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**AUTOMATED**

## **AUTOMATED SYSTEMS HOLDINGS LIMITED**

(Incorporated in Bermuda with limited liability)

(Stock Code: 771)

### **2009/10 THIRD QUARTERLY RESULTS ANNOUNCEMENT**

This announcement is made pursuant to the disclosure obligation under Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Board of Directors of Automated Systems Holdings Limited are pleased to announce the unaudited consolidated results of the Company and its subsidiaries for the nine months ended 31st December 2009.

#### **RESULTS**

This announcement is made pursuant to the disclosure obligation under Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Board of Directors (the "Directors") of Automated Systems Holdings Limited (the "Company") are pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the nine months ended 31st December 2009. The condensed consolidated third quarterly financial information has been reviewed by the Company's Audit Committee.

#### **Condensed Consolidated Income Statement**

		<b>Unaudited</b>		<b>Unaudited</b>	
		<b>Three months ended</b>		<b>Nine months ended</b>	
		<b>31st December</b>		<b>31st December</b>	
		<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Continuing operations</b>					
<b>REVENUE</b>	3	<b>296,272</b>	300,010	<b>914,012</b>	992,650
Cost of goods sold		<b>(159,297)</b>	(154,126)	<b>(494,320)</b>	(545,026)
Costs of services rendered		<b>(100,029)</b>	(109,860)	<b>(313,829)</b>	(336,425)
Other income	4	<b>1,708</b>	1,819	<b>4,448</b>	6,203
Selling expenses		<b>(16,452)</b>	(21,625)	<b>(49,380)</b>	(58,102)
Administrative expenses		<b>(10,774)</b>	(10,351)	<b>(36,816)</b>	(32,431)
Finance costs	5	-	(1)	-	(4)
Share of results of associates		<b>333</b>	294	<b>749</b>	836
<b>PROFIT BEFORE TAXATION</b>	6	<b>11,761</b>	6,160	<b>24,864</b>	27,701
Income tax expense	7	<b>(1,685)</b>	(2,012)	<b>(5,084)</b>	(4,655)
<b>Profit from continuing operations</b>		<b>10,076</b>	4,148	<b>19,780</b>	23,046
<b>Discontinued operations</b>					
Profit from discontinued operations	8	-	3,640	<b>72,598</b>	7,891
<b>Profit for the period attributable to equity holders of the Company</b>		<b>10,076</b>	7,788	<b>92,378</b>	30,937

## Condensed Consolidated Income Statement (Cont'd)

	Notes	Unaudited Three months ended 31st December		Unaudited Nine months ended 31st December	
		2009	2008	2009	2008
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>DIVIDENDS</b>	9				
Special dividend		-	-	286,491	-
Interim dividend		-	-	-	11,889
		<u>-</u>	<u>-</u>	<u>-</u>	<u>11,889</u>
<b>Earnings per share for profit for the period attributable to the equity holders of the Company</b>	10				
Basic		<u>HK3.04 cents</u>	<u>HK2.62 cents</u>	<u>HK30.17 cents</u>	<u>HK10.42 cents</u>
Diluted		<u>HK3.04 cents</u>	<u>HK2.62 cents</u>	<u>HK30.17 cents</u>	<u>HK10.39 cents</u>
<b>Earnings per share for profit from continuing operations attributable to the equity holders of the Company</b>	10				
Basic		<u>HK3.04 cents</u>	<u>HK1.40 cents</u>	<u>HK6.46 cents</u>	<u>HK7.76 cents</u>
Diluted		<u>HK3.04 cents</u>	<u>HK1.39 cents</u>	<u>HK6.46 cents</u>	<u>HK7.74 cents</u>

## Condensed Consolidated Statement of Comprehensive Income

	Unaudited Three months ended 31st December		Unaudited Nine months ended 31st December	
	2009	2008	2009	2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Profit for the period</b>	10,076	7,788	92,378	30,937
<b>Other comprehensive income</b>				
Exchange differences on translation of overseas operations	<u>312</u>	<u>(655)</u>	<u>(54)</u>	<u>(2,253)</u>
<b>Total comprehensive income for the period attributable to equity holders of the Company</b>	<u>10,388</u>	<u>7,133</u>	<u>92,324</u>	<u>28,684</u>

## Condensed Consolidated Balance Sheet

	<i>Notes</i>	Unaudited 31st December 2009 <i>HK\$'000</i>	Audited 31st March 2009 <i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	111,654	174,899
Investment properties		15,310	-
Intangible assets		900	2,503
Interests in associates		2,130	1,381
Non-current trade receivables		<u>3,093</u>	<u>-</u>
		<u>133,087</u>	<u>178,783</u>
<b>CURRENT ASSETS</b>			
Inventories		85,335	104,467
Trade receivables	12	132,703	126,314
Other receivables, deposits and prepayments	13	25,871	24,861
Amounts due from customers for contract work		91,325	63,184
Restricted cash		25,330	-
Bank balances and cash		<u>168,889</u>	<u>385,953</u>
		<u>529,453</u>	<u>704,779</u>
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	14	130,178	151,499
Other payables and accruals	15	44,495	58,849
Receipts in advance		98,243	121,371
Current tax liabilities		<u>16,277</u>	<u>5,776</u>
		<u>289,193</u>	<u>337,495</u>
<b>NET CURRENT ASSETS</b>		<u>240,260</u>	<u>367,284</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		373,347	546,067
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities		8,107	14,571
Deferred income		<u>148</u>	<u>-</u>
		<u>8,255</u>	<u>14,571</u>
		<u>365,092</u>	<u>531,496</u>
<b>CAPITAL AND RESERVES</b>			
Share capital		31,140	29,743
Reserves		<u>333,952</u>	<u>501,753</u>
Total equity		<u>365,092</u>	<u>531,496</u>

## NOTES TO THE CONDENSED CONSOLIDATED THIRD QUARTERLY FINANCIAL INFORMATION

### 1. Basis of Preparation

This condensed consolidated third quarterly financial information for the nine months ended 31st December 2009 has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

### 2. Principal Accounting Policies

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31st March 2009, as described in those annual financial statements.

Taxes on income in the periods are accrued using the tax rate that would be applicable to expected total annual earnings.

The following amendments to standards are mandatory for the first time for the financial year beginning 1st April 2009.

- HKAS 1 (revised), 'Presentation of financial statements'. The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner's changes in equity. All 'non-owner changes in equity' are required to be shown in a performance statement.

Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Group has elected to present two statements: an income statement and a statement of comprehensive income. The third quarterly financial information has been prepared under the revised disclosure requirements.

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1st April 2009, but are not currently relevant for the Group or may not have any financial impact on the third quarterly financial information:

- HKAS 23 (amendment), 'Borrowing costs'.
- HKAS 32 (amendment), 'Financial instruments: Presentation'.
- HKAS 39 (amendment), 'Financial instruments: Recognition and measurement'.
- HKFRS 7 (amendments), 'Financial instruments: Disclosures'.
- HKFRS 2 (amendments), 'Share-based payment'.
- HK(IFRIC) 9 (amendments), 'Reassessment of embedded derivatives' and HKAS 39 (amendment), 'Financial instruments: Recognition and measurement'.
- HK(IFRIC) 13, 'Customer loyalty programmes'.
- HK(IFRIC) 15, 'Agreements for the construction of real estate'.
- HK(IFRIC) 16, 'Hedges of a net investment in a foreign operation'.

### 3. Revenue and Segmental Information

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

	Unaudited Three months ended 31st December		Unaudited Nine months ended 31st December	
	2009	2008	2009	2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Sales of goods	173,366	172,554	543,788	612,651
Revenue from service contracts	<u>122,906</u>	<u>127,456</u>	<u>370,224</u>	<u>379,999</u>
Revenue from continuing operations	<u><u>296,272</u></u>	<u><u>300,010</u></u>	<u><u>914,012</u></u>	<u><u>992,650</u></u>

The chief operating decision maker has been identified as the Directors. The Directors review the Group's internal reporting in order to assess performance and allocate resources. The Directors have determined the operating segments based on these reports.

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

#### IT Products

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

#### IT Services

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

#### GMS

Being the business undertaken by the Group in the provision of global management services (which include information technology infrastructure administrative services function, facilities management, network operation maintenance and on-site support, hardware maintenance and desktop computing services) to clients in Asia including Hong Kong, Thailand and Taiwan. The Group disposed of the GMS business in August 2009 and the results of the GMS is presented as discontinued operations (note 8).

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

#### Unaudited

#### Three months ended 31st December 2009

	Continuing Operations		Total Continuing Operations	Discontinued Operations	Total Group
	IT Products	IT Services	Operations	GMS	Group
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	173,366	122,906	296,272	-	296,272
Intersegment revenue	2,590	13,767	16,357	-	16,357
Segment revenue	175,956	136,673	312,629	-	312,629
Reportable segment profit	6,832	13,788	20,620	-	20,620
Depreciation and amortisation	534	1,990	2,524	-	2,524
Additions to property, plant and equipment	775	2,618	3,393	-	3,393

#### Unaudited

#### Nine months ended 31st December 2009

	Continuing Operations		Total Continuing Operations	Discontinued Operations	Total Group
	IT Products	IT Services	Operations	GMS	Group
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	543,788	370,224	914,012	30,070	944,082
Intersegment revenue	8,902	29,102	38,004	-	38,004
Segment revenue	552,690	399,326	952,016	30,070	982,086
Reportable segment profit	20,238	36,790	57,028	4,170	61,198
Depreciation and amortisation	1,058	6,362	7,420	10,573	17,993
Additions to property, plant and equipment	1,134	5,039	6,173	3,268	9,441

Unaudited  
Three months ended 31st December 2008

	Continuing Operations		Total Continuing Operations	Discontinued Operations	Total Group
	IT Products	IT Services	Operations	GMS	Group
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	172,554	127,456	300,010	20,516	320,526
Intersegment revenue	1,909	13,792	15,701	-	15,701
Segment revenue	174,463	141,248	315,711	20,516	336,227
Reportable segment profit	1,425	10,435	11,860	4,359	16,219
Depreciation and amortisation	546	2,299	2,845	2,911	5,756
Additions to property, plant and equipment	158	175	333	1,801	2,134

Unaudited  
Nine months ended 31st December 2008

	Continuing Operations		Total Continuing Operations	Discontinued Operations	Total Group
	IT Products	IT Services	Operations	GMS	Group
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	612,651	379,999	992,650	61,403	1,054,053
Intersegment revenue	7,986	30,852	38,838	-	38,838
Segment revenue	620,637	410,851	1,031,488	61,403	1,092,891
Reportable segment profit	20,677	32,420	53,097	9,450	62,547
Depreciation and amortisation	1,512	6,679	8,191	18,353	26,544
Additions to property, plant and equipment	820	2,128	2,948	6,148	9,096

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

	Continuing Operations		Total Continuing Operations	Discontinued Operations	Total Group
	IT Products	IT Services	Operations	GMS	Group
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000

As at 31st December 2009

Reportable segment assets	230,007	117,177	347,184	-	347,184
Reportable segment liabilities	154,971	87,588	242,559	-	242,559

As at 31st March 2009

Reportable segment assets	202,872	106,965	309,837	63,590	373,427
Reportable segment liabilities	175,603	97,769	273,372	11,332	284,704

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

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

Reportable segment profit is profit before taxation, excluding unallocated 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, restricted cash, bank balances and cash and unallocated corporate assets (mainly including property, plant and equipment, investment properties 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 revenue, profit or loss, assets and liabilities

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

Revenue	Unaudited Three months ended 31st December		Unaudited Nine months ended 31st December	
	2009 HK\$'000	2008 HK\$'000	2009 HK\$'000	2008 HK\$'000
Reportable segment revenue from continuing operations	312,629	315,711	952,016	1,031,488
Elimination of intersegment revenue	(16,357)	(15,701)	(38,004)	(38,838)
Revenue from continuing operations per condensed consolidated income statement	<u>296,272</u>	<u>300,010</u>	<u>914,012</u>	<u>992,650</u>

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

Profit	Unaudited Three months ended 31st December		Unaudited Nine months ended 31st December	
	2009 HK\$'000	2008 HK\$'000	2009 HK\$'000	2008 HK\$'000
Reportable segment profit from continuing operations	20,620	11,860	57,028	53,097
Unallocated amounts:				
Unallocated other income	1,582	1,976	3,903	6,203
Unallocated finance costs	-	(1)	-	(4)
Unallocated gain / (loss) on disposal of property, plant and equipment	-	9	-	(7)
Share-based payment expenses	-	(330)	(361)	(889)
Share of results of associates	333	294	749	836
Unallocated corporate expenses	(10,774)	(7,648)	(36,455)	(31,535)
Profit before taxation from continuing operations per condensed consolidated income statement	<u>11,761</u>	<u>6,160</u>	<u>24,864</u>	<u>27,701</u>

Assets	Unaudited 31st December 2009 HK\$'000	Audited 31st March 2009 HK\$'000
	Reportable segment assets	347,184
Unallocated assets:		
Interests in associates	2,130	1,381
Unallocated restricted cash	25,330	-
Unallocated bank balances and cash	168,889	385,953
Unallocated corporate assets	119,007	122,801
Total assets per condensed consolidated balance sheet	<u>662,540</u>	<u>883,562</u>

<b>Liabilities</b>	<b>Unaudited 31st December 2009 HK\$'000</b>	Audited 31st March 2009 HK\$'000
Reportable segment liabilities	242,559	284,704
Unallocated liabilities:		
Current tax liabilities	16,277	5,776
Deferred tax liabilities	8,107	14,571
Unallocated corporate liabilities	<u>30,505</u>	<u>47,015</u>
Total liabilities per condensed consolidated balance sheet	<u><u>297,448</u></u>	<u><u>352,066</u></u>

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.

<b>Place of domicile</b>	<b>Revenue from continuing operations from external customers Unaudited Three months ended 31st December 2009</b>		<b>Revenue from continuing operations from external customers Unaudited Nine months ended 31st December 2009</b>	
	<i>HK\$'000</i>	2008 <i>HK\$'000</i>	<i>HK\$'000</i>	2008 <i>HK\$'000</i>
Hong Kong	259,149	263,774	808,093	869,143
Guangzhou	13,861	1,033	25,900	8,162
Macau	11,111	18,392	42,651	42,677
Taiwan	7,776	7,928	19,164	46,694
Thailand	4,375	8,883	18,204	25,974
	<u>296,272</u>	<u>300,010</u>	<u>914,012</u>	<u>992,650</u>

<b>Place of domicile</b>	<b>Non-current assets Unaudited 31st December 2009 HK\$'000</b>		<b>Audited 31st March 2009 HK\$'000</b>	
	Hong Kong	124,909	173,700	
Guangzhou	3,428	381		
Macau	3,286	2,816		
Taiwan	525	616		
Thailand	939	1,270		
	<u>133,087</u>	<u>178,783</u>		

#### 4. Other Income

	<b>Unaudited Three months ended 31st December 2009</b>		<b>Unaudited Nine months ended 31st December 2009</b>	
	<i>HK\$'000</i>	2008 <i>HK\$'000</i>	<i>HK\$'000</i>	2008 <i>HK\$'000</i>
Interest on bank deposits	194	1,125	712	3,428
Equipment rental income	863	-	2,590	1,727
Miscellaneous	651	694	1,146	1,048
	<u>1,708</u>	<u>1,819</u>	<u>4,448</u>	<u>6,203</u>



## 5. Finance Costs

The amount represents interest on borrowings wholly repaid during the nine months ended 31st December 2008.

## 6. Profit Before Income Tax

	Unaudited Three months ended 31st December		Unaudited Nine months ended 31st December	
	2009 HK\$'000	2008 HK\$'000	2009 HK\$'000	2008 HK\$'000
Profit before taxation has been arrived after charging:				
Depreciation and amortisation				
Property, plant and equipment	3,430	7,019	12,105	15,970
Intangible assets (included in costs of services rendered)	417	267	658	779
(Gain)/Loss on disposal of property, plant and equipment	(19)	(9)	14	7
Share-based payment expense	-	330	361	889
	<u>-</u>	<u>330</u>	<u>361</u>	<u>889</u>

## 7. Income Tax Expense

	Unaudited Three months ended 31st December		Unaudited Nine months ended 31st December	
	2009 HK\$'000	2008 HK\$'000	2009 HK\$'000	2008 HK\$'000
The charge / (credit) comprises:				
Current income tax:				
Hong Kong Profits Tax	1,675	1,874	5,028	8,833
Overseas taxation	30	142	120	745
Deferred income tax:				
Attributable to change in tax rate	-	-	-	(138)
Current period	(20)	(4)	(64)	(4,785)
Income tax attributable to the Group	<u>1,685</u>	<u>2,012</u>	<u>5,084</u>	<u>4,655</u>

Hong Kong Profits Tax is calculated at 16.5% (nine months ended 31st December 2008: 16.5%) of the estimated assessable profits derived from Hong Kong for the period. Overseas taxation is calculated at the rates prevailing in the respective jurisdictions.

## 8. Profit from Discontinued Operations

On 24th April 2009, Computer Sciences Corporation ("CSC"), the then 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", the then fellow subsidiary of the company) on 24th April 2009 (hereinafter referred to as the "Global Account Transfer Agreement") and the payment of a special dividend of 92.0 HK cents per share to the shareholders of the Company (the "Special Dividend"). The Global Account Transfer Agreement and the Special Dividend have been approved in the special general meeting of the Company held on 17th July 2009.

The closing of the Global Account Transfer Agreement took place on 28th August 2009. Pursuant to the terms of the Global Account Transfer Agreement, the Group has transferred 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 Share Purchase Agreement took place on 23rd September 2009. Details of the above are set out in the Company's joint announcements dated 6th May 2009, 28th August 2009, 22nd September 2009 and 23rd September 2009 made by Teamsun Technology (HK) Limited ("Teamsun") and the Company ("Joint Announcements") and the Company's circular dated 30th June 2009 (the "Circular") and announcement dated 17th July 2009.

The results of the GMS business are presented in the condensed third quarterly financial information as discontinued operations. Financial information relating to the GMS business for the period to the date of Disposal is set out below. Comparative figures have been restated.

	Unaudited Three months ended 31st December 2009		Unaudited Nine months ended 31st December 2009	
	2009 HK\$'000	2008 HK\$'000	2009 HK\$'000	2008 HK\$'000
Revenue	-	20,516	<b>30,070</b>	61,403
Expenses	-	(16,157)	<b>(25,900)</b>	(51,953)
Profit before taxation from discontinued operations	-	4,359	<b>4,170</b>	9,450
Taxation	-	(719)	<b>(688)</b>	(1,559)
Profit after taxation from discontinued operations	-	3,640	<b>3,482</b>	7,891
Pre-tax gain on disposal of the GMS business	-	-	<b>69,116</b>	-
Income tax	-	-	-	-
Post-tax gain on disposal of the GMS business	-	-	<b>69,116</b>	-
Profit from discontinued operations	-	3,640	<b>72,598</b>	7,891

#### 9. Dividends

The Directors did not recommend the payment of dividend for the three months ended 31st December 2009 (three months ended 31st December 2008: Nil).

A special dividend of 92.0 HK cents per share was paid to shareholders on 10th September 2009.

#### 10. Earnings Per Share

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

##### Earnings per share for profit attributable to the equity holders of the Company

	Unaudited Three months ended 31st December 2009		Unaudited Nine months ended 31st December 2009	
	2009 HK\$'000	2008 HK\$'000	2009 HK\$'000	2008 HK\$'000
Earnings for the purpose of basic earnings per share and diluted earnings per share	<b>10,076</b>	7,788	<b>92,378</b>	30,937
	Number of shares		Number of shares	
	2009 '000	2008 '000	2009 '000	2008 '000
Weighted average number of ordinary shares for the purpose of basic earnings per share	<b>331,895</b>	297,006	<b>306,191</b>	297,006
Effect of dilutive potential ordinary shares – Share options	-	664	-	664
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<b>331,895</b>	297,670	<b>306,191</b>	297,670

**Earnings per share for profit from continuing operations attributable to the equity holders of the Company**

	Unaudited Three months ended 31st December 2009		Unaudited Nine months ended 31st December 2009	
	HK\$'000	2008 HK\$'000	HK\$'000	2008 HK\$'000
Earnings for the purpose of basic earnings per share and diluted earnings per share	<b>10,076</b>	4,148	<b>19,780</b>	23,046
	Number of shares 2009		Number of shares 2009	
	'000	2008 '000	'000	2008 '000
Weighted average number of ordinary shares for the purpose of basic earnings per share	<b>331,895</b>	297,006	<b>306,191</b>	297,006
Effect of dilutive potential ordinary shares – Share options	-	664	-	664
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<b>331,895</b>	297,670	<b>306,191</b>	297,670

**11. Property, Plant and Equipment**

During the period, the Group spent approximately HK\$12,838,000 (nine months ended 31st December 2008: HK\$12,972,000) mainly on additions to computer and office equipment.

During the period, the Group disposed of certain property, plant and equipment at the carrying amount of HK\$351,000 (nine months ended 31st December 2008: HK\$769,000), resulting in loss of disposal of HK\$14,000 (nine months ended 31st December 2008: HK\$7,000). In relation to the disposal of GMS business, the Group disposed of certain property, plant and equipment at the carrying amount of HK\$38,780,000 (note 8).

**12. 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.

At 31st December 2009 and 31st March 2009, the ageing analysis of the trade receivables were as follows:

	Unaudited 31st December 2009 HK\$'000	Audited 31st March 2009 HK\$'000
Not yet due	<b>89,980</b>	77,559
< 30 days	<b>20,794</b>	24,893
31 - 60 days	<b>5,888</b>	9,786
61 - 90 days	<b>4,808</b>	4,428
> 90 days	<b>11,233</b>	9,648
	<b>132,703</b>	126,314

**13. Other Receivables, Deposits and Prepayments**

	Unaudited 31st December 2009 HK\$'000	Audited 31st March 2009 HK\$'000
Other receivables, deposits and prepayments	<b>25,871</b>	19,374
Amounts due from fellow subsidiaries	-	5,487
	<b>25,871</b>	24,861

#### 14. Trade and Bills Payables

At 31st December 2009, the ageing analysis of the trade payables were as follows:

	Unaudited 31st December 2009 HK\$'000	Audited 31st March 2009 HK\$'000
Not yet due	82,400	96,245
< 30 days	32,436	46,312
31 - 60 days	3,523	5,751
61 - 90 days	2,623	1,283
> 90 days	9,196	1,908
	<u>130,178</u>	<u>151,499</u>

#### 15. Other Payables and Accruals

	Unaudited 31st December 2009 HK\$'000	Audited 31st March 2009 HK\$'000
Other payables and accruals	41,641	32,105
Amount due to ultimate holding company	-	16,874
Amounts due to fellow subsidiaries	-	9,160
Amount due to an associate	2,854	710
	<u>44,495</u>	<u>58,849</u>

#### DIVIDEND

A special dividend of 92.0 HK cents per share was paid to shareholders on 10th September 2009. The Directors did not recommend the payment of dividend for the three months ended 31st December 2009.

#### MANAGEMENT DISCUSSION AND ANALYSIS

##### Financial Results

The Group recorded revenue of HK\$914.0 million for the first nine months of FY10 from the continuing operations, excluding the discontinued operations which arose from the disposal of GMS business in August 2009. The said revenue is lower by HK\$78.6 million or 7.9% compared to the corresponding period in FY09. The revenue contributed from the continuing operations of the Group for the third quarter in FY10 amounted to HK\$296.3 million, which is slightly lower by 1.2% compared to FY09.

The product sales and service revenue from continuing operations of the Group for the first nine months of FY10 was HK\$543.8 million and HK\$370.2 million, decreased by 11.2% and 2.6% respectively compared with FY09. Product sales and service revenue contributed 59.5% and 40.5% to total revenue from continuing operations respectively. Commercial and public sector sales during the first nine months of FY10 contributed 47.1% and 52.9% to revenue from continuing operations respectively as compared to 53.8% and 46.2% in FY09. The decrease in revenue was mainly attributed by the decrease in product sales in the commercial sector.

The Group recorded a profit of HK\$92.4 million for the nine months period ended 31st December 2009, including the post-tax gain on disposal from the GMS business of HK\$69.1 million, which is HK\$61.4 million higher than the corresponding period in FY09. Profit before taxation from continuing operations for the third quarter in FY10 was HK\$11.8 million, higher by 90.9% in compared to FY09. Profit before taxation from continuing operations for the first nine months of FY10 amounted to HK\$24.9 million, decreased by 10.2% compared to the corresponding period in FY09. The decrease was mainly attributed to the decrease in product sales earlier on. However we were able to reduce cost in the third quarter of FY10.

The profit before and after taxation of the discontinued operations for the first nine months of FY10 was HK\$4.2 million and HK\$3.5 million respectively, compared to HK\$9.5 million and HK\$7.9 million of the corresponding

period last year.

As of 31st December 2009, the order book balance was approximately HK\$569.7 million. The cash of the Group is approximately HK\$168.9 million and the Group's working capital ratio stood at 1.83:1. The Group continues to maintain a healthy balance sheet and no debt was recorded during the period under review.

### **Business Review**

The table below outlined a number of significant contracts and tenders that were awarded to the Group during the period ended 31st December 2009.

#### Hong Kong

<i>Infrastructure Business</i>	A government department	A multi-million dollar contract for the provision of hardware, software and maintenance services to consolidate IT infrastructure
	A government department	A multi-million dollar contract for IT infrastructure upgrade
	Orient Overseas Container Line Ltd.	A multi-million dollar project to improve cost efficiency by upgrading networked storage system to implement virtualised information infrastructure
	Stewards Pooi Kei College	Provision of 10GE network infrastructure upgrade with 3-year maintenance services
<i>Solution Business</i>	A government department	Provision of system analysis & design, system implementation, system integration and data conversion services to revamp existing integrated information systems
<i>Services Business</i>	A government department	Provision of 3-year offices systems and network support services
	The Prudential Assurance Company Limited	Provision of maintenance service of database software and middleware for their core applications
	One of the largest independent banks in Hong Kong	Provision of on-site helpdesk support

#### Overseas

<i>PRC</i>	MTR Corporation (Shenzhen) Limited	Provision of 6-month onsite helpdesk support for 300 users
	Guangzhou Administration for Industry and Commerce Bureau Panyu Substation	Implementation of thin client solution with 3-year maintenance services
	Guangzhou Panyu Association for Self-employed Laborers	Implementation of thin client solution with 3-year maintenance services
<i>Macau</i>	Marina Bay Sands Pte Ltd	Provision of Baccarat Score Board System

	A premier destination resort	Implementation of infrastructure virtualisation with 6-month onsite support services to enhance operational efficiency
<i>Thailand</i>	T. C. Pharmaceutical Industries Co., Ltd.	A network upgrade and security enhancement project to support a business management application
	A software developer	Provision of hardware products for a content management system project of a leading local bank
<i>Taiwan</i>	Fu Jen Catholic University	Provision of network infrastructure device to enhance network stability and servers for server virtualisation

During the review period, the Group continued to receive significant contribution from IT infrastructure business in both private and public sectors. In particular, a leading international bank awarded two contracts to the Group, namely an over HK\$10 million infrastructure contract and an over HK\$5 million security infrastructure project for its business expansion. The Group also continued to secure sizeable contracts from solution business and services business which these businesses remained positive.

#### **Completion of Share Purchase Agreement, GAC Special Deal Agreements, General Offer and Option Offer**

Reference is made to the Joint Announcements and the Circular, joint announcements dated 29th September 2009 and 20th October 2009 and circular dated 29th September 2009 made by the Company and Teamsun Technology (HK) Limited (“Teamsun”) and the Company’s announcement dated 17th July 2009. Teamsun is a wholly-owned subsidiary of Beijing Teamsun Technology Co., Ltd. (“Beijing Teamsun”). Capitalised terms used in the section shall have the same meanings as those in the above announcements and circulars unless otherwise defined.

Beijing Teamsun, our existing ultimate holding company, acquired 203,532,996 shares of the Company pursuant to the Share Purchase Agreement with the group of Computer Sciences Corporation (“CSC”), our then ultimate holding company and the General Offer. The Share Purchase Agreement was completed in September 2009, and the General Offer and Option Offer were closed in October 2009.

The Group also entered into the GAC Special Deal Agreements with the group of CSC. The Global Account Transfer Agreement forming part of GAC Special Deal Agreements was completed in August 2009.

#### **Outlook and Prospects**

Our business in Hong Kong remains stable. In December 2009, one of our subsidiaries, Automated Systems (HK) Ltd., continued its success to be awarded with two Standing Offer Agreements from a government department, bringing opportunities for the Group to receive more orders from the government in the subsequent review periods.

With the termination of the Territorial Agreement forming part of GAC Special Deal Agreements, the Group is free to expand in both China and Asian markets and focus on our stated strategy on promoting cross-territories business.

In order to cater for the increasing opportunities in the Pearl River Delta Region, we opened our Shenzhen office in December 2009. Meanwhile, we are considering to set up other five customer service centers in PRC including Shanghai, Beijing, Hangzhou, Shenyang and Zhuhai within this year, in addition to our current presence in Shenzhen and Guangzhou, we are able to serve customers in seven different locations. The Group sees opportunities in capturing IT demand of the financial services and insurance (“FSI”) sector in the PRC since there is a growing number of Hong Kong-based and overseas banks and financial firms setting up offices or planning to enter this market. To exploit this potential, the Group has expanded its sales team in January 2010 dedicated to serving the regional development needs of FSI sector.

Across the strait in Taiwan, the Group plans to expand our Taiwan operations in Taipei and Taichung to seek new opportunities expected arising from the signed cross-strait financial supervisory cooperation MOU (memorandum of understanding) (兩岸金融監理合作瞭解備忘錄) and proposed Economic Cooperation Framework Agreement as we foresee more Taiwan companies will enter into China or vice versa.

With the support of Beijing Teamsun who has strong presence in PRC with a vast support network, huge business coverage, technical expertise and well-developed vendor network, the Group has secured an over a million project in Shanghai with Beijing Teamsun in October 2009 and expected further synergy being created. Together with our expanding presence in PRC and our base in Hong Kong, Macau and Taiwan, the Group will be able to provide better and prompt service to our existing and new clients across the Greater China with comprehensive one-stop IT services.

The enhancement of our service level in the Greater China region was also in place. To better serve our customers, we will continue to tighten business relationship with leading technology vendors, including expansion of territorial coverage on vendors' products and related services covering the whole Greater China region. By creating more synergy with Beijing Teamsun in the Greater China region while maintaining effective cost structure, we are confident to achieve regional growth on solid foundation. The Group's strategic aim is becoming an IT leader in the Greater China region.

### **Financial Resources and Liquidity**

As at 31st December 2009, the Group's total assets of HK\$662.5 million were financed by current liabilities of HK\$289.2 million, non-current liabilities of HK\$8.2 million and shareholders' equity of HK\$365.1 million. The Group had a working capital ratio of approximately 1.83:1.

As at 31st December 2009, the Group had an aggregate composite banking facilities from banks of approximately HK\$62.0 million (31st March 2009: HK\$130.1 million) of which HK\$25.3 million was utilised (31st March 2009: HK\$25.5 million). The Group's gearing ratio was zero (31st March 2009: zero) as at 31st December 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 nine-month period ended 31st December 2009.

### **Contingent Liabilities**

As at 31st December 2009, margin held to banks as security for banking facilities amounted to approximately HK\$25.3 million. The performance bond issued by the Group to customers as security of contract was approximately HK\$25.3 million as at 31st December 2009. Corporate guarantee to vendors as security for goods supplied to the Group amounted to approximately HK\$51.5 million as at 31st December 2009. The amount utilised against goods supplied as at 31st December 2009 which was secured by the corporate guarantee amounted to approximately HK\$0.1 million.

### **Employee and Remuneration Policies**

As at 31st December 2009, the Group, excluding its associates, employed 1,533 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.

### **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

During the nine months ended 31st December 2009, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

### **AUDIT COMMITTEE**

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group

and discussed auditing, internal control and financial reporting matters including the review of the unaudited quarterly results.

#### **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules. The Company has made specific enquiry of all Directors regarding any non-compliance with the Model Code during the nine months ended 31st December 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 nine months ended 31st December 2009 except with respect to Code A.4.1, all non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation and re-election in accordance with the Company’s Bye-laws.

By Order of the Board  
**Lai Yam Ting, Ready**  
*Chief Executive Officer*

Hong Kong, 17th March 2010

*As at the date hereof, the Board comprises Mr. Lai Yam Ting, Ready, Mr. Lau Ming Chi, Edward and Mr. Leung Tat Kwong, Simon being executive directors, Mr. Wang Weihang, Mr. Hu Liankui and Mr. Chen Zhaohui being non-executive directors and Ms. Young Meng Ying, Mr. Lu Jiaqi, Ms. Xu Peng being independent non-executive directors.*