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AUTOMATED SYSTEMS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 771)

CONTINUING CONNECTED TRANSACTIONS

SUMMARY

The Group has entered into and will continue to enter into: (i) the CSA Purchase Transactions and the CSA Sales Transactions with CSA Group; and (ii) the CSC Purchase Transactions and the CSC Sales Transactions with CSC Group.

As CSC is the holding company of CSA which in turn is the controlling shareholder of the Company, CSC, CSA and their respective associates are regarded as connected persons of the Company. Hence the Continuing Connected Transactions constitute connected transactions for the Company for the purposes of the Listing Rules. The applicable percentage ratios for each of the CSA Purchase Transactions, the CSA Sales Transactions, the CSC Purchase Transactions and the CSC Sales Transactions for the ten months ended 31 January 2005 are less than 2.5%. In accordance with Rule 14A.34 of the Listing Rules, the Continuing Connected Transactions are subject only to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules and the annual review requirements set out in Rules 14A.37 to 14A.41 of the Listing Rules.

The Company intends to enter into the Master Agreements with each of CSA Group and CSC Group respectively for the purpose of governing (i) the CSA Purchase Transactions and the CSA Sales Transactions; and (ii) the CSC Purchase Transactions and the CSC Sales Transactions, respectively. The Company will make appropriate announcement as soon as practicable after the Master Agreements have been entered into.

BACKGROUND

Reference is made to the announcement of the Company dated 27 October 2003 (the "2003 Announcement") in relation to certain transactions entered into by the Group with (i) CSA and certain of its subsidiaries; and (ii) CSC Group, which constitute continuing connected transactions of the Company. As disclosed in the 2003 Announcement, the Company had applied to the Stock Exchange for a conditional waiver from strict compliance with disclosure requirements in respect of such transactions under the relevant Listing Rules prevailing at the time, and such waiver was granted by the Stock Exchange on 11 November 2003.

CONTINUING CONNECTED TRANSACTIONS

The Group has entered into and will continue to enter into: (i) the CSA Purchase Transactions and the CSA Sales Transactions with CSA Group; and (ii) the CSC Purchase Transactions and the CSC Sales Transactions with CSC Group. For the ten months ended 31 January 2005, the aggregate value of the CSA Purchase Transactions was approximately HK\$1,585,000.00, the aggregate value of the CSA Sales Transactions was approximately HK\$1,433,000.00, the aggregate value of the CSC Purchase Transactions was approximately HK\$2,006,000.00 and the aggregate value of the CSC Sales Transactions was approximately HK\$2,952,000.00.

The basis for determining the prices of the Services and Products provided under the CSA Purchase Transactions, the CSA Sales Transactions, the CSC Purchase Transactions and the CSC Sales Transactions are as follows: (i) in respect of non-administrative functions and services, prices will be based on the costs and expenses incurred in connection with the provision of such functions or services plus a mark-up; (ii) in respect of IT services, prices will be determined by reference to the market price; and (iii) in respect of IT products and related services, the prices charged will be according to published prices and conditions similar to those offered to/by major customers/suppliers of the Group.

The Board expects that for the year ending 31 March 2005, the aggregate annual value of the CSA Purchase Transactions will be approximately HK\$5,941,000.00, the aggregate annual value of the CSA Sales Transactions will be approximately HK\$1,720,000.00, the aggregate annual value of the CSC Purchase Transactions will be approximately HK\$4,796,000.00 and the aggregate annual value of the CSC Sales Transactions will be approximately HK\$3,542,000.00.

As CSC is the holding company of CSA which in turn is the controlling shareholder of the Company, CSC, CSA and their respective associates are regarded as connected persons of the Company. Hence the Continuing Connected Transactions constitute connected transactions for the Company for the purposes of the Listing Rules. The applicable percentage ratios for each of the CSA Purchase Transactions, the CSA Sales Transactions, the CSC Purchase Transactions and the CSC Sales Transactions for the ten months ended 31 January 2005 are less than 2.5%. In accordance with Rule 14A.34 of the Listing Rules, the Continuing Connected Transactions are subject only to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules.

The Company will also comply with the requirements of annual review by independent non-executive Directors and auditors as set out in Rules 14A.37 to 14A.41 of the Listing Rules for the Continuing Connected Transactions for the relevant financial period.

The Company intends to enter into the Master Agreements with each of CSA Group and CSC Group respectively for the purpose of governing (i) the CSA Purchase Transactions and the CSA Sales Transactions; and (ii) the CSC Purchase Transactions and the CSC Sales Transactions, respectively. The Company will closely monitor each such type of Continuing Connected Transactions to ensure that the applicable percentage ratios in relation to each of them are within the thresholds prescribed in Rule 14A.34 of the Listing Rules prior to signing of the Master Agreements.

Given the large number of companies involved and the complexity of the transactions, the Company needs more time to reach agreement with CSA Group and CSC Group respectively on the terms of the Master Agreements. The Company is also currently working on the proposed caps for the Company's continuing connected transactions with CSA Group and CSC Group respectively for the years ending 31 March 2005, 2006 and 2007 and will make appropriate announcement as soon as practicable after the Master Agreements have been entered into.

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

Each of the Group and CSA Group has entered into and will enter into contracts with a wide spectrum of customers located in Hong Kong, the People's Republic of China and other countries in the Asia Pacific region. As different customers have their specific requirements and needs, and each of the Group and CSA Group has different resources, technical expertise and technological know-how, by entering into the CSA Purchase Transactions and the CSA Sales Transactions, the resources, technical expertise and technological know-how of the Group and CSA Group can be utilised on a sharing basis, which in turn ensure the provision of quality products and services to the customers.

CSC Group will, from time to time, enter into outsourcing or other IT service contracts with global or regional customers who have presence in the Asia Pacific region in connection with the provision of IT services. The Group may participate in such transactions by providing local or regional support to CSC and/or its customers. The Board is of the view that the CSC Purchase Transactions and the CSC Sales Transactions can (i) broaden the customer base of the Group; and (ii) enable the utilisation of the resources, technical expertise and technological know-how of the Group and the CSC Group on a sharing basis to provide quality products and services to their customers.

The Directors (including the independent non-executive Directors) consider that the Continuing Connected Transactions have been and will be entered into in the ordinary and usual course of business of the Group, on normal commercial terms and have been or will be negotiated on an arm's length basis. The Directors are of the view that the terms of the Continuing Connected Transactions are fair and reasonable and in the interests of the Company and its shareholders as a whole.

GENERAL

The annual cap under the Old Waiver was the higher of (i) HK\$10 million or (ii) 3% of the consolidated net tangible assets value of the Group. For the purposes of providing information to shareholders and investors of the Company, the Board announces that the aggregate annual value of the Continuing Connected Transactions for the ten months ended 31 January 2005 is approximately HK\$7,976,000.00 and does not exceed the annual cap under the Old Waiver.

The Group is principally engaged in the business of information technology, providing systems integration, IT infrastructure, software and consulting services, engineering support for products and solutions, managed services as well as supply of IT and associated products in Hong Kong, Macau, Taiwan and Thailand.

CSA Group is principally engaged in the business of providing information technology services, systems integration and consulting, customer services and support and outsourcing in Asia.

CSC Group is principally engaged in the business of information technology outsourcing and IT and professional services for customers in the global commercial and the United States markets.

DEFINITIONS

“Board”	the board of the Directors
“Company”	Automated Systems Holdings Limited, a limited liability company incorporated in Bermuda, with its shares listed on the Stock Exchange
“connected person(s)”	has the same meaning as defined in the Listing Rules
“Continuing Connected Transactions”	the CSA Purchase Transactions, the CSA Sales Transactions, the CSC Purchase Transactions and the CSC Sales Transactions
“CSA”	CSA Holdings Ltd, the immediate holding company of the Company, the securities of which are listed on Singapore Exchange Limited
“CSA Group”	CSA and its subsidiaries (excluding the Group)
“CSA Purchase Transactions”	the Services and Products provided by CSA Group to the Group
“CSA Sales Transactions”	the Services and Products provided by the Group to CSA Group
“CSC”	Computer Sciences Corporation, the ultimate holding company of CSA and the Company, the securities of which are listed on the New York Stock Exchange
“CSC Group”	CSC and its subsidiaries (excluding the Group and CSA Group)
“CSC Purchase Transactions”	the Services and Products provided by CSC Group to the Group
“CSC Sales Transactions”	the Services and Products provided by the Group to CSC Group
“Director(s)”	the director(s) of the Company including the independent non-executive directors of the Company
“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
“IT”	information technology

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Master Agreements”	the agreement(s) to be entered into between the Company and CSA Group in relation to the CSA Purchase Transactions and the CSA Sales Transactions; and the agreement(s) to be entered into between the Company and CSC Group in relation to the CSC Purchase Transactions and the CSC Sales Transactions
“Old Waiver”	the conditional waiver from strict compliance with disclosure requirements in respect of such transactions under the relevant Listing Rules prevailing at the time granted by the Stock Exchange to the Company on 11 November 2003
“percentage ratios”	has the meaning as defined in the Listing Rules
“Services and Products”	certain non-administrative functions and services mainly in relation to outsourcing projects; IT services on a project basis with defined scope of work; and IT products and related services
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
Lau Ming Chi, Edward
Secretary

Hong Kong, 17 March 2005

As at the date hereof, the Board comprises Mr. Lai Yam Ting and Mr. Lau Ming Chi, Edward being executive Directors, Mr. Allen Joseph Pathmarajah, Mr. Kuo Chi Yung, Peter, Mr. Tan Swee Hock, Sunny, Mr. Moo Kwee Chong, Johnny, Ms. Tan Suan Kheng, Esther, Mr. Michael William Brinsford, Mr. Samuel Timothy Hilbert and Mr. Darren John Collins (alternate to Mr. Samuel Timothy Hilbert) being non-executive Directors and Mr. Cheung Man, Stephen, Mr. Hon Sheung Tin, Peter and Mr. Li King Hang, Richard being independent non-executive Directors.

Please also refer to the published version of this announcement in China Daily.