AUTOMATED SYSTEMS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 771)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

RESULTS

The Board of Directors (the "Directors") of Automated Systems Holdings Limited (the "Company") are pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group" or "ASL") for the year ended 31st March, 2008 together with comparative figures for the previous year as follows:

Consolidated Income Statement

		Unaudited Three months ended 31st March,		**Audited Year ended 31st March,**	
		2008	2007	**2008**	2007
	Notes	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
TURNOVER	(2)	**398,704**	387,450	**1,393,393**	1,274,979
Cost of goods sold		**(227,521)**	(239,468)	**(799,508)**	(766,438)
Cost of services rendered		**(110,723)**	(104,999)	**(425,547)**	(376,438)
Other income	(3)	**4,179**	5,874	**32,589**	16,594
Selling expenses		**(22,946)**	(14,201)	**(69,487)**	(52,974)
Administrative expenses		**(13,596)**	(8,231)	**(42,626)**	(34,042)
Finance costs	(4)	**(1)**	-	**(2)**	(7)
Share of results of associates		**269**	30	**463**	163
PROFIT BEFORE TAXATION	(5)	**28,365**	26,455	**89,275**	61,837
Taxation	(6)	**(5,398)**	(2,776)	**(13,122)**	(8,277)
Profit for the period		**22,967**	23,679	**76,153**	53,560
DIVIDENDS	(7)				
Paid				**47,370**	41,170
Proposed				**50,432**	35,300
EARNINGS PER SHARE	(8)				
Basic		**HK7.77 cents**	HK8.06 cents	**HK25.76 cents**	HK18.21 cents
Diluted		**HK7.69 cents**	HK8.01 cents	**HK25.51 cents**	HK18.10 cents

Consolidated Balance Sheet

	Notes	Audited 31st March 2008 HK$'000	2007 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	(9)	**223,225**	199,916
Intangible assets		**4,138**	5,283
Interests in associates		**705**	242
Available-for-sale investments	(10)	**-**	33,641
		228,068	239,082
CURRENT ASSETS			
Inventories		**111,556**	108,973
Trade receivables	(11)	**191,488**	135,919
Other receivables, deposits and prepayments		**65,202**	60,871
Tax recoverable		**-**	4,497
Short term bank deposits	(12)	**100**	7,914
Bank balances and cash	(12)	**398,581**	335,197
		766,927	653,371
CURRENT LIABILITIES			
Trade and bills payables	(13)	**182,058**	185,352
Other payables and accruals		**75,920**	65,810
Receipts in advance		**139,392**	97,934
Tax liabilities		**6,362**	-
		403,732	349,096
NET CURRENT ASSETS		**363,195**	304,275
TOTAL ASSETS LESS CURRENT LIABILITIES		**591,263**	543,357
NON-CURRENT LIABILITY			
Deferred taxation		**23,142**	19,402
		568,121	523,955
CAPITAL AND RESERVES			
Share capital		**29,666**	29,417
Reserves		**538,455**	494,538
Total equity		**568,121**	523,955

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Application of New and Revised Hong Kong Financial Reporting Standards ("HKFRSs")

In the current year, the Group has applied, for the first time, the following new standard, amendment to Hong Kong Accounting Standards ("HKAS") and interpretations ("HK(IFRIC)-Int") (new "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for the Group's financial year beginning 1st April, 2007.

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC) - Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies
HK(IFRIC) - Int 8	Scope of HKFRS 2
HK(IFRIC) - Int 9	Reassessment of Embedded Derivates
HK(IFRIC) - Int 10	Interim Financial Reporting and Impairment
HK(IFRIC) – Int 11	HKFRS 2: Group and Treasury Share Transactions

The adoption of the new HKFRSs has resulted in the following areas:

- The impact of application of HKFRS 7 "Financial Instruments: Disclosures" has been to expand the disclosures provided in the consolidated financial statements regarding the Group's financial instruments, especially on the sensitivity analysis to market risk.

- The impact of application of HKAS 1 (Amendment) "Capital Disclosures" has been to disclose information regarding its objectives, policies and processes for managing capital.

The application of the remaining new HKFRSs has had no material effect on how the results and financial position of the Group for the current or prior accounting periods are prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early adopted the following new and revised standards or interpretations that have been issued but are not yet effective. The Directors of the Company are in the process of assessing the potential impact and so far concluded that the application of these standards or interpretations will have no material impact on the results and financial position of the Group.

HKAS 1 (Revised)	Presentation of Financial Statements[1]
HKAS 23 (Revised)	Borrowing Costs[1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[2]
HKAS 32 and HKAS1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[1]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[1]
HKFRS 3 (Revised)	Business Combinations[2]
HKFRS 8	Operating Segments[1]
HK(IFRIC) - Int 12	Service Concession Arrangements[3]
HK(IFRIC) - Int 13	Customer Loyalty Programmes[4]
HK(IFRIC) - Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction[3]

[1] Effective for annual periods beginning on or after 1st January, 2009
[2] Effective for annual periods beginning on or after 1st July, 2009
[3] Effective for annual periods beginning on or after 1st January, 2008
[4] Effective for annual periods beginning on or after 1st July, 2008

The adoption of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1st July, 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions.

2. Turnover

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 31st March,		**Audited Year ended 31st March,**	
	2008	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Sales of goods	**262,831**	265,628	**888,487**	846,628
Revenue from service contracts	**135,873**	121,822	**504,906**	428,351
	398,704	387,450	**1,393,393**	1,274,979

Over 90% of the Group's revenue is derived from the Hong Kong market. Although the Group sells computer products and provides a wide range of services, in the opinion of the Directors, all the sales of goods and provision of services are information technology ("IT") related and, in most of the time, are negotiated under a single contract with a single customer. Accordingly, the Directors consider that the Group is engaged in one single business segment, namely IT services.

3. Other Income

	Unaudited Three months ended 31st March,		**Audited Year ended 31st March,**	
	2008	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Gain on disposal from available-for-sale investments	**-**	-	**20,690**	-
Interest on bank deposits	**1,134**	2,028	**8,250**	9,908
Equipment rental income	**2,015**	3,419	**2,015**	3,419
Dividend income from available-for-sale investments	**-**	-	**398**	2,683
Exchange gain	**48**	193	**48**	193
Miscellaneous	**982**	234	**1,188**	391
	4,179	5,874	**32,589**	16,594

4. Finance Costs

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

5. Profit before Taxation

	Unaudited Three months ended 31st March,		**Audited Year ended 31st March,**	
	2008	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Profit before taxation has been arrived at after charging:				
Depreciation and amortisation:				
Property, plant and equipment	**16,068**	10,872	**49,873**	41,780
Intangible assets (included in cost of services rendered)	**(322)**	1,070	**1,718**	3,238
Loss on disposal of property, plant and equipment	**1,469**	58	**1,535**	187
Share-based payment expense	**424**	1	**987**	1,248

6. Taxation

	Unaudited Three months ended 31st March,		Audited Year ended 31st March,	
	2008	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
The charge comprises:				
Current taxation:				
Hong Kong Profits Tax	**6,896**	(546)	**12,640**	2,255
Overseas taxation	**(23)**	(382)	**1,407**	458
Overprovision in prior years:				
Hong Kong Profits Tax	**(88)**	(300)	**(88)**	(300)
Overseas taxation	**-**	(225)	**-**	(300)
	6,785	(1,453)	**13,959**	2,113
Deferred taxation	**(1,387)**	4,229	**(837)**	6,164
Taxation attributable to the Company and its subsidiaries	**5,398**	2,776	**13,122**	8,277

Hong Kong Profits Tax is calculated at 17.5% (FY07: 17.5%) on the estimated assessable profits derived from Hong Kong for the year.

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

7. Dividends

	Audited Year ended 31st March,	
	2008	2007
	HK$'000	*HK$'000*
Dividends recognised as distribution during the year:		
Interim of 4.0 HK cents (FY07: 3.0 HK cents) per share	**11,848**	8,825
Final in respect of FY07 of 6.0 HK cents (FY06: 5.0 HK cents) per share	**17,761**	14,702
Special in respect of FY07 of 6.0 HK cents (FY06: 6.0 HK cents) per share	**17,761**	17,643
	47,370	41,170
Dividends proposed:		
Final of 6.0 HK cents (FY07: 6.0 HK cents) per share	**17,800**	17,650
Special in respect of 11.0 HK cents (FY07: 6.0 HK cents) per share	**32,632**	17,650
	50,432	35,300

8. Earnings Per Share

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

	Unaudited Three months ended 31st March,		**Audited Year ended 31st March,**	
	2008	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Earnings for the purpose of basic earnings per share and diluted earnings per share	**22,967**	23,679	**76,153**	53,560

	Number of shares		**Number of shares**	
	2008	2007	**2008**	2007
	'000	*'000*	***'000***	*'000*
Weighted average number of ordinary shares for the purpose of basic earnings per share	**295,581**	293,792	**295,581**	294,069
Effect of dilutive potential ordinary shares – Share options	**2,963**	1,802	**2,963**	1,810
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**298,544**	295,594	**298,544**	295,879

9. Property, Plant and Equipment

During the year, the Group spent approximately HK$48,267,000 (FY07: HK$76,928,000) mainly on additions to computer and office equipment.

The leasehold land and buildings were revalued by DTZ Debenham Tie Leung Limited, an independent professional valuer, at 31st March, 2008 at market value basis which is determined by reference to market evidence of recent transactions for similar properties. The valuation conforms to International Valuation Standards. The revaluation gave rise to a net revaluation increase of HK$26,155,000 (FY07: HK$12,836,000) which has been credited to the property revaluation reserve.

If the leasehold land and buildings had not been revalued, they would have been included in these consolidated financial statements at historical cost, less accumulated depreciation and amortisation, of approximately HK$69,603,000 (FY07: HK$72,003,000).

10. Available-for-sale Investments

	Audited 31st March,	
	2008	2007
	HK$'000	*HK$'000*
Listed shares overseas, at market value	**-**	33,641

On 4th October, 2007, the Group disposed of its available-for-sale investments to an outsider for a consideration of approximately HK$42 million.

11. 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 payment due date and net of allowance of HK$4,183,000 (FY07: HK$4,068,000), is as follows:

	Audited 31st March, 2008 *HK$'000*	2007 *HK$'000*
0 - 1 month	**159,755**	92,851
1 - 2 months	**10,299**	16,549
2 - 3 months	**5,822**	10,966
Over 3 months	**15,612**	15,553
	191,488	135,919

12. Short Term Bank Deposits/Bank Balances and Cash

As at 31st March, 2008, short term bank deposits comprise deposits held by the Group with an original maturity not less than three months and include bank deposits of approximately HK$100,000 (31st March, 2007: HK$100,000) that have been pledged to secure certain short term banking facilities of the Group. Other bank balances comprise deposits held by the Group with an original maturity of three months or less.

Bank balances and short term bank deposits carry interest at market rates with average interest rate of 0.9% and 2.72% per annum, respectively.

13. 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:

	Audited 31st March, 2008 *HK$'000*	2007 *HK$'000*
0 - 1 month	**159,496**	157,344
1 - 2 months	**5,464**	5,942
2 - 3 months	**5,862**	2,771
Over 3 months	**11,236**	19,295
	182,058	185,352

14. Pledge of Assets

The Group's bank deposits of approximately HK$100,000 (31st March, 2007: HK$100,000) have been pledged to secure the banking facilities of the Group. At 31st March, 2008, no bank facilities were being utilised.

DIVIDEND

The Directors have resolved to recommend the payment of final dividend of 6.0 HK cents per share for the year ended 31st March, 2008. After considering the Group's cash position and the needs for business development, the Directors also resolved to recommend the payment of special dividend of 11.0 HK cents per share. Subject to the approval of shareholders at the forthcoming Annual General Meeting, the proposed dividends will be paid on or before 10th September, 2008 to shareholders whose name appear on the Register of Members of the Company on 22nd August, 2008.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

Turnover for FY08 was HK$1,393.3 million, and was higher by HK$118.4 million or 9.3% compared to FY07. Turnover for the fourth quarter was HK$398.7 million; higher by HK$11.3 million or 2.9% compared to the corresponding period last year. Annual product sales and service revenue increased by 4.9% and 17.9% respectively against FY07's numbers to HK$888.5 million and HK$504.9 million, and they contributed 63.8% and 36.2% to turnover respectively. Commercial and public sector sales for the full year contributed 55.6% and 44.4%

to turnover respectively compared to 53.2% and 46.8% last year.

Profit before taxation for FY08 was HK$89.3 million, showing an increase of HK$27.4 million or 44.4% year on year. During the year, a gain of HK$20.7 million was recorded by the Group from the disposal of available-for-sale investments, and the Group provided a special bonus of approximately HK$5.0 million for all supporting staff with a view to retaining and rewarding talents. Excluding such factors, the profit before taxation amounted to HK$73.6 million representing an increase of 19.0% as compared to FY07. Profit before taxation for the fourth quarter was HK$28.4 million, increase HK$1.9 million compared to the same period last year. Overall growth this year can mainly be credited to a number of contributing factors. There was a satisfactory growth in service business which has continued to earn steady and stable revenue while the infrastructure business sustained its performance in the past year through materializing a number of multi-million dollar projects.

As of the 31st of March 2008, the order book balance was approximately HK$550.0 million, indicating a year on year increase of 10.0%. The Group recorded net cash of approximately HK$398.7 million, showing an increase of HK$55.6 million. The increase in cash flow was primarily due to sale proceeds from the disposal of available-for-sale investments and collection from significant projects that were closed and completed in the fourth quarter. The Group's balance sheet was healthy, there were no debts during this period, and working capital ratio stood at 1.9:1.

Business Review

Services business

The Group continued to see a stable stream of growth and development in the service business mainly derived from recurring revenue stemming from orders for maintenance services, managed services, and high-value professional services. The increasing demand for service business has enabled the Group to maintain a higher profit margin business.

Following the commencement of the Quality Professional Services (QPS) arrangement with the HKSAR Government in December 2005, the Group continued to be awarded a number of sizable Standing Offer Agreements (SOAs) from various government departments in the year under review. These agreements comprised a broad range of Information Technology Professional Services that included the provision of system analysis & design, system implementation & integration, and system maintenance & support of a booking system, and full system development lifecycle services for an asset management system. The vast number of SOA-QPS projects showed ASL ability and experience in handling large-scale projects.

Within the banking and finance sector, the Group's range of SWIFT services continued to contribute to the recurring income base for the year. The growth was largely due to the SWIFTNet Phase 2 migration and the replacement of the Real-Time Gross Settlement (RTGS) with the new SWIFTNet-based messaging platform. Having been accredited as a SWIFT Service Partner in Hong Kong since 2002, ASL has provided SWIFT services for more than 85 financial institutions in Hong Kong and 10 financial institutions in overseas to date. The Group foresees a continual demand for upgrade and integration services in the future and will maintain focus on developing opportunities to develop and expand SWIFT business outside Hong Kong. The Group's managed services also contributed to growth by securing a multi-million dollar project from an aviation related organisation to provide onsite analyst programmers.

IT Infrastructure business

The IT infrastructure business performed well during the year under review as there continued to be strong public and private sector demand for new infrastructure system and enhancement to improve operational efficiency and customer service. During the year, the Group won a number of sizable infrastructure deals including a 48-month contract with a government related organisation for the supply, installation and maintenance of Internet Infrastructure and Network Security Systems. The most notable project on the commercial side was a multi-million dollar contract to provide approximately 60 units of Sun servers and enterprise software products to a well-regarded financial organisation. Following the previous quarter, the Group secured another order from an international bank to expand their data center as well as a contract to provide servers, storage and networking products to facilitate data center consolidation for a leading electronics manufacturing services provider.

Solution business

In line with the strategy to provide greater value to our major clients, the Group continued to focus on promoting a wide range of tailor-made solutions. Within the public sector, ASL was awarded a contract to provide a Mobile Application System for housing management and 5-year application maintenance and training services for the Hong Kong Housing Authority. During the fourth quarter, the Group was also awarded two additional multi-million dollar orders from a government department to enhance a Web-based mission critical system that would provide improved functionality. Other tailor-made solutions provided during the year included a Membership Relationship Management System for the Hong Kong Federation of Youth Groups and a System Monitoring Solution for the Vocational Training Council. The Group's capacity to secure these large-scale projects in FY08 demonstrated ASL's continued ability to deliver comprehensive solutions while efficiently leveraging our existing vendor network and technical expertise.

Overseas business

Overseas business performance was satisfactory during the year. Turnover rose 16.4% compared to last year. In Macau, the Group benefited from the thriving gaming industry by securing multi-million dollar contracts to provide Playing Card Tracking System, Baccarat Score Board (BSB) System as well as SAN storage and backup services to casinos. The Group now serves five out of six concession holders allowed to operate casinos in Macau. To date, the Group has deployed over 1,800 gaming tables with an estimated market penetration rate of 80% for BSB Systems in casinos in Macau.

In Taiwan, following an extension from a branch office to a subsidiary in May last year, the Group focused on gaining further penetration into various industries and providing a wider range of products, solutions and high-value services. The Group also made strides in expanding our existing talent pool and vendor network. In Taiwan, ASL has won a bid to provide an IT infrastructure upgrade and Oracle professional services to one of the leading container shipping companies. The Group also completed a project to provide 7 x 24 data center maintenance services for Retail Support International to support operational efficiency.

The subsidiary in Thailand continued to garner infrastructure and services contracts from both private and public sectors. In February 2008, the Group secured a multi-million dollar contract from Bank for Agriculture and Agricultural Cooperatives to deliver a large order of desktop computers and printers for all of its branches in Thailand.

Outlook and Prospects

We continue to maintain Hong Kong as a centre of excellence, and expand within the regional market with a focus mainly on Greater China.

In terms of local development, ASL's outlook on the Hong Kong market remains positive as it continues to receive a steady stream of sizable IT infrastructure, solution and services projects. With our continued efforts in refining service offerings and enhancing our service capabilities, we see an encouraging increase of orders in FY08. One of the projects recently awarded in June 2008 is a multi-million 5-year government IT maintenance and support services contract for one of the largest government departments. This contract includes 7 x 24 hardware and software maintenance services that cover 40,000 pieces of equipments over 100 customer sites. The Group will also dedicate support teams to provide services to approximately 32,000 users. The Group has also been awarded a 2-year on-site maintenance services contract with one of the largest tertiary education institutes in Hong Kong for its personal computer systems.

In Taiwan, the Group is extending vendor networks and strengthening vendor relationship to bolster regional business development. For instance, the Group has taken the first step to build its regional relationship with Symantec by having its Hong Kong partnership status extended into Taiwan. With this new partnership status, ASL can operate on a greater scale and enjoy a broader range of Symantec's sales, marketing and technical support services. It also provides ASL a greater leverage to grow the business and profitability. ASL Taiwan also passed the Sun Co-Sell/ Co-Deliver Provider (CCP) assessment and is expected to be authorised as a Sun CCP services partner in the second half of 2008. In addition, ASL's F5 'Gold Advantage Partner' status in Hong Kong has also extended to Taiwan. These accolades again demonstrate ASL's capability and expertise in offering relevant products and solutions to customers, allowing ASL to pursue expansion opportunities in Taiwan.

In PRC, our subsidiary in Guangzhou won a contract for the provision of IT infrastructure, networking and help desk support services to a Hong Kong listed company's major offices in Chengdu and Xiamen, and completed a million dollar project for upgrading a multinational corporation's data centers in Guangzhou and Beijing in the year under review. The Group has been continuing, and will do so, in its effort to look for every opportunity for its business expansion in the Greater China by way of inter alia forming alliances with strategic vendors to strengthen its presence in the PRC.

Having listed on the Hong Kong Stock Exchange for more than ten years, the Group will strive to reach for new heights in providing comprehensive solutions and services to our existing clients in Hong Kong, Macau, Taiwan, PRC and Thailand. Increasing staff costs will remain as a challenge to the business of the Group. However, we will focus on leveraging our capabilities and resources to achieve greater economies of scale so that we can continue to provide high quality products, excellent value, and reliable service to all clientele.

Financial Resources and Liquidity

As at 31st March, 2008, the Group's total assets of HK$995.0 million were financed by current liabilities of HK$403.7 million, deferred taxation of HK$23.1 million and shareholders' equity of HK$568.1 million. The Group had a working capital ratio of approximately 1.9:1.

As at 31st March, 2008, the Group had an aggregate composite banking facilities from banks of approximately HK$96.5 million of which HK$26.9 million was utilised (31st March, 2007: HK$20.4 million). The Group's gearing ratio was zero (31st March, 2007: zero) as at 31st March, 2008.

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 year ended 31st March, 2008.

Contingent Liabilities

Corporate guarantee to banks and vendors as security for banking facilities and goods supplied to the Group amounted to approximately HK$148.3 million as at 31st March, 2008. The amount utilised against such facilities and goods supplied as at 31st March, 2008 which was secured by the corporate guarantee amounted to approximately HK$3.7 million. The performance bond issued by the Group to customers as security of contract was approximately HK$26.9 million as at 31st March, 2008.

Major Customers and Suppliers

During the year, the five largest customers and single largest customer of the Group accounted for approximately 14.9% and 4.5%, respectively, of the Group's revenue. The five largest suppliers and single largest supplier of the Group accounted for approximately 57.3% and 17.9%, respectively, of the Group's purchases.

At no time during the year did a director, an associate of a director or a shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's issued share capital) have an interest in any of the Group's five largest customers or suppliers.

Employee and Remuneration Policies

As at 31st March, 2008, the Group, excluding its associates, employed 1,399 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.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 25th August, 2008 to 27th August, 2008, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the final and special dividends and the entitlement to attend and vote at the forthcoming annual general meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's registrars, Tricor Tengis Limited at 26/F Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on 22nd August, 2008. The dividend warrants will be despatched on or before 10th September, 2008.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31st March, 2008, 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 audited annual results.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated balance sheet, consolidated income statement and the related notes thereto for the year ended 31st March, 2008 as set out in this Preliminary Announcement have been agreed by the Group's auditors, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Company has made specific enquiry of all Directors regarding any non-compliance with the Model Code during the year ended 31st March, 2008, 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 year ended 31st March, 2008 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
Managing Director

Hong Kong, 27th June, 2008

As at the date of this announcement, the board of directors comprises Mr. Lai Yam Ting and Mr. Lau Ming Chi, Edward being executive directors, Mr. Allen Joseph Pathmarajah, Mr. Kuo Chi Yung, Peter, Mr. Moo Kwee Chong, Johnny, Mr. Michael Shove, Mr. Darren John Collins, Mr. Wang Yung Chang, Kenneth and Mr. Andrew John Anker 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.