



AUTOMATED SYSTEMS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Interim Results Announcement for the 12 months ended 31st December, 1999

Highlights

- Turnover increased by 43% to approximately HK\$863 million
- Net profit attributable to shareholders rose by 42% to approximately HK\$57 million
- Basic earnings per share of HK\$20.3 cents

RESULTS

The Board of Directors (the "Director") of Automated Systems Holdings Limited (the "Company") are pleased to announce unaudited consolidated results of the Company and its subsidiaries (the "Group") for the twelve months ended 31st December 1999 together with comparative figures for the corresponding period in 1998 as follows:

	Twelve months ended 31st December	
	1999	1998
Notes	HK\$'000	HK\$'000
TURNOVER	863,143	604,843
OPERATING PROFIT	54,269	41,118
Share of profit of an associated company	13,506	7,677
PROFIT BEFORE TAXATION	67,775	48,795
Taxation	2 (10,813)	(8,618)
NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS	56,962	40,177
Dividends	3 (11,200)	(11,200)
RETAINED PROFIT FOR THE YEAR	45,762	28,977
EARNINGS PER SHARE	4	
Basic	20.3 cents	14.3 cents
Diluted	19.8 cents	14.2 cents

Notes:

1. Basis of Consolidation and Presentation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the twelve months period ended 31st December, 1999. The results of the subsidiaries acquired and disposed of during the period are consolidated from or to their effective dates of acquisition or disposal, respectively.

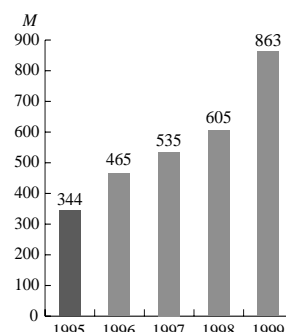
All significant intercompany transactions and balances within the Group are eliminated on consolidation.

2. Taxation

Group:	Twelve months ended 31st December	
	1999	1998
	HK\$'000	HK\$'000
Hong Kong profits tax	7,436	6,973

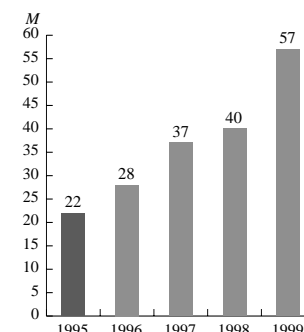
Turnover

(For the twelve months ended 31st December)



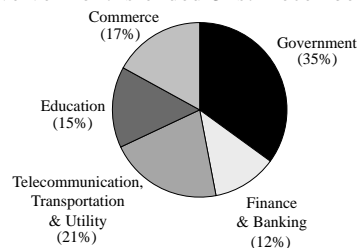
Net Profit Attributable to Shareholders

(For the twelve months ended 31st December)



Turnover by Customer

(For the twelve months ended 31st December, 1999)



PROSPECTS

Under the Hong Kong SAR Government's "Digital 21" Policy and pressing needs driven by the technology era, computerisation will continue to be implemented, at a much faster pace than ever, across all government departments and educational institutions in the next few years. Therefore, the Group expects to continue benefiting from this positive trend.

In particular, the Group has won Hong Kong's first education bulk contract for IT applications in primary and secondary schools. This contract, lasting over 30 months, not only guarantees the Group with substantial revenues in the year 2000, but is also greatly enlarging its customer base for potential service business in the future.

Due to the substantial increase in computer installations in 1999, the Group expects to gain handsome recurrent high-margin service revenues in the year 2000 and the future years.

As the Government liberalises the telecommunications market, an increasing number of new entrants are locked in fierce competition. Tremendous resources are therefore being committed

1999 1998
HK\$'000 HK\$'000

Group:		
Hong Kong profits tax	7,436	6,973
Associated company:		
Overseas taxation	3,377	1,645
	<u>10,813</u>	<u>8,618</u>

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.

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

3. Dividends

	Twelve months ended 31st December	
	1999	1998
	HK\$'000	HK\$'000
First interim dividend of 2 cents per ordinary share for the six months period ended 30th June (1998: 2 cents per ordinary share)	5,600	5,600
Second proposed interim dividend of 2 cents per ordinary share for the twelve months period ended 31st December (1998: 2 cents per ordinary share as the final dividend)	5,600	5,600
	<u>11,200</u>	<u>11,200</u>

4. Earnings Per Share

Basic and diluted earnings per share are based on the net profit attributable to shareholders of HK\$56,962,000 (1998: HK\$40,177,000).

The basic earnings per share is based on the weighted average number of 280,000,000 shares (1998: 280,000,000) in issue during the period. The diluted earnings per share is based on 287,594,094 shares which is the weighted average of shares in issue during the period plus the weighted average number of 7,594,094 shares deemed to be issued at no consideration if all outstanding share options have been exercised.

BUSINESS REVIEW

The Group achieved very strong growth in the 12-month period ended 31st December 1999. For the period, the Group's turnover amounted to HK\$863,143,000, representing an increase of 43% as compared to that of 1998. Profit attributable to shareholders rose 42% to HK\$56,962,000 against the previous period. Earnings per share were 20.3 cents.

During the period, the Group has increased the number of staff from approximately 500 to 700 and has enlarged the office area from approximately 70,000 sq.ft. to 100,000 sq.ft. to support the business expansion.

The Group performed strongly both in the government and education sectors in 1999. It has won two government bulk contracts worth over HK\$300 million in total. With the winning of an education bulk contract, the Group has also been able to expand its outreach services to around 1,300 primary and secondary schools in Hong Kong.

During the period, the Group delivered many projects and services for e-business in various sectors. Telecom Directories Limited, a subsidiary of Cable & Wireless HKT, launched a HK Dining Guide on the Internet with the Group's system design and implementation support. OSK Asia Holdings Limited, a leading securities house, has evolved into one of the first on-line stock trading companies with the Group's provision of the WebStock Electronic Stock Trading System. Additionally, Automated also provided products and services for New World Telephone's WAP system, Sun Hung Kai's iAdvantage, Wharf's iCable and many other "Web Server & Proxy Server Projects" and "Portal Billing Systems".

1999, the Group expects to maintain high-margin service revenues in the year 2000 and the future years.

As the Government liberalises the telecommunications market, an increasing number of new entrants are locked in fierce competition. Tremendous resources are therefore being committed into the IT infrastructure and services. The Group expects business from the telecom industry to continue growing strongly in the foreseeable future.

Tremendous business opportunities are also arising from the increasing demands for different Internet applications. The Hong Kong Stock Exchange's automatic matching system will be introduced in the third quarter of 2000. This will intensify the need among financial institutions to introduce Internet stock trading systems. Additionally, e-banking, e-commerce, e-catalog, e-phone, e-radio and many other e-businesses are emerging on the Internet platform. Since network security and management is vital to the success of e-businesses, Automated has recently partnered Computer Associates, a leading provider of network management and Internet solutions, to meet with the tremendous market demands.

With a number of prestigious IT partners such as Sun Microsystems, IBM, Microsoft, Computer Associates and Oracle, the Group will continue to strengthen its leadership position as a total IT service provider in the region. The Group's expertise and experience in IT technology and services together with its well-established base of over 1,000 customer accounts are providing a strong springboard for future growth. To fully capture the upcoming business opportunities, the Group, therefore, is planning to expand its workforce to 1,000 staff in the coming year.

YEAR 2000 PROBLEM

The Group has included in its 1999 interim report information relating to the Group's Year 2000 compliance program on the definition of Year 2000 compliant, the risks uncertainties associated with Year 2000 problem, the structure of the Year 2000 compliance project and the plans to address the Year 2000 problem as required to be disclosed by The Stock Exchange of Hong Kong Limited. Pursuant to the program, a Committee has been formed to supervise the progress of the compliance program and detailed action plans, task list and timetables have been established in respect of problem identification, solution design modification, testing and implementation. As of today, all of the compliance program have been completed. The cost of the Group's compliance program is approximately HK\$4,500,000.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Tuesday, 14th March 2000 to Friday, 17th March 2000 (both days inclusive), during which period no transfer of shares will be effected.

In order to qualify for the second interim 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 Monday, 13th March 2000. The dividend warrants will be despatched on 28th March 2000.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the twelve months period ended 31st December 1999, 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.

On behalf of the Board
Kuo Chi Yung, Peter
Deputy Chairman & Managing Director

Hong Kong, 28th February 2000