AUTOMATED SYSTEMS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

INTERIM RESULTS ANNOUNCEMENT 2002

Highlights

- **Turnover Increased by 8% to approximately HK$629 million**
- **Basic earnings per share of HK8.27 cents**

RESULTS

The Board of Directors (the "Directors") of Automated Systems Holdings Limited (the "Company") are pleased to announce unaudited consolidated results of the Company and its subsidiaries (the "Group") for the 6 months period ended 30th September, 2001 together with the comparative figures for the previous year as follows:

Consolidated Profit and Loss Account

	Notes	Unaudited Six months ended 30th September 2001 HK$'000	2000 HK$'000
TURNOVER	(2)	628,501	580,478
Earnings before interest, taxation, depreciation and amortization expenses		22,991	42,717
Depreciation expenses		(14,253)	(10,031)
Amortization expenses		(2,025)	(1,538)
Other revenue		18,355	3,049
PROFIT FROM OPERATING ACTIVITIES	(3)	25,068	34,197
Finance costs		(1,939)	(2,356)
Share of profit less losses of associates		5,816	9,927
PROFIT BEFORE TAX		28,945	41,768
Tax	(4)	(5,183)	(10,366)
PROFIT BEFORE MINORITY INTERESTS		23,762	31,402
Minority interests		38	324
NET PROFIT FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS		23,800	31,726
Interim dividend	(5)	(5,806)	(8,547)
EARNINGS PER SHARE			
Basic	(6)	8.27 cents	11.14 cents
Diluted	(6)	8.20 cents	10.90 cents

Consolidated Balance Sheet

	Notes	Unaudited 30th September, 2001 HK$'000	Audited 31st March, 2001 HK$'000
NON-CURRENT ASSETS		222,671	208,156
CURRENT ASSETS	(7)	530,305	611,041
CURRENT LIABILITIES	(8)	392,902	470,365
NET CURRENT ASSETS		137,403	140,676
TOTAL ASSETS LESS CURRENT LIABILITIES		360,074	348,832
NON-CURRENT LIABILITIES		(5,984)	(5,984)
Minority interests		(2,171)	(2,209)
		351,919	340,639
CAPITAL AND RESERVES			
Issued capital		28,821	28,719
Reserves		317,292	303,211
Proposed dividend		5,806	8,709
		351,919	340,639

Notes:

1. **Basis of preparation and accounting policies**

The unaudited interim results of the Group have been prepared in compliance with Hong Kong Statement of Standard Accounting Practice ("SSAP") No. 25 "Interim financial reporting" issued by the Hong Kong Society of Accountants ("HKSA").

The accounting policies and basis of preparation used in the preparation of these condensed interim financial statements are the same as those used in the annual financial statements for the year ended 31st March, 2001 except that the Group has changed certain of its accounting policies following its adoption of the following SSAPs issued by the HKSA which are effective for accounting periods commencing on or after 1st January, 2001:

SSAP 9 (revised):	Events after the balance sheet date
SSAP 14 (revised):	Leases (effectively for periods commencing on or after 1st July, 2000)
SSAP 30:	Business combinations

Detailed changes in Group's accounting polices and the related effects on the Group's condensed interim financial statements are set out in the interim report to shareholders.

2. **Segmental Information**

The Group's turnover and contribution to profit from operating activities for the period ended 30th September, 2001 were derived entirely from the selling of computer products and investments and the provision of engineering and software services. An analysis of the Group's turnover and contribution to profit from operating activities by principal activities and geographical area of operations for the period ended 30th September, 2001 is as follows:

	Unaudited Turnover Six months ended 30th September, 2001 HK$'000	2000 HK$'000	Unaudited Contribution to profit from operating activities Six months ended 30th September, 2001 HK$'000	2000 HK$'000
By principal activities:				
Sales of Goods	486,672	463,455	2,187	17,292
Rendering of Services	141,829	117,023	7,790	16,905
Investment Activities	–	–	15,091	–
	628,501	580,478	25,068	34,197
By geographical areas:				
The People's Republic of China:				
Hong Kong	613,959	573,286	25,072	34,740
Macau	9,901	6,908	(218)	71
Taiwan	3,028	–	1,024	(16)
Thailand	1,613	284	(810)	(598)
	628,501	580,478	25,068	34,197

3. **Profit from Operating Activities**

	Unaudited Six months ended 30th September, 2001 HK$'000	2000 HK$'000
TURNOVER	628,501	580,478
Cost of sales and services	(462,478)	(434,532)
Gross profit	166,023	145,946
Other revenue	18,355	3,049
Sales and technical support costs	(128,976)	(87,073)
Distribution costs	(8,716)	(7,962)
Administrative expenses	(21,618)	(19,763)
PROFIT FROM OPERATING ACTIVITIES	25,068	34,197

4. **Tax**

	Unaudited Six months ended 30th September, 2001 HK$'000	2000 HK$'000
Hong Kong profits tax		
Group	3,922	6,486
Overseas taxation		
Group	322	1,398
Associates	939	2,482
	5,183	10,366

Hong Kong profits tax is calculated at 16% (2000: 16%) on the estimated assessable profit derived from Hong Kong.

Taxation for overseas operations is charged at the appropriate current rates of taxation in which the subsidiary and associated companies operate.

5. Interim dividend

The Directors declared an interim dividend of 2 cents per share (2000: 3.0 cents) for the six months period ended 30th September, 2001 to shareholders whose names appear on the register of members of the Company on 21st December, 2001. The dividend warrants will be dispatched on 28th December, 2001.

6. Earnings Per Share

Basic and diluted earnings per share is based on the net profit attributable to shareholders of HK$23,800,000 (2000: HK$31,726,000).

The basic earnings per share is based on the weighted average number of 287,806,667 shares (2000: 284,591,667) in issue during the period. The diluted earnings per share is based on 290,398,498 shares (2000: 291,184,473) which is the weighted average of shares in issue during the period plus the weighted average number of 2,591,831 shares (2000: 6,592,806) deemed to be issued at no consideration if all outstanding share options have been exercised.

7. Trade Debtors

Included within current assets is a trade debtors balance of HK$233,654,000 (31st March, 2001: HK$189,675,000). The Group maintains a defined credit policy. The ageing analysis of trade debtors was as follows:

	Unaudited 30th September, 2001 *HKD'000*	**Audited 31st March, 2001** *HKD'000*
Current	131,865	88,433
0-1 month	49,591	54,852
1-2 months	25,236	10,353
2-3 months	21,106	17,285
Over 3 months	5,856	18,752
Total	233,654	189,675

8. Trade and Bills Payable

Included within current liabilities is a trade and bills payable balance of HK$102,703,000 (31st March, 2001: HK$111,454,000). The ageing analysis of trade and bills payable was as follows:

	Unaudited 30th September, 2001 *HKD'000*	**Audited 31st March, 2001** *HKD'000*
Current	73,971	74,729
0-1 month	22,540	30,027
1-2 months	2,805	4,498
2-3 months	606	914
Over 3 months	2,781	1,286
Total	102,703	111,454

9. Liquidity And Capital Resources

As at 30th September, 2001, the Group had total assets of HK$753 million which were financed by current liabilities of HK$393 million, deferred tax of HK$6 million, minority interests of HK$2 million and shareholders' equity of HK$352 million. The Group has a working capital ratio of approximately 1.35:1. The Directors believe that the Group has a healthy working capital ratio.

As at 30th September, 2001, the Group had aggregate composite banking facilities from banks of approximately HK$520 million, of which approximately HK$151 million had been utilised.

BUSINESS REVIEW

Over the past 28 years, the Group has been successful in overcoming the business challenges during times of economic recession. With proactive and flexible business strategies, the Group has been able to develop healthy business and continues to increase its market share. The Group regards the current weak economy as an opportunity to capture the new potential markets and customers, paving the way for further growth when the economy recovers.

With an active expansion strategy in place, the Group continued to report revenue growth and achieved positive results for the six-month period ended 30th September, 2001.

The Group's turnover grew 8% to HK$629 million as compared to the corresponding period last year. Profit attributable to shareholders however was down 25% to HK$24 million as compared to the corresponding period last year HK$32 million. Earnings per share were 8.27 HK cents.

The government and education sectors continue to show good business growth. They together accounted for almost 50% of the Group's total turnover, contributing largely to the Group's overall business growth. The commercial sector also reported a growth through the Group's active effort in exploring new business and gaining new customers across different industries in the sector whilst the finance & banking and the telecommunication sectors contracted.

Gross profit increased by 14% to reach HK$166 million. In view of the rising market demand for a variety of IT services, the Group further expanded in the service business operations by increasing manpower. The expansion resulted in an immediate increase in overhead expenses and therefore affected the operating income for the period.

The provision of engineering and software services business continues to benefit the Group with recurring and stable income. During the period, service income grew 21%, accounting for 23% of the Group's total turnover. The Group's successful expansion of outsourcing business in the government and multinational sectors was a contributor for such growth.

In respect of bulk contracts, the Group's subsidiary, ELM Computer Technologies Limited, together with IBM, won the government's UNIX and SAN bulk contract worth over HK$45 million in May this year. Other bulk contracts that the Group serviced during the period, included the PC and Network bulk contract for government departments, the Education bulk contract for primary and secondary schools and the PC Equipment and IT Services bulk contract for the Vocational Training Council.

In August this year, the Group received the "Best Overall Performance Award" from Oracle in recognition of its remarkable sales for Oracle technology products. Significant growth was achieved over the past 12 months.

The offices established in Thailand and Taiwan have been in operation since year 2000, with their business focuses targeting the IT services and the outsourcing business respectively. Though the IT service industry has not been fully developed in these two countries, both offices are expected to capture a substantial part of the market share in the future when business and the technology industry in these countries become more mature.

PROSPECTS

We expect the public sector will continue to generate the major business opportunities to the Group. The government has been driving Hong Kong to be a digital city and almost all civil services need to go electronic very soon. The government has also encouraged IT applications in school learning and has won strong support from the education sector. Therefore, there is imminent demand for further IT investment and the Group is confident to explore more new business from them.

In addition, as the Group is now well equipped with a skilled team of staff, it is able to allocate resources to tap into part of the commercial sector which has not been fully explored by the Group before. With the reputation established in the industry, the Group has successfully entered into new market segments in this target sector, such as gaining a leading property agency and a leading fast food chain group as the Group's customers.

To cope with the demand emerging from the growing trend of outsourcing services from multi-national companies, government departments and business enterprises, the Group has partnered with the US-based Computer Sciences Corporation, its ultimate holding company, to acquire outsourcing business with global companies. Moreover, leveraging on this valuable experience, the Group has been able to obtain new service contracts from local government agencies. These contracts will benefit the Group with recurring and stable revenues lasting several years.

The Group will continue to seek for cooperation with more IT partners, introducing more technology products to meet customer needs. It will also enhance the relationship with existing IT partners to create new business cooperation with them. At present, the Group is the iForce Channel Development Provider of Sun Microsystems and Value-Added Distributor of Oracle. These new appointments have enabled the Group to migrate into the service-enriched channel development arena. In this context, the Group provides full technical and service support to the channel partners including systems integrators, solutions providers and independent software vendors.

To ride on the success of the database and application server market, the Group has expanded into the technology hosting service business as well. In May this year, the Group was appointed as Oracle's Technology Hosting Partner with services covering all Oracle technology product licenses, hotline telephone support and free license upgrade. The business can cater to the needs of Internet Data Centres, Internet Service Providers, Independent Software Vendors and Application Service Providers. It benefits the Group with good market potential.

In the future, the Group will continue to amalgamate its specialties as a total IT service provider. It is fully committed to creating value proposition for its customers, thereby expanding the service business. The Group will also be conscious of the present adverse economic conditions which may have potential impact on its performance in the coming future. However, the Group's competitive advantages together with strong market position will enable the Group to explore new business opportunities and help the Group to face the challenges ahead.

APPOINTMENT OF ALTERNATE DIRECTOR

The Directors of the Company is pleased to announce that Mr. Samuel Timothy Hilbert has been appointed as an Alternate Director to Mr. Warren Brinson Weeks, Jr. of the Company with effect from 8th November, 2001.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 18th December, 2001 to 21st December, 2001, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's registrars, Tengis Limited at 4th Floor, Hutchinson House, 10 Harcourt Road, Hong Kong, for registration not later than 4:00 p.m. on 17th December, 2001.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months period ended 30th September, 2001, 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 interim results.

CODE OF BEST PRACTICE

None of the directors of the Company is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the accounting period under review, in compliance with Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, except that 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 Articles of Association of the Company.

By Order of the Board
Kuo Chi Yung, Peter
Deputy Chairman & Managing Director

8th November, 2001