



AUTOMATED SYSTEMS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

PLACING OF NEW SHARES AND PROPOSED SPIN-OFF

Placing Agent



On 6th February, 2003, the Company entered into the Placing Agreement with the Placing Agent to place, on a best effort basis, a maximum of 2,000,000 new Shares to not less than six independent investors at the Placing Price of HK\$1.13 per Placing Share. The Placing Shares represent approximately 0.69% of the existing issued share capital of the Company and approximately 0.69% of the issued share capital of the Company as enlarged by the Placing Shares.

The Placing Price represents (i) a discount of approximately 4.24% to the closing price of HK\$1.18 per Share as quoted on the Stock Exchange on 6th February, 2003; (ii) a discount of approximately 5.83% to the average closing price per Share as quoted on the Stock Exchange of approximately HK\$1.20 for the five consecutive trading days up to and including 6th February, 2003; and (iii) a discount of approximately 8.13% to the average closing price per Share as quoted on the Stock Exchange of approximately HK\$1.23 for the 10 consecutive trading days up to and including 6th February, 2003. The Placing Price was arrived at after arm's length negotiations between the Company and the Placing Agent.

As stated in the announcement of the Company dated 1st November, 2002, the Shares that remain in the public hands have fallen below the minimum prescribed percentage of 25% as stipulated in Rule 8.08 of the Listing Rules. Accordingly, the Placing is made for the purpose of restoring the minimum 25% public float of the Shares. Assuming the successful placing of all 2,000,000 new Shares under the Placing, the public float of the Shares will increase from existing approximately 24.89% to approximately 25.41%. The Directors intend to apply the net proceeds from the Placing of approximately HK\$2.2 million as the general working capital of the Group. Further announcement will be made by the Company in relation to the number of Placing Shares successfully placed.

Reference is made to the circular of the Company dated 28th June, 2001 and the announcement of the Company dated 13th September, 2001 regarding the Proposed Spin-off. In the aforesaid announcement, it was stated that further information relating to the Proposed Spin-off would be provided to the Shareholders as and when appropriate. The Directors wish to inform the Shareholders that the Proposed Spin-off has not been further proceeded with after 13th September, 2001 due to unfavourable market situation. As such, the Reorganisation, the Employees Shares Sale, the Pre-IPO Share Option Plan and the Share Option Scheme as defined and mentioned in the circular of the Company dated 28th June, 2001 have not been completed. As at the date of this announcement, the Directors are still considering whether or not to proceed further with the Proposed Spin-off. Depending on the market situation, the Company may or may not proceed with the Proposed Spin-off. In the event that the Company proceeds with the Proposed Spin-off, the Company will comply with relevant requirements under the Listing Rules. Further announcement will be made by the Company on a timely basis when the Directors have made a decision in this regard and proper disclosure will also be made in the Company's annual report for the year ending 31st March, 2003 about the status of the Proposed Spin-off.

THE PLACING AGREEMENT DATED 6TH FEBRUARY, 2003

Issuer

The Company

Placing Agent

Tai Fook Securities Company Limited is an independent third party not connected with any of the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates.

Placees

Not less than six placees (being individuals, corporate and/or institutional investors) which will be independent of and not connected with the Company or any of the directors, chief executive or substantial shareholders of the Company and any of its subsidiaries or any of their respective associates.

Placing Price

The Placing Price is HK\$1.13 per Placing Share which was arrived at after arm's length negotiations between the Company and the Placing Agent.

The Placing Price represents (i) a discount of approximately 4.24% to the closing price of HK\$1.18 per Share as quoted on the Stock Exchange on 6th February, 2003; (ii) a discount of approximately 5.83% to the average closing price per Share as quoted on the Stock Exchange of approximately HK\$1.20 for the five consecutive trading days up to and including 6th February, 2003; and (iii) a discount of approximately 8.13% to the average closing price per Share as quoted on the Stock Exchange of approximately HK\$1.23 for the 10 consecutive trading days up to and including 6th February, 2003. The Placing Price was arrived at after arm's length negotiations between the Company and the Placing Agent.

The Directors consider that the terms of the Placing are fair and reasonable and the Placing is in the interest of the Company and the Shareholders as a whole.

Number of Placing Shares

A maximum of 2,000,000 new Shares will be placed on a best effort basis, representing approximately 0.69% of the existing issued share capital of the Company and approximately 0.69% of the issued share capital of the Company as enlarged by the Placing Shares.

The Placing Shares will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of the allotment and issue of the Placing Shares.

Conditions of the Placing

The Placing is conditional upon:

- the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Placing Shares and such listing and permission not having been withdrawn or revoked; and
- if required, the Bermuda Monetary Authority granting permission for the allotment and issue of the Placing Shares.

Completion

Subject to the fulfilment of all the conditions of the Placing, the Placing is to be completed on the third business day after the Placing Agent notifies the Company in writing that it has procured subscriber(s) for the Placing Shares or any part thereof or such other date(s) as may be agreed between the Company and the Placing Agent in writing but in any event on or before 31st May, 2003.

The completion of the Placing is set on or before 31st May, 2003 in order to let the Placing Agent has sufficient time to place the Placing Shares. It is the intention of the Company and the Placing Agent that the Placing should be undertaken as soon as practicable so as to restore the public float of the Shares on a timely basis (the details of which are set out in the paragraph headed "Reasons for the Placing" below).

Application for listing

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

Reasons for the Placing

As stated in the announcement of the Company dated 1st November, 2002, the Shares that remain in the public hands have fallen below the minimum prescribed percentage of 25% as stipulated in Rule 8.08 of the Listing Rules. Accordingly, the Placing is made for the purpose of restoring the minimum 25% public float of the Shares. Assuming the successful placing of all 2,000,000 new Shares under the Placing, the public float of the Shares will increase from existing approximately 24.89% to approximately 25.41%.

The shareholding structures of the Company immediately before and after the successful placing of all 2,000,000 new Shares under the Placing are set out as follows:

Shareholders	Equity interests in the Company immediately before the successful placing of all 2,000,000 new Shares under the Placing	Equity interests in the Company immediately after the successful placing of all 2,000,000 new Shares under the Placing
CSA Holdings Ltd. (Note 1)	65.66%	65.21%
CSC Computer Sciences International Inc. (Note 2)	4.75%	4.72%
Peter Kuo Chi Yung (Note 2)	3.21%	3.19%
Ready Lai Yam Ting (Note 2)	1.44%	1.43%
Leo Lam Kwong Shing (Note 3)	0.05%	0.04%
Public	24.89%	25.41%
Total	100.00%	100.00%

Notes:

- CSC Computer Sciences International Inc. holds approximately 73.51% of the issued share capital of CSA Holdings Ltd.
- Each of Peter Kuo Chi Yung and Ready Lai Yam Ting is a Director.
- Leo Lam Kwong Shing is a director of a subsidiary of the Company.

The Directors intend to apply the net proceeds of approximately HK\$2.2 million from the Placing as the general working capital of the Group. Further announcement will be made by the Company in relation to the number of Placing Shares successfully placed.

Issue of the Placing Shares pursuant to general mandate

The Placing Shares will be allotted and issued by the Company pursuant to the general mandate to allot and issue Shares granted to the Directors at the Company's annual general meeting held on 8th August, 2002.

PROPOSED SPIN-OFF

Reference is made to the circular of the Company dated 28th June, 2001 and the announcement of the Company dated 13th September, 2001 regarding the Proposed Spin-off. In the aforesaid announcement, it was stated that further information relating to the Proposed Spin-off would be provided to the Shareholders as and when appropriate. The Directors wish to inform the Shareholders that the Proposed Spin-off has not been further proceeded with after 13th September, 2001 due to unfavourable market situation. As such, the Reorganisation, the Employees Shares Sale, the Pre-IPO Share Option Plan and the Share Option Scheme as defined and mentioned in the circular of the Company dated 28th June, 2001 have not been completed. As at the date of this announcement, the Directors are still considering whether or not to proceed further with the Proposed Spin-off. Depending on the market situation, the Company may or may not proceed with the Proposed Spin-off. In the event that the Company proceeds with the Proposed Spin-off, the Company will comply with relevant requirements under the Listing Rules. Further announcement will be made by the Company on a timely basis when the Directors have made a decision in this regard and proper disclosure will also be made in the Company's annual report for the year ending 31st March, 2003 about the status of the Proposed Spin-off.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Company"	Automated Systems Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
"Directors"	the directors of the Company
"GEM"	the Growth Enterprise Market operated by the Stock Exchange
"Group"	the Company and its subsidiaries
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Placing"	the placing of a maximum of 2,000,000 new Shares on a best effort basis pursuant to the Placing Agreement
"Placing Agent"	Tai Fook Securities Company Limited, a dealer registered under the Securities Ordinance (Chapter 333 of the Laws of Hong Kong)
"Placing Agreement"	the conditional placing agreement dated 6th February, 2003 entered into between the Company and the Placing Agent in respect of the Placing
"Placing Price"	HK\$1.13 per Placing Share, being the subscription price for the Placing Shares
"Placing Shares"	a maximum of 2,000,000 new Shares to be placed on a best effort basis under the Placing Agreement
"Proposed Spin-off"	the proposed spin-off and separate listing on GEM of ELM Holdings Limited, a wholly-owned subsidiary of the Company
"Shareholder(s)"	the shareholder(s) of the Shares
"Shares"	the ordinary shares of par value of HK\$0.10 each in the share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent.

By order of the board of directors of
Automated Systems Holdings Limited
Edward Lau
Executive Director

Hong Kong, 6th February, 2003