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AUTOMATED SYSTEMS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 771)

2009/10 FIRST 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 three months ended 30th June, 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" or "ASL") for the three months ended 30th June, 2009. The first quarterly financial statements have been reviewed by the Company's Audit Committee.

Condensed Consolidated Income Statement

		Unaudited	
		Three months ended	
		30th June,	
		2009	2008
		HK\$'000	HK\$'000
	<i>Notes</i>		
TURNOVER	(2)	306,639	353,831
Cost of goods sold		(156,178)	(188,015)
Cost of services rendered		(114,097)	(123,871)
Other income	(3)	1,206	2,090
Selling expenses		(16,364)	(16,969)
Administrative expenses		(11,732)	(11,794)
Finance costs	(4)	-	(1)
Share of results of associates		159	199
		<hr/>	<hr/>
PROFIT BEFORE TAXATION	(5)	9,633	15,470
Taxation	(6)	(1,667)	(2,608)
		<hr/>	<hr/>
Profit for the period		7,966	12,862
		<hr/>	<hr/>
EARNINGS PER SHARE	(7)		
Basic		HK2.67 cents	HK4.34 cents
		<hr/>	<hr/>
Diluted		HK2.67 cents	HK4.33 cents
		<hr/>	<hr/>

Condensed Consolidated Balance Sheet

	<i>Notes</i>	Unaudited 30th June, 2009 HK\$'000	Audited 31st March, 2009 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	(8)	165,982	174,899
Intangible assets		2,324	2,503
Interests in associates		1,539	1,381
		<u>169,845</u>	<u>178,783</u>
CURRENT ASSETS			
Inventories		96,367	104,467
Trade receivables	(9)	133,577	126,314
Other receivables, deposits and prepayments		46,555	24,861
Amounts due from customers for contract work		79,466	63,184
Bank balances and cash		338,058	385,953
		<u>694,023</u>	<u>704,779</u>
CURRENT LIABILITIES			
Trade and bills payables	(10)	128,519	151,499
Other payables and accruals		62,132	58,849
Receipts in advance		110,979	121,371
Tax liabilities		2,668	5,776
		<u>304,298</u>	<u>337,495</u>
NET CURRENT ASSETS		<u>389,725</u>	<u>367,284</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		559,570	546,067
NON-CURRENT LIABILITY			
Deferred income		25	-
Deferred taxation		14,546	14,571
		<u>14,571</u>	<u>14,571</u>
		<u>544,999</u>	<u>531,496</u>
CAPITAL AND RESERVES			
Share capital		30,095	29,743
Reserves		514,904	501,753
Equity attributable to equity holders of the Company		<u>544,999</u>	<u>531,496</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Preparation and Accounting Policies

The accounting policies and basis of preparation used in the preparation of these financial statements are consistent with those used in the annual financial statements for the year ended 31st March, 2009.

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 30th June,	
	2009 HK\$'000	2008 HK\$'000
Sales of goods	174,244	216,420
Revenue from service contracts	<u>132,395</u>	<u>137,411</u>
	<u>306,639</u>	<u>353,831</u>

The Group has adopted HKFRS 8 "Operating Segments" with effect from 1st 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 period, 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.

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

Unaudited
Three months ended 30th June, 2009

	<u>IT Products</u> HK\$'000	<u>IT Services</u> HK\$'000	<u>GMS</u> HK\$'000	<u>Total</u> HK\$'000
Turnover from external customers	174,244	112,867	19,528	306,639
Intersegment turnover	2,139	9,554	-	11,693
Segment turnover	176,383	122,421	19,528	318,332
Reportable segment profit	7,003	11,954	1,913	20,870
Depreciation and amortisation	345	1,813	7,857	10,015
Capital additions	215	885	1,111	2,211

Unaudited
Three months ended 30th June, 2008

	<u>IT Products</u> HK\$'000	<u>IT Services</u> HK\$'000	<u>GMS</u> HK\$'000	<u>Total</u> HK\$'000
Turnover from external customers	218,305	113,792	21,734	353,831
Intersegment turnover	3,287	9,781	-	13,068
Segment turnover	221,592	123,573	21,734	366,899
Reportable segment profit	14,422	9,346	2,526	26,294
Depreciation and amortisation	373	2,087	6,524	8,984
Capital additions	366	1,593	4,056	6,015

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

Unaudited
As at 30th June, 2009

	<u>IT Products</u> HK\$'000	<u>IT Services</u> HK\$'000	<u>GMS</u> HK\$'000	<u>Total</u> HK\$'000
Reportable segment assets	209,023	132,979	58,613	400,615
Reportable segment liabilities	157,329	86,441	9,573	253,343

Audited
As at 31st March, 2009

	<u>IT Products</u> HK\$'000	<u>IT Services</u> HK\$'000	<u>GMS</u> HK\$'000	<u>Total</u> HK\$'000
Reportable segment assets	202,872	106,965	63,590	373,427
Reportable segment liabilities	175,603	97,769	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 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 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	Unaudited	
	Three months ended	
	30th June,	
	2009	2008
	HK\$'000	HK\$'000
Reportable segment turnover	318,332	366,899
Elimination of intersegment turnover	(11,693)	(13,068)
Turnover per condensed consolidated income statement	<u>306,639</u>	<u>353,831</u>

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

Profit / (Loss)	Unaudited	
	Three months ended	
	30th June,	
	2009	2008
	HK\$'000	HK\$'000
Reportable segment profit	20,870	26,294
Unallocated amounts:		
Unallocated other income	336	1,194
Unallocated finance costs	-	(1)
Gain/(Loss) on disposal of property, plant and equipment	2	(7)
Share-based payment expenses	(97)	(330)
Share of results of associates	159	199
Unallocated corporate expenses	(11,637)	(11,879)
Profit before taxation per condensed consolidated income statement	<u>9,633</u>	<u>15,470</u>

Assets	Unaudited	Audited
	30th June,	31st March,
	2009	2009
	HK\$'000	HK\$'000
Reportable segment assets	400,615	373,427
Unallocated assets:		
Interests in associates	1,539	1,381
Unallocated bank balances and cash	338,058	385,953
Unallocated corporate assets	123,656	122,801
Total assets per condensed consolidated balance sheet	<u>863,868</u>	<u>883,562</u>

Liabilities	Unaudited	Audited
	30th June,	31st March,
	2009	2009
	HK\$'000	HK\$'000
Reportable segment liabilities	253,343	284,704
Unallocated liabilities:		
Tax liabilities	2,668	5,776
Deferred taxation	14,546	14,571
Unallocated corporate liabilities	48,312	47,015
Total liabilities per condensed consolidated balance sheet	<u>318,869</u>	<u>352,066</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.

Place of domicile	Turnover from external customers		Non-current assets	
	Unaudited		Unaudited	Audited
	Three months ended		30th June,	31st March,
	2009	2008	2009	2009
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	266,213	312,785	164,829	173,700
Guangzhou	7,669	5,877	291	381
Macau	20,694	15,408	2,886	2,816
Taiwan	4,559	9,863	567	616
Thailand	7,504	9,898	1,272	1,270
	<u>306,639</u>	<u>353,831</u>	<u>169,845</u>	<u>178,783</u>

3. Other Income

	Unaudited	
	Three months ended	
	30th June,	
	2009	2008
	HK\$'000	HK\$'000
Interest on bank deposits	311	1,049
Equipment rental income	882	863
Miscellaneous	13	178
	<u>1,206</u>	<u>2,090</u>

4. Finance Costs

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

5. Profit/(Loss) before Taxation

	Unaudited	
	Three months ended	
	30th June,	
	2009	2008
	HK\$'000	HK\$'000
Profit / (Loss) before taxation has been arrived at after charging /(crediting):		
Depreciation and amortisation:		
Property, plant and equipment	11,747	10,740
Intangible assets (included in cost of services rendered)	166	223
Gain / (Loss) on disposal of property, plant and equipment	2	(7)
Share-based payment expense	97	330
	<u>11,912</u>	<u>11,286</u>

6. Taxation

Unaudited
Three months ended
30th June,

2009	2008
<i>HK\$'000</i>	<i>HK\$'000</i>

The charge / (credit) comprises:

Current taxation:

Hong Kong Profits Tax	1,618	2,543
Overseas taxation	74	65
Deferred taxation		
Current period	<u>(25)</u>	<u>-</u>

Taxation attributable to the Company and its subsidiaries	<u>1,667</u>	<u>2,608</u>
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Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits derived from Hong Kong for the current and prior periods.

Overseas taxation is calculated at the rates prevailing in the respective jurisdictions.

7. Earnings Per Share

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

Unaudited
Three months ended
30th June,

2009	2008
<i>HK\$'000</i>	<i>HK\$'000</i>

Earnings for the purpose of basic earnings per share and diluted earnings per share	<u>7,966</u>	<u>12,862</u>
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Number of shares

2009	2008
<i>'000</i>	<i>'000</i>

Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>297,842</u>	<u>296,657</u>
Effect of dilutive potential ordinary shares – Share options	<u>307</u>	<u>345</u>

Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>298,149</u>	<u>297,002</u>
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8. Property, Plant and Equipment

During the period, the Group spent approximately HK\$2,776,000 (three months ended 30th June, 2008: HK\$6,791,000) mainly on additions to computer and office equipment.

The Group's leasehold land and buildings were stated at valuations made at 31st March, 2009 less depreciation and amortisation. The Directors, after taking into account the current market condition, considered that the carrying amounts of the Group's leasehold land and buildings at 30th June, 2009 did not differ significantly from their market value at the same date.

9. 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\$4,773,000 (31st March, 2009 : HK\$4,535,000), is as follows:

	Unaudited 30th June, 2009 HK\$'000	Audited 31st March 2009 HK\$'000
Not yet due	74,625	77,559
< 30 days	24,004	24,893
31 - 60 days	12,670	9,786
61 - 90 days	15,512	4,428
> 90 days	<u>6,766</u>	<u>9,648</u>
	<u>133,577</u>	<u>126,314</u>

10. 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:

	Unaudited 30th June, 2009 HK\$'000	Audited 31st March, 2009 HK\$'000
Not yet due	80,247	96,245
< 30 days	32,858	46,312
31 - 60 days	6,249	5,751
61 - 90 days	1,051	1,283
> 90 days	<u>8,114</u>	<u>1,908</u>
	<u>128,519</u>	<u>151,499</u>

11. Pledge of Assets

In prior period, 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 was noted in current period.

12. Post Balance Sheet Events

On 24th 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 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").

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 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 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 6th May, 2009 made by Teamsun Technology (HK) Limited ("Teamsun") and the Company (the "Joint Announcement") and the Company's circular dated 30th June, 2009 (the "Circular").

As at the date of this announcement, the Global Account Transfer Agreement has not been completed and the conditions of the Share Purchase Agreement are still being satisfied.

DIVIDEND

The Directors has declared the Special Dividend of 92.0 HK cents subject to certain conditions to be fulfilled as contained in the Joint Announcement and the Circular. The Directors did not recommend the payment of dividend for the three months ended 30th June, 2009.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

Turnover for the first quarter in FY10 was HK\$306.6 million; lower by HK\$47.2 million or 13.3% compared to the corresponding period in FY09. Product sales and service revenue for the first quarter decreased by 19.5% and 3.7% respectively against last year's figures to HK\$42.2 million and HK\$5.0 million, contributing to 56.8% and 43.2% of the first quarter's turnover. Commercial and public sector sales of the quarter under review contributed 51.0% and 49.0% to turnover respectively compared to 58.7% and 41.3% last year. Overseas business decreased by 1.6% against last year's figures.

Profit before taxation during the quarter was HK\$9.6 million, decreasing by HK\$5.8 million or 37.7% from the same quarter last year. The decrease was mainly attributed to the decrease in product sales in the commercial sector.

As at 30th June, 2009, the order book balance stood at HK\$550.6 million. The balance sheet was healthy during this period with net cash of approximately HK\$338.1 million. There were no debts during this period and working capital was 2.28:1.

Business Review

Major contracts and tenders secured in the first quarter of FY10.

Hong Kong

Infrastructure Business	A statutory body	A multi-million dollar tender for the provision of storage systems
	A leading mobile network operator	A multi-million dollar contract for the supply of software, storage, networking products and 10 units of Sun enterprise servers
	The Chinese University of Hong Kong	Implementation of server consolidation project
Solution Business	A government department	A multi-million dollar tender for the provision of knowledge management solution
	An operating company of a leading Hong-Kong based multinational conglomerate	Provision of ASL Human Resources Management System
	A boutique hotel	Provision of Front Office Solution

Services Business	The Hong Kong Housing Authority	Provision of 3-year Information Technology (IT) Development Services amounted over HK\$40 million
	A government department	A multi-million dollar contract for the Supply, Delivery, Installation, Commissioning and Maintenance of Computer Equipment, covering over 2,000 personal computers
	A government department	A multi-million dollar contract for the provision of Computer Technician Support Services for 32 Hong Kong public libraries
<u>Overseas</u>		
PRC	Ketchum Newscan Public Relations (Shanghai) Co., Ltd	Provision of IT Infrastructure and support services
	Sainsbury's Asia Shanghai Limited	Provision of IT infrastructure with onsite support services
	A judiciary department	Implementation of a customised enterprise content management system
Macau	University of Macau	Provision of storage, switches and related software to boost operational efficiency
	A gaming solutions provider	Provision of networked storage and security products to support for the client's new portal
Thailand	Bank for Agriculture And Agricultural Cooperatives	Provision of large order of desktop computers and printers
	Bangkok Commercial Asset Management Co., Ltd.	Provision of large order of desktop computers and printers
Taiwan	A leading IT products manufacturer	Provision of servers and storage products with 3-year 7x24 maintenance services

As indicated in the table above, the Group saw the IT Infrastructure Business continued to make a significant contribution to the Group's results this quarter. The Solution Business also demonstrated a stable performance by continuing to provide tailor-made solutions to help customers achieve operational efficiency, costs saving and to maintain service level, while facing current economic challenges. The Service Business continued to earn considerable higher margins with several significant contracts won during the quarter.

Share Purchase Agreement for Sale Shares and GAC Special Deal Agreements

Reference is made to the Joint Announcement and the Circular. Capitalised terms used in the section shall have the same meanings as those in the Joint Announcement and the Circular unless otherwise defined. On 24th 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 the 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").

The Group also entered into the GAC Special Deal Agreements. The GAC Special Deal Agreements and the Special Dividend have been approved in a special general meeting of the Company on 17th July, 2009. The conditions of the Share Purchase Agreement and the GAC Special Deal Agreements are still being satisfied.

The profit before and after taxation of the Remaining Business for the period ended 30th June, 2009 was HK\$8.0 million and HK\$6.6 million respectively, compared to HK\$13.3 million and HK\$11.0 million of the corresponding period last year.

Outlook and Prospect

With the termination of the Territorial Agreement, the Group is now free to pursue expansion both in China and Asian markets. The Group sees opportunities to capture IT demand from customers who have operations in China or are keen to pursue Mainland's untapped potential. ASL is currently under studies on the Chinese Central Government's policy on the development of the Pearl River Delta and Hong Kong's standing within the Chinese Central Government's plan. With careful consideration of these variables, the Group sees an opportunity to expand operations within the Pearl River Delta region.

Apart from focusing on the development in the Pearl River Delta region, the Group also recognised Shanghai's potential as an international finance centre in the region evidenced by the fact that a number of Hong Kong-based and overseas banks and financial firms have already expanded to Shanghai. The Group will continue to align the need of our customer with these regional developments, providing them with quality IT services.

Aside from opportunities overseas, the Group has maintained a strong position within the Hong Kong market. According to IDC Asia/ Pacific Semiannual IT Services Tracker, 2H 2008, a subsidiary of the Group, Automated Systems (HK) Ltd., was one of the top 5 IT services players in Hong Kong in 2008. Being able to consistently win sizable service contracts from both the private and public sectors, we demonstrate to clients our ability to provide a wide range of large-scale and long-term IT support services. The subsidiary of the Group, Automated Systems (HK) Ltd, continues to be awarded sizable contracts from customers, particularly from government departments and statutory bodies.

In July, Automated Systems (HK) Ltd. continued its success to enter into a new set of Standing Offer Agreements, referred to as Standing Offer Agreement for Quality Professional Services 2 (SOA-QPS2), with the Government of the HKSAR from its first win in 2005. Under this agreement, ASL will provide the Information Technology Professional Services to government bureaux and departments under four separate service categories (Category 1, Category 2 and 3 in Major Service Group and Category 4) with a period of 48 months, effective from 31st July, 2009.

The Group's services capability was further demonstrated by another tender won in the same month. Automated Systems (HK) Ltd. obtained a 3-year Standing Offer Agreement from the Office of the Government Chief Information Officer (OGCIO) for the provision of information technology (IT) contract staff services to government departments. The Group is one of the eleven contractors who have been given the IT contract staff services agreement.

In August, Automated Systems (HK) Ltd. was awarded a multi-million dollar tender from the Hong Kong Examinations and Assessment Authority (HKEAA) for the provision of certain professional services, hardware and software for the development of the Hong Kong Diploma of Secondary Education (HKDSE) Examination System. The HKDSE Examination, which is to be implemented in 2012 under the new 3+3+4 academic structure, will replace the existing Hong Kong Certificate of Education Examination (HKCEE) and the Hong Kong Advanced Level Examination (HKALE). The new, web-based and automated system can support HKDSE which will adopt the standards-referenced reporting.

Due to the recession in the global economy, the business sector has only recently begun showing signs of recovery. While the Group's performance is still being affected, strong support from the public sector has helped bolster our position in the market. Finally, the Group will continue to maintain stringent cost control policies by eliminating unnecessary costs while maximising utility from existing resources.

Financial Resources and Liquidity

As at 30th June, 2009, the Group's total assets of HK\$863.9 million were financed by current liabilities of HK\$304.3 million, non-current liabilities of HK\$14.6 million and shareholders' equity of HK\$545.0 million. The Group had a working capital ratio of approximately 2.28:1.

As at 30th June, 2009, the Group had an aggregate composite banking facilities from banks of approximately HK\$96.1 million of which HK\$66.6 million was utilised (31st March, 2009: HK\$25.5 million). The Group's gearing ratio was zero (31st March, 2009: zero) as at 30th June, 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 three-month period ended 30th June, 2009.

Contingent Liabilities

Corporate guarantee to banks and vendors as security for banking facilities and goods supplied to the Group amounted to approximately HK\$96.1 million and HK\$51.5 million respectively as at 30th June, 2009. The amount utilised against such facilities and goods supplied as at 30th June, 2009 which was secured by the corporate guarantee amounted to approximately HK\$0.02 million. The performance bond issued by the Group to customers as security of contract was approximately HK\$66.6 million as at 30th June, 2009.

Employee and Remuneration Policies

As at 30th June, 2009, the Group, excluding its associates, employed 1,556 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 three months ended 30th June, 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 first 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 three months ended 30th June, 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 three months ended 30th June, 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
Managing Director

Hong Kong, 26th August, 2009

As at the date of this announcement, the board of directors comprises Mr. Lai Yam Ting, Ready and Mr. Lau Ming Chi, Edward being executive directors, Mr. Allen Joseph Pathmarajah, Mr. Kuo Chi Yung, Peter, Mr. Moo Kwee Chong, John, Mr. Michael Shove, Mr. Darren John Collins, Mr. Wang Yung Chang, Kenneth and Mr. Andrew John Anker being non-executive directors and Mr. Hon Sheung Tin, Peter and Mr. Li King Hang, Richard being independent non-executive directors.