THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Automated Systems Holdings Limited, you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sales were effected for transmission to the purchaser or transferee.

AUTOMATED

AUTOMATED SYSTEMS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 771)

(1) SPECIAL DEAL, DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE DISPOSAL OF ASSETS BY AUTOMATED SYSTEMS HOLDINGS LIMITED

(2) SPECIAL DEALS, CONTINUING CONNECTED TRANSACTIONS AND CONNECTED TRANSACTIONS OF AUTOMATED SYSTEMS HOLDINGS LIMITED

(3) SPECIAL DIVIDEND

Financial adviser to Automated Systems Holdings Limited

SOMERLEY LIMITED

Independent Financial Adviser to
the Independent Board Committees and Independent Shareholders

taifook
TAIFOOK CAPITAL LIMITED

A letter from the Board is set out on pages 10 to 37 of this circular. A letter from the Special Deals IBC containing its recommendation to the Independent Shareholders is set out on page 38 of this circular. A letter from the Disposal IBC containing its recommendation to the Independent Shareholders is set out on page 39 of this circular.

A letter from Taifook, the Independent Financial Adviser, containing its advice to the Independent Board Committees and the Independent Shareholders is set out on pages 40 to 64 of this circular.

A notice convening the SGM to be held at Room 3203, 32/F, Admiralty Centre I, 18 Harcourt Road, Admiralty, Hong Kong on 17 July 2009 at 9:30 a.m. is set out on pages 88 to 90 of this circular. A form of proxy for use at the SGM is enclosed with this circular. Whether or not you intend to attend the SGM or any adjourned meeting in person, you are requested to complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same to the Company's share registrar in Hong Kong, Tricor Tengis Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

30 June 2009

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EXPECTED TIMETABLE

The expected timetable for the relevant events shall be as follows:

	2009 *(Note)*
Latest time for lodging the form of proxy for the SGM	9:30 a.m. on Wednesday, 15 July
SGM	9:30 a.m. on Friday, 17 July
Announcement of results of the SGM	Friday, 17 July
Last day of dealings in the Shares cum-entitlement to the Special Dividend	Wednesday, 19 August
First day of dealings on the Shares ex-entitlement to the Special Dividend	Thursday, 20 August
Latest time for lodging transfer of Shares in order to be entitled to the Special Dividend	4:30 p.m. on Friday, 21 August
Record date for determining entitlement to the Special Dividend	Friday, 21 August
Register of members closed	Monday, 24 August to Wednesday, 26 August
GAT Closing	Friday, 28 August
Special Dividend becomes unconditional	Friday, 28 August
Expected date of despatch of the cash cheque for the Special Dividend	Thursday, 10 September

Note: Dates and deadlines stated in this circular for events in the timetable are indicative only and may be extended or varied. Any changes to the expected timetable will be announced as appropriate. All times and dates refer to Hong Kong local time.

In this circular, 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;
"ASL Prime Contract"	each of the agreements between a member of the Group and a customer of ASL HK to be subcontracted under the Second Master Subcontract Agreement;
"associates"	has the meaning ascribed to it in the Takeovers Code or the Listing Rules, as the context may require;
"Beijing Teamsun" or "Purchaser Parent"	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 Contracts"	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 Day"	means a day (other than a Saturday, Sunday, or a day on which a tropical cyclone warnings No. 8 or above or a black rainstorm warning is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are open for business in Hong Kong;
"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;
"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"	24 July 2009 or if the Conditions have not been satisfied or waived by the parties by that date, the Long Stop Date or such other date(s) as the parties may agree in writing. Where the context requires, it also means 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 and is ultimately and beneficially owned by CSC;
"CSC"	Computer Sciences Corporation, a company incorporated in the United States 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 Group company"	any member of the CSC Group and "CSC Group companies" shall be construed accordingly;
"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 and is ultimately and beneficially owned by CSC;
"CSC Prime Contract"	each of the agreements between a member of the CSC Group and a customer of CSC HK to be subcontracted under the First Master Subcontract Agreement;
"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;
"Data Centre Premises"	certain units in Level 12 and certain areas in the Ground Floor and the roof top of Topsail Plaza, 11 On Sum Street, Sha Tin, Hong Kong;

"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);
"Disposal IBC"	the committee of the Board consisting of all the independent non-executive Directors, namely Mr. Cheung Man, Stephen, Mr. Hon Sheung Tin, Peter and Mr. Li King Hang, Richard, formed to advise the Independent Shareholders in respect of the Disposal;
"Dividend Record Date"	21 August 2009, being the record date for determining entitlement to the Special Dividend (which shall be a date prior to Completion);
"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;
"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 possible unconditional mandatory cash offer for the Disinterested Shares at the Offer Price to be 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;

"HK$"	Hong Kong dollars, the lawful currency of Hong Kong;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"Independent Board Committees"	the Special Deals IBC and the Disposal IBC;
"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 Committees and the Independent Shareholders in relation to, among other things, the terms and conditions of the Special Deals (including the Disposal);
"Independent Shareholders"	for the purpose of approving the Special Deals under the Takeovers Code and connected transaction under the Listing Rules, Shareholders other than (i) the Vendors and/or their respective associates within the meaning of the Listing Rules; (ii) Teamsun and/or its associates, if Teamsun and/or its associates shall have any shareholding interest in the Company and their respective concert parties; and (iii) Shareholders who are interested or involved in the Special Deals;
"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"	26 June 2009, being the latest practicable date for the purpose of ascertaining certain information for inclusion in this circular;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"Long Stop Date"	24 February 2010 or extended to such a later date as the Vendors may agree in response to a request made by the Offeror in writing;
"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 possible unconditional mandatory cash offer to be made by DTCFL on behalf of Teamsun for the cancellation of the Options;
"Optionholders"	the holders of Option(s);
"PRC"	the People's Republic of China but excluding, for the purpose of this circular, Hong Kong, the Macau Special Administrative Region and Taiwan;
"Proposed Caps"	the respective annual maximum transaction value of the continuing connected transactions contemplated under the Data Centre Agreement and the First Master Subcontract Agreement as set out and described in the "Letter from the Board" of this circular;
"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 to be transferred under the Global Account Transfer Agreement upon completion of the Disposal;
"Sale Share(s)"	Share(s) owned by the Vendors to be sold 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 to be convened and held at Room 3203, 32/F, Admiralty Centre I, 18 Harcourt Road, Admiralty, Hong Kong on 17 July 2009 at 9:30 a.m. for the purpose of considering and, if thought fit, approving the Special Deals and the Special Dividend;

"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 Deals IBC"	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 Special Deals, the General Offer and/or the Option Offer, namely Mr. Allen Joseph Pathmarajah, Mr. Moo Kwee Chong, John, Mr. Cheung Man, Stephen, Mr. Hon Sheung Tin, Peter and Mr. Li King Hang, Richard, formed to advise the Independent Shareholders in respect of, among other things, the Special Deals;
"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 on each Share declared by the Board and subject to approval by the Shareholders at the SGM and the GAT Closing, payable in cash to each Shareholder whose name appears on the register of members of the Company on the Dividend Record Date provided that the payment of such Special Dividend shall be conditional on the GAT Closing and shall not be made earlier than the date of such closing and not after Completion;

"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 if Completion proceeds;
"trading day"	a day on which the Stock Exchange is open for the business of dealings in securities;
"Transferring Employees"	all the persons employed by ASL HK in the conduct of the Business and specified in the Global Account Transfer Agreement, who accept CSC HK's offer of employment, but excluding any such persons who have ceased to be an employee of ASL HK before the GAT Closing;
"Vendors"	CSA Holdings and CSC International; and
"%"	per cent.

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. Cheung Man, Stephen
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

30 June 2009

To the Shareholders and, for information only, the Optionholders,

(1) SPECIAL DEAL, DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE DISPOSAL OF ASSETS BY AUTOMATED SYSTEMS HOLDINGS LIMITED

(2) SPECIAL DEALS, CONTINUING CONNECTED TRANSACTIONS AND CONNECTED TRANSACTIONS OF AUTOMATED SYSTEMS HOLDINGS LIMITED

(3) SPECIAL DIVIDEND

1. INTRODUCTION

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

The Vendors entered into the Share Purchase Agreement with Teamsun on 24 April 2009, pursuant to which the Vendors have conditionally agreed to sell and Teamsun has 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 represent approximately 67.9% of the issued share capital of the Company and the entire interest in the Company owned by the Vendors as at the Latest Practicable Date. The Share Purchase Agreement is 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 is HK$125 million, which will be satisfied by CSC HK entirely in cash.

Upon Completion, Teamsun and parties acting in concert with it will own 203,431,896 Shares, representing approximately 67.9% of the issued share capital of the Company (assuming there will be no change in the issued share capital of the Company subsequent to the Latest Practicable Date and up to Completion). In accordance with Rule 26.1 of the Takeovers Code, Teamsun will be required to make the General Offer for all Disinterested Shares and to make a comparable offer for all the Options in compliance with Rule 13 of the Takeovers Code upon Completion.

Shareholders are entitled to the Special Dividend (subject to the Shareholders' approval at the SGM and the GAT Closing) irrespective of Completion. If Completion proceeds, the Vendors will receive an aggregate of HK$2.21 per Share (before taxes and expenses) from the Special Dividend and the Share Purchase. Equally, other existing Shareholders will receive a Total Benefit of HK$2.21 per Share (before taxes and expenses) from receiving the Special Dividend and accepting the General Offer.

The purpose of this circular is to provide you with further information regarding, among other things, the Special Deals and to give you notice of the SGM at which the Special Deals and the Special Dividend will be considered, and if thought fit, approved.

2. THE SHARE PURCHASE AGREEMENT DATED 24 APRIL 2009

Parties

Vendors: CSA Holdings
CSC International

Purchaser: Teamsun

Sale Shares

Pursuant to the Share Purchase Agreement, Teamsun has conditionally agreed to purchase and the Vendors have conditionally agreed to sell their entire holding of 203,431,896 Shares, representing approximately 67.9% of the issued share capital of the Company as at the Latest Practicable Date, free from all Encumbrances and with all dividends (except those dividends declared prior to the date of the Share Purchase Agreement and the Special Dividend), benefits and other rights as of the date of the Share Purchase Agreement or thereafter becoming attached or accruing thereto as from the date of the Share Purchase Agreement, unless otherwise agreed by Teamsun.

Consideration

As stated in the Joint Announcement, the Consideration payable to the Vendors of approximately HK$262.4 million (equivalent to HK$1.29 per Sale Share) in cash was negotiated and determined on an arm's length basis between Teamsun and the Vendors with reference to (i) the past and recent prices and trading volume of the Shares on the Stock Exchange; (ii) the audited consolidated net profit attributable to the Shareholders of approximately HK$76.2 million for the year ended 31 March 2008 and the unaudited consolidated net profit attributable to the Shareholders of approximately HK$30.9 million for the nine months ended 31 December 2008; and (iii) the future prospects of the Group taking into account the effect of the GAC Special Deals and payment of the Special Dividend. The Consideration for the Sale Shares shall be satisfied by internal resources of Teamsun on the Completion Date.

Conditions precedent of the Share Purchase Agreement

Completion of the Share Purchase Agreement is conditional upon, among other things:

(a) the current listing of the Shares not having been withdrawn, the Shares continuing to be traded on the Stock Exchange prior to the Completion Date (save for any temporary suspension for no longer than seven consecutive trading days or such other period as the Offeror may agree or the temporary suspension in connection with transactions contemplated under the Share Purchase Agreement) and neither the Stock Exchange nor the SFC having indicated that either one of them will object to such continued listing for reasons related to or arising from the transactions contemplated under the Share Purchase Agreement;

(b) the shareholders and board of directors of the Purchaser Parent having approved, in general and board meeting, the transactions to be undertaken by Teamsun as contemplated under the Share Purchase Agreement and the subsequent General Offer to be made by Teamsun, in accordance with the requirements of the listing rules of the Shanghai Stock Exchange, the constitutional documents of the Purchaser Parent and Teamsun and as required by law;

(c) all necessary approvals and registrations by or with the Shanghai Stock Exchange and relevant PRC government or regulatory authorities or agencies including without limitation the National Development and Reform Commission, the Ministry of Commerce, China Securities Regulatory Commission and the State Administration of Foreign Exchange of the PRC, whose approval or registration is required for the Purchaser Parent, through Teamsun as its wholly-owned subsidiary, to purchase the Sale Shares under the Share Purchase Agreement (including approvals in relation to the remittance of foreign exchange) having been obtained or completed;

(d) the Executive granting a "special deal" consent under Rule 25 of the Takeovers Code in respect of all the GAC Special Deals, and any conditions attaching to such consent being fulfilled;

(e) the passing of all necessary resolutions by the Shareholders (other than such Shareholders who are required to abstain from voting pursuant to the requirements under the Takeovers Code and/or the Listing Rules) at a general meeting of the Company by way of a poll to approve the GAC Special Deals and the Special Dividend;

(f) the GAT Closing having occurred (for the avoidance of doubt, such closing shall not be deemed to have occurred unless the Group has duly received all its consideration entitlement for the transfer of those assets and contracts contemplated under the GAT Closing);

(g) the termination of the Business Referral Agreement and the Territorial Agreement having become unconditional and effective to the reasonable satisfaction of Teamsun; and

(h) the Company having paid the Special Dividend to the Shareholders.

The Offeror may at any time waive any or all of the above Conditions (save for Conditions (d) to (h)) by notice in writing to the Vendors. The Offeror has also separately undertaken to the Vendors that it will not waive the above Conditions (b) and (c).

If any of the Conditions has not been fulfilled (or waived by the Offeror) on or before 11:00 a.m. (Hong Kong time) on the Long Stop Date, the Share Purchase Agreement (except for certain provisions) shall terminate and be null and void and of no further effect and neither the Offeror nor the Vendors shall have any liability to each other save in respect of any prior breaches of the terms of the Share Purchase Agreement which result in the Conditions not being fulfilled.

As at the date of the Joint Announcement, in so far as part of the above Condition (b) is concerned, the board of directors of the Purchaser Parent had approved the transactions to be undertaken by the Offeror as contemplated under the Share Purchase Agreement.

Notwithstanding anything to the contrary as set out in the Share Purchase Agreement, the Offeror shall be liable to reimburse the Vendors' reasonable costs for the due diligence process and in relation to the preparation and execution by the Vendors of the Share Purchase Agreement and other agreements referred to in the Share Purchase Agreement subject to the aggregate of the Vendors' costs not exceeding HK$1,560,000 if the Offeror fails to obtain the necessary approvals contemplated under Conditions (b) and (c) above on or before 11:00 a.m. (Hong Kong time) on the Long Stop Date.

Non-competition undertaking

Unless otherwise agreed by the Offeror and subject to Completion taking place, the Vendors undertake to procure that during the period beginning on the Completion Date and ending on the first anniversary of the Completion Date and insofar as Beijing Teamsun and its subsidiaries collectively remain the holders of not less than 30% of the issued share capital of the Company, the Vendors and their affiliates shall not:

(a) directly or indirectly, engage, participate or hold any interest or otherwise be involved in the resale of commercial computer hardware and software and the associated post installation maintenance and support (the "Core Business") and compete with the Core Business of the Group (including associated companies of the Company) or part thereof in Hong Kong, except for the holding of voting shares or other voting securities in any other company which engages or participates in any business similar to and competitive with the business of the Group (including associated companies of the Company), provided that such shares or securities are listed on a stock exchange and the total securities held by the Vendors and their affiliates do not amount to more than 5% in aggregate of the total issued voting shares or other voting securities of such company in question;

(b) solicit or persuade any person or corporation which is a customer or client of the Group (including associated companies of the Company), or who is or was a customer or client of or in respect of the Core Business of the Group (including associated companies of the Company), to cease doing the Core Business with the Group (including associated companies of the Company) or reduce the amount of Core Business which the customer or client would normally do in respect of the Core Business of the Group (including associated companies of the Company);

(c) accept from a customer or client referred to in paragraph (b) above any business of the kind ordinarily forming part of the Core Business of the Group (including associated companies of the Company); or

(d) at any time induce or attempt to induce any person (other than those Transferring Employees) who is at the date of the Share Purchase Agreement or the Completion Date an employee of the Group (including associated companies of the Company) to terminate his or her appointment or employment with the Group (including associated companies of the Company), except as a result of a general solicitation not targeted at the employee population of the Group (including associated companies of the Company) or as a result of any individual approaching the Vendors or their affiliates on that employee's own initiative or after an employee is no longer an employee of the Group (including associated companies of the Company).

Use of application software

Certain application software used by the Group (including associated companies of the Company) in its operations are currently licensed by various suppliers to the CSC Group. As the Group (including associated companies of the Company) will no longer be part of the CSC Group after Completion, the Vendors have undertaken to the Offeror under the Share Purchase Agreement that subject to and notwithstanding Completion, CSC International and its affiliates shall permit the continuous use by the Group (including associated companies of the Company) of the relevant application software in the same manner and at the same pre-determined charges as they are currently used by, and charged by the CSC Group at cost to, the Group (including associated companies of the Company) for a transitional period of six months after the Completion Date. This arrangement will help the Group (including associated companies of the Company) to avoid a material disruption to daily operations of the Group (including associated companies of the Company) after Completion and allow the Group sufficient time to obtain separate licences for such application software directly from the owners thereof. The said undertaking by the Vendors shall survive Completion.

The undertaking given by the Vendors on the continuous usage of application software by the Group (including associated companies of the Company) referred to above constitutes a special deal under Rule 25 of the Takeovers Code and therefore requires the consent of the Executive. The Executive's consent, if granted, will be conditional upon (i) Taifook publicly stating that in its opinion the terms of the undertaking on the application software usage arrangement are fair and reasonable; and (ii) the passing of all necessary resolutions by the Shareholders (other than such Shareholders who are required to abstain from voting pursuant to the requirements under the Takeovers Code and/or the Listing Rules) at a general meeting of the Company by way of a poll to approve such undertaking given by the Vendors.

Effect on the shareholding structure of the Company

Set out below is a table showing the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after Completion.

	As at the Latest Practicable Date		**Immediately after Completion**	
	Number of Shares	*%*	*Number of Shares*	*%*
CSA Holdings	189,701,896	63.3	–	–
CSC International	13,730,000	4.6	–	–
The Offeror and parties acting in concert with it	–	–	203,431,896	67.9
Other Shareholders	96,106,104	32.1	96,106,104	32.1
Total	299,538,000	100.0	299,538,000	100.0

Note: The shareholding structure assumes there will be no change in the issued share capital of the Company before Completion.

3. GAC SPECIAL DEALS, DISCLOSEABLE AND CONNECTED TRANSACTION, CONTINUING CONNECTED TRANSACTIONS AND CONNECTED TRANSACTIONS

On 24 April 2009, the Global Account Transfer Agreement, the Data Centre Agreement, the First Master Subcontract Agreement, the Second Master Subcontract Agreement, the Business Referral Termination Agreement and the Territorial Termination Agreement were entered into in respect of the GAC Special Deals.

Background of the GAC Special Deals

ASL HK has been conducting the provision of data centre services and the hosting of hardware and software in the Data Centre Premises (the "Business", which is further defined in the section headed "Definitions" in this circular) to the Global Account Clients in Asia and in particular in Hong Kong, Thailand and Taiwan in relation to the Global Account Client Contracts.

In 1997, the Group entered into the Territorial Agreement and the Business Referral Agreement with CSA Holdings and CSAM respectively and when CSC acquired control of CSA Holdings in 1999, the CSC Group became involved in the Territorial Agreement and Business Referral Agreement. Due to the territorial restrictions as set out in the Territorial Agreement and the Business Referral Agreement, the CSC Group has been unable to provide services to its global clients in Hong Kong, Macau and Taiwan directly. The CSC Group therefore granted its Global Account Client Contracts to the Group, free of consideration, in order to comply with the territorial restrictions. Since it is the CSC Group's intention to cease control over the Company and the Business is being part of the CSC Group's major business activity, it is essential to transfer the Business back to the CSC Group in order for the CSC Group to continue to serve its global clients.

Reasons for the GAC Special Deals

Global Account Transfer Agreement

In order to operate the Business, CSC HK has entered into the Global Account Transfer Agreement with ASL HK to acquire the Business, the Business Assets, the Hardware Assets, the Specified Intellectual Property and the Data Centre Equipment, which all form an integral part for the continuing operations of the Business.

The Data Centre Agreement, the First Master Subcontract Agreement and the Second Master Subcontract Agreement are ancillary agreements of the Global Account Transfer Agreement. The entering into of the Data Centre Agreement, the First Master Subcontract Agreement and the Second Master Subcontract Agreement are practically necessary for the carrying out of the Global Account Transfer Agreement and the continuation of the Business and also to serve the clients of the Business without interruption upon the GAT Closing. The three aforesaid agreements are therefore part and parcel of the Global Account Transfer Agreement. The Data Centre Agreement, the First Master Subcontract Agreement and the Second Master Subcontract Agreement are not extended to other Shareholders not because of the terms of individual business contracts with clients, but due to practical issues.

Data Centre Agreement

The Data Centre Equipment will remain in the Data Centre Premises which will continue to be owned or leased or licensed by the Group, ASL HK and CSC HK have therefore entered into the Data Centre Agreement under which ASL HK shall grant to CSC HK a licence to house the Data Centre Equipment at the Data Centre Premises and to provide maintenance and cleaning services to the common area in respect of the Data Centre Premises to CSC HK.

The facilities and current physical setup of the Data Centre Premises are specialised in nature and include the raised floors, cooling systems and power supply which are unavailable from other office premises or industrial buildings in general. The equipment in the Data Centre Premises generate substantial amount of heat during operations. Therefore, the raised floors and cooling systems are critical in keeping the equipment in proper operating conditions. The equipment also requires specialised power supply devices and the normal electrical adapter on the wall in a general office building will not be suitable.

Preparing a new data centre for the relocation of operations of the Data Centre Premises, including the relevant computer equipment and other hardware assets, is very difficult to be achieved within a short period of time. This is also the reason that the renewal under the Data Centre Agreement must be agreed 180 days in advance. The specialised facilities and physical setup cannot be provided by other vendors within a short period of time, i.e. before the GAT Closing. Accordingly, it is necessary to enter into the Data Centre Agreement to facilitate the Global Account Transfer Agreement without any business interruptions upon the GAT Closing.

Moreover, substantial capital expenditure has been invested in the facilities of the Data Centre Premises in order to upgrade the Data Centre Premises for housing the specialised computer equipment such as servers and other hardware equipment. Given the significant capital expenditure, it is typical for similar businesses in the industry to lease a premise for data centre for at least five to ten years.

First Master Subcontract Agreement and Second Master Subcontract Agreement

The Group has been providing services to the Global Account Clients located in, among others, Hong Kong, Thailand and Taiwan for many years and it is familiar with the Business. Following the Disposal and in order to maintain the continuity of services and a high level of efficiency and service quality, the CSC Group may subcontract some of the Business Contracts back to the Group. As such, ASL HK and CSC HK have entered into the First Master Subcontract Agreement. The entering into of the First Master Subcontract Agreement allows the Group and the CSC Group to provide the same services to these clients on a continuous basis for a period of time after the GAT Closing.

In some situations where the Business Contracts cannot be novated from the Group to the CSC Group pursuant to the Global Account Transfer Agreement due to the restrictions in these Business Contracts (i.e. either due to the terms of the individual Business Contracts or due to necessary consents not able to be obtained), the Group will subcontract these Business Contracts to CSC HK and vice versa, in order to achieve the objectives of the Global Account Transfer Agreement while avoiding the restrictions as mentioned above. As such, ASL HK and CSC HK have entered into the First Master Subcontract Agreement and the Second Master Subcontract Agreement such that all the Business Contracts can be effectively transferred. Therefore, the First Master Subcontract Agreement and the Second Master Subcontract Agreement are also necessary for the entering into of the Global Account Transfer Agreement.

The First Master Subcontract Agreement and the Second Master Subcontract Agreement will bring a repeatable process for provision of services to the aforesaid clients.

The GAT Closing is conditional, among other things, the executions of the Data Centre Agreement, the First Master Subcontract Agreement and the Second Master Subcontract Agreement. The Data Centre Agreement, the First Master Subcontract Agreement and the Second Master Subcontract Agreement are conditional on, among other things, the GAT Closing.

Business Referral Termination Agreement and Territorial Termination Agreement

Since it is the CSC Group's intention to cease control over the Company, the geographical delineation of businesses between the Company and the CSC Group will no longer be necessary. Accordingly, CSAM and CSA Holdings have entered into the Business Referral Termination Agreement and the Territorial Termination Agreement with the Group respectively, so that the CSC Group will be able to continue to serve its global clients. In addition, this would also facilitate the Group's expansion into the PRC without territorial restrictions. The Business Referral Agreement and the Territorial Agreement were initially entered between the Group and CSAM and CSA Holdings respectively. Therefore, their termination cannot be extended to other Shareholders. The Business Referral Termination Agreement and the Territorial Termination Agreement are not conditional on the GAT Closing. It is envisaged that the CSC Group will not create immediate threat to the Group's business in the Hong Kong, Macau and Taiwan regions because of (i) the non-competition undertaking given by CSA Holdings and CSC International upon Completion under the Share Purchase Agreement; and (ii) the Group is one of the industry leaders in the region with strong reputation and broad customer base.

If the Share Purchase Agreement does not complete, it is the intention of the Company and CSC that the CSC Group will operate the Business and serve its global clients directly subject to the GAT Closing. Moreover, the Business Referral Termination Agreement and the Territorial Termination Agreement may still take effect despite the Share Purchase Agreement may not be completed. Given that the Business is part of the principal business activity of the CSC Group but not a major business of the Group, there will be minimal direct competition between the Group and the CSC Group after completion of the Disposal.

Offeror's view

The Joint Announcement stated that the Offeror is of the view that the Global Account Client Contracts were granted to the Group by the CSC Group in order to comply with the territorial restriction when CSC acquired control of CSA Holdings in 1999. Since it is the CSC Group's intention to cease control over the Company and the Business is being part of the CSC Group's principal business activity, the Offeror is of the view that it is reasonable to transfer the Business back to the CSC Group in order for the CSC Group to continue to serve its global clients and therefore, it is reasonable to enter into the relevant agreements in respect of the GAC Special Deals.

Benefits of the GAC Special Deals

As the Business is not a major business of the Group (the Business accounted for (i) only around 5.6% in terms of contribution to the Group's turnover for the two years ended 31 March 2009; and (ii) around 6.8% and 16.7% in terms of contribution to the Group's profits after taxation for the years ended 31 March 2008 and 2009 respectively), the Group would not be materially and adversely affected after the Disposal. The Disposal provides an attractive opportunity for the Group to monetise the Business and return to all Shareholders the benefit from the Disposal via the distribution of the Special Dividend. The Directors consider the terms of each of the GAC Special Deal Agreements are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Group will continue to be 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. Given that the Business is part of the major business activity of the CSC Group but not a major business of the Group, the Directors consider that there will be minimal direct competition between the Group and the CSC Group following the GAT Closing.

I. THE GLOBAL ACCOUNT TRANSFER AGREEMENT DATED 24 APRIL 2009 (AS SUPPLEMENTED BY AN AMENDMENT AGREEMENT DATED 3 JUNE 2009)

Parties

Purchaser: CSC HK

Vendor: ASL HK

Assets to be disposed of

ASL HK has agreed to procure the transfer of the Business, the Business Assets, the Hardware Assets, the Specified Intellectual Property and the Data Centre Equipment to CSC HK (or to any other CSC entity as nominated by CSC HK) and CSC HK has agreed to acquire the Business, the Business Assets, the Hardware Assets, the Specified Intellectual Property and the Data Centre Equipment free from any mortgage, lien, charge, pledge, claim or other encumbrance, as at and with effect from the date of the GAT Closing.

ASL HK has agreed to use its best efforts and in good faith to procure the licence to CSC HK (or to any other CSC entity as nominated by CSC HK), either by way of assignment or novation or sub-licence, for use in Hong Kong with effect from the date of the GAT Closing, for the period of the validity of the Business Contracts, all those Specified Intellectual Property for the sole purpose of enabling CSC HK to perform the obligations under the Business Contracts which are to be novated to CSC HK under the Global Account Transfer Agreement. ASL HK shall be entitled by written notice to terminate such licence at any time if CSC HK (or any other CSC entity as nominated by CSC HK) fails to perform its obligations materially under the Global Account Transfer Agreement. CSC HK shall use its best endeavour to assist ASL HK to procure the novation or assignment of the Specified Intellectual Property. CSC HK shall bear the costs for the use of those Specified Intellectual Property that are not licensed to CSC HK as aforesaid.

Consideration

The consideration for acquisition of the Business, the Business Assets, the Hardware Assets, the Specified Intellectual Property and the Data Centre Equipment is HK$125 million and CSC HK has agreed to pay such amount to ASL HK in cash on the date of the GAT Closing. The Company plans to apply the proceeds from the Disposal, together with the surplus cash of the Group, to fund the payment of the Special Dividend.

The consideration for the Disposal was determined based on arm's length negotiations and with reference to, among other things, the transaction multiple of the entire Company implied by the Share Purchase (the "Transaction Multiple") of around three times the approximate net reduction in earnings before interest, tax, depreciation and amortisation adjusted for one-off items, if any ("EBITDA"), to the Group for the calendar year ended 31 December 2008. The Transaction Multiple was derived from the Company's enterprise value ("CEV") divided by EBITDA of the Company. The CEV is the Company's equity value and was derived from the Total Benefit per Share multiplied by, the outstanding number of Shares in issue, less the average cash balance of the Group of each quarter ended during the period from 1 January 2008 to 31 December 2008. The net reduction in EBITDA to the Group for the calendar year ended 31 December 2008 was derived from offsetting the lost of revenues by related expenditures which would no longer be incurred in servicing the Global Account Clients as a result of the Disposal.

Information on the Business

The Business principally refers to 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.

The Business recorded a turnover of approximately HK$81.0 million for the year ended 31 March 2009, representing an increase of approximately HK$2.7 million from approximately HK$78.3 million for the year ended 31 March 2008. The above turnovers of the Business for the years ended 31 March 2009 and 2008 contributed approximately 5.6% to the same of the Group respectively. The profits before and after taxation of the Business for the year ended 31 March 2009 were approximately HK$9.0 million (For the year ended 31 March 2008: approximately HK$6.1 million) and approximately HK$7.1 million (For the year ended 31 March 2008: approximately HK$5.2 million) respectively. Both the profits before and after taxation of the Business for the year ended 31 March 2009 contributed approximately 16.7% (For the year ended 31 March 2008: approximately 6.8%) to the same of the Group for the year ended 31 March 2009 and were determined based on the segment profit relating to the Business after allocating relevant incomes and expenses attributable to the Business. The operating income of the Business were approximately HK$10.6 million and approximately HK$7.6 million for the years ended 31 March 2009 and 2008 respectively, representing approximately 10.7% and approximately 7.6% to the same of the Group.

The net asset value of the Business as at 31 March 2009 was approximately HK$52.3 million, representing the audited segment assets of approximately HK$63.6 million less audited segment liabilities of approximately HK$11.3 million and excluding all unallocated items. Such net asset value comprise property, plant and equipment and intangible assets of the Business of approximately HK$46.8 million and net current assets of the Business of approximately HK$5.5 million. The property, plant and equipment and intangible assets will be disposed of by the Group for the consideration of HK$125 million while the net current assets will be reimbursed (if realiseable by CSC HK) to the Group on a dollar-for-dollar basis.

Conditions precedent of the Global Account Transfer Agreement

The GAT Closing is conditional upon:

(a) the execution of the respective assignment or novation of the benefit and the burden of the Business Contracts and the Specified Intellectual Property has been obtained and completed by the Global Account Clients, the Global Account Vendors and/or relevant counterparty(s);

(b) the Transferring Employees having accepted the offer of employment made by CSC HK pursuant to the Global Account Transfer Agreement;

(c) written acceptance by CSC HK confirming the completion of each of the pre-completion transition activities pursuant to the Global Account Transfer Agreement unless any are waived in writing by CSC HK at its absolute discretion;

(d) the Executive granting a "special deal" consent under Rule 25 of the Takeovers Code in respect of the GAC Special Deals and any conditions attaching to such consent being fulfilled;

(e) the passing of all necessary resolutions by the Shareholders (other than such Shareholders who are required to abstain from voting pursuant to the requirements under the Takeovers Code and/or the Listing Rules) at the general meeting of the Company by way of a poll to approve the GAC Special Deals;

(f) the physical transfer of the Hardware Assets and Data Centre Equipment; and

(g) the execution of the Data Centre Agreement, the First Master Subcontract Agreement and the Second Master Subcontract Agreement between ASL HK and CSC HK.

CSC HK may, by notice in writing to ASL HK, elect to waive any of the conditions described above, save and except for paragraphs (d) and (e) above. As at the Latest Practicable Date, only condition (g) had been fulfilled.

Completion

The completion of the Global Account Transfer Agreement will take place on the date falling 10 Business Days from the fulfilment of all the conditions precedent set out in the preceding sub-section headed "Conditions precedent of the Global Account Transfer Agreement" above.

If any of the conditions described in the sub-section headed "Conditions precedent of the Global Account Transfer Agreement" above have not been fulfilled within four months from the date of the Global Account Transfer Agreement or such other date as mutually agreed by ASL HK and CSC HK and the reason for non-fulfilment arises other than an act or omission of CSC HK, CSC HK may give ASL HK a notice requiring it to fulfil those conditions within a period of seven days (or any period it decides) from the date of receipt of the notice, and declaring time to be of the essence in all respects. If ASL HK fails to fulfil those conditions by the date specified in CSC HK's notice and such non-fulfilment arises other than an act or omission of ASL HK, the Global Account Transfer Agreement shall be terminated and each party thereto shall thereafter be released and discharged from its obligations thereunder and each party thereto shall have no claim against the other party for damages or otherwise as a result of the termination.

ASL HK and CSC HK subsequently agreed that the period within which the GAT Closing shall take place be extended such that the date of the GAT Closing shall be on 28 August 2009 or such other date as the parties may mutually agree.

Hardware Assets

Hardware Assets purchased during the period from 1 April 2009 to the date of the GAT Closing will also be acquired by CSC HK. In the event that the additional Hardware Assets purchased by ASL HK during the period from 1 April 2009 to the date of the GAT Closing amount to more than HK$3.9 million, CSC HK shall bear the total purchase price for the additional Hardware Assets in excess of HK$3.9 million.

Restraint

Under the Global Account Transfer Agreement, ASL HK shall not, directly or indirectly, by itself or jointly with or on behalf of any other person or through an employee, agent or independent contractor, solicit, canvass or endeavour to obtain the services of the Transferring Employees at any time during a period of two years immediately following the date of the GAT Closing other than with the prior written consent of CSC HK.

Further, ASL HK shall not for a period of two years following the date of the GAT Closing solicit the Global Account Clients, including its associated companies, for the purpose of performing or providing certain services as specifically set out in the Global Account Transfer Agreement, other than with the prior written consent of CSC HK.

II. THE DATA CENTRE AGREEMENT DATED 24 APRIL 2009 (AS SUPPLEMENTED BY AN AMENDMENT AGREEMENT DATED 3 JUNE 2009)

Parties

Licensee: CSC HK

Licensor: ASL HK

Grant of licence

ASL HK has agreed to grant to CSC HK a licence to house the Data Centre Equipment at the Data Centre Premises and to operate the Data Centre Equipment for the provision of the data centre services and shall provide maintenance and cleaning services to the common area in respect of the Data Centre Premises to CSC HK.

CSC HK shall not assign, license, underlet or part with possession of the Data Centre Premises or any part thereof nor enter into, permit or suffer any arrangement whereby any persons obtain the use or possession of the Data Centre Premises or any part thereof.

Charges

CSC HK shall pay the monthly charges, comprising rental fee, management fee, utilities and telecom charges and Government rent and rates, payable monthly in arrears to ASL HK in cash. Unless otherwise specified, CSC HK shall pay each invoiced amount under the Data Centre Agreement within 30 days from the date of such invoice. The rental fee was determined based on the current market rental rate of the Data Centre Premises and the other charges were determined based on actual costs incurred by the Group.

CSC HK shall pay an amount equivalent to four months of rental fee to ASL HK as a deposit to be held during the Contract Period (as defined below) from which ASL HK shall be entitled to deduct as compensation for losses or damages incurred by ASL HK arising from the breach of the Data Centre Agreement by CSC HK provided that CSC HK agrees to such a breach and the amounts for losses or damages incurred by ASL HK or such breach has been adjudicated by arbitration.

Conditions precedent and term of the Data Centre Agreement

The Data Centre Agreement shall remain effective for a period of three years upon the fulfilment of the following conditions (the "Contract Period"):

(a) the Executive granting a "special deal" consent under Rule 25 of the Takeovers Code in respect of the GAC Special Deals and any conditions attaching to such consent being fulfilled;

(b) the passing of all necessary resolutions by the Shareholders (other than such Shareholders who are required to abstain from voting pursuant to the requirements under the Takeovers Code and/or the Listing Rules) at the general meeting of the Company by way of a poll to approve the GAC Special Deals; and

(c) the GAT Closing having occurred.

CSC HK shall be entitled to provide ASL HK written notice at least 12 months prior to the expiry of the Contract Period that it wishes to extend the Data Centre Agreement for a further term of three years (the "Further Term") on substantially similar terms as set out in the Data Centre Agreement save that ASL HK shall for the period of the Further Term be entitled to charge CSC HK a sum for the rental fee at the prevailing market rate. The terms of the Further Term shall be agreed no later than 180 days prior to the expiry of the then current Contract Period. If ASL HK receives a bona fide offer in good faith from a third-party which is unrelated to ASL HK or Teamsun or any of its subsidiaries or parent company during the period prior to the renewal of the Data Centre Agreement, which offer of the monthly rental fee is greater than the prevailing market rate, then ASL HK shall provide CSC HK an option to offer an equivalent monthly rental fee for the Further Term. If CSC HK makes such an offer, then ASL HK shall extend the Data Centre Agreement for the Further Term with CSC HK. The prevailing market rate shall be determined based on its use as an office space only. Subsequent renewals of any period beyond the Further Term shall be based on mutual agreement. Any renewal or extension of the Data Centre Agreement beyond the Contract Period shall be subject to and in compliance with the Listing Rules.

As at the Latest Practicable Date, none of the above conditions had been fulfilled.

Proposed Caps

The cap amounts for the charges payable by CSC HK to ASL HK proposed by the Directors are HK$4.9 million, HK$7.2 million, HK$8.3 million and HK$2.1 million for the four financial years ending 31 March 2013 respectively. The cap amounts are estimated by the Directors after taking into account of the following factors: (i) the prevailing monthly rental rate for the Data Centre Premises; (ii) the monthly management fee; (iii) the Government rent and rates; (iv) the monthly utilities and communication expenses; (v) the licensed area which will be occupied by the Data Centre Equipment; and (vi) a buffer to accommodate potential growth in the business and increment in the items (i) to (iv) above.

As the applicable percentage ratios for the Company in respect of the aforesaid cap amounts for the four financial years ending 31 March 2013 under the Data Centre Agreement are less than 2.5%, the transactions contemplated thereunder are subject to reporting and announcement requirements but exempt from Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

The transactions contemplated under the Data Centre Agreement will cease to be continuing connected transactions for the Company under Chapter 14A of the Listing Rules upon Completion when CSA Holdings and CSC International cease to be the substantial Shareholders.

III. THE FIRST MASTER SUBCONTRACT AGREEMENT DATED 24 APRIL 2009

Parties

Subcontractor: ASL HK

Counter party: CSC HK

Purpose

Pursuant to the Global Account Transfer Agreement, several CSC Prime Contracts will be novated to the CSC Group which involve, *inter alia*, the provision of certain specified services in Hong Kong, Thailand and Taiwan.

The First Master Subcontract Agreement 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.

The purpose of the First Master Subcontract Agreement is to:

(a) bring a repeatable process to the engagement of the Group in providing services for a CSC Group company;

(b) outline the process and the supporting structure in sufficient detail to achieve timely documentation that supports the obligations of the parties for each CSC Prime Contract;

(c) set out the general terms and conditions to apply on each occasion that the Group is engaged to provide services; and

(d) enable the Group to engage with one CSC entity based on the terms and conditions contained in the First Master Subcontract Agreement, but subject to a written arrangement that is envisaged will be mutually agreed between the Group and each relevant CSC Group company in relation to additional terms arising from the relevant CSC Prime Contract and addressing the provision of services, invoicing, payment for those services and other issues.

Service charge

The CSC Group shall pay the service charge in cash to the Group based on the relevant costs incurred by the Group for the provision of subcontracting services on a costs plus 10% basis. The service charge is determined after arm's length negotiations with reference to, among other things, the prevailing rate charged by the Remaining Business for the provision of similar subcontracting services. The payment shall be made within 30 days from the receipt of monthly invoice.

Conditions precedent of the First Master Subcontract Agreement

The First Master Subcontract Agreement shall not come into effect until all the following conditions are satisfied:

(a) the Executive granting a "special deal" consent under Rule 25 of the Takeovers Code in respect of the GAC Special Deals and any conditions attaching to such consent being fulfilled;

(b) the passing of all necessary resolutions by the Shareholders (other than such Shareholders who are required to abstain from voting pursuant to the requirements under the Takeovers Code and/or the Listing Rules) at the general meeting of the Company by way of a poll to approve the GAC Special Deals; and

(c) the GAT Closing having occurred.

As at the Latest Practicable Date, none of the above conditions had been fulfilled.

Term of the agreement

The First Master Subcontract Agreement commences upon fulfillment of all conditions precedent of the First Master Subcontract Agreement and continues for one year unless extension is mutually agreed by both parties to the First Master Subcontract Agreement. The Company will re-comply with the Listing Rules as applicable upon extending the term of the First Master Subcontract Agreement after the initial one-year term.

Proposed Caps

The cap amounts for the one-year service charge payable by CSC HK to the Group proposed by the Directors are HK$4.5 million and HK$1.5 million for the two financial years ending 31 March 2011 respectively. The cap amounts are estimated by the Directors after taking into account of the following factors: (i) the historical labour and related costs incurred by the Group for the provision of subcontracting services to CSC HK; (ii) a mark-up of 10% imposed on the aforesaid costs; (iii) the estimated growth in the size of specified services; (iv) the estimated increase in labour and related costs; and (v) a buffer to accommodate fluctuations.

As the applicable percentage ratios for the Company in respect of the aforesaid cap amounts for the two financial years ending 31 March 2011 under the First Master Subcontract Agreement are less than 2.5%, the transactions contemplated thereunder are subject to reporting and announcement requirements but exempt from Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

The transactions contemplated under the First Master Subcontract Agreement will cease to be continuing connected transactions for the Company under Chapter 14A of the Listing Rules upon Completion when CSA Holdings and CSC International cease to be the substantial Shareholders.

IV. THE SECOND MASTER SUBCONTRACT AGREEMENT DATED 24 APRIL 2009

Parties

Subcontractor: CSC HK

Counter party: ASL HK

Purpose

The Second Master Subcontract Agreement 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.

The purpose of the Second Master Subcontract Agreement is to:

(a) bring a repeatable process to the engagement of the CSC Group in providing services for a company in the Group;

(b) outline the process and the supporting structure in sufficient detail to achieve timely documentation that supports the obligations of the parties for each ASL Prime Contract;

(c) set out the general terms and conditions to apply on each occasion that the CSC Group is engaged to provide services; and

(d) enable the CSC Group to engage with one ASL entity based on the terms and conditions contained in the Second Master Subcontract Agreement, but subject to a written arrangement that is envisaged will be mutually agreed between the CSC Group and each relevant company in the Group in relation to additional terms arising from the relevant ASL Prime Contract and addressing the provision of services, invoicing, payment for those services and other issues.

Service charge

The Group shall pay the service charge in cash to the CSC Group based on the relevant costs incurred by the CSC Group for the provision of subcontracting services on a costs plus 10% basis. The service charge is determined after arm's length negotiations with reference to, among other things, the prevailing rate charged by the Business for the provision of the similar subcontracting services. The payment shall be made within 30 days from the receipt of monthly invoice.

Conditions precedent of the Second Master Subcontract Agreement

The Second Master Subcontract Agreement shall not come into effect until all the following conditions are satisfied:

(a) the Executive granting a "special deal" consent under Rule 25 of the Takeovers Code in respect of the GAC Special Deals and any conditions attaching to such consent being fulfilled;

(b) the passing of all necessary resolutions by the Shareholders (other than such Shareholders who are required to abstain from voting pursuant to the requirements under the Takeovers Code and/or the Listing Rules) at the general meeting of the Company by way of a poll to approve the GAC Special Deals; and

(c) the GAT Closing having occurred.

As at the Latest Practicable Date, none of the above conditions had been fulfilled.

Term of the agreement

The Second Master Subcontract Agreement commences upon fulfillment of all conditions precedent of the Second Master Subcontract Agreement and continues for one year unless extension is mutually agreed by both parties to the Second Master Subcontract Agreement. The Company will re-comply with the Listing Rules as applicable upon extending the term of the Second Master Subcontract Agreement after the initial one-year term.

It is the Company's view that the approximate value of the transactions contemplated under the Second Master Subcontract Agreement will not be significant on the basis that the historical costs incurred from providing services to the specified customers were minimal and the Company does not foresee any significant change in the aforesaid transactions upon completion of the Second Master Subcontract Agreement.

As the applicable percentage ratios for the Company in respect of the annual maximum transaction value under the Second Master Subcontract Agreement are more than 0.1% but less than 2.5% and the annual maximum transaction value is less than HK$1 million, the transactions contemplated thereunder are *de minimis* transactions and exempt from reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

V. THE BUSINESS REFERRAL TERMINATION AGREEMENT DATED 24 APRIL 2009

Parties

CSAM
ASL HK

Purpose

To terminate the Business Referral Agreement in relation to the referral of customers and opportunities for data processing and computing solution services in respective territories to each other.

Consideration

There is no monetary consideration involved for the entering into of the Business Referral Termination Agreement.

Conditions precedent of the Business Referral Termination Agreement

The Business Referral Termination Agreement will become effective upon fulfilling the following conditions:

(a) the Executive granting a "special deal" consent under Rule 25 of the Takeovers Code in respect of the GAC Special Deals and any conditions attaching to such consent being fulfilled; and

(b) the passing of all necessary resolutions by the Shareholders (other than such Shareholders who are required to abstain from voting pursuant to the requirements under the Takeovers Code and/or the Listing Rules) at the general meeting of the Company by way of a poll to approve the GAC Special Deals.

The Business Referral Termination Agreement is not conditional on the GAT Closing. As at the Latest Practicable Date, neither of the above conditions had been fulfilled.

VI. THE TERRITORIAL TERMINATION AGREEMENT DATED 24 APRIL 2009

Parties

CSA Holdings
The Company

Purpose

To terminate the Territorial Agreement in relation to the restrictions on the respective territory of each of CSA Holdings and the Company in which the business of systems integration and the supply of computers and associated products, Internet/Intranet networking and the provision of engineering services and software services may be carried out.

Consideration

There is no monetary consideration involved for the entering into of the Territorial Termination Agreement.

Conditions precedent of the Territorial Termination Agreement

The Territorial Termination Agreement will become effective upon fulfilling the following conditions:

(a) the Executive granting a "special deal" consent under Rule 25 of the Takeovers Code in respect of the GAC Special Deals and any conditions attaching to such consent being fulfilled; and

(b) the passing of all necessary resolutions by the Shareholders (other than such Shareholders who are required to abstain from voting pursuant to the requirements under the Takeovers Code and/or the Listing Rules) at the general meeting of the Company by way of a poll to approve the GAC Special Deals.

The Territorial Termination Agreement is not conditional on the GAT Closing. As at the Latest Practicable Date, neither of the above conditions had been fulfilled.

4. SPECIAL DIVIDEND

The Board is pleased to announce that it has resolved to declare a special dividend of HK$0.92 per Share subject to the Shareholders' approval at the SGM and the GAT Closing.

As a condition precedent of the Share Purchase Agreement, the Offeror agrees that the Company shall be entitled to declare and pay the Special Dividend payable in cash to each Shareholder whose name appears on the register of members of the Company on the Dividend Record Date, provided that the payment of such Special Dividend shall be conditional on the GAT Closing and shall not be made earlier than the date of such closing and not after Completion. The Company will apply the HK$125 million received from the Disposal and surplus cash of the Group for the payment of the Special Dividend. The Joint Announcement stated that the Offeror is of the view that the payment of the Special Dividend is in the interests of the Company and its Shareholders as a whole.

Shareholders are entitled to the Special Dividend (subject to the Shareholders' approval at the SGM and the GAT Closing) irrespective of Completion. If Completion proceeds, the Vendors will receive an aggregate of HK$2.21 per Share (before taxes and expenses) from the Special Dividend and the Share Purchase. Equally, other existing Shareholders will receive a Total Benefit of HK$2.21 per Share (before taxes and expenses) from receiving the Special Dividend and accepting the General Offer.

No Shareholder will be required to abstain from voting in respect of the resolution to approve the Special Dividend at the SGM.

5. FINANCIAL EFFECTS ON THE GROUP

Based on the consideration of HK$125 million for the Disposal, the carrying value attributable to the property, plant and equipment and intangible assets of the Business of approximately HK$46.8 million as at 31 March 2009 and the estimated professional fees of approximately HK$3.0 million, and assuming the Hardware Assets purchased during the period from 1 April 2009 to the date of the GAT Closing will be equal to or exceed HK$3.9 million, the Group is expected to record a gain on the Disposal of approximately HK$71.3 million.

On the basis of 299,538,000 Shares in issue as at the Latest Practicable Date, the total amount of Special Dividend to be paid by the Company is approximately HK$275.6 million, which will be partly supported by the cash proceeds of HK$125 million from the Disposal. As a result, the cash balance of the Group after the payment of Special Dividend will decrease by approximately HK$150.6 million, which represents approximately 39.0% of the Group's cash balance as at 31 March 2009.

6. THE GENERAL OFFER

Immediately following Completion, Teamsun will own an aggregate of 203,431,896 Shares, representing approximately 67.9% of the total issued share capital of the Company (assuming there will be no change in the issued share capital of the Company subsequent to the Latest Practicable Date and up to Completion). In accordance with Rule 26.1 of the Takeovers Code, Teamsun will be required to make the General Offer for all Disinterested Shares and to make a comparable offer for all the Options in compliance with Rule 13 of the Takeovers Code upon Completion.

Principal terms of the General Offer

Upon Completion, DTCFL, on behalf of Teamsun, will make the General Offer to acquire all the Disinterested Shares and to make 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 299,538,000 Shares in issue and 13,429,000 outstanding Options which may confer rights to the Optionholders to subscribe for new Shares. In addition, 412,000 Options were exercised though the relevant Shares were not allotted and issued as at the Latest Practicable Date.

Total Benefit receivable by Shareholders under the Special Dividend and the General Offer

As stated in the section headed "Special Dividend" above, subject to the GAT Closing, the Company will apply the HK$125 million received from the Disposal and surplus cash of the Group for the payment of the Special Dividend to all existing Shareholders whose names appear on the register of members of the Company on the Dividend Record Date. The Special Dividend amounts to approximately HK$275.6 million (equivalent to HK$0.92 per Share) based on the number of Shares issued at the Latest Practicable Date.

If Completion proceeds, the Vendors will receive an aggregate of HK$2.21 per Share (before taxes and expenses) from the Special Dividend (subject to the Shareholders' approval at the SGM and the GAT Closing) and the Share Purchase. Shareholders are entitled to the Special Dividend whether or not they accept the General Offer during the offer period. The existing Shareholders will receive the Total Benefit of approximately HK$2.21 per Share from the Special Dividend and the General Offer if the GAC Special Deal Agreements are completed and they opt to accept the General Offer in full.

Comparison of value

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 immediately before the date of the Joint Announcement (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 24.6% over the Group's audited consolidated net asset per Share of approximately HK$1.774 based on the Group's audited consolidated net assets of approximately HK$531.5 million as at 31 March 2009 and 299,538,000 Shares in issue as at the Latest Practicable Date; and

(g) a discount of approximately 10.5% to the closing price of HK$2.47 per share as quoted on the Stock Exchange on the Latest Practicable Date.

The consideration for each Sale Share of HK$1.29 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;

(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 27.3% to the Group's audited consolidated net asset per Share of HK$1.774 each based on the Group's audited consolidated net assets of approximately HK$531.5 million as at 31 March 2009 and 299,538,000 Shares in issue as at the Latest Practicable Date; and

(g) a discount of approximately 47.8% to the closing price of HK$2.47 per share as quoted on the Stock Exchange on the Latest Practicable Date.

Shareholders who opt to accept the General Offer in full can receive the Total Benefit of HK$2.21 per Share, being the Offer Price of HK$1.29 per Share and the Special Dividend of HK$0.92 per Share.

Option Offer

As at the Latest Practicable Date, there were 13,429,000 Options outstanding, which may confer rights to the Optionholders to subscribe for the Shares. For those Options with exercise price lower than the Offer Price, the amount of the cash payment to the Optionholders accepting the Option Offer will be calculated by deducting the exercise price per underlying Option payable on exercise of the relevant Option from the Offer Price (i.e. the "see-through" price). For those Options with exercise price equals to or exceeds the Offer Price, the cash payment under the Option Offer for the cancellation of those Options will be a nominal amount of HK$0.01 for each 1,000 underlying Options.

The Option Offer is made conditional upon Completion. Optionholders are reminded that they are entitled to both the Special Dividend of HK$0.92 per Share if their Options are exercised on or before the Dividend Record Date and the Offer Price of HK$1.29 per Share if they accept the General Offer in full and Completion proceeds.

The table below summarised the outstanding Options as at the Latest Practicable Date.

Number of Options outstanding as at the Latest Practicable Date *(Note)*	Exercise price of Options *(HK$)*	Applicable offer price per Option if Option is not exercised on or before Dividend Record Date *(HK$)*	Total Benefit per Option if Option is exercised on or before Dividend Record Date and Completion proceeds *(HK$)*
808,000	1.28	0.01	2.21
736,000	1.34	HK$0.01 for each 1,000 underlying Options	2.21
3,608,000	1.95	HK$0.01 for each 1,000 underlying Options	2.21
1,808,000	1.98	HK$0.01 for each 1,000 underlying Options	2.21
1,770,000	2.30	HK$0.01 for each 1,000 underlying Options	2.21
2,618,000	2.32	HK$0.01 for each 1,000 underlying Options	2.21
1,996,000	2.40	HK$0.01 for each 1,000 underlying Options	2.21
45,000	3.35	HK$0.01 for each 1,000 underlying Options	2.21
40,000	3.40	HK$0.01 for each 1,000 underlying Options	2.21
13,429,000			

Note: 412,000 Options were exercised on 25 June 2009 though the relevant Shares were not allotted and issued as at the Latest Practicable Date. The total number of Options outstanding, after deducting the aforesaid 412,000 Options, as at the Latest Practicable Date were therefore 13,429,000 Options.

Shareholders are advised to exercise caution when dealing in the Shares as the General Offer may or may not proceed and will only be made subject to fulfillment (or, if applicable, waiver) of the Conditions as set out under the section headed "Conditions precedent of the Share Purchase Agreement" above and the obligation to make the General Offer will only be triggered if Completion has taken place. If Shareholders have any doubt about their position, they should consult their professional advisers.

7. TAKEOVERS CODE IMPLICATIONS

The transactions contemplated under the Special Deal Arrangements constitute special deals under Rule 25 of the Takeovers Code and therefore require the consent of the Executive. The Executive's consent, if granted, will be conditional upon (i) Taifook publicly stating that in its opinion the terms of the Special Deals are fair and reasonable; and (ii) the approval of the Special Deals by the Independent Shareholders at the SGM by way of a poll. An application for the consent of the Special Deals has been submitted to the Executive.

8. LISTING RULES IMPLICATIONS

Connected transactions

CSC HK is a wholly-owned subsidiary of CSC International, which directly and indirectly owned approximately 67.9% of the issued share capital of the Company as at the Latest Practicable Date, CSC HK is therefore a connected person of the Company under the Listing Rules and the Disposal constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) for the Disposal are more than 2.5%, the Disposal is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Furthermore, as the applicable percentage ratios for the Disposal are more than 5% but less than 25% for the Company, the Disposal also constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

The Business Referral Termination Agreement and the Territorial Termination Agreement were entered into between the Group and CSAM and CSA Holdings respectively. As CSAM and CSA Holdings are owned by CSC, both of them are connected persons of the Company and the transactions contemplated under the aforesaid agreements constitute connected transactions for the Company under Chapter 14A of the Listing Rules. As there are no monetary consideration involved for the entering into of the Business Referral Termination Agreement and the Territorial Termination Agreement, the aforesaid transactions are *de minimis* transactions, which are exempt from the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Continuing connected transactions

As the Data Centre Agreement, the First Master Subcontract Agreement and the Second Master Subcontract Agreement were entered into between ASL HK and CSC HK, a connected person of the Company, the transactions contemplated under the aforesaid agreements constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules and will remain so until Completion when CSA Holdings and CSC International cease to be the substantial Shareholders.

As the applicable percentage ratios for the Company in respect of the Proposed Caps for each financial year under the Data Centre Agreement and the First Master Subcontract Agreement are less than 2.5%, the transactions contemplated thereunder are subject to the reporting and announcement requirements but exempt from Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules. As the applicable percentage ratios for the Company in respect of the annual maximum transaction value for each financial year under the Second Master Subcontract Agreement are more than 0.1% but less than 2.5% and the annual maximum transaction value for each financial year is less than HK$1 million, the transactions contemplated thereunder are *de minimis* transactions and exempt from reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

9. VOTING IN RESPECT OF THE SPECIAL DEALS

Under Note 4 to Rule 25 of the Takeovers Code, votes in respect of the Special Deals must be taken from shareholders who are not involved in or interested in the transaction (otherwise than solely as shareholders of the offeree company). Under Chapter 14A of the Listing Rules, any connected person of the Company with a material interest in the transaction must abstain from voting in respect of the Special Deals. Accordingly, (i) the Vendors and/or their respective associates within the meaning of the Listing Rules; (ii) Teamsun and/or its associates, if Teamsun and/or its associates shall have any shareholding interest in the Company and their respective concert parties; and (iii) Shareholders who are interested or involved in the Special Deals will abstain from voting in respect of the resolution to approve the Special Deals at the SGM.

In accordance with the Takeovers Code and the Listing Rules, the Vendors and their respective associates, holding in aggregate of 203,431,896 Shares (which represent approximately 67.9% interest in the Company) and controlling the voting rights in respect of such Shares, will abstain from voting in respect of the resolution to approve the Special Deals at the SGM.

10. 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 equity holders of the Company 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 audited consolidated total equity attributable to equity holders of the Company as at 31 March 2009 was approximately HK$531.5 million.

11. INFORMATION ON THE CSC GROUP AND CSC HK

CSC is a global leader in providing technology-enabled solutions and services through three primary lines of business. These include Business Solutions & Services, Global Outsourcing Services and the North American Public Sector. CSC's advanced capabilities include systems design and integration, information technology and business process outsourcing, applications software development, Web and application hosting, mission support and management consulting.

CSC HK is primarily engaged in the business of, among others, licensing of computer software packages and provision of software support services.

12. INDEPENDENT BOARD COMMITTEES AND INDEPENDENT FINANCIAL ADVISER

The Special Deals IBC comprising two non-executive Directors and all the independent non-executive Directors who are not involved or interested in the Special Deals, the General Offer and/or the Option Offer, namely Mr. Allen Joseph Pathmarajah, Mr. Moo Kwee Chong, John, Mr. Cheung Man, Stephen, Mr. Hon Sheung Tin, Peter and Mr. Li King Hang, Richard, has been established to advise the Independent Shareholders in respect of, among other things, the Special Deals. 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 Special Deals IBC because they currently hold executive positions in CSC. Mr. Kuo Chi Yung, Peter, being the non-executive Director, is not in the Special Deals IBC because he has been a consultant in the Company on a part-time basis from 2002.

The Disposal IBC comprising all the independent non-executive Directors, namely Mr. Cheung Man, Stephen, Mr. Hon Sheung Tin, Peter and Mr. Li King Hang, Richard, has been established to advise the Independent Shareholders in respect of the Disposal.

Taifook has been appointed as the Independent Financial Adviser to advise the Independent Board Committees and the Independent Shareholders in respect of, among other things, the Special Deals (including the Disposal). The appointment of Taifook has been approved by the Independent Board Committees.

13. SGM

A notice convening the SGM is set out on pages 88 to 90 of this circular. At the SGM, relevant resolutions will be proposed to approve the Special Deals and the Special Dividend.

There is enclosed with this circular a proxy form for use at the SGM. Whether or not you intend to attend the SGM or any adjourned meeting in person, you are requested to complete and sign the accompanying form of proxy, in accordance with the instructions printed thereon and deposit the same at the office of the Company's share registrar in Hong Kong, Tricor Tengis Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the

SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

14. GENERAL

Based on the reasons described above and after reviewing the advice from Taifook to the members of the Independent Board Committees as contained on pages 40 to 64 of this circular, the Directors (including the members of the Independent Board Committees) are of the opinion that the terms of the Special Deals are fair and reasonable and the entering into of the Special Deals is in the interests of the Company and the Shareholders as a whole. The Directors (including the members of the Independent Board Committees) therefore recommend the Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the Special Deals.

Shareholders are advised to read carefully the letters from the Independent Board Committees and the letter from Taifook as contained in this circular before deciding to vote for or against the resolution to be proposed at the SGM to approve the Special Deals.

The Directors (including the members of the Independent Board Committees) also recommend the Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the Special Dividend.

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

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

The following is the text of a letter from the Special Deals IBC setting out its recommendation to the Independent Shareholders in relation to the terms of the Special Deals.

AUTOMATED SYSTEMS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 771)

30 June 2009

To the Independent Shareholders

Dear Sir or Madam,

SPECIAL DEAL, DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE DISPOSAL OF ASSETS BY AUTOMATED SYSTEMS HOLDINGS LIMITED

SPECIAL DEALS, CONTINUING CONNECTED TRANSACTIONS AND CONNECTED TRANSACTIONS OF AUTOMATED SYSTEMS HOLDINGS LIMITED

As the Special Deals IBC, we have been appointed to advise you in connection with the Special Deals, details of which have been set out in the letter from the Board contained in the circular to the Shareholders dated 30 June 2009 (the "**Circular**"), of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

Having considered the terms of the Special Deals and the advice of Taifook in relation thereto as set out on pages 40 to 64 of the Circular, we are of the opinion that the terms of the Special Deals are fair and reasonable so far as the Independent Shareholders are concerned; and the entering into of the Special Deals is in the interests of the Company and the Shareholders as a whole. We therefore recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the Special Deals.

Yours faithfully,

Mr. Allen Joseph Pathmarajah **Mr. Moo Kwee Chong, John** **Mr. Cheung Man, Stephen**
Mr. Hon Sheung Tin, Peter **Mr. Li King Hang, Richard**

Special Deals IBC

The following is the text of a letter from the Disposal IBC setting out its recommendation to the Independent Shareholders in relation to the terms of the Disposal.

AUTOMATED SYSTEMS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 771)

30 June 2009

To the Independent Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE DISPOSAL OF ASSETS BY AUTOMATED SYSTEMS HOLDINGS LIMITED

As the Disposal IBC, we have been appointed to advise you in connection with the Disposal, details of which have been set out in the letter from the Board contained in the circular to the Shareholders dated 30 June 2009 (the "**Circular**"), of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

Having considered the terms of the Disposal and the advice of Taifook in relation thereto as set out on pages 40 to 64 of the Circular, we are of the opinion that the terms of the Disposal are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned; and the entering into of the Disposal is in the interests of the Company and the Shareholders as a whole. We therefore recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the Disposal (which is also one of the Special Deals).

Yours faithfully,

Mr. Cheung Man, Stephen **Mr. Hon Sheung Tin, Peter** **Mr. Li King Hang, Richard**

Disposal IBC

The following is the text of a letter of advice to the Independent Board Committees and Independent Shareholders from Taifook for the purpose of incorporation into this circular.

taifook
TAIFOOK CAPITAL LIMITED

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

30 June 2009

To the Independent Board Committees and the Independent Shareholders

Dear Sirs,

SPECIAL DEALS AND CONNECTED TRANSACTION

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committees and the Independent Shareholders in relation to the terms of the Special Deals, details of which are set out in the circular dated 30 June 2009 (the "**Circular**") issued by the Company to the Shareholders of which this letter forms part. Capitalised terms used in this letter shall have the same respective meanings as defined in the Circular unless the context otherwise requires.

On 6 May 2009, the Company and Teamsun jointly announced that on 24 April 2009, the Vendors entered into the Share Purchase Agreement with Teamsun, pursuant to which the Vendors have conditionally agreed to sell and Teamsun has 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" of the Circular ("**Letter from the Board**"), the Sale Shares represent approximately 67.9% of the entire issued share capital of the Company and the entire interest in the Company owned by the Vendors as at the Latest Practicable Date. Upon Completion, Teamsun and parties acting in concert with it will own 203,431,896 Shares, representing approximately 67.9% of the entire issued share capital of the Company (assuming there will be no change in the issued share capital of the Company subsequent to the Latest Practicable Date and up to Completion). In accordance with Rule 26.1 of the Takeovers Code, Teamsun will be required to make a mandatory cash offer for all the issued Shares (other than those already owned by or agreed to be acquired by Teamsun or parties acting in concert with it) and to make a comparable offer for all the Options in compliance with Rule 13 of the Takeovers Code upon Completion.

It was further announced that, 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, 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. In addition, under the Share Purchase Agreement, the Vendors have given undertaking (the "**Undertaking**") to Teamsun regarding the continuous usage of application software by the Group (including the associated companies of the Company) subject to Completion.

The Disposal contemplated under the Global Account Transfer Agreement constitutes a connected transaction for the Company under the Listing Rules which is subject to the approval by the Independent Shareholders at the SGM by way of poll. In addition, the transactions contemplated under the GAC Special Deal Agreements and the Undertaking constitute special deals under Rule 25 of the Takeovers Code and therefore require the consent of the Executive. The Executive's consent, if granted, will be conditional upon, among others, the approval of the Special Deals by the Independent Shareholders at the SGM by way of poll.

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 Committees and the Independent Shareholders, 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 Committees and the Independent Shareholders, our role is to provide you with our independent opinion and recommendation as to whether the Special Deals are in the interests of the Company and the Independent Shareholders as a whole and the terms thereof are fair and reasonable so far as the interests of the Company and the Independent Shareholders are concerned and how the Independent Shareholders are to vote in respect of the relevant resolution to approve the Special Deals at the SGM. The Independent Board Committees, the compositions of which are set out in the "Letter from the Special Deals IBC" and "Letter from the Disposal IBC" of the Circular, have also been established to advise the Independent Shareholders in relation to the terms of the Special Deals.

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 Circular, 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 Circular, were complete, true and accurate at the time they were made and continue to be so at the date of despatch of the Circular and during the period up to the date of the SGM. 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) the GAC Special Deal Agreements and the Share Purchase Agreement;

(ii) the announcement of the Company dated 10 June 2009 in relation to the consolidated annual results of the Group for the year ended 31 March 2009 (the "**2009 Results Announcement**"); and

(iii) the Circular.

We have also discussed with the Directors and/or management of the Group with respect to the terms of and reasons for the Special Deals, 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 Teamsun and its associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion in respect of the terms of the Special Deals and their effects on the Company and the Independent Shareholders as a whole, we have considered the following principal factors and reasons:

I. Background

(A) Information on the Group and CSC 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 supply of information technology and associated products in Hong Kong, Macau, Taiwan, the PRC and Thailand.

As mentioned in the Letter from the Board, CSC is a global leader in providing technology-enabled solutions and services through three primary lines of business. These include Business Solutions & Services, Global Outsourcing Services and the North American Public Sector. CSC's advanced capabilities include systems design and integration, information technology and business process outsourcing, applications software development, Web and application hosting, mission support and management consulting. CSC HK is primarily engaged in the business of, among others, licensing of computer software packages and provision of software support services. As advised by the Directors, since the operations of CSC Group in Hong Kong are mainly carried out through the Group, CSC HK does not have any significant operation in Hong Kong.

(B) The Special Deal Arrangements

As mentioned in the Letter from the Board, ASL HK has been conducting the provision of the Business to the Global Account Clients in Asia, in particular in Hong Kong, Thailand and Taiwan in relation to the Global Account Client Contracts.

In 1997, the Group entered into the Territorial Agreement and the Business Referral Agreement with CSA Holdings and CSAM respectively. Due to the territorial restrictions as set out in the Territorial Agreement and the Business Referral Agreement, CSA Holdings and CSAM and their respective subsidiaries have been unable to provide services to their global clients in Hong Kong, Macau and Taiwan directly. The CSC Group therefore granted its Global Account Client Contracts to the Group, free of consideration, in order to comply with the territorial restrictions.

Since it is the CSC Group's intention to cease control over the Company and the Business is part of the CSC Group's major business activity, ASL HK and CSC HK entered into the Global Account Transfer Agreement to transfer the Business back to the CSC Group in order for the CSC Group to continue to serve its global clients. As mentioned in the Letter from the Board, the Business includes the provision of data centre services and the hosting of hardware and software in the Data Centre Premises, the provision of 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, in particular in Hong Kong, Thailand and Taiwan in relation to the Global Account Client Contracts.

As advised by the Directors, to ensure a smooth transition and continuation of the Business, the Data Centre Agreement, the First Master Subcontract Agreement and the Second Master Subcontract Agreement are entered into by ASL HK and CSC HK. The Data Centre Agreement, the First Master Subcontract Agreement and the Second Master Subcontract Agreement are ancillary agreements of the Global Account Transfer Agreement. The Directors consider that the entering into of the Data Centre Agreement, the First Master Subcontract Agreement and the Second Master Subcontract Agreement is practically necessary for the carrying out of the Global Account Transfer Agreement and the continuation of the Business and also to serve the clients of the Business without interruption upon the GAT Closing. The three aforesaid agreements are therefore part and parcel of the Global Account Transfer Agreement.

Given the CSC Group's intention to cease control over the Company, CSAM and CSA Holdings have entered into the Business Referral Termination Agreement and the Territorial Termination Agreement with ASL HK and the Company respectively to eliminate the geographical demarcation of businesses between the Group and the CSC Group and enable the CSC Group to serve its global clients in Hong Kong and Taiwan. The Directors consider that this would facilitate the Group's expansion into the PRC. To avoid a material disruption to the Group's daily operations after completion of the Share Purchase Agreement, CSA Holdings and CSC International have also given the Undertaking to Teamsun subject to Completion.

II. The Global Account Transfer Agreement

(A) Reasons for entering into the Global Account Transfer Agreement

In view of the reasons as set out in the sub-paragraph headed "The Special Deal Arrangements" under the paragraph headed "Background" above, ASL HK entered into the Global Account Transfer Agreement with CSC HK to transfer the Business, the Business Assets, the Hardware Assets, the Specified Intellectual Property and the Data Centre Equipment, to CSC HK (or to any other CSC entity as nominated by CSC HK).

The Directors consider that the Disposal is in the interests of the Company and the Shareholders as a whole for the following reasons:

(i) the Disposal provides an attractive opportunity for the Group to realise the Business and return to all Shareholders the benefit from the Disposal via the payment of the Special Dividend;

(ii) as set out in the Letter from the Board, based on the consideration of HK$125 million for the Disposal, the carrying value attributable to the property, plant and equipment and intangible assets of the Business of approximately HK$46.8 million as at 31 March 2009 and the estimated professional fees of approximately HK$3.0 million, and assuming the Hardware Assets purchased during the period from 1 April 2009 to the date of the GAT Closing will be equal to or exceed HK$3.9 million, the Group is expected to record a gain on the Disposal of approximately HK$71.3 million; and

(iii) the Directors consider that the Business is not a major business of the Group and accordingly, the Disposal will not result in a material adverse impact on the business prospects of the Group and there will be minimal direct competition between the Group and the CSC Group after the Disposal. The Directors also are of the view that, by entering into the Global Account Transfer Agreement, the Group would be able to concentrate its resources on the Remaining Business.

Set out below is the summary of the financial information of the Group and the consolidated turnover and segment profit of the Business based on the audited consolidated financial statements of the Group for the two years ended 31 March 2009 and the unaudited consolidated profit after taxation of the Business for the two years ended 31 March 2009 (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 Results Announcement and the consolidated net assets value of the Business (representing the audited segment assets less audited segment liabilities of the Business as published in the 2009 Results Announcement) as at 31 March 2008 and 31 March 2009:

	The Group For the year ended 31 March		**The Business For the year ended 31 March**	
	2008	**2009**	**2008**	**2009**
	HK$'million	*HK$'million*	*HK$'million*	*HK$'million*
Turnover	1,393.4	1,442.0	78.3	81.0
Segment profit	100.9	98.9	7.6	10.6
Segment profit margin	7.2%	6.9%	9.7%	13.0%
Profit after taxation	76.2	42.7	5.2	7.1
	As at 31 March		**As at 31 March**	
	2008	**2009**	**2008**	**2009**
	HK$'million	*HK$'million*	*HK$'million*	*HK$'million*
Net assets value	568.1	531.5	67.5	52.3

As shown above, the turnover of the Business increased from approximately HK$78.3 million for the year ended 31 March 2008 ("**FY2008**") to approximately HK$81.0 million for the year ended 31 March 2009 ("**FY2009**") and the segment profit margin of the Business increased from approximately 9.7% in FY2008 to approximately 13.0% in FY2009. As advised by the Directors, the increase in segment profit margin in FY2009 was mainly attributable to continuous stringent cost control.

(B) Major terms of the Global Account Transfer Agreement

Assets to be disposed of

Pursuant to the Global Account Transfer Agreement, ASL HK has agreed to procure the transfer of the Business, the Business Assets, the Hardware Assets, the Specified Intellectual Property and the Data Centre Equipment to CSC HK (or to any other CSC entity as nominated by CSC HK), and CSC HK has agreed to acquire the Business, the Business Assets, the Hardware Assets, the Specified Intellectual Property and the Data Centre Equipment free from any mortgage, lien, charge, pledge, claim or other encumbrance, as at and with effect from the date of the GAT Closing.

ASL HK has agreed to use its best efforts and in good faith to procure the licence to CSC HK (or to any other CSC entity as nominated by CSC HK), either by way of assignment or novation or sub-licence, for use in Hong Kong with effect from the date of the GAT Closing, for the period of the validity of the Business Contracts, all those Specified Intellectual Property for the sole purpose of enabling CSC HK to perform the obligations under the Business Contracts which are to be novated to CSC HK under the Global Account Transfer Agreement. ASL HK shall be entitled by written notice to terminate such licence at any time if CSC HK (or any other CSC entity as nominated by CSC HK) fails to perform its obligations materially under the Global Account Transfer Agreement. CSC HK shall use its best endeavour to assist ASL HK to procure the novation or assignment of the Specified Intellectual Property. CSC HK shall bear the costs for the use of those Specified Intellectual Property that are not licensed to CSC HK as aforesaid.

Consideration

The consideration for acquisition of the Business, the Business Assets, the Hardware Assets, the Specified Intellectual Property and the Data Centre Equipment is HK$125 million which is payable by CSC HK to ASL HK in cash on the date of the GAT Closing.

Hardware Assets

Hardware Assets purchased during the period from 1 April 2009 to the date of the GAT Closing will be acquired by CSC HK. In the event that the additional Hardware Assets purchased by ASL HK during the period from 1 April 2009 to the date of the GAT Closing amount to more than HK$3.9 million, CSC HK shall bear the total purchase price for the additional Hardware Assets in excess of HK$3.9 million.

Restraint

At any time during a period of two years immediately following the date of the GAT Closing other than with the prior written consent of CSC HK, ASL HK shall not (i) directly or indirectly, by itself or jointly with or on behalf of any other person or through an employee, agent or independent contractor, solicit, canvass or endeavour to obtain the services of the Transferring Employees; and (ii) solicit the Global Account Clients, including its associated companies, for the purpose of performing or providing certain services as specifically set out in the Global Account Transfer Agreement.

Revenue, outgoings, receivables and liabilities

The revenue arising from the Business and the Business Assets shall be received and all outgoings in relation to the Business and the Business Assets shall be discharged by ASL HK up to and inclusive of the date of the GAT Closing, and with effect from the date of the GAT Closing, all outgoings in relation to the Business and Business Assets shall be discharged and all revenue arising from the Business and the Business Assets shall be received by CSC HK. All revenue received from customers and outgoings pre-paid by ASL HK prior to the date of the GAT Closing shall accordingly be apportioned between ASL HK and CSC HK as necessary and settled on the date of the GAT Closing.

Pursuant to the Global Account Transfer Agreement, CSC HK agreed to remit the amount received by it from any debtor which owes receivables to ASL HK in relation to the Business as at completion of the Global Account Transfer Agreement to ASL HK. Subject to completion of the Global Account Transfer Agreement occurring, all liabilities in relation to the Business incurred or payable in, or otherwise referable to, the period: (a) up to and including the date of the GAT Closing are the responsibility of ASL HK and its subsidiaries and associated companies; (b) after the date of the GAT Closing and which cause of action arose after the date of the GAT Closing are the responsibility of CSC HK. ASL HK shall at completion of the Global Account Transfer Agreement pay to any associated companies or subsidiaries of CSC HK (in particular CSA Holdings) any amounts, if any, owing to it.

Further details of the terms of the Global Account Transfer Agreement, including the conditions precedent of such agreement, are set out in the Letter from the Board.

(C) Basis of consideration

As set out in the Letter from the Board, the consideration for the Disposal of HK$125 million was determined based on arm's length negotiations.

For the purpose of assessing the fairness and reasonableness of the consideration for the Disposal, we have identified eight Hong Kong listed companies principally engaged in similar business as that of the Business. As the Business was profit making for the two years ended 31 March 2009, we have excluded four companies which recorded loss as shown in their last published consolidated annual accounts as we consider that a loss-making company may have fundamental differences with a profit-making company, such as customer base, quality of goods/services provided, cost control, efficiency and/or management, etc, which will make our comparison below inappropriate. In addition, we have also excluded China Information Technology Development Limited, a Hong Kong listed company principally engaged in the provision of information technology services, as its consolidated annual results for the year ended 31 December 2008 had not been published and its shares had been suspended from trading 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 three comparable companies ("**Comparable Companies**") and the Company with the PER and P/B of the Business as implied by the consideration for the Disposal. 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 and based on their respective closing prices of shares. The valuation multiples of the Company have been computed based on the closing price of the Shares and the audited consolidated financial statements of the Group for the year ended 31 March 2009 as set out in the 2009 Results Announcement. The valuation multiples of the Business have been computed based on the consideration for the Disposal and the unaudited consolidated profit after taxation of the Business for the year ended 31 March 2009 and the consolidated net assets value of the Business as at 31 March 2009 as set out in the sub-paragraph headed "Reasons for entering into the Global Account Transfer Agreement" under the paragraph headed "The Global Account Transfer Agreement" above.

			PER *(Notes 1 and 3)*				**P/B** *(Notes 2 and 3)*			
Company/stock code	**Principal business**	**Market capitalisation** *(HK$'million)*	**Based on LPD 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 LPD 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)*
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	314.8	9.7	8.3	7.5	6.3	0.9	0.8	0.7	0.6
Founder Holdings Limited (418)	Software development and system integration	401.3	16.9	17.1	12.4	10.0	1.0	1.0	0.7	0.6
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	988.8	13.8	14.1	10.1	8.5	1.1	1.1	0.8	0.7
The Company		739.9	17.2	16.2	13.5	12.6	1.4	1.3	1.1	1.0
Average			14.4	13.9	10.9	9.4	1.1	1.1	0.8	0.7

	PER *(times)*	**P/B** *(times)*
The Business	17.6	2.4

*Source: Bloomberg and annual reports or annual 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 closing price per Share as quoted on the Stock Exchange and the basic earnings per Share for the year ended 31 March 2009 as disclosed in 2009 Results Announcement. PER of the Business is calculated by dividing the consideration for the Disposal by the consolidated profit after taxation of the Business for the year ended 31 March 2009.

(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 as at 31 December 2008 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 31 December 2008. P/B of the Company is 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 as at 31 March 2009 as disclosed in the 2009 Results Announcement by the number of Shares in issue as at 31 March 2009. P/B of the Business is calculated by dividing the consideration for the Disposal by the consolidated net assets value of the Business as at 31 March 2009.

(3) PERs and P/Bs of the Comparable Companies and the Company are calculated based on the following closing prices: (i) the closing price per share as quoted on the Stock Exchange as at the Latest Practicable Date ("**LPD Closing Price**"); (ii) 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**"); (iii) 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**"); and (iv) 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**").

As illustrated in the above table, based on the LPD Closing Price, the PERs of the Comparable Companies and the Company range from approximately 9.7 times to approximately 17.2 times, with an average of approximately 14.4 times, and the P/Bs of the Comparable Companies and the Company range from approximately 0.9 time to approximately 1.4 times, with an average of approximately 1.1 times. Both the PER and the P/B of the Business based on the consideration for the Disposal are higher than the PERs and P/Bs of all the Comparable Companies and the Company respectively.

Based on the 30-Day Average Closing Price, 90-Day Average Closing Price and 180-Day Average Closing Price, the PER and P/B of the Business based on the consideration for the Disposal are higher than the PERs and P/Bs of all the Comparable Companies and the Company respectively.

Pursuant to the Global Account Transfer Agreement, cost of the Hardware Assets purchased by ASL HK during the period from 1 April 2009 to the date of the GAT Closing not exceeding HK$3.9 million would be borne by ASL HK. As advised by the Directors, such maximum amount of capital expenditure to be borne by ASL HK was arrived at after arm's length negotiations between ASL HK and CSC HK. The P/B calculated based on the consideration for the Disposal less the maximum amount of capital expenditure of HK$3.9 million would be approximately 2.3 times respectively, which is still higher than the P/Bs of all the Comparable Companies and the Company.

Based on the above, we are of the view that the consideration for the Disposal is fair and reasonable.

Based on the historical markups of the Business and the Remaining Business for the two years ended 31 March 2009 (with the markup of the Business higher than that of the Remaining Business) as well as the fact that (i) the Group will only have the Remaining Business after the Disposal; and (ii) the Directors are not aware of any material upward change in the markup of the Remaining Business and any material downward change in the markup of the Business after 1 April 2009, the Directors expect that the Group's overall markup will be reduced and will be lower than that of the Business after the Disposal. However, the Directors are of the view that the Disposal is in the interests of the Company and the Shareholders as a whole since (i) the Disposal provides an attractive opportunity for the Group to realise the Business at a fair and reasonable consideration; (ii) a gain of approximately HK$71.3 million is estimated to be recorded by the Group for the Disposal as mentioned above; and (iii) the Directors consider that the Business is not a major business of the Group and accordingly, the Disposal will not result in a material adverse impact on the Group. We concur with such view of the Directors.

Having taken into account the above, in particular,

– the background of and reasons for the Disposal;

– the Disposal provides an attractive opportunity for the Group to realise the Business and return to all Shareholders the benefit from the Disposal;

– the Directors' view that the Business is not a major business of the Group and the Disposal will not result in a material adverse impact on the Group; and

– the PER and P/B of the Business based on the consideration for the Disposal are higher than the PERs and P/Bs of all the Comparable Companies and the Company respectively,

we are of the view that the entering into of the Global Account Transfer Agreement is in the interests of the Company and the Shareholders as a whole and the terms thereof are on normal commercial terms and fair and reasonable.

III. The Data Centre Agreement

(A) Reasons for entering into the Data Centre Agreement

As stated in the Letter from the Board, the Data Centre Equipment will remain in the Data Centre Premises which will continue to be owned or leased or licensed by the Group. ASL HK and CSC HK have therefore entered into the Data Centre Agreement under which ASL HK shall grant to CSC HK a license to house the Data Centre Equipment at the Data Centre Premises, namely certain units in 12th Floor

("**12/F Premises**") and certain areas in ground floor ("**G/F Premises**") and rooftop ("**Rooftop Premises**", together with the G/F Premises, the "**G/F and Rooftop Premises**") of Topsail Plaza, 11 On Sum Street, Sha Tin, Hong Kong and to operate the Data Centre Equipment for the provision of the data centre services. ASL HK shall provide maintenance and cleaning services to the common area in respect of the Data Centre Premises to CSC HK. The 12/F Premises are currently owned by the Group while the G/F and Rooftop Premises are currently leased or licensed by the Group from third parties.

As stated in the Letter from the Board, the facilities and current physical setup of the Data Centre Premises are specialised in nature and include the raised floors, cooling systems and power supply which are unavailable from other office premises or industrial buildings in general. As advised by the Directors, the specialised facilities and physical setup cannot be provided by other vendors within a short period of time, i.e. before the GAT Closing. Accordingly, ASL HK and CSC HK entered into the Data Centre Agreement to facilitate the Global Account Transfer Agreement without any business interruptions upon the GAT Closing.

The entering into the Data Centre Agreement will enable the Group to receive rental income not lower than the current market rental rate and generate revenue for the Group.

(B) Major terms of the Data Centre Agreement

As stated in the Letter from the Board, CSC HK shall pay the monthly charges, comprising rental fee, management fee, utilities and telecom charges and government rent and rates, payable monthly in arrears to ASL HK in cash. Unless otherwise specified, CSC HK shall pay each invoiced amount under the Data Centre Agreement within 30 days from the date of such invoice. As advised by the Directors, the rental fee was determined based on the current market rental rate of the Data Centre Premises and the other charges including management fee, government rent and rates, utilities and telecom charges, were determined based on actual costs incurred by the Group.

CSC HK shall pay an amount equivalent to four months of rental fee to ASL HK as a deposit to be held during the Contract Period (as defined below) from which ASL HK shall be entitled to deducting as compensation for losses or damages incurred by ASL HK arising from the breach of the Data Centre Agreement by CSC HK provided that CSC HK agrees to such a breach and the amounts for losses or damages incurred by ASL HK or such breach has been adjudicated by arbitration.

The term of the Data Centre Agreement is 3 years from the date of the fulfillment of all the conditions precedent to the Data Centre Agreement ("**Contract Period**"). CSC HK shall be entitled to provide ASL HK written notice at least 12 months prior to the expiry of the Contract Period that it wishes to extend the Data Centre Agreement for a further of three years ("**Further Term**") on substantially similar terms as set out in the Data Centre Agreement save that ASL HK shall for the period of the Further Term be entitled to charge CSC HK a sum for the rental fee at the prevailing market rate. The terms of the Further Term shall be agreed no later than 180 days prior to the expiry of the then current Contract Period. If ASL HK receives a bona fide offer in good faith from a third-party which is unrelated to ASL HK or Teamsun or any of its subsidiaries or parent company during the period prior to the renewal of the Data Centre Agreement, which offer of the monthly rental fee is greater than the prevailing market rate, then ASL HK shall provide CSC HK an option to offer an equivalent monthly rental fee for the Further Term. If CSC HK makes such an offer, then ASL HK shall extend the Data Centre Agreement for the Further Term with CSC HK. Should both parties fail to agree on the prevailing market rate, then both parties shall jointly appoint an independent surveyor to offer an opinion on the prevailing market rate of rental in the said building of a comparable size and both parties agree to be bound by such an opinion. Subsequent renewals of any period beyond the Further Term shall be based on mutual agreement. Any renewal or extension of the Data Centre Agreement beyond the Contract Period will be subject to and in compliance with the Listing Rules.

Further details of the terms of the Data Centre Agreement, including the conditions precedent of such agreement, are set out in the Letter from the Board.

(C) Basis of consideration

As mentioned above, the rental rate of the Data Centre Premises were determined based on the current market rental rate of the Data Centre Premises. We understand from the Directors that based on the valuation report prepared by an independent valuer, the market rent of the 12/F Premises in its existing state, assuming that it is available for letting with immediate vacant possession subject to normal commercial terms and covenants, as at 6 May 2009, exclusive of rates and management fees, is approximately the same as the rental rate for 12/F Premises in the Contract Period as stipulated under the Data Centre Agreement, which is HK$7.50 per square feet per month. We understand from the valuer that the valuation was conducted using market comparison approach.

As advised by the Directors, the G/F and Rooftop Premises are currently used by the Group for ancillary purposes such as placing air-conditioning systems and generator sets and storage. Under the Data Centre Agreement, the rental rate (on a per square feet basis) of the G/F and Rooftop Premises is set to be the same as that of the 12/F Premises given that the G/F and Rooftop Premises are only used for ancillary purposes and the Rooftop Premises are only open rooftop. We also understand from the Directors that the G/F and Rooftop Premises are currently leased or licensed by the Group from independent third parties with the rent or licence fee currently paid by the Group lower than the rental rate for the G/F and Rooftop Premises for the Contract Period as stipulated under the Data Centre Agreement.

In addition, pursuant to the Data Centre Agreement, the grant to CSC HK of the use of the G/F and Rooftop Premises is subject to the license to use the same by ASL HK's subsidiary not being terminated. As advised by the Directors, the license of the Rooftop Premises has no fixed term and the license fee of the Rooftop Premises is subject to review at the discretion of the licensor on one month's notice while the term of the tenancy for the G/F Premises will end on 28 February 2010 with the Group having an option to renew for a further term of two years at a rent to be agreed between the parties to the tenancy agreement. As advised by the Directors, if there is a review of the license fee of the Rooftop Premises or if there is an adjustment of the rental between the Group and the landlord of the G/F Premises at the expiration of term such that the rent or fee payable by the Group becomes higher than the rental as stipulated under the Data Centre Agreement, the Group may consider to cease the license/tenancy between the Group and the landlord/licensor and in such circumstance, the license granted to CSC HK for the use of the G/F and Rooftop Premises under the Data Centre Agreement will also cease.

Based on the above, we are of the view that the entering into of the Data Centre Agreement is in the interests of the Company and the Shareholders as a whole and the terms thereof are fair and reasonable.

IV. The First Master Subcontract Agreement

(A) Reasons for entering into the First Master Subcontract Agreement

As stated in the Letter from the Board, the Group has been providing services to the Global Account Clients located in, among others, Hong Kong, Thailand and Taiwan for many years and it is familiar with the Business. Following the Disposal and in order to maintain the continuity of services and a high level of efficiency and service quality, the CSC Group may engage the Group to act as the CSC Group's subcontractor for the provision of certain services. As advised by the Directors, such subcontracting arrangements may arise in the event that the contracts with the Global Account Vendors as specified in the Global Account Transfer Agreement cannot be novated to the CSC Group after the GAT Closing, which the CSC Group would then be required to subcontract the relevant services to the Group. As advised by the Directors, subcontracting arrangements may also arise in the event that certain services, which are currently provided by the Group in Hong Kong, Thailand and Taiwan, are required by the CSC Group to serve its customers following the GAT Closing. As such, ASL HK and CSC HK have entered into the First Master Subcontract Agreement. The entering into of the First Master Subcontract Agreement allows the Group and the CSC Group to provide the same services to these clients on a continuous basis for a period of time after the GAT Closing.

(B) Major terms of the First Master Subcontract Agreement

The First Master Subcontract Agreement 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.

The First Master Subcontract Agreement commences on the date all the conditions precedent for such agreement have been satisfied and continues for one year unless such extension is mutually agreed by both parties. However, termination of the First Master Subcontract Agreement will not affect any subcontract that has been entered under the First Master Subcontract Agreement.

CSC HK shall pay the service charge in cash to the Group based on the relevant costs incurred by the Group for the provision of subcontracting services on a costs plus 10% basis. Pursuant to the First Master Subcontract Agreement, "costs" shall mean costs connected with providing the relevant function, which shall be determined by applying full cost accounting method and adding up all direct and indirect costs incurred in rendering performance of relevant function, including all costs of personnel, travel and equipment and all expenses, including overhead expenses, relating to the said personnel dedicated to the performance of the relevant function but shall exclude all overhead allocations of the Group.

Pursuant to the First Master Subcontract Agreement, if required by CSC HK, the Group shall provide to CSC HK annually the amount of costs charged for the subcontracting services for the preceding period for the purpose of verifying that the Group is complying with its obligations in respect of the costs charging model above. The Group shall provide a certificate from a qualified accountant qualified to practice in the country at which the subcontracting services are provided confirming that the said costs were calculated in accordance with the generally accepted accounting principles in Hong Kong and consistent with the items referred to above. In the event the qualified accountant determines that the costs provided by the Group were incorrect, then the amounts shall be adjusted accordingly and the Group shall either reimburse CSC HK the over-charged amount or charge the equivalent amount not included based on whether the costs were higher or lower respectively. CSC HK shall bear the costs of the audit if it is confirmed that the costs were not over-charged.

Payment for subcontracting services shall be made within 30 days from the receipt of monthly invoice.

On each occasion, the CSC Group wishes to engage the Group to provide any services in relation to a contract entered between a customer and the CSC Group, the CSC Group and the Group should enter into a subcontract as stipulated in the First Master Subcontract Agreement. Terms of the subcontract entered into between the CSC Group and the Group should be on a back-to-back basis based on the contract entered between the customer and the CSC Group.

Further details of the terms of the First Master Subcontract Agreement, including the conditions precedent of such agreement, are set out in the Letter from the Board.

(C) Basis of consideration

As stated in the Letter from the Board, the service charge for subcontracting services of costs plus 10% basis under the First Master Subcontract Agreement is determined after arm's length negotiations with reference to, among others, the prevailing rate charged by the Remaining Business for the provision of similar subcontracting services.

We have discussed with the Directors and are given to understand that:

(1) as advised by the Directors, the First Master Subcontract Agreement is related to the provision of services by the Remaining Business to the Business and/or CSC Group. Accordingly, in assessing the fairness and reasonableness of the markup of the services to be provided under the First Master Subcontract Agreement, the Directors have taken into account the markup of the Remaining Business. For example, if the markup of the services to be provided under the First Master Subcontract Agreement is lower than the normal markup of the Remaining Business, the Directors will not accept it under normal circumstances, and if the markup of the services to be provided under the First Master Subcontract Agreement is higher than the normal markup of the Remaining Business, the Directors will accept it unless there are other factors which will make the Directors to believe that the pricing is not fair and reasonable. In addition, given that the operations and customer base etc of the Business and Remaining Business are not the same, the profit margin of the Business was higher than that of the Remaining Business for the two years ended 31 March 2009. In view of the aforesaid and the required profit margin of the Business and CSC HK (as a principal) in excess of the profit margin required to be paid to the Remaining Business (as a subcontractor), we concur with the Directors' view that it is not appropriate to compare the markup of the services contemplated under the First Master Subcontract Agreement with the historical markup of the Business;

(2) the markup of the Remaining Business was approximately 7.6% and 6.9% for the year ended 31 March 2008 and 2009 respectively (calculated based on segment profit), which are lower than the markup of 10% under the First Master Subcontract Agreement. As advised by the Directors, the decrease in the markup of the Remaining Business for the year ended 31 March 2009 (as compared to the year ended 31 March 2008) was attributable to, among others, the unfavourable economic conditions, and the Directors are not aware of any material upward change in the markup of the Remaining Business after 1 April 2009;

(3) the markup to be charged by the Group under the First Master Subcontract Agreement was reached after the mutual agreement between the Group and the CSC Group that both parties will charge each other for the subcontracting services at the subcontractor's own costs plus 10% and accordingly, the pricing terms under the First Master Subcontract Agreement and the Second Master Subcontract Agreement are reciprocal to each other; and

(4) since the First Master Subcontract Agreement is part and parcel of the Global Account Transfer Agreement, the Global Account Transfer Agreement, the Data Centre Agreement, the First Master Subcontract Agreement and the Second Master Subcontract Agreement are

considered as a package deal. Having taken into account the consideration for the Disposal, the Directors consider that the markup to be charged by the Group under the First Master Subcontract Agreement is fair and reasonable.

Based on the above, we are of the view that the entering into of the First Master Subcontract Agreement, which will generate revenue for the Group at costs plus 10% markup, is in the interests of the Company and the Shareholders as a whole and the terms of the First Master Subcontract Agreement are fair and reasonable.

V. The Second Master Subcontract Agreement

(A) Reasons for entering into the Second Master Subcontract Agreement

As advised by the Directors, in some situations where the Global Account Client Contracts cannot be novated from the Group to the CSC Group pursuant to the Global Account Transfer Agreement due to the restrictions in these contracts, the Group will subcontract these Global Account Client Contracts to CSC HK, in order to achieve the objectives of the Global Account Transfer Agreement while avoiding the restrictions as mentioned above. In addition, as advised by the Directors, following the GAT Closing, certain services will be required by the Group from the CSC Group to serve the customers of the Group. As such, ASL HK and CSC HK have entered into the Second Master Subcontract Agreement such that all the Global Account Client Contracts can be effectively transferred to the CSC Group and to facilitate the operations of the Group.

(B) Major terms of the Second Master Subcontract Agreement

The Second Master Subcontract Agreement 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.

The Second Master Subcontract Agreement commences on the date all the conditions precedent for such agreement have been satisfied and continues for one year unless such extension is mutually agreed by both parties. However, termination of the Second Master Subcontract Agreement will not affect any subcontract that has been entered under the Second Master Subcontract Agreement.

The Group shall pay the service charge in cash to CSC HK based on the relevant costs incurred by CSC HK for the provision of subcontracting services on a costs plus 10% basis. Under the Second Master Subcontract Agreement, "costs" incurred by CSC HK shall be calculated in the same way as the "costs" incurred by the Group under the First Master Subcontract Agreement as set out above.

Under the Second Master Subcontract Agreement, the Group is entitled to verify the costs charged by CSC HK in the same way as CSC HK is entitled to verify the costs charged by the Group under the First Master Subcontract Agreement.

Payment for subcontracting services shall be made within 30 days from the receipt of monthly invoice.

On each occasion the Group wishes to engage CSC HK to provide any services in relation to a contract entered between a customer and the Group, the Group and the CSC Group should enter into a subcontract as stipulated in the Second Master Subcontract Agreement. Terms of the subcontract entered into between the Group and the CSC Group should be on a back-to-back basis based on the contract entered between the customer and the Group.

Further details of the terms of the Second Master Subcontract Agreement, including the conditions precedent of such agreement, are set out in the Letter from the Board.

(C) Basis of consideration

As stated in the Letter from the Board, the service charge for subcontracting services of costs plus 10% basis under the Second Master Subcontract Agreement is determined after arm's length negotiations with reference to, among others, the prevailing rate charged by the Business for the provision of similar subcontracting services.

We have discussed with the Directors and are given to understand that:

(1) the markup of the Business was approximately 10.8% and 15.0% for the year ended 31 March 2008 and 2009 respectively (calculated based on segment profit), which are higher than the markup of 10% under the Second Master Subcontract Agreement. As advised by the Directors, the Directors are not aware of any material downward change in the markup of the Business after 1 April 2009;

(2) the Group can obtain similar services from other service providers, and in the event that the rate charged by the other service provider for similar services is lower than that charged by the CSC Group under the Second Master Subcontract Agreement, the Group can engage such service provider to provide those services;

(3) the markup to be charged by the CSC Group under the Second Master Subcontract Agreement was reached after the mutual agreement between the Group and the CSC Group that both parties will charge each other for the subcontracting services at the subcontractor's own costs plus 10% and accordingly, the pricing terms under the First Master Subcontract Agreement and the Second Master Subcontract Agreement are reciprocal to each other; and

(4) since the Second Master Subcontract Agreement is part and parcel of the Global Account Transfer Agreement, the Global Account Transfer Agreement, the Data Centre Agreement, the First Master Subcontract

Agreement and the Second Master Subcontract Agreement are considered as a package deal. Having taken into account the consideration for the Disposal, the Directors consider that the markup to be charged by the CSC Group under the Second Master Subcontract Agreement is fair and reasonable.

Based on the above, we are of the view that the entering into of the Second Master Subcontract Agreement is in the interests of the Company and the Shareholders as a whole and the terms thereof are fair and reasonable.

VI. The Business Referral Termination Agreement and the Territorial Termination Agreement

(A) Reasons for entering into the Business Referral Termination Agreement and Territorial Termination Agreement

As advised by the Directors, prior to the listing of the Shares on the Stock Exchange, CSAM and ASL HK entered into the Business Referral Agreement for the referral of customers and opportunities in respect of certain business and/or product and services in connection therewith in Malaysia to CSAM and in Hong Kong, Macau and Taiwan to ASL HK, and CSA Holdings and the Company entered into the Territorial Agreement to impose restrictions on the respective territory of each of CSA Holdings and the Company in which certain business may be carried out. As mentioned in the prospectus of the Company dated 22 October 1997, the purpose of entering into the Business Referral Agreement was to ensure that the business of CSAM and ASL HK respectively will not compete with each other in the jurisdictions in which they respectively carry on business.

Since it is the CSC Group's intention to cease control over the Company and acquire, among others, the Business from the Group, CSAM and CSA Holdings entered into the Business Referral Termination Agreement and the Territorial Termination Agreement with ASL HK and the Company respectively to eliminate the geographical demarcation and to enable CSC HK to continue to serve its global clients. The Directors also consider that the entering into the Territorial Termination Agreement would facilitate the Group's expansion into the PRC without territorial restrictions.

(B) Major terms of the Business Referral Termination Agreement and Territorial Termination Agreement

(i) Business Referral Termination Agreement

The Business Referral Termination Agreement was entered into to terminate the Business Referral Agreement. Pursuant to the Business Referral Agreement, CSAM has undertaken to ASL HK, among others, that during the continuation of the Business Referral Agreement it shall, and shall procure its subsidiaries to, refer customers and opportunities in respect of the business of data processing and computing solution services including but not limited to systems consultancy, software programming, sourcing and sale of hardware and software products and provision of support engineering maintenance services and/or products and services in connection with such business in Hong Kong, Macau and Taiwan to ASL HK. ASL HK has given similar undertaking to CSAM for the referral of customers and opportunities in respect of the aforementioned business and/or products and services in connection therewith in Malaysia to CSAM.

Pursuant to the Business Referral Agreement, either party thereto shall be entitled to terminate the Business Referral Agreement by written notice to the other party if either CSAM or ASL HK shall at any time cease to be controlled by CSA Holdings.

Under the Business Referral Termination Agreement, no monetary consideration is involved for the termination of the Business Referral Agreement. The Business Referral Termination Agreement is not conditional on the GAT Closing and completion of the Share Purchase Agreement.

(ii) Territorial Termination Agreement

The Territorial Termination Agreement was entered into to terminate the Territorial Agreement. Pursuant to the Territorial Agreement, CSA Holdings has undertaken to the Company, among others, that during the continuation of the Territorial Agreement, for so long as CSA Holdings, directly or indirectly, is the controlling Shareholder, CSA Holdings and its subsidiaries (excluding the Group) (i) shall not carry on the business of systems integration and the supply of computers and associated products, Internet/Intranet networking and the provision of engineering services and software services, in particular, data processing and computing solution services including but not limited to systems consultancy, software programming, sourcing and sale of hardware and software products and provision of support engineering maintenance services (the "**Relevant Business**") or provide the products and services in connection therewith or conduct any business which competes or is likely to compete with the Relevant Business in Hong Kong, Macau and Taiwan ("**ASH Territory**") or sell or provide the products and services in connection with the Relevant Business to any person outside the ASH Territory where it knows or ought to have known having made reasonable enquiries that such products and services are destined to be used or implemented within the ASH Territory; and (ii) shall subcontract on an arm's length commercial basis to the Company that part of the project which involves the provision of products and services in connection with the Relevant Business in the ASH Territory, and all opportunities received by CSA Holdings or its subsidiaries (other than the Group) from customers in relation to the sale and provision of the products and services in connection with the Relevant Business in ASH Territory shall be referred to the Company. The Company has also given similar undertakings in favour of CSA Holdings except that the restrictions imposed upon the Group apply in respect of Singapore, Myanmar, United States, Australasia, Vietnam, Indonesia, Philippines and the PRC (excluding Hong Kong, Macau and Taiwan).

Pursuant to the Territorial Agreement, either party thereto shall be entitled to terminate the Territorial Agreement by written notice to the other party if CSA Holdings shall cease to be the controlling Shareholder, whether directly or indirectly.

Under the Territorial Termination Agreement, no monetary consideration is involved for the termination of the Territorial Agreement. The Territorial Termination Agreement is not conditional on the GAT Closing and completion of the Share Purchase Agreement.

Further details of the terms of the Business Referral Termination Agreement and the Territorial Termination Agreement, including the conditions precedent of such agreements, are set out in the Letter from the Board.

(C) Analysis of the terms

We have discussed with the Directors and are given to understand that:

(1) CSAM and CSA Holdings already have the right, pursuant to the Business Referral Agreement and the Territorial Agreement, to terminate the Business Referral Agreement and the Territorial Agreement respectively after CSA Holdings ceases to be the controlling Shareholder. Accordingly, if CSA Holdings ceases to be the controlling Shareholder after completion of the Share Purchase Agreement, CSAM and CSA Holdings are entitled to terminate the Business Referral Agreement and the Territorial Agreement respectively regardless of whether the Business Referral Termination Agreement and the Territorial Termination Agreement are entered into;

(2) the Directors consider that the Business Referral Agreement does not have any practical value given that other than the Global Account Client Contracts, no customers and business opportunities have been referred to ASL HK by CSAM or its subsidiaries under the Business Referral Agreement since the entering into of the Business Referral Agreement;

(3) the termination of the Territorial Agreement will not create an immediate threat to the Group's business in the ASH Territory for the following reasons:

   – due to the restrictions set out in the Territorial Agreement and Business Referral Agreement, the CSC Group provided services to its global clients in ASH Territory through the Group. As advised by the Directors, since CSC HK does not have significant operation in Hong Kong (the major market of the Group), the termination of the Territorial Agreement will not pose an immediate threat to the Group's business;

– the Business is not a major business of the Group, such that, the Directors consider that there will be minimal direct competition between the Business and the Remaining Business after the Disposal; and

– unless otherwise agreed by Teamsun, if Completion takes place, CSA Holdings and CSC International will provide a non-competition undertaking for one year insofar as Beijing Teamsun and its subsidiaries collectively hold not less than 30% of the issued share capital of the Company, details of which are set out in the sub-paragraph headed "Non-competition undertaking" under the paragraph headed "The Share Purchase Agreement dated 24 April 2009" of the Letter from the Board, therefore preventing CSC and its subsidiaries to actively engage in and compete with the Core Business (as defined in the Letter from the Board) of the Group (including the associated companies of the Company) in Hong Kong;

(4) after the termination of the Business Referral Agreement and Territorial Agreement, the parties will negotiate terms and conditions of any future cooperation on an arm's length basis and the Group will have greater flexibility in terms of selection of business partners;

(5) the termination of the Territorial Agreement will facilitate the Group's expansion into the PRC without territorial restrictions, which will be beneficial to the Group. The Directors consider that the PRC's information technology market would have great development potential. Despite the global economic downturn, the growth rate of the gross domestic product of the PRC in the first quarter of 2009 was still kept at approximately 6.1% (as compared to the same period in 2008). Accordingly, with the government initiatives and green spending and rapid development of information technology, the Directors are optimistic about the PRC's information technology market in the future. In addition, as mentioned in the Joint Announcement, 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. As further mentioned in the Joint Announcement, Teamsun 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. Accordingly, the Directors consider this as an opportunity for the Group to expand into the PRC market, in particular with the assistance of expertise and experience of Beijing Teamsun in the information technology market in the PRC following Completion; and

(6) it is noted that the completion of the Business Referral Termination Agreement and the Territorial Termination Agreement is not conditional on the GAT Closing and completion of the Share Purchase Agreement. However, as explained above, regardless of whether the GAT Closing and/or completion of Share Purchase Agreement take(s) place, the Directors consider that the termination of the Territorial Agreement will not create an immediate threat to the Group's business in the ASH Territory and the Business Referral Agreement does not have any practical significance in bringing new customers to the Group, while on the other hand, the Group is free to expand into the PRC market which, in the Directors' view, has great development potential. Given the above, the Directors consider that the entering into of the Business Referral Termination Agreement and the Territorial Termination Agreement are beneficial to the Group.

We are of the view that after the entering into of the Business Referral Termination Agreement and the Territorial Termination Agreement, the Group may have to face competition from CSC HK, but at the same time will have the opportunity to expand into the PRC market without territorial restrictions. However, since CSC HK does not have significant operation in Hong Kong and the Business only accounted for approximately 5.6% of the Group's turnover for each of the two years ended 31 March 2009, approximately 11.9% and approximately 9.8% of the Group's net assets value as at 31 March 2008 and 31 March 2009 respectively, and approximately 6.8% and approximately 16.7% of the Group's profit after taxation for the year ended 31 March 2008 and 2009 respectively, the termination of the Territorial Agreement will not create an immediate threat to the Group's business in the ASH Territory.

Based on the above, we are of the view that the entering into of the Business Referral Termination Agreement and the Territorial Termination Agreement are in the interests of the Company and the Shareholders as a whole and the terms thereof are fair and reasonable.

VII. The Undertaking

(A) Reasons for and major terms of the Undertaking

As stated in the Letter from the Board, certain application software used by the Group in its operations is currently licensed by various suppliers to the CSC Group. As the Group will no longer be part of the CSC Group after Completion, the Vendors have undertaken to Teamsun under the Share Purchase Agreement that subject to and notwithstanding Completion, CSC International and its affiliates shall permit the continuous use by the Group (including associated companies of the Company) of the relevant application software in the same manner and at the same charges as they are currently used by, and charged to, the Group for a period of six months after the Completion Date. As the Undertaking also covers the usage of application software by the associated companies of the Company, reference to the "Group" when referring to the Undertaking and the terms thereof under the paragraphs headed "The Undertaking" herein shall also include the associated companies of the Company.

As advised by the Directors, this arrangement will avoid a material disruption to the Group's daily operations after Completion and allow the Group sufficient time to obtain separate licences for such application software directly from the owners thereof.

(B) Basis of consideration

As mentioned above, pursuant to the Undertaking, CSC International and its affiliates shall permit the continuous use by the Group of the relevant application software in the same manner and at the same charges as they are currently used by, and charged to, the Group.

As advised by the Directors, the CSC Group currently charged the Group for the use of application software at CSC Group's own costs, which, as agreed between the Company and CSC Group, shall be determined by applying the full cost accounting method and adding up all direct and indirect costs incurred in rendering performance of the relevant function, including all cost of personnel, travel and equipment, all expenses relating to personnel dedicated to the performance of the relevant function and all overhead expenses (excluding all overhead from another source allocated to the party rendering the services). Where the services provided by the CSC Group benefit entities other than the Group, a relevant portion of the cost incurred by the CSC Group in undertaking such services shall be allocated to the Group on a fair and equitable basis.

We have discussed with the Directors and are given to understand that:

(1) the price currently charged on the Group by the CSC Group for the use of application software is calculated by multiplying the number of users of the Group who use the software by the unit software cost, which is calculated by dividing the total software costs incurred by the CSC Group by the total number of users of the software provided by the CSC Group. As advised by the Directors, the same charging basis is applied to all CSC Group entities using the software;

(2) to ensure that the prices charged by the CSC Group are reasonable, the Group will review and assess the total software costs from time to time and will enquire the CSC Group if necessary; and

(3) the application software currently used by the Group under this arrangement contains some customised features specifically designed for the needs of the CSC group of companies (including the Group). To avoid disruption to the operations of the Group, the Directors consider that the Undertaking is beneficial to the Group.

After taking into account of (i) the CSC Group will charge the Group for the use of application software at cost; (ii) the charging basis for the use of application software is consistently applied among the CSC Group entities and based on the number of users; (iii) the Group will review and assess the total software costs to be charged by the CSC Group; and (iv) the benefit of this arrangement in avoiding a disruption to the Group's operations, we are of the view that the Undertaking is in the interests of the Company and the Shareholders as a whole and the terms thereof are fair and reasonable.

CONCLUSION AND RECOMMENDATION

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

- the PER and the P/B of the Business based on the consideration for the Disposal are higher than the PERs and P/Bs of all the Comparable Companies and the Company respectively;

- the entering into of the Global Account Transfer Agreement provides an attractive opportunity for the Group to realise the Business and the Directors' view that the Disposal will not result in a material adverse impact on the Group;

- the Data Centre Agreement, the First Master Subcontract Agreement and the Second Master Subcontract Agreement are part and parcel of the Global Account Transfer Agreement due to the change in the control of the Company;

- the entering into of the Territorial Termination Agreement will facilitate the Group's expansion into the PRC without territorial restrictions;

- the Undertaking enables the Group (including the associated companies of the Company) to avoid a material disruption to the Group's daily operations after Completion; and

- the terms of the Data Centre Agreement, the First Master Subcontract Agreement, the Second Master Subcontract Agreement, the Business Referral Termination Agreement, the Territorial Termination Agreement and the Undertaking are fair and reasonable as mentioned above,

we are of the opinion that the Special Deals are in the interests of the Company and the Independent Shareholders as a whole and the terms thereof are fair and reasonable so far as the Company and the Independent Shareholders are concerned. Accordingly, we advise the Independent Board Committees to recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the Special Deals.

Yours faithfully,
For and on behalf of
Taifook Capital Limited

Derek C. O. Chan	**Kenneth Ng**
Managing Director	*Director*

The annual results announcement of the Company for the year ended 31 March 2009 dated 10 June 2009 is reproduced as follows:

"RESULTS

The Board of Directors (the "Directors") of Automated Systems Holdings Limited (the "Company") are pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2009 together with comparative figures for the previous year as follows:

Consolidated Income Statement

		Unaudited Three months ended 31 March		**Audited Year ended 31 March**	
		2009	**2008**	**2009**	**2008**
	Notes	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
TURNOVER	*(2)*	387,910	398,992	1,441,963	1,393,393
Cost of goods sold		(216,864)	(227,777)	(761,890)	(799,508)
Cost of services rendered		(108,682)	(104,778)	(497,076)	(419,858)
Other income	*(3)*	2,394	1,690	8,612	32,589
Selling expenses		(29,471)	(28,635)	(87,572)	(75,176)
Administrative expenses		(16,682)	(13,596)	(50,868)	(42,626)
Finance costs	*(4)*	(230)	(1)	(234)	(2)
Share of results of associates		44	269	880	463
PROFIT BEFORE TAXATION	*(5)*	18,419	26,164	53,815	89,275
Taxation	*(6)*	(4,950)	(5,398)	(11,164)	(13,122)
Profit for the period/year		13,469	20,766	42,651	76,153
DIVIDENDS	*(7)*				
Paid				62,419	47,370
Proposed				273,633	50,432
EARNINGS PER SHARE	*(8)*				
Basic		HK4.53 cents	HK7.03 cents	HK14.36 cents	HK25.76 cents
Diluted		HK4.52 cents	HK6.96 cents	HK14.31 cents	HK25.51 cents

Consolidated Balance Sheet

	Notes	Audited 31 March 2009 HK$'000	2008 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	(9)	174,899	223,225
Intangible assets		2,503	4,138
Interests in associates		1,381	705
		178,783	228,068
CURRENT ASSETS			
Inventories		104,467	111,556
Trade receivables	(10)	126,314	146,080
Other receivables, deposits and prepayments		24,861	65,202
Amounts due from customers for contract work		63,184	45,408
Short term bank deposits	(11)	–	100
Bank balances and cash	(11)	385,953	398,581
		704,779	766,927
CURRENT LIABILITIES			
Trade and bills payables	(12)	151,499	182,058
Other payables and accruals		58,849	75,920
Receipts in advance		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		14,571	23,142
		531,496	568,121
CAPITAL AND RESERVES			
Share capital		29,743	29,666
Reserves		501,753	538,455
Equity attributable to equity holders of the Company		531,496	568,121

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. 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 (the "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 1 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 1 January 2009 except the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009

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

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

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

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

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

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

[8] Effective for annual periods ending on or after 30 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 1 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 and interpretations will have no material impact on the results and the financial position of the Group.

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 31 March		**Audited Year ended 31 March**	
	2009	**2008**	**2009**	**2008**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Sales of goods	242,230	263,119	855,334	888,487
Revenue from service contracts	145,680	135,873	586,629	504,906
	387,910	398,992	1,441,963	1,393,393

The Group has adopted HKFRS 8 "Operating Segments" in advance of its effective date, with effect from 1 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 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.

Segment information about these businesses is presented below.

Year ended 31 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 31 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. 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

	Audited Year ended 31 March	
	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

	Audited Year ended 31 March	
	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 expenses	(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

	Audited Year ended 31 March 2009 *HK$'000*	 2008 *HK$'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

	Audited Year ended 31 March 2009 *HK$'000*	 2008 *HK$'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 Audited Year ended 31 March		Non-current assets Audited Year ended 31 March	
	2009 *HK$'000*	**2008** *HK$'000*	**2009** *HK$'000*	**2008** *HK$'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

3. Other Income

	Unaudited Three months ended 31 March		Audited Year ended 31 March	
	2009	**2008**	**2009**	**2008**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Gain on disposal of available-for-sale investments (net of transaction costs of HK$572,000)	–	–	–	20,690
Interest on bank deposits	441	1,134	3,869	8,250
Equipment rental income	864	–	3,454	2,015
Dividend income from available-for-sale investments	–	–	–	398
Exchange gain	–	48	–	48
Miscellaneous	1,089	508	1,289	1,188
	2,394	1,690	8,612	32,589

4. Finance Costs

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

5. Profit before Taxation

	Unaudited Three months ended 31 March		Audited Year ended 31 March	
	2009	**2008**	**2009**	**2008**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Profit before taxation has been arrived at after charging:				
Depreciation and amortisation:				
Property, plant and equipment	18,556	16,068	49,829	49,873
Intangible assets (included in cost of services rendered)	717	(322)	1,635	1,718
Loss on disposal of property, plant and equipment	23	1,469	30	1,535
Share-based payment expense	(113)	424	776	987

6. Taxation

	Unaudited Three months ended 31 March		Audited Year ended 31 March	
	2009	**2008**	**2009**	**2008**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
The charge (credit) comprises:				
Current taxation:				
Hong Kong Profits Tax	5,338	6,896	15,730	12,640
Overseas taxation	161	(23)	906	1,407
Under(over)provision in prior years:				
Hong Kong Profits Tax	83	(88)	83	(88)
Overseas taxation	–	–	–	–
	5,582	6,785	16,719	13,959
Deferred taxation				
Current year	553	(1,387)	(4,232)	(837)
Effect of change in tax rate	(1,185)	–	(1,323)	–
Taxation attributable to the Company and its subsidiaries	4,950	5,398	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.

7. Dividends

	Audited Year ended 31 March	
	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

The special dividend for the year of 92.0 HK cents per share, totalling HK$273,633,000 (FY08: HK$50,432,000) have been proposed by the Directors subsequent to 31 March 2009 and is subject to approval by the Company's shareholders in the forthcoming special general meeting.

8. Earnings Per Share

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

	Unaudited Three months ended 31 March		**Audited Year ended 31 March**	
	2009	**2008**	**2009**	**2008**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Earnings for the purpose of basic earnings per share and diluted earnings per share	13,469	20,766	42,651	76,153

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

9. Property, Plant and Equipment

During the year, the Group spent approximately HK$26,763,000 (FY08: HK$48,267,000) mainly on additions to computer and office equipment.

The leasehold land and buildings were revalued by DTZ Debenham Tie Leung Limited, an independent professional valuer, at 31 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$67,203,000 (FY08: HK$69,603,000).

10. 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$4,535,000 (FY08: HK$4,183,000), is as follows:

	Audited 31 March	
	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

11. Short Term Bank Deposits/Bank Balances and Cash

As at 31 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.

12. 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:

	Audited 31 March	
	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

13. 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 31 March 2009, no bank facilities were being utilised.

14. Post Balance Sheet Events

On 24 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 24 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 joint announcement dated 6 May 2009 made by Teamsun Technology (HK) Limited ("Teamsun") and the Company (the "Joint Announcement").

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.

DIVIDEND

The Directors has already declared the Special Dividend of 92.0 HK cents subject to certain conditions are to be fulfilled as contained in the Joint Announcement. Therefore, the Directors did not recommend the payment of a final dividend for the year ended 31 March 2009.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

Turnover for the FY09 was HK$1,442.0 million; higher by HK$48.6 million or 3.5% compared to FY08. Turnover for fourth quarter was HK$387.9 million; a decrease of HK$11.1 million or 2.8 % compared to last year.

Product sales for the year decreased by 3.7% year on year to HK$855.3 million, while service revenue for the same year increased by 16.2% year on year to HK$586.6 million and contributed 59.3% and 40.7% to turnover respectively. Commercial and public sector sales for the year contributed 51.3% and 48.7% to turnover respectively compared to 55.6% and 44.4% last year.

Profit before taxation for the fourth quarter was HK$18.4 million, lower than the corresponding period from last year by HK$7.7 million. Profit before taxation for FY09 was HK$53.8 million, a decrease of HK$35.5 million or 39.7% as compared to FY08 while the other income decreased by HK$24.0 million when compared with last year. The decrease of other income which consisted of profit generated from the disposal of available-for-sale investments of

HK$20.7 million recognised in FY08 and the interest income which was decreased as a result of decline in interest rate. The decrease was mainly attributed to the increase in service delivery that demanded a higher cost structure, especially in meeting the delivery commitment in the fourth quarter causing the reduction of profit.

The order book balance stood at above HK$600.0 million at 31 of March 2009, of which over HK$250.0 million of order was recurrent services in nature, where about HK$70.0 million was for GMS business. As such, recurrent services order other than GMS business was about HK$180.0 million, which was about HK$50.0 million more as compared to last year. The Balance Sheet was healthy with net cash of approximately HK$386.0 million. The working capital ratio stood at 2.09:1.

Business Review

Infrastructure Business

During the year, under the current economic environment, the IT Infrastructure Business performed relatively well in both the public and private sectors. The Group secured a number of sizable projects from various industries to provide enterprise storage systems, servers, networking, and other IT infrastructure and related services to our customers. Projects included a multi-million dollar infrastructure project for a financial services provider to centralize and protect data across the enterprise, and an infrastructure upgrade project from Wing Lung Bank to improve its operation and efficiency.

Solution Business

The Solution Business has made satisfactory progress this year. In FY09, the Group obtained a number of multi-million dollar orders to provide tailor-made solutions to public and private sector customers. In the fourth quarter, we secured an over HK$20 million contract from the University of Hong Kong for the supply, implementation and commissioning of a web-based Human Capital Management System covering over 6,000 users. Other customized solutions deployed during the year included a Rent Enquiry Facility Kiosk solution, an accounting and financial management system, a document management system and a change management system. Also of note was a tender won from the Office of the Government Chief Information Officer to implement an e-procurement system.

Services Business

This year, the Service Business encountered a rising number of customers looking for cost-effective high quality solutions. The Group successfully captured many of these opportunities and secured a number of sizeable and long-term deals in the area of professional managed and maintenance services which generate a stable and recurring income stream.

In the year under review, the Group obtained a sizable 48-month services contract from the Hospital Authority worth over HK$40 million for providing professional services to support the development and implementation of the Clinical Management Systems Phase III Project. In addition, other major contracts included a multi-million dollar 5-year government IT maintenance and support services contract and a 3-year managed service tender to provide Computer Technician Support Services for 32 public libraries in Hong Kong.

This winning project portfolio was further supplemented in the fourth quarter to include two 3-year multi-million dollar outsourcing contracts. Such contracts were to provide 7x24 deskside and Server Operations Services to Cathay Pacific Airways Ltd, spanning for 12 months and extendable for another 24 months. Over the years, we have met the demand of many customers requesting us for providing wider coverage of IT support services, ranging from simple hardware maintenance services to core IT support services. Other major service contracts undertaken during the year also included our major customers of government authorities and other statutory bodies.

Overseas Business

The Overseas Business performed satisfactorily in the period under review. Turnover of overseas business rose 54.8% compared to the same period of last year.

Our subsidiary in Guangzhou PRC continued to capture business opportunities derived from our Hong Kong customers. Examples of notable projects included a multi-million dollar data center infrastructure project for a well-known Hong Kong-based corporation, the supply of security appliances and maintenance services for PRC offices of a Hong Kong international bank, and the provision of maintenance services for the major office of a Hong Kong-listed company in Chengdu. The Group also provided Guangzhou Xinchang Information Technology Co. Ltd, a Dah Chong Hong's subsidiary, with a database software for the Customer Relationship Management project. Through our success in providing services in different areas in the PRC, the Group has made considerable progress in penetrating the Mainland's telecom, power supply and hospitality industries.

In Taiwan, business activities continued to expand in terms of contract size and customer portfolio in all sectors. The most notable deal this year was the completion of a million-plus dollar project to provide storage and backup hardware to one of the largest IT distribution companies in the Asia Pacific. To support expansion, the Group opened an office in Taichung City in November 2008 and increased its number of staff to about 40. Notable contracts in the quarter under review included an infrastructure project for a die-casting manufacturer to support its Enterprise Resource Planning system.

This year is the 15th anniversary of our subsidiary in Macau. This milestone is indicative of its proven track record for providing comprehensive IT solutions and services to local customers. In the year under review, the Group continued to reap benefits from the gaming industry, boasting three separate multi-million dollar contracts to provide a newly opened casino in Macau a Playing Card Management System, a Baccarat Score Board System and storage systems.

Our Thailand subsidiary continued to garner sizable infrastructure and solution contracts from focused customers during the reporting period. Notably, the Group obtained two separate million-plus dollar contracts from the Ministry of Interior's Community Development Department for supplying computer hardware and anti-virus software to its branches across Thailand.

Share Purchase Agreement for Sale Shares and GAC Special Deal Agreements

Reference is made to the Joint Announcement. Capitalised terms used in the section shall have the same meanings as those in the Joint Announcement unless otherwise defined. On 24 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 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"). If the transaction for Sale Shares is successful, it will form a strong partnering relationship between the Group and Teamsun that will enhance the Group's capability to expand into the PRC market.

The Group also entered into the GAC Special Deal Agreements with the CSC Group. The Business has recorded a turnover of HK$81.0 million for FY09, representing an increase of HK$2.7 million from HK$78.3 million for FY08. The above turnover of the Business in FY09 and FY08 contributed 5.6% to the same of the Group respectively. The profits before and after taxation of the Business for FY09 were HK$9.0 million (FY08: HK$6.1 million) and HK$7.1 million (FY08: HK$5.2 million) respectively. Both the profits before and after taxation of FY09 contributed 16.7% (FY08: 6.8%) to the same of the Group in FY09 and were determined based on the segment profit relating to the Business after allocating relevant incomes and expenses attributable to the Business. The operating income of the Business were HK$10.6 million and HK$7.6 million in FY09 and FY08 respectively, representing 10.7% and 7.6% to the same of the Group.

By entering into the Business Referral Termination Agreement and the Territorial Termination Agreement which are subject to, among others, the Independent Shareholders' approval, the geographical delineation of business between the Company and the CSC Group could be uplifted. Such uplift will provide opportunities for the Group to deepen its presence in PRC and other markets in Asia.

Outlook and Prospects

The Group is determined to strive forward during the global economic downturn and continue to forge ahead. We will continue to focus on the growth of the recurrent revenue based business and winning of sizable projects from the public and private sector in Hong Kong.

In terms of overseas development, the subsidiary in Taiwan has recently made major inroads into the government and education sector since it won two tenders to become one of the qualified suppliers to provide computer peripherals and equipment for the Bank of Taiwan Department of Procurement who has served government agencies and government-owned enterprises, military organizations and education institutions in the respect of such purchases in Taipei County, Taipei City and Taichung County and Taichung City.

As such, with a view to strengthening our presence in the Greater China, the Group continues to explore opportunities of partnering with strong PRC IT 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. From this collaboration, we can also cement stronger relationship with technology vendors and suppliers to boaster our regional development.

While the Group has been exploring different opportunities for expansion into the other markets, Hong Kong will continue to serve as our center of excellence for the Group to capitalize new business opportunities in our existing operations in the region.

Financial Resources and Liquidity

As at 31 March 2009, the Group's total assets of HK$883.6 million were financed by current liabilities of HK$337.5 million, deferred taxation of HK$14.6 million and shareholders' equity of HK$531.5 million. The Group had a working capital ratio of approximately 2.09:1.

As at 31 March 2009, the Group had an aggregate composite banking facilities from banks of approximately HK$130.1 million of which HK$25.5 million was utilised (31 March 2008: HK$26.9 million). The Group's gearing ratio was zero (31 March 2008: zero) as at 31 March 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 year ended 31 March 2009.

Contingent Liabilities

Corporate guarantee to banks and vendors as security for banking facilities and goods supplied to the Group amounted to approximately HK$130.1 million and HK$51.8 million respectively as at 31 March 2009. The amount utilised against such facilities and goods supplied as at 31 March 2009 which was secured by the corporate guarantee amounted to approximately HK$2.3 million. The performance bond issued by the Group to customers as security of contract was approximately HK$25.5 million as at 31 March 2009.

Major Customers and Suppliers

During the year, the five largest customers and single largest customer of the Group accounted for approximately 16.2% and 4.6%, respectively, of the Group's revenue. The five largest suppliers and single largest supplier of the Group accounted for approximately 49.1% and 15.9%, respectively, of the Group's purchases.

At no time during the year did a director, an associate of a director or a shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's issued share capital) have an interest in any of the Group's five largest customers or suppliers.

Employee and Remuneration Policies

As at 31 March 2009, the Group, excluding its associates, employed 1,585 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 options scheme.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 24 August 2009 to 26 August 2009, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the entitlement to attend and vote at the forthcoming annual general meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's registrars, Tricor Tengis Limited at 26/F Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on 21 August 2009.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 March 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 audited annual results.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated balance sheet, consolidated income statement and the related notes thereto for the year ended 31 March 2009 as set out in this Preliminary Announcement have been agreed by the Group's auditors, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Company has made specific enquiry of all Directors regarding any non-compliance with the Model Code during the year ended 31 March 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 year ended 31 March 2009 except as noted below:

(a) with respect to Code A.1.1, a majority of directors of the Board was not present in a Board meeting duly held on 27 June 2008 due to some directors had to travel for business;

(b) with respect to Code A.1.8, if a substantial shareholder or a director has a conflict of interests in a matter to be considered by the board which the board has determined to be material, the matter should not be dealt with by way of circulation but a board meeting. Owing to urgency for approving the Continuing Connected Transactions (the "Transactions") in which the Directors who were considered interested directors by virtue of their current directorship and/or office with the Company's ultimate holding company, Computer Sciences Corporation ("CSC') and/or its subsidiaries (the "Interested Directors"), the Transactions were dealt with by way of circulation of board resolution (the "Board Resolutions") for business efficacy reason. The Interested Directors had abstained from approving in the Board Resolutions. The Transactions were subsequently approved by the Special Board Committee resolution (comprising the disinterested Directors) and by a duly held board meeting on 20 November and 26 November 2008 respectively. Please refer to the Company's announcement and circular dated 3 November and 24 November 2008 respectively for the details of the Transactions;

(c) 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; and

(d) with respect to Code C.3.3, the Board adopted revised Term of Reference for Audit Committee as a result of the amendments of the Listing Rules after 1 January 2009.

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

Hong Kong, 10 June 2009"

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statement in this circular misleading.

The information in relation to the Offeror, the General Offer and the Option Offer was extracted from the Joint Announcement. The Directors jointly and severally accept full responsibility for the correctness and fairness of the reproduction or presentation of such information and confirm that such extraction is not misleading, and that, to the best of their knowledge, there are no other facts not contained in this circular, the omission of which would make any such extracted statement 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, 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	4,361,621[1]	–	–	–	4,361,621	1.46%
	Kuo Chi Yung, Peter	9,271,241	–	–	–	9,271,241	3.10%
ASL HK	Lai Yam Ting, Ready	1,070,000[2]	–	–	–	1,070,000	N/A[3]
	Kuo Chi Yung, Peter	2,140,000[2]	–	–	–	2,140,000	N/A[3]

(ii) Underlying Shares

Name of company	Director	Personal interests	Family interests	Corporate interests	Other	Total
The Company	Lai Yam Ting, Ready	1,233,000 [4]	–	–	–	1,233,000
	Lau Ming Chi, Edward	1,586,000 [4]	–	–	–	1,586,000
	Kuo Chi Yung, Peter	587,000 [4]	–	–	–	587,000
CSC	Michael Shove	213,289 [5 and 7]	–	–	–	213,289
	Darren John Collins	24,630 [6 and 7]	–	–	–	24,630
	Wang Yung Chang, Kenneth	14,630 [6 and 7]	–	–	–	14,630
	Andrew John Anker	13,413 [6 and 7]	–	–	–	13,413

Notes:

1. The interests include 412,000 Shares expected to be issued and allotted to Mr. Lai Yam Ting, Ready pursuant to the share option scheme of the Company on exercise of Options held by Mr. Lai Yam Ting, Ready, the exercise date of which was 25 June 2009.

2. These shares were non-voting deferred shares.

3. 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.

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

5. The interests comprise options to acquire 192,495 shares of common stock of CSC and 20,794 restricted stock units.

6. The interests are options to acquire common stock of CSC.

7. The Directors' options to acquire shares in CSC are remuneration in their capacities as executives of these related corporations.

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.

(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	*Notes*
	Direct interest	Deemed interest	Total	%	
CSA Holdings	189,701,896	–	189,701,896	63.3	*1*
CSC International	13,730,000	189,701,896	203,431,896	67.9	*1*
CSC	–	203,431,896	203,431,896	67.9	*2*
Teamsun	203,431,896	–	203,431,896	67.9	*3*
Beijing Teamsun	–	203,431,896	203,431,896	67.9	*3*

Notes:

1. As at the Latest Practicable Date, CSC International beneficially owned the entire issued share capital of CSA Holdings and was accordingly deemed to be interested in 189,701,896 shares of the Company. In addition, CSC International owned directly 13,730,000 shares of the Company.

2. CSC, through its wholly-owned subsidiary, CSC International, was deemed to be interested in 203,431,896 shares of the Company.

3. Pursuant to the Share Purchase Agreement, Teamsun agreed to acquire from CSA Holdings and CSC International 203,431,896 Shares. Teamsun is therefore taken to be interested in the 203,431,896 Shares agreed to be acquired. 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.

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. MATERIAL 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.

4. SERVICE CONTRACTS

Under the Company's retirement benefit scheme ("Defined Benefit Plan"), the Director qualifies for the Defined Benefit Plan is entitled to a payment in the amount equivalent to 120% of his final average salary in the last twelve months times the number of years of service upon termination of his director's contract by the Company otherwise than for cause. Save as the aforesaid, as at the Latest Practicable Date, none of the Directors has any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by relevant members of the Group within one year without payment of compensation other than statutory compensation).

5. INTEREST IN CONTRACTS AND ARRANGEMENT

None of the Directors had material interest in any contract or arrangement subsisting at the Latest Practicable Date which was significant in relation to the business of the Group.

6. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2009 (being the date to which the latest published audited consolidated accounts of the Company were made up).

7. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors nor their respective associates had any beneficial interest in other businesses which competed or was likely to compete with the business of the Group.

8. INTEREST IN ASSETS

As at the Latest Practicable Date, to the best of the knowledge of the Directors, none of the Directors or proposed directors of the Company or Taifook had any direct or indirect interest in any asset which had been, since 31 March 2009, being the date to which the latest published audited consolidated accounts of the Company were made up, acquired or disposed of, by or leased to any member of the Group or are proposed to be acquired or disposed of, by or leased to any member of the Group.

9. QUALIFICATION OF EXPERT AND EXPERT'S INTERESTS

The following are the qualifications of the expert who has given advice or opinion which are contained in this circular:

Name	Qualification
Taifook	a licensed corporation to carry out type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, Taifook 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.

10. CONSENT

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

11. GENERAL

The English text of this circular and the form of proxy 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) up to and including the date of the SGM:

(a) the letter from the Special Deals IBC, the text of which is set out on page 38 of this circular;

(b) the letter from the Disposal IBC, the text of which is set out on page 39 of this circular;

(c) the letter from Taifook, the text of which is set out on pages 40 to 64 of this circular;

(d) the Share Purchase Agreement and the GAC Special Deal Agreements;

(e) the letter of consent given by Taifook referred to in the section headed "Qualification of expert and expert's interests" of this appendix; and

(f) the Defined Benefit Plan described in the section headed "Service contracts" of this appendix.

AUTOMATED

AUTOMATED SYSTEMS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 771)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting of Automated Systems Holdings Limited (the "Company") will be held at Room 3203, 32/F, Admiralty Centre I, 18 Harcourt Road, Admiralty, Hong Kong on 17 July 2009 at 9:30 a.m. for the purpose of considering and, if thought fit, passing the following resolutions, with or without modification, as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. "**THAT**:

(a) the agreement for sale and purchase of the global accounts and assets in Hong Kong dated 24 April 2009 entered into between Automated Systems (H.K.) Limited ("ASL HK") and CSC Computer Sciences HK Limited ("CSC HK") (as supplemented by an amendment agreement dated 3 June 2009 entered into between ASL HK and CSC HK) in relation to the transfer of certain business, business assets, hardware assets, data centre equipment and the use of certain specified intellectual property from ASL HK to CSC HK (or to any other CSC entity as nominated by CSC HK) (a copy of which has been produced to the meeting and marked "A" and signed by the chairman of the meeting for identification purpose) (the "Global Account Transfer Agreement") which constitutes a special deal under Rule 25 of the Hong Kong Code on Takeovers and Merger (the "Takeovers Code");

(b) the data centre facility management agreement dated 24 April 2009 entered into between ASL HK and CSC HK (as supplemented by an amendment agreement dated 3 June 2009 entered into between ASL HK and CSC HK) in relation to the granting of a licence in respect of the data centre premises to CSC HK (a copy of which has been produced to the meeting and marked "B" and signed by the chairman of the meeting for identification purpose) (the "Data Centre Agreement") which constitutes a special deal under Rule 25 of the Takeovers Code;

(c) the master subcontract framework agreement dated 24 April 2009 entered into between CSC HK and ASL HK which sets out the process, structure and general terms and conditions under which the Company and its subsidiaries (the "Group") will provide certain specified services to Computer Sciences Corporation and its subsidiaries and associates (excluding the Group) (the "CSC Group") for on-supply to certain specified customers of the CSC Group (a copy of which has been produced to the meeting and marked "C" and signed by the chairman of the meeting for identification purpose) (the "First Master Subcontract Agreement") which constitutes a special deal under Rule 25 of the Takeovers Code;

(d) the master subcontract framework agreement dated 24 April 2009 entered into between CSC HK and ASL HK 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 (a copy of which has been produced to the meeting and marked "D" and signed by the chairman of the meeting for identification purpose) (the "Second Master Subcontract Agreement") which constitutes a special deal under Rule 25 of the Takeovers Code;

(e) the agreement dated 24 April 2009 entered into between ASL HK and CSC Malaysia Sdn Bhd (formerly known as Computer Systems Advisers (M) Berhad) ("CSAM") whereby CSAM and ASL HK agreed to terminate the business referral agreement dated 26 August 1997 entered into between ASL HK and CSAM (a copy of which has been produced to the meeting and marked "E" and signed by the chairman of the meeting for identification purpose) (the "Business Referral Termination Agreement") which constitutes a special deal under Rule 25 of the Takeovers Code;

(f) the agreement dated 24 April 2009 entered into between CSA Holdings Limited ("CSA Holdings") and the Company whereby CSA Holdings and the Company agreed to terminate the territorial agreement dated 16 October 1997 entered into between CSA Holdings and the Company (a copy of which has been produced to the meeting and marked "F" and signed by the chairman of the meeting for identification purpose) (the "Territorial Termination Agreement") which constitutes a special deal under Rule 25 of the Takeovers Code; and

(g) the undertaking given by CSA Holdings and CSC Computer Sciences International Inc. ("CSC International") to Teamsun Technology (HK) Limited ("Teamsun") under the agreement for the sale and purchase of the shares of the Company owned by CSA Holdings and CSC International dated 24 April 2009 entered into among CSA Holdings, CSC International and Teamsun (the "Share Purchase Agreement") in relation to the continuous use of application software by the Group (including associated companies of the Company) for a transitional period of six months after the completion date of the Share Purchase Agreement (as described in the "Letter from the Board" in the circular of the Company dated 30 June 2009 of which this notice of meeting forms part) (the "Undertaking") which constitutes a special deal under Rule 25 of the Takeovers Code;

be and are hereby approved, confirmed and ratified, and all transactions contemplated under each of the Global Account Transfer Agreement, the Data Centre Agreement, the First Master Subcontract Agreement, the Second Master Subcontract Agreement, the Business Referral Termination Agreement and the Territorial Termination Agreement (together, the "GAC Special Deal Agreements") be and are hereby approved and confirmed and any one director of the Company, or any two directors of the Company if the affixing of the common seal is necessary, be and is/are hereby authorised for and on behalf of the Company to do all acts and things, to sign and execute all such other documents, deeds, instruments and agreements and to take such steps as he/they may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the GAC Special Deal Agreements and the Undertaking (including amendments of an immaterial nature) and all other matters incidental thereto."

2. "**THAT** the Special Dividend (as defined in the circular of the Company dated 30 June 2009 of which this notice of meeting forms part) be and is hereby approved and authorised and the directors of the Company be and are hereby authorised to effect the payment of the Special Dividend and to do all acts and things and to take such steps as they may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the implementation of the distribution of the Special Dividend."

By Order of the Board
Lau Ming Chi, Edward
Secretary

Hong Kong, 30 June 2009

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

Notes:

1. A shareholder of the Company entitled to attend and vote at this meeting shall be entitled to appoint another person as his proxy to attend and vote instead of him, and on a poll, votes may be given either personally or (in the case of a shareholder being a corporation) by its duly authorised representatives) or by proxy in accordance with the bye-laws of the Company. A shareholder who is the holder of two or more shares may appoint more than one proxy to attend this meeting. A proxy need not be a shareholder of the Company.

2. Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.

3. To be valid, a form of proxy together with any power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof, must be deposited with the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.