology risk management products. Further details are given in Note 22.

2. Basis of preparation

This is the Company's first condensed consolidated interim financial information after the change of financial year end date of the Company from 31st March to 31st December (Note 28). This financial information covers a period of six months from 1st January to 30th June 2011 and has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The condensed consolidated interim financial information should be read in conjunction with the consolidated financial statements of the Group for the nine months ended 31st December 2010, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

3. Principal accounting policies

Except as described below, the accounting policies applied are consistent with those of the financial statements for the nine months ended 31st December 2010, as described in those financial statements.

The following amendment to standard is mandatory for the first time for the financial year beginning 1st January 2011.

Amendment to HKAS 34 "Interim financial reporting" is effective for annual periods beginning on or after 1st January 2011. It emphasises the existing disclosure principles in HKAS 34 and adds further guidance to illustrate how to apply these principles. Greater emphasis has been placed on the disclosure principles for significant events and transactions. Additional requirements cover disclosure of changes to fair value measurement (if significant), and the need to update relevant information from the most recent annual report. The change in accounting policy only results in additional disclosures.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Cont'd)

3. Principal accounting policies (Cont'd)

The following standards, amendments and interpretations are mandatory for the first time for the financial period beginning 1st January 2011, but do not have any financial impact on the Group:

HKAS 24 (Revised), "Related party disclosures" is effective for annual period beginning on or after January 2011. It introduces an exemption from all of the disclosure requirements of HKAS 24 for transactions among government related entities and the government. It also clarifies and simplifies the definition of a related party. This is not currently applicable to the Group, as it does not have any related parties which is a government related entity.

Amendment to HKAS 32 "Classification of rights issues" is effective for annual periods beginning on or after 1st February 2010. This is not currently applicable to the Group, as it has not made any rights issue.

Amendment to HK(IFRIC) – Int-14 "Prepayments of a minimum funding requirement" is effective for annual periods beginning on or after 1st January 2011. This is not currently relevant to the Group, as it does not have a minimum funding requirement.

HK(IFRIC) – Int 19 "Extinguishing financial liabilities with equity instruments" is effective for annual periods beginning on or after 1st July 2010. This is not currently applicable to the Group, as it has no extinguishment of financial liabilities replaced with equity instruments currently.

Third improvements to Hong Kong Financial Reporting Standards (2010) were issued in May 2010 by HKICPA, except for amendment to HKAS 34 "Interim financial reporting" as disclosed above and the clarification to allow the presentation of an analysis of the components of other comprehensive income by item within the notes, all are not currently relevant to the Group. All improvements are effective in the financial year of 2011.

4. Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements of the Group for the nine months ended 31st December 2010, with the exception of changes in estimates that are required in determining the provision for income taxes.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Cont'd)

5. Financial risk management

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's financial statements as at 31st December 2010.

There have been no changes in the risk management department since year end or in any risk management policies.

After the acquisition of i-Sprint during the period (Note 22), the Group is exposed to foreign exchange risk arising from Singapore dollar ("S$"). Foreign exchange risk arises from recognised assets and liabilities. As at 30th June 2011, if S$ had weakened/strengthened by 5% against the HKD with all other variables held constant, profit for the period would have been approximately HK$732,000 higher/lower, mainly a result of the foreign exchange difference on translation of S$ denominated liabilities.

5.2 Liquidity risk

Comparing to year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities except for the contingent consideration payable associated with the acquisition of i-Sprint (Note 22). Depending on the upcoming financial performance of i-Sprint, the cash consideration for this acquisition may range from S$6,000,000 (HK$36,000,000) to S$7,900,000 (HK$47,400,000). As at 30th June 2011, approximately S$4,900,000 (HK$30,222,000) of the acquisition costs had been settled and financial liabilities of S$2,319,000 (HK$14,640,000) were recognised in the condensed consolidated balance sheet for the remaining portion of the fair value of the contingent consideration. The Group expects to settle this financial liabilities based on the payment schedule as specified in the corresponding sales and purchase agreement, ranging from one to three years.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Cont'd)

5. Financial risk management (Cont'd)

5.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method.

The different levels have been defined as follows:

– Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

– Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

– Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's financial liabilities that are measured at fair value as at 30th June 2011.

	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Liabilities				
Contingent consideration payable	–	–	14,640	14,640
Total liabilities	–	–	14,640	14,640

6. Revenue and segment information

Revenue 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 Six months ended 30th June 2011 HK$'000	 2010 HK$'000
Sales of goods	**460,469**	466,326
Revenue from service contracts	**300,673**	263,118
	761,142	729,444

The chief operating decision maker has been identified as the Board of Directors (the "Board"). The Board reviews the Group's internal reporting in order to assess the performance and allocate resources. The Board has determined the operating segments based on the Group's internal reporting.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Cont'd)

6. Revenue and segment information (Cont'd)

The Group is currently organised into two (six months ended 30th June 2010: two) operating divisions – Information Technology Products ("IT Products") and Information Technology Services ("IT Services"). 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.

IT Services

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

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

Unaudited
Six months ended 30th June 2011

	IT Products HK$'000	IT Services HK$'000	Total Group HK$'000
Revenue from external customers	**460,469**	**300,673**	**761,142**
Intersegment revenue	**9,630**	**16,748**	**26,378**
Segment revenue	**470,099**	**317,421**	**787,520**
Reportable segment profit	**21,433**	**30,148**	**51,581**
Segment depreciation	**1,262**	**4,469**	**5,731**
Segment amortisation	**–**	**883**	**883**
Additions to property, plant and equipment	**615**	**3,171**	**3,786**
Additions to intangible assets	**–**	**12,035**	**12,035**
Additions to goodwill	**–**	**32,920**	**32,920**

Unaudited
Six months ended 30th June 2010

	IT Products HK$'000	IT Services HK$'000	Total Group HK$'000
Revenue from external customers	466,326	263,118	729,444
Intersegment revenue	2,904	28,009	30,913
Segment revenue	469,230	291,127	760,357
Reportable segment profit	22,793	35,230	58,023
Segment depreciation	2,078	3,026	5,104
Additions to property, plant and equipment	600	3,095	3,695

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Cont'd)

6. Revenue and segment information (Cont'd)

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

	IT Products HK$'000	IT Services HK$'000	Total Group HK$'000
Unaudited			
As at 30th June 2011			
Reportable segment assets	**252,428**	**240,217**	**492,645**
Reportable segment liabilities	**198,513**	**131,193**	**329,706**
Audited			
As at 31st December 2010			
Reportable segment assets	271,328	172,807	444,135
Reportable segment liabilities	192,663	96,812	289,475

(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. Income tax expense is not allocated to reportable segments.

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

Reportable segment profit is profit before income tax, excluding share of results of associates, unallocated other income, unallocated other loss, unallocated gain/(loss) on disposal of property, plant and equipment, unallocated depreciation for property, plant and equipment that are used for all segments, fair value gain on revaluation of investment properties and other corporate expenses (mainly include staff costs and other general administrative expenses) of the head office.

Reportable segment assets exclude interests in associates, restricted bank deposits, cash and cash equivalents and unallocated corporate assets (mainly include property, plant and equipment, investment properties and intangible assets that are used by all segments, prepayments and deposits).

Reportable segment liabilities exclude current income tax liabilities, deferred income tax liabilities and unallocated corporate liabilities (mainly include accrued charges of the head office).

Additions to property, plant and equipment, intangible assets and goodwill include additions resulting from acquisition through business combinations.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Cont'd)

6. Revenue and segment information (Cont'd)

(b) Reconciliation of the reportable segment revenue, profit, assets and liabilities

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

Revenue	Unaudited Six months ended 30th June 2011 HK$'000	2010 HK$'000
Reportable segment revenue	**787,520**	760,357
Elimination of intersegment revenue	**(26,378)**	(30,913)
Revenue per condensed consolidated income statement	**761,142**	729,444

Intersegment revenue is charged at cost plus a percentage of profit mark-up.

Profit	Unaudited Six months ended 30th June 2011 HK$'000	2010 HK$'000
Reportable segment profit	**51,581**	58,023
Unallocated amounts:		
Unallocated other income	**1,766**	3,891
Unallocated other loss	**(477)**	–
Fair value gain on revaluation of investment properties	**–**	3,590
Unallocated gain/(loss) on disposal of property, plant and equipment	**2**	(4)
Unallocated depreciation	**(2,592)**	(2,190)
Share of results of associates	**468**	1,245
Unallocated corporate expenses	**(26,455)**	(25,020)
Profit before income tax per condensed consolidated income statement	**24,293**	39,535

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Cont'd)

6. Revenue and segment information (Cont'd)

(b) Reconciliation of the reportable segment revenue, profit, assets and liabilities (Cont'd)

Assets	Unaudited 30th June 2011 HK$'000	Audited 31st December 2010 HK$'000
Reportable segment assets	**492,645**	444,135
Unallocated assets:		
Interests in associates	**876**	1,865
Unallocated restricted bank deposits	**2,870**	1,924
Unallocated cash and cash equivalents	**194,575**	195,552
Unallocated long-term bank deposit	**151**	–
Unallocated corporate assets	**181,219**	177,323
Total assets per condensed consolidated balance sheet	**872,336**	820,799

Liabilities	Unaudited 30th June 2011 HK$'000	Audited 31st December 2010 HK$'000
Reportable segment liabilities	**329,706**	289,475
Unallocated liabilities:		
Current income tax liabilities	**9,865**	12,320
Deferred income tax liabilities	**20,250**	17,996
Unallocated corporate liabilities	**48,611**	43,767
Total liabilities per condensed consolidated balance sheet	**408,432**	363,558

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Cont'd)

6. Revenue and segment information (Cont'd)

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, Singapore, Taiwan and Thailand.

	Revenue from external customers Unaudited Six months ended 30th June		Non-current assets	
			Unaudited 30th June	Audited 31st December
	2011	2010	2011	2010
Place of domicile	HK$'000	HK$'000	HK$'000	HK$'000
Hong Kong	682,684	662,425	186,265	185,255
Guangzhou	3,557	4,358	692	2,208
Macau	17,747	21,047	4,317	5,831
Singapore	5,363	–	45,493	–
Taiwan	22,757	14,372	850	1,062
Thailand	28,677	27,242	11,485	1,095
Others	357	–	49	–
	761,142	729,444	249,151	195,451

7. Other income

	Unaudited Six months ended 30th June	
	2011	2010
	HK$'000	HK$'000
Interest on bank deposits	203	118
Equipment rental income	–	1,727
Rental income from investment properties	748	748
Others	827	1,575
	1,778	4,168

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Cont'd)

8. Other loss

	Unaudited Six months ended 30th June 2011 HK$'000	2010 HK$'000
Contingent consideration payable		
– Fair value loss	**477**	–

9. Finance income

Finance income represented accretion of discount recognised upon initial recognition of loans and receivables to their fair value.

10. Expenses by nature

	Unaudited Six months ended 30th June 2011 HK$'000	2010 HK$'000
Profit before income tax has been arrived after charging/(crediting):		
Depreciation and amortisation:		
Property, plant and equipment	**8,323**	7,294
Intangible assets	**883**	–
Loss/(gain) on disposal of property, plant and equipment	**14**	(136)
Provision for impairment of intangible assets	**–**	200
Provision for impairment of trade receivables	**188**	730
Staff costs	**210,652**	176,135

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Cont'd)

11. Income tax expense

	Unaudited Six months ended 30th June 2011 HK$'000	2010 HK$'000
Current taxation:		
Hong Kong profits tax	4,948	7,050
Overseas taxation	339	369
Under/(Over)-provision in prior period:		
Hong Kong profits tax	39	212
Overseas taxation	23	(109)
	5,349	7,522
Deferred taxation:		
Current period	160	(685)
Income tax expense	5,509	6,837

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30th June 2010: 16.5%) on the estimated assessable profits for the period. Taxation on overseas profits has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the countries in which the Group operates.

12. Dividends

	Unaudited Six months ended 30th June 2011 HK$'000	2010 HK$'000
Dividend recognised as distribution during the period:		
Final dividend in respect of the nine months ended 31st December 2010 of 4.0 HK cents per share	12,456	–

The Directors did not recommend the payment of an interim dividend for the six months ended 30th June 2011 (six months ended 30th June 2010: Nil).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Cont'd)

13. Earnings per share

The calculation of the basic and diluted earnings per share attributable to equity holders of the Company is based on the following data:

	Unaudited Six months ended 30th June 2011 HK$'000	2010 HK$'000
Earnings for the purpose of basic and diluted earnings per share	**18,784**	32,698

	Number of shares 2011 '000	2010 '000
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	**311,403**	311,403

There were no dilutive instruments for the six months ended 30th June 2011 (six months ended 30th June 2010: same).

14. Property, plant and equipment

During the six months ended 30th June 2011, the addition of property, plant and equipment was approximately HK$5,130,000 (six months ended 30th June 2010: HK$4,669,000) mainly for computers and office equipment.

During the six months ended 30th June 2011, the Group disposed of certain property, plant and equipment at the carrying amount of HK$111,000 (six months ended 30th June 2010: HK$30,000), resulting in a loss on disposal of HK$14,000 (six months ended 30th June 2010: gain on disposal of HK$136,000).

The Group's leasehold land and buildings were stated at valuations made at 31st December 2010 less depreciation. The leasehold land and buildings were last revalued by DTZ Debenham Tie Leung Limited, an independent professional valuer, at 31st December 2010 at market value basis which is determined by reference to market evidence of recent transactions for similar properties. At 30th June 2011, the Directors of the Company considered that the carrying amount of the Group's leasehold land and buildings does not differ significantly from their fair value.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Cont'd)

14. Property, plant and equipment (Cont'd)

If the leasehold land and buildings had not been revalued, they would have been included in these condensed consolidated financial statements at historical cost, less accumulated depreciation of approximately HK$53,529,000 (31st December 2010: HK$54,562,000).

The Group's interest in leasehold land represents finance lease payments held in Hong Kong between 10 to 50 years.

As at 30th June 2011, the Group has pledged leasehold land and buildings having a carrying amount of approximately HK$127,529,000 (31st December 2010: HK$129,300,000) for banking facilities granted to the Group.

15. Investment properties

The investment properties of the Group were last revalued by DTZ Debenham Tie Leung Limited, an independent professional valuer at 31st December 2010, on the basis of market value.

As at 30th June 2011, the Directors of the Company considered that the carrying amount of the Group's investment properties which are carried at revalued amounts do not differ significantly from that which would be determined using fair value at the balance sheet date.

As at 30th June 2011, the Group has pledged investment properties having a carrying amount of approximately HK$24,700,000 (31st December 2010: HK$24,700,000) for banking facilities granted to the Group.

16. 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.

	Unaudited 30th June 2011 HK$'000	Audited 31st December 2010 HK$'000
Trade receivables	**143,132**	165,903
Less: provision for impairment of receivables	**(500)**	(312)
Trade receivables – net	**142,632**	165,591
Less: non-current portion of trade receivables	**(3,967)**	(1,869)
Current portion of trade receivables	**138,665**	163,722

All non-current receivables are due within five years from the balance sheet date.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Cont'd)

16. Trade receivables (Cont'd)

An ageing analysis of the gross trade receivables as at the balance sheet date, based on ageing from payment due date, is as follows:

	Unaudited 30th June 2011 HK$'000	Audited 31st December 2010 HK$'000
Current	**96,140**	126,695
Within 30 days	**20,646**	15,992
31 – 60 days	**6,869**	4,234
61 – 90 days	**8,922**	6,454
Over 90 days	**10,555**	12,528
	143,132	165,903

17. Other receivables, deposits and prepayments

	Unaudited 30th June 2011 HK$'000	Audited 31st December 2010 HK$'000
Other receivables	**4,006**	1,340
Deposits	**7,695**	6,284
Prepayments	**19,699**	15,469
Amount due from the ultimate holding company	**549**	512
Amount due from the immediate holding company	**250**	–
	32,199	23,605

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Cont'd)

18. Restricted bank deposits and cash and cash equivalents

	Unaudited 30th June 2011 HK$'000	Audited 31st December 2010 HK$'000
Long-term bank deposit	**151**	–
Restricted bank deposits	**2,870**	1,924
Cash at bank and on hand	**165,512**	132,309
Short-term bank deposits	**29,063**	63,243
Cash and cash equivalents	**194,575**	195,552

Restricted bank deposits represented fixed term deposits placed in commercial banks that were pledged against banking facilities and performance bonds of the Group.

19. Trade payables

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

	Unaudited 30th June 2011 HK$'000	Audited 31st December 2010 HK$'000
Current	**121,493**	126,898
Within 30 days	**42,543**	39,055
31 – 60 days	**11,295**	14,948
61 – 90 days	**3,408**	1,634
Over 90 days	**9,869**	10,465
	188,608	193,000

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Cont'd)

20. Other payables and accruals

	Unaudited 30th June 2011 HK$'000	Audited 31st December 2010 HK$'000
Other payables and accruals	50,723	45,787
Deferred income	–	456
Amounts due to fellow subsidiaries	–	492
Amount due to an associate	566	1,455
	51,289	48,190

21. Share capital

	Number of shares '000	Amount HK$'000
Ordinary shares of HK$0.10 each		
Authorised:		
At 30th June 2011 and 31st December 2010	600,000	60,000
Issued and fully paid:		
At 30th June 2011 and 31st December 2010	311,403	31,140

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Cont'd)

22. Business combination

On 28th March 2011, the Group acquired 100% of the share capital of i-Sprint for S$7,900,000 (equivalent to approximately HK$47,400,000). i-Sprint group is principally engaged in the business of developing, distributing, implementing and supporting technology risk management products.

As a result of the acquisition, a goodwill of S$5,338,000 (equivalent to approximately HK$32,920,000) was recognised. The goodwill arises from a number of factors. The most significant amongst these is the premium attributable to a pre-existing, well-positioned business that is in operation in a competitive market. Other significant factors include synergies through accessing a highly skilled workforce and obtaining economies of scale.

The Group's competitive position in the information technology market is expected to be strengthened as the acquisition provides the opportunity for the Group to serve more clients with regional presence, especially those in the financial services sector. Besides which, the addition of i-Sprint's products provides an opportunity for the Group to expand its credential in management solutions and to enrich the Group's existing security solutions offerings.

The following table summarise the consideration paid for i-Sprint and the amounts of the assets acquired and liabilities assumed recognised as at the acquisition date.

	HK$'000
Purchase consideration:	
– Cash paid	30,222
– Fair value of contingent consideration payable	13,838
Total purchase consideration	44,060

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Cont'd)

22. Business combination (Cont'd)

Recognised amounts of identifiable assets acquired and liabilities assumed:

	Provisional fair value HK$'000
Cash and cash equivalents	7,530
Property, plant and equipment	307
Intangibles:	
– Customer contracts	279
– Customer relationship	4,989
– Software technology	6,767
Trade receivables	6,277
Other receivables	4,554
Long-term bank deposit	147
Trade payables	(151)
Other payables	(8,753)
Receipts in advance	(8,760)
Deferred income tax liabilities	(2,046)
Total identifiable net assets	11,140
Goodwill	32,920
	44,060

	HK$'000
Acquisition-related costs (included in administrative expenses in the condensed consolidated income statement for the period ended 30th June 2011)	2,182

	HK$'000
Outflow of cash to acquire business, net of cash acquired	
– cash consideration	(30,222)
– cash and cash equivalents in subsidiaries acquired	7,530
Cash outflow on acquisition	(22,692)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Cont'd)

22. Business combination (Cont'd)

(a) *Contingent consideration*

Depending on the upcoming financial performance of i-Sprint, the cash consideration for this acquisition may range from S$6,000,000 (equivalent to approximately HK$36,000,000) to S$7,900,000 (equivalent to approximately HK$47,400,000). S$4,900,000 (equivalent to approximately HK$30,222,000) was paid on the date of acquisition. The potential undiscounted amount of all future payments that the Group could be required to make under this arrangement is between S$1,100,000 (equivalent to approximately HK$6,785,000) and S$3,000,000 (equivalent to approximately HK$18,503,000). The fair value of the amount payable of S$2,244,000 (equivalent to approximately HK$13,838,000) was recognised as contingent consideration payable on the date of acquisition. The amount was estimated based on an assumed probability weighting in fulfilling the performance requirements, using a discount rate of 15%. During the period from the date of acquisition to 30th June 2011, fair value loss of S$76,000 (equivalent to approximately HK$477,000) was recognised in the profit or loss for the contingent consideration.

(b) *Acquired receivables*

The fair value of trade receivables is S$1,018,000 (equivalent to approximately HK$6,277,000). The gross contractual amount for trade receivables due is S$1,018,000 (equivalent to approximately HK$6,277,000), all of which is expected to be collectible.

(c) *Provisional fair value of identifiable assets acquired and liabilities assumed*

The fair value of the identifiable assets acquired and liabilities assumed is provisional pending receipt of the final valuations for those assets.

(d) *Revenue and profit contribution*

The acquired business contributed revenues of S$911,000 (equivalent to approximately HK$5,720,000) and net profit of S$275,000 (equivalent to approximately HK$1,701,000) to the Group for the period from 28th March 2011 to 30th June 2011. If the acquisition had occurred on 1st January 2011, consolidated revenue and consolidated profit for the six months ended 30th June 2011 would have been HK$766,711,000 and HK$18,408,000, respectively.

23. Contingent liabilities

At 30th June 2011, bank deposits held as security for banking facilities and performance bonds amounted to approximately HK$2,870,000 (31st December 2010: HK$1,924,000). At 30th June 2011, the amount of available bank facilities was HK$112,870,000 (31st December 2010: HK$112,230,000) and the performance bonds of HK$33,403,000 (31st December 2010: HK$31,330,000) has been issued by the Group to customers as security of contracts.

24. Pledge of assets

At 30th June 2011, the Group's leasehold land and buildings of approximately HK$127,529,000 (31st December 2010: HK$129,300,000) and investment properties of approximately HK$24,700,000 (31st December 2010: HK$24,700,000) were pledged to secure the banking facilities of the Group.

At 30th June 2011, the Group's restricted bank balances of approximately HK$2,870,000 (31st December 2010: HK$1,924,000) were pledged to secure the banking facilities of the Group.

25. Capital commitments

At 30th June 2011, the Group has contracted capital commitments of HK$1,065,000 (31st December 2010: HK$411,000).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Cont'd)

26. Seasonality

Sales of products and the provision of related services are not subject to obvious seasonal factors.

27. Related party transactions

As at 30th June 2011, Teamsun Technology (HK) Limited owns 65.4% of the Company's shares. The remaining 34.6% of the shares are widely held at 30th June 2011. The ultimate parent company of the Company is Beijing Teamsun Technology Co., Ltd. (30th June 2010: same).

(a) During the period, the Group had the following transactions with related parties:

	Unaudited Six months ended 30th June	
Nature of transactions	2011 HK$'000	2010 HK$'000
Ultimate holding company:		
Purchases by the Group	20	672
Expenses charged to the Group	227	194
Sales by the Group	301	–
Other income charged by the Group	318	–
Fellow subsidiaries:		
Purchases by the Group	71	–
Immediate holding company:		
Staff cost charged by the Group	250	–
Expenses charged to the Group	42	–
The associates:		
Sales by the Group	88	376
Purchases by the Group	1,739	3,013
Staff costs charged to the Group	360	175
Rental and administrative expenses charged to the Group	78	35
Rental income charged by the Group	78	51

(b) The remuneration of key management personnel for the six months ended 30th June 2011 amounted to HK$3,360,000 (six months ended 30th June 2010: HK$5,811,000).

28. Change of financial year end date

By a board resolution passed on 15th July 2010, the Company changed its financial year end date from 31st March to 31st December. As a result of the change, the comparative amounts for the condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated cash flow statement and related notes are for the six months ended 30th June 2010.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

For the six months ended 30th June 2011, the Group's revenue was HK$761.1 million, higher by 4.3% compared to the six months ended 30th June 2010. For the three months ended 30th June 2011, the Group's revenue was HK$338.6 million, higher by 2.2% compared to the corresponding period last year.

For the six months ended 30th June 2011, product sales and service revenue were HK$460.4 million and HK$300.7 million, decreased by 1.3% and increased by 14.3% year on year respectively. Product sales and service revenue contributed 60.5% and 39.5% to total revenue respectively compared to 63.9% and 36.1% from the corresponding period last year. For the three months ended 30th June 2011, product sales and service revenue were HK$177.0 million and HK$161.6 million, decreased by 9.7% and increased by 19.4% respectively compared to the corresponding period last year.

Commercial and public sector sales for the six months ended 30th June 2011 contributed 39.8% and 60.2% to revenue respectively compared to 46.9% and 53.1% for the corresponding period in 2010. Commercial and public sector sales for the three months ended 30th June 2011 contributed 46.6% and 53.4% to revenue respectively compared to 52.1% and 47.9% for the corresponding period in 2010.

Profit before income tax was HK$24.3 million for the first six months, lowered by 38.6% compared to the corresponding period last year. For the three months ended 30th June 2011, profit before income tax was HK$7.6 million, lowered by 29.2% compared to the corresponding period last year. The decrease in profit before income tax was mainly attributable to incremental costs arising from the increase in staff costs, investment in staff training as well as various projects and the expense of acquiring the entire interest of i-Sprint Innovations Pte. Ltd. ("i-Sprint"), during the period under review. The Group will continue its effort to explore possible solutions for a better balance between our income and expenditure. With a view towards growth in its service business, the Group plans to implement efficient project management and lower its software business overhead through outsourcing and strengthening of its human resources management, investing in the establishment of a software management system and standardizing of its services through the creation of a software library.

As of 30th June 2011, the order book balance was approximately HK$622.9 million, an increase of HK$72.9 million compared with the corresponding period last year. The Group's cash stood at approximately HK$194.7 million with a working capital ratio 1.66:1. The Group maintained a healthy balance sheet and no debt was recorded during the period under review.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

Business Review

In accordance with our strategic plan, our revenue has steadily increased in the first half of the year.

Strengthened foothold in Asia Pacific market

On 28th March 2011, the Group acquired the entire interest of i-Sprint, a Singapore-based company which strives to provide world-class credential and access management solutions. In April 2011, i-Sprint signed a Master Software License agreement with the largest independent listed Pan-Asian life insurance group in the world. Pursuant to this agreement, all of the offices designated by the customer can avail of i-Sprint's application security solutions at pre-negotiated terms. As a result, our position in the Information Technology ("IT") security market has strengthened.

The above acquisition continuously laid out a solid foundation for the expansion of the Group's customer base. During the review period, the Group received a total of 6 orders from our target customers in the banking and financial industry, all of whom have high demands towards IT security, with the majority of the orders coming from Chinese owned financial institutions. Through effective market penetration, the Group successfully introduced a full suite of i-Sprint products into Hong Kong marketplace. Hence, this proved that we are capable of providing secure and reliable solutions, as well as increasing customer faith.

Provision of IT solutions that are in upward demand

The Group has been constantly striking for better results in its solutions business. In view of the upward market demand for cloud computing, mobility, business intelligence and security solutions, the Group actively participates in the development of the above IT solutions.

In particular, in view of the increasing demand for cloud computing in both public and commercial sectors, the Group took the initiative to invest in cloud services. With such expertise, the Group successfully secured a breakthrough project to provide a scalable and reliable cloud solution for a government department. The Group was mainly responsible for the provision of system analysis, designs and configurations, enabling the government department to provide other government bureaus and departments in need of Geographical Information System (GIS) services with the requisite services and applications on this cloud platform. This cloud solution initiative also incorporated our ultimate holding company Beijing Teamsun Technology Co., Ltd. ("Teamsun")'s market-proven GIS products in order to enhance the performance and price efficiency thereof.

With its end-to-end cloud competencies – from infrastructure provisioning to applications development; from systems integration to managing customers' IT assets on different IT areas such as servers, security, database and storage, etc., the Group is devoted to replicating its success to other sectors. Our business focus here is also in accordance with Teamsun's strategy of assisting customers in applying cloud technology.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

Business Review (Cont'd)

Expanded managed services into other regions

Our ongoing strategy of managed services, which focused particularly on long-standing and key customers, paid off. Significant deals included the continuous supply of complex and large-scale managed services to an international airline. Such services included the provision of desk side and server operations in Hong Kong and the management of thousands of desktops for all of its offices in both Hong Kong and the mainland China.

In tandem with its success in Hong Kong, the Group has also introduced its business to customers in other regions. We have been providing services to a renowned bank in Thailand since 2008, with the amount of recent infrastructure managed services we provided reaching a high of several million dollars. Moreover, we won a long-term managed services contract to provide the subsidiary of a renowned public transport operator in Hong Kong for the management of all IT applications and infrastructure managed services and the provision of helpdesk services of its Shenzhen data center, the establishment of which is expected to be completed by the end of this year.

The Group has long been dedicated to providing high quality services, thereby earning the continuous trust and achieving satisfactory results for customers.

Solid performance in IT infrastructure

Benefiting from the needs for operational efficiency enhancement and business expansion of our customers in the region, the Group's IT infrastructure business continued to maintain good performance. Significant projects won during the review period included the supply of several thousand units of hardware for a disciplinary government department to all of its offices in Hong Kong; the provision of hardware and software applications to all of an international airline company's offices in Hong Kong and mainland China; as well as the supply, delivery, installation, commissioning and maintenance of enterprise servers and storage system and the provision of other related services for a statutory entity in Hong Kong.

Continuous expansion of cross-territories business

Our cross-territories business is growing steadily with our continuing efforts to collaborate with Teamsun. During the review period, the renewal or new projects we received were in greater complexity, of wider scope and covered more cities in mainland China. Among others, we entered into a 3-year maintenance services contract this quarter with a leading international bank upon securing a 1-year maintenance services contract covering its offices in major cities in China last year.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

Outlook and Prospects

As a leading IT services provider in the region, the Group will continue to strive to provide high quality services and solutions. In fact, the Procurement and Logistics Department of Automated Systems (HK) Ltd, a subsidiary of the Group, has been certified with an ISO9001 accreditation since May 2011. We have further extended the scope of services coverage under the ISO9001 certification (as recognised by HKQAA) in June 2011, making us one of the IT companies with the widest scope of coverage in the region. In addition, we obtained a number of Unix-based system infrastructure certifications, which evidences that our leading position amongst a host of IT services providers remains unchanged.

Looking forward, the Group wishes to expand across Asia Pacific region and to explore more business opportunities through the constant provision of the above long-standing and market-proven solutions and services. In July 2011, we successfully secured a contract from a government department to provide systems integration and managed services for the e-government platform running in its data centers. We will continue to look for opportunities in managed services in the region for further business expansion.

Moreover, the Group expects to achieve results in the IT security market in Greater China in the near future upon the continuous efforts spent on the market in the first half of the year. We will also endeavour to capture other opportunities going forward to fulfill the needs of regional customers on various IT areas.

As regards our cross-territories business, the Group will further explore the potential of Teamsun's market-proven products in order to enhance our existing services offerings and to meet customers' needs flexibly. With the above initiatives forming a clear blueprint for our future development, the outlook for the Group remains positive.

Financial Resources and Liquidity

As at 30th June 2011, the Group's total assets of HK$872.3 million were financed by current liabilities of HK$375.1 million, non-current liabilities of HK$33.3 million and shareholders' equity of HK$463.9 million. The Group had a working capital ratio of approximately 1.66:1.

As at 30th June 2011, the Group had an aggregate composite banking facility from banks of approximately HK$112.9 million (31st December 2010: HK$112.2 million). The Group had pledged land and buildings and investment properties in an aggregate amount of HK$152.2 million (31st December 2010: HK$154.0 million) and restricted bank deposits of approximately HK$2.9 million (31st December 2010: HK$1.9 million) for banking facilities and performance bonds granted to the Group respectively. The performance bonds issued by the Group to customers as security of contracts were approximately HK$33.4 million as at 30th June 2011 (31st December 2010: HK$31.3 million). The Group's gearing ratio was zero as at 30th June 2011 (31st December 2010: zero).

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

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 them are fixed by reference to the respective countries' Interbank Offer Rate. The bank deposits are mainly denominated 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 no hedging activities were engaged by the Group during the six months ended 30th June 2011.

Contingent Liabilities

As at 30th June 2011, bank deposits held as security for banking facilities and performance bonds amounted to approximately HK$2.9 million (31st December 2010: HK$1.9 million). At 30th June 2011, the amount of available bank facilities was HK$112.9 million (31st December 2010: HK$112.2 million) and the performance bonds of HK$33.4 million (31st December 2010: HK$31.3 million) has been issued by the Group to customers as security of contracts.

Capital Commitment

As at 30th June 2011, the contracted capital commitments of the Group were HK$1.1 million (31st December 2010: HK$0.4 million).

Employee and Remuneration Policies

As at 30th June 2011, the Group, excluding its associates, employed 1,561 permanent and contract staff in Hong Kong, mainland China, Taiwan, Macau, Thailand, Singapore and Malaysia. 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 options scheme.

ADDITIONAL INFORMATION

Dividend

The Directors did not recommend the payment of an interim dividend for the six months ended 30th June 2011 (six months ended 30th June 2010: Nil).

Directors' Interests in Shares and Underlying Shares

As at 30th June 2011, 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 its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which (a) were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (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 provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), to be notified to the Company and the Stock Exchange ("Directors' Interests in Shares and Underlying Shares"), were as follows:

(a) Shares

Name of company	Director	Personal interests	Family interests	Corporate interests	Other	Total	Approximate % of shareholding
Automated Systems Holdings Limited	Lai Yam Ting, Ready	3,949,621	–	–	–	3,949,621	1.27%
Automated Systems (H.K.) Limited	Lai Yam Ting, Ready	1,070,000[1]	–	–	–	1,070,000	N/A[2]
Beijing Teamsun Technology Co., Ltd. ("Teamsun")	Hu Liankui	25,352,963	–	–	–	25,352,963	5.02%
	Wang Weihang	53,810,630	–	–	–	53,810,630	10.66%

(b) Underlying shares

Name of company	Director	Personal interests	Family interests	Corporate interests	Other	Total
Teamsun	Chen Zhaohui	1,320,000[3]	–	–	–	1,320,000

Notes:

1. These shares were non-voting deferred shares.

2. The issued shares of Automated Systems (H.K.) Limited comprised 55,350,000 non-voting deferred shares and 2 ordinary shares. The 2 ordinary shares were beneficially owned by the Company.

3. These shares were subject to a 1-year lock-up pursuant to 首期股權激勵計劃（草案）of Teamsun, vesting in 4 years from 27th July 2011 subject to the fulfillment of certain conditions set out in 首期股權激勵計劃（草案）. On 27th July 2011, 330,000 shares out of 1,320,000 shares have been vested to the Director.

Save as mentioned above, as at 30th June 2011, none of the Directors and chief executives of the Company had any Directors' Interests in Shares and Underlying Shares.

ADDITIONAL INFORMATION (Cont'd)

Substantial Shareholders

As at 30th June 2011, so far as was known to the Directors and chief executives of the Company, the interests and short positions of every person, other than Directors or chief executives of the Company in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO were as follows:

Name of shareholder	Number of ordinary shares of the Company held Direct interest	 Deemed interest	Percentage of issued share capital %
Teamsun Technology (HK) Limited ("Hong Kong Teamsun")	203,532,996	–	65.4
Teamsun	–	203,532,996[1]	65.4

Note:

1. Teamsun was interested in the entire issued share capital of Hong Kong Teamsun and was therefore deemed to be interested in the 203,532,996 shares in which Hong Kong Teamsun was interested.

Save as mentioned above, as at 30th June 2011, there was no other person (other than the Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Share Options

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 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 in order to comply at the time with the amendments to Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") which became effective on 1st September 2001.

No option has been granted under the New Scheme during the six months ended 30th June 2011. There was no share option outstanding at 30th June 2011.

ADDITIONAL INFORMATION (Cont'd)

Purchase, Sale or Redemption of Listed Securities

During the six months ended 30th June 2011, 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 interim results.

Update on Directors' Information

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors of the Company are set out below:

Name of Executive Director	Detail of changes
Mr. Lai Yam Ting, Ready *Chief Executive Officer of the Company*	The annual basic salary payable to Mr. Lai for the period from 1st April 2011 to 31st March 2012 is HK$2,520,000.
Mr. Leung Tat Kwong, Simon *Chief Operating Officer of the Company*	Mr. Leung was appointed as chairman of i-Sprint Innovations Pte. Ltd. ("i-Sprint") effective from 1st June 2011 following his appointment as director of i-Sprint on 28th March 2011. He was also appointed as director of i-Sprint Innovations Sdn. Bhd. and i-Sprint Technologies Sdn. Bhd., respectively, effective from 16th June 2011. All the above companies are wholly-owned subsidiaries of the Company. The annual basic salary payable to Mr. Leung for the period from 1st April 2011 to 31st March 2012 is HK$2,112,000.
Mr. Lau Ming Chi, Edward *Chief Financial Officer and Company Secretary of the Company*	The annual basic salary payable to Mr. Lau for the period from 1st April 2011 to 31st March 2012 is HK$1,572,480.

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 six months ended 30th June 2011, 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 six months ended 30th June 2011 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.

As at 19th August 2011, the Board comprises Mr. Lai Yam Ting, Ready, Mr. Leung Tat Kwong, Simon and Mr. Lau Ming Chi, Edward being Executive Directors, Mr. Hu Liankui, Mr. Wang Weihang and Mr. Chen Zhaohui being Non-Executive Directors and Ms. Young Meng Ying, Mr. Lu Jiaqi and Ms. Xu Peng being Independent Non-Executive Directors.