

AUTOMATED**AUTOMATED SYSTEMS HOLDINGS LIMITED***(Incorporated in Bermuda with limited liability)***Annual Results Announcement for the 15 months period ended 31 March, 2000****Highlights**

- Turnover increased by 82% to approximately HK\$1,099 million
- Net profit attributable to shareholders rose by 60% to approximately HK\$64 million
- Basic earnings per share of HK22.9 cents

RESULTS

The Board of Directors (the "Director") of Automated Systems Holdings Limited (the "Company") are pleased to announce audited results of the Company and its subsidiaries (the "Group") for the 15 months period ended 31 March 2000 together with comparative figures for the previous year as follows:

	15 Months Ended 31 March 2000	Year Ended 31 December 1998
Notes	HK\$'000	HK\$'000
TURNOVER	1,099,268	604,843
OPERATING PROFIT	59,362	41,118
Share of profit of an associate	17,075	7,677
PROFIT BEFORE TAXATION	76,437	48,795
Taxation	(11,765)	(8,618)
PROFIT BEFORE MINORITY INTERESTS	64,672	40,177
Minority interests	(546)	—
NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS	64,126	40,177
Dividends	(16,981)	(11,200)
RETAINED PROFIT FOR THE PERIOD/ YEAR	47,145	28,977
EARNINGS PER SHARE		
Basic	22.9 cents	14.3 cents
Diluted	22.2 cents	14.2 cents

Notes:**1. Change of Financial Year End Date**

The financial year end date of the Group is changed from 31 December (old year end date) to 31 March (new year end date) from the financial year ending 31 December 1999.

2. Taxation

	15 months ended 31 March 2000	Year ended 31 December 1998
	HK\$'000	HK\$'000
Group:		
Hong Kong profits tax	8,821	6,973
Elsewhere	100	—
Tax refund for prior year	(390)	—
Deferred tax	2,100	—
	10,631	6,973
An Associate:		
Elsewhere	1,134	1,645
	11,765	8,618

Hong Kong profits tax has been provided at the rate of 16% (1998: 16%) on the estimated assessable profit which was earned in or derived from Hong Kong during the period/year.

Provision for taxation of the profit of the associate operating overseas has been calculated at the rate of taxation prevailing in the country in which the associate operates.

3. Dividends

	15 months ended 31 March 2000	Year ended 31 December 1998
	HK\$'000	HK\$'000
First interim dividend of 2 cents per ordinary share for the six months period ended 30 June 1998: 2 cents per ordinary share	5,600	5,600
Second interim dividend of 2 cents per ordinary share for the 12 months period ended 31 December 1998: Nil	5,683	—
Proposed final dividend of 2 cents per ordinary share for the 15 months period ended 31 March 2000 (1998: 2 cents per ordinary shares)	5,698	5,600
	16,981	11,200

4. Earnings Per Share

Basic and diluted earnings per share are based on the net profit attributable to shareholders of HK\$64,126,000 (1998: HK\$40,177,000).

The basic earnings per share is based on the weighted average number of 280,499,200 shares (1998: 280,000,000) in issue during the period/year. The diluted earnings per share is based on 288,350,205 shares (1998: 282,716,240) which is the weighted average of shares in issue during the period plus the weighted average number of 7,851,005 shares (1998: 2,716,240) deemed to be issued at no consideration if all outstanding share options have been exercised.

BUSINESS REVIEW

Despite the competitive economic environment, the Group achieved a strong performance with activities ranging from the government, education and telecommunications sectors to e-business applications in a number of industries for the 15-month period ended 31 March, 2000. During the period, the Group expanded its operations and workforce 700 staff, to fully support the business expansion, and the tremendous demand for IT services in every facet of the community.

For the 15-month period ended 31 March 2000, the Group reported a turnover of HK\$1,099 million, a rise of 82% compared to the previous year. Net profit attributable to shareholders for the period amounted to HK\$64 million, representing a growth of 60%. Earnings per share were HK22.9 cents. Long-term interest bearing debt to equity ratio decreased from 11% last year to zero, and with a cash balance of HK\$121 million, the Group continues to enjoy a strong and healthy financial position.

During the period, the Group achieved several major milestones by winning a number of significant contracts. Amongst others, **business in the government and education sectors showed the most outstanding achievement**, contributing over 51% of the Group's total revenues.

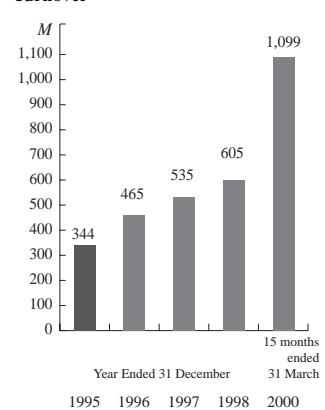
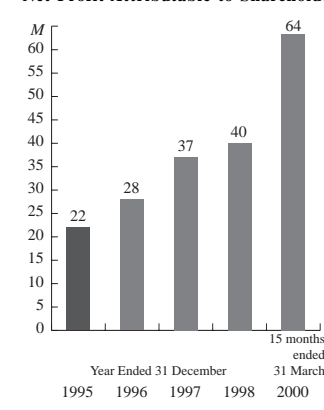
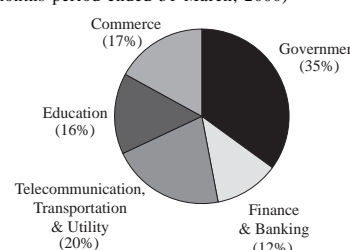
One of the Group's major contracts was the **government's PC and Network bulk contract**. The Group has achieved three of this contract since 1996, indicating the government's trust and confidence in the Group. The PC and Network bulk contract won in 1999 amounted to HK\$237 million. After its expiry in December 1999, the Group won the contract again in January 2000, with no limit in value for a duration of 18 months. It is expected to provide the Group with substantial business in the near future.

During the year, **ELM Computer Technologies Limited**, the Company's subsidiary, also won the **UNIX Bulk Contract** of HK\$67 million and a number of projects from ITSD. One of the projects completed under the bulk contract was the **Electronic Service Delivery (ESD)** system worth around HK\$10 million. The Group is greatly honored to be participating in the ESD scheme which is a significant move on the government's role to enhance the accessibility and widen the reach of public services.

In June 1999, the Group was appointed as an **approved IT supplier** in the supply of hardware systems and related services to **around 1,300 primary and secondary schools** in Hong Kong for a period of 30 months. This is significant to the Group as it will substantially widen the Group's customer base in the education sector which has already included the universities and the Vocational Training Council in Hong Kong.

During the year, the Group delivered many projects and services for e-business in various industry sectors. In March 2000, the Group was appointed as business and technology partner for **SCMP.com**, one of the largest content portals in the Asia Pacific region, to establish a centralized, scalable and advanced Internet publishing site. The Group's other e-business related projects completed during the year included **HK Dining Guide for Telecom Directories Limited**, **WebStock Electronic Stock Trading System for OSK Asia Holdings Limited** and **WAP System for SUNDAY**.

In view of the many business opportunities arising from the increasing demand for popular applications on the Internet today, the Group also maintains close business relationships with a number of prestigious IT partners to capture the ever-growing e-business market.

Turnover**Net Profit Attributable to Shareholders****Turnover by Customer**
(For the 15 months period ended 31 March, 2000)

A strategic move towards this goal was the Group's expanded partnership with **Sun Microsystems** in the field of customer support in May 2000. As Sun's longest sales partner in Hong Kong, and as a partner who has also procured many orders for high-performance Sun servers from an extensive group of customers, the Group is also offering professional customer support services to Sun platform users. With the support of 14 international IT vendors such as Oracle, Computer Associates and Sun | Netscape alliance, the forum "**ASL and Sun .COM in Action**", the first significant IT event in Hong Kong in 2000, was held and showcased the latest innovations in e-business computing on the Sun Solaris platform.

In February 2000, the Group collaborated with **Computer Associates (CA)**, the leading software provider of Internet infrastructure, to focus on marketing its total solutions, **Unicenter TNG and Jasmine ii**, for the rapidly growing e-business market in Hong Kong. The partnership will leverage CA's experience in working with large organizations and their complex IT infrastructures as well as the Group's wide market coverage and experience in Hong Kong.

The Group reached another major milestone when it received **ISO 9001 and ISO 9002 certifications**. It has become one of the few IT companies obtaining these recognitions, in particular, for such a wide scope of business operations including project management of systems integration, technical upgrade and network service support, provision of software development and maintenance services, and provision of integrated IT services. On top of the Group's 27 years of experience and a proven track record, the ISO accreditation further consolidates its position as a leading total IT services provider in the region.

PROSPECTS

The HKSAR Government's "**Digital 21**" **Information Technology Strategy** has reinforced the commitment to foster Hong Kong's future development of information technology as a leading digital city in the global network. Driven by rapid technology changes, computerisation across all government departments will continue to be implemented at a rapid pace, demonstrating the Government's commitment to enhance the accessibility and efficiency of public services in the Information Age. In view of this environment, the Group expects business to continue to grow in the near future.

The **Education Department** has made great determination to extend the application of IT in teaching and learning to the 1,300 primary and secondary schools, in addition to universities, in Hong Kong, having been appointed as their approved IT supplier for 30 months starting from June 1999, the Group expects to secure substantial business from schools in the coming two years.

Additionally, the Government's liberation of the **telecommunications market** opens up many business opportunities and generates a boom in the industry. The numerous new entrants cause fierce competition within the market. As the competitiveness of companies in this industry rests on the sophistication of their computer systems and services, the Group will benefit from business opportunities in this area.

In view of the **increasing popularity and the widespread usage of Internet/Intranet applications**, in addition to the government's support for the IT industry, the many new initiatives are also creating tremendous business opportunities for the Group in 2000. Many corporations are looking into upgrading their IT infrastructure to meet market demand and sustain their high performance. The Group has set up a **team of 50 e-commerce specialists to work at penetrating the Internet market** as the e-era is now with us. Together with 27 years of experience and expertise, the Group has every confidence of capturing the huge business opportunities arising in the industry and has every expectation that business for Internet related projects will continue to grow.

Apart from these business opportunities, the Group is also well positioned to explore the high potential in **outsourcing services** as the global trend develops. With the experience and expertise of **Computer Sciences Corporation (CSC)**, the Company's ultimate controlling shareholder, the Group expects to benefit from the synergies created by CSC in the provision of outsourcing services to top-level customers.

The Group is expected to perform successfully in the coming year and it is expected to expand the workforce to meet the great market demand for IT services.

APPOINTMENT OF DIRECTORS

The Director is pleased to announce that Mr. Sunny Tan Swee Hock and Mr. Warren Brinson Weeks, Jr. have joined the Company as Executive Directors with effect from 15 December 1999 and 8 April 2000 respectively.

YEAR 2000 COMPLIANCE

The Group has stated its definition and approach to Year 2000 problem and reported that status in our 1998 annual report, 1998 and 1999 interim and second interim reports.

The Group had not experienced any Year 2000 compliance problems and its operation proceeded smoothly through the millennium changeover period. The Group will continue to monitor and review its existing operational procedures to ensure that all Year 2000 related issues have been properly dealt with.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Monday, July 31, 2000 to Thursday, 3 August 2000 (both days inclusive), during which period no transfer of shares will be effected.

In order to qualify for the final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Branch Registrar in Hong Kong, Tengis Limited at 16th Floor, Hutchison House, 10 Harcourt Road, Hong Kong by 4:00 p.m. on Friday, July 28, 2000. The dividend warrants will be despatched on 18 August 2000.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the 15 months period ended 31 March 2000, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares.

APPRECIATION

I would like to take this opportunity to express my sincere gratitude to our staff for their dedication and excellent performance in the past period. I would also like to thank all our shareholders and institutional investors for their support and confidence in the Group.

By order of the Board
Kuo Chi Yung, Peter

Hong Kong, 9 May 2000

Deputy Chairman & Managing Director

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that an Annual General Meeting of the Members of Automated Systems Holdings Limited (the "Company") will be held at the Company's office on 15th Floor, Toppal Plaza, 11 On Sun Street, Shatin, Hong Kong on Tuesday, 8 August 2000 at 11:30 a.m. for the following purposes:

- To receive and consider the Audited Financial Statements and the Reports of the Directors and of the Auditors for the 15 months period ended 31 March 2000;
- To declare a final dividend;
- To elect Directors and to authorise the Board of Directors to fix Directors' remuneration;
- To appoint Auditors and to authorise the Board of Directors to fix Auditors' remuneration;
- To consider as Special Business and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

"THAT

 - the exercise by the Directors during the Relevant Period of all the powers of the Company to purchase its shares, subject to and in accordance with the applicable laws, be and is hereby generally and unconditionally approved;
 - the total nominal amount of shares to be purchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of this Resolution, and the said approval shall be limited accordingly; and
 - for the purpose of this Resolution, "Relevant Period" means the period from the passing of this Resolution until whichever is the earlier of:
 - the conclusion of the next Annual General Meeting of the Company;
 - the revocation or variation of the authority given under this Resolution by Ordinary Resolution of the shareholders in general meetings; and
 - the expiration of the period within which the next Annual General Meeting of the Company is required by the Bye-laws of the Company or any applicable laws to be held";

6. To consider as Special Business and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

- "THAT**
- the exercise by the Directors during the Relevant Period of all the powers of the Company to issue, allot and deal with additional shares of the Company and to make or grant offers, agreements and options which would or might require shares to be allotted, issued or dealt with during or after the end of the Relevant Period, be and is hereby generally and unconditionally approved, provided that, otherwise than pursuant to a rights issue where shares are offered to shareholders on a fixed record date in proportion to their then holdings of shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any Stock exchange in any territory outside Hong Kong) or any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company, or any scrip dividend scheme or similar arrangement providing for the allotment of

shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-laws of the Company, the total nominal amount of additional shares issued, allotted, dealt with or agreed conditionally or unconditionally to be issued, allotted or dealt with shall not in total exceed 20% of the total nominal amount of the share capital of the Company in issue on the date of this Resolution and the said approval shall be limited accordingly; and

- for the purpose of this Resolution, "Relevant Period" means the period from the passing of this Resolution until whichever is the earlier of:
 - the conclusion of the next Annual General Meeting of the Company;
 - the revocation or variation of the authority given under this Resolution by Ordinary Resolution of the shareholders in general meetings; and
 - the expiration of the period within which the next Annual General Meeting of the Company is required by the Bye-laws of the Company or any applicable laws to be held"; and

7. To consider as Special Business and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

"THAT the general mandate granted to the Directors of the Company pursuant to Resolution 6 above and for the time being in force to exercise the powers of the Company to allot shares and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby extended by the total nominal amount of shares in the capital of the Company repurchased by the Company since the granting of such general mandate pursuant to the exercise by the Directors of the Company of the powers of the Company to purchase such shares, provided that such amount shall not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of this Resolution".

By order of the Board
Lau Ming Chi, Edward
Secretary

Hong Kong, 9 May 2000

Notes:

- The Register of Members will be closed from Monday, July 31, 2000 to Thursday, August 3, 2000 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Branch Registrar in Hong Kong, Tengis Limited, 16th Floor, Hutchison House, 10 Harcourt Road, Hong Kong by 4:00 p.m. on Friday, July 28, 2000.
- A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf. A proxy need not be a shareholder. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
- The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be lodged with the Company's Branch Registrar in Hong Kong, Tengis Limited, 16th Floor, Hutchison House, 10 Harcourt Road, Hong Kong not less than 48 hours before the time fixed for holding the Meeting.
- The Annual Report of the Company for the year ended 15 months period ended 31 March 2000 also containing this notice together with a circular setting out further information regarding Resolutions 5 to 7 above will be despatched to shareholders as soon as practicable.