



FAST SYSTEMS TECHNOLOGY (HOLDINGS) LIMITED

東光集團有限公司*

(Incorporated in Cayman Islands and continued in Bermuda with limited liability)

(stock code: 8150)

2008 FIRST QUARTERLY REPORT

* *For identification purpose only*

Characteristics of the Growth Enterprise Market (“GEM”) of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”)

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

The Stock Exchange takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss however arising from or in reliance upon the whole or any part of the contents of this announcement.

This report, for which the directors of Fast Systems Technology (Holdings) Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

HIGHLIGHTS

1. The Group has recorded total turnover of approximately HK\$8,562,000 for the three months ended 31st March, 2008.
2. The Group has recorded a net loss attributable to shareholders for the three months ended 31st March, 2008 of approximately HK\$744,000, representing a basis loss per share of HK\$0.12 cents.
3. The Directors do not recommend the payment of a dividend for the three months ended 31st March, 2008.

QUARTERLY FINANCIAL RESULTS (UNAUDITED)

The board of directors (the “Board”) of Fast Systems Technology (Holdings) Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the three months ended 31st March, 2008, together with the comparative unaudited figures for the corresponding period in 2007 as follows:

		Three months ended	
		31st March,	
		2008	2007
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	2	8,562	8,559
Cost of sales		<u>(6,578)</u>	<u>(7,021)</u>
Gross profit		1,984	1,538
Other revenues	2	621	10
Operating expenses			
Selling and distribution costs		(400)	(202)
Administrative expenses		(1,534)	(1,016)
Other operating expenses		<u>(1,269)</u>	<u>(819)</u>
Operating loss		(598)	(489)
Finance costs		<u>(146)</u>	<u>(188)</u>
Loss before taxation		(744)	(677)
Taxation	3	<u>0</u>	<u>0</u>
Loss for the quarter		<u>(744)</u>	<u>(677)</u>

		Three months ended	
		31st March,	
		2008	2007
	<i>Notes</i>	HK\$'000	HK\$'000
Earning per share	4		
Basic			
— For the quarter		<u>(0.12 cents)</u>	<u>(0.11 cents)</u>
Diluted			
— For the quarter		<u>N/A</u>	<u>N/A</u>

BASIS OF PREPARATION

1. Principal accounting policies

The principal accounting policies adopted in the preparation of these accounts are as per audited report 2006.

2. Turnover

Turnover comprised the net invoiced value (excluding value-added tax) of merchandise sold net of allowances for returns and discounts.

3. Taxation

- (a) There was not taxation charged to the consolidated profit and loss account for the quarter.
- (b) No recognition of the potential deferred taxation asset relating to tax losses has been made as the recoverability of this potential deferred taxation asset is uncertain.

4. Loss per share

The calculation of basic loss per share for the 3 months ended 31st March, 2008 is based on the Group's net loss for the period of approximately HK\$744,000 (2007: approximately HK\$677,000) and on 600,000,000 (2007: 600,000,000) ordinary shares in issue during the period.

A diluted loss per share for the 3 months ended 31st March, 2008 and 3 months ended 31st March, 2007 was not disclosed as the exercise of the Company's outstanding share options had an anti-dilutive effect on the basic loss per share.

5. Reserves

There has been no movement of reserves, other than retained earning during the period (2007: Nil).

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the three months ended 31st March, 2008 (2007: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business review

For the three months ended 31st March, 2008, the Group recorded a turnover of approximately HK\$8,562,000 (2007: approximately HK\$8,559,000). Loss attributable to shareholders of the Group for the three months ended 31st March, 2008 was approximately HK\$744,000 while loss attributable to shareholders of the Group for the corresponding period in 2007 was approximately HK\$677,000. The loss for the period was increased due to increase in operating expenses.

Sapphire watch crystals division

The turnover of the sapphire watch crystals for the three months ended 31st March, 2008 was approximately HK\$7,335,000 (2007: approximately HK\$7,471,000) representing a decrease of approximately HK\$136,000 which was mainly due to decrease in sales to Hong Kong customers.

Optoelectronics products division

The Group's optoelectronics products division recorded a turnover of approximately HK\$1,227,000 for the three months ended 31st March, 2008 (2007: approximately HK\$1,088,000). Increase in sales was mainly caused by concentrated sales effort to serve a few key customers and gained more orders from them.

FINANCIAL REVIEW

The Group's unaudited consolidated turnover for the three months ended 31st March, 2008 was approximately HK\$8,562,000 which was almost the same as last year's (2007: approximately HK\$8,559,000).

Operating expenses for the three months ended 31st March, 2008 was approximately HK\$3,203,000 representing an increase of approximately HK\$1,166,000 or 57.2% from the same period of last year. Increase in operating expenses was also mainly caused by share resumption related expenses and increase of exchange loss.

Prospects

The Board expects competition in the Hong Kong and Swiss market will still be very keen. However, the sales in the second quarter of 2008 would be stable.

The Board expects to secure more orders from its existing key customers and further develop the specialized ferrules niche market, which offer better price and less competition.

OUTSTANDING SHARE OPTIONS

On 21st July, 2001, the Company adopted a share option scheme (the “Share Option Scheme”), the principal terms of which are set out in the section headed “Share Option Scheme” in appendix IV to the Company’s prospectus dated 27th July, 2001. Since the adoption of the Share Option Scheme, the Company has granted 60,000,000 share options under the Share Option Scheme to its directors and employees as follows:

	Options held at 1st January, 2008	Options granted during the year	Options held at 31st March, 2008	Exercise price <i>HK\$</i>	Grant Date	Exercisable from	Exercisable until
Liao Ko Ping	30,000,000	—	30,000,000	0.158	6th June, 2002	6th June, 2005	6th June, 2012
Liao Lien Shen	19,000,000	—	19,000,000	0.158	6th June, 2002	6th June, 2005	6th June, 2012
Continuous contract employees	11,000,000	—	11,000,000	0.158	6th June, 2002	6th June, 2005	6th June, 2012

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

As at 31st March, 2008, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the minimum standards of dealing by directors as referred to in Rule 5.46 of the GEM Listing Rules were as follows:

Long positions in shares

Name of Director	Note	No. of Shares held				Total	Percentage of issued share
		Personal Interest	Family Interest	Corporate Interest	Other Interest		
Mr. Liao Lien Shen	1	—	—	80,000,000	—	80,000,000	13.3%
Mr. Liao Ko Ping	2	11,233,336	—	195,000,000	—	206,233,336	34.3%

Notes:

- 80,000,000 Shares are held by Grandford Holdings Limited which is wholly owned by Mr. Liao Lien Shen.
- 195,000,000 Shares are held by Dynasty Resources Limited which is wholly owned by Mr. Liao Ko Ping.

Save as disclosed above, as at 31st March, 2008, none of the directors and chief executive of the Company has any interests and short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the minimum standards of dealing by directors as referred to in Rule 5.46 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDER'S INTERESTS IN SECURITIES

As at 31st March, 2008, the following persons (other than the directors and chief executive of the Company) had interests and short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

Name of Shareholder	Capacity	Number of shares	Percentage of issued share
OMAX Technologies Inc.	Beneficial owner	74,776,666 (<i>Note 1</i>)	12.46%

Notes:

1. By virtue of the provisions of the SFO, Mr. Huang Ching Fang, Mr. Huang Ching Yun, Mr. Huang Sheng Chia and Mr. Kodo Yasumasa, being the beneficial shareholders of OMAX Technologies Inc. who are collectively entitled to exercise or control the exercise of more than one-third of the voting power at general meetings of OMAX Technologies Inc. are deemed to be interested in 74,776,666 shares representing approximately 12.46% of the entire issued share capital of the Company. Mr. Huang Ching Fang is also interested in 2,670,000 shares representing approximately 0.45% of the entire issued share capital of the Company which are held by Taiunion Investment Limited, a company incorporated in the British Virgin Islands, the entire issued share capital of which is beneficially owned by Mr. Huang Ching Fang.

Save as disclosed above, as at 31st March, 2008, the directors were not aware of any other person (other than the directors and chief executives of the Company) who had interests and short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

PURCHASE, SALE, REDEMPTION OR CANCELLATION OF SHARES BY THE COMPANY AND/OR SUBSIDIARIES

Neither the Company nor its subsidiaries has purchased, sold, redeemed or cancelled any of the Company's shares during the three months ended 31st March, 2008.

DIRECTORS' SECURITIES TRANSACTION

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all directors, all directors of the Company have complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company throughout the period ended 31st March, 2008.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

For the three months ended 31st March, 2008, the Company fully complied with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 15 to the GEM Listing Rules.

COMPETING INTERESTS

During the three months ended 31st March, 2008, none of the directors or the management shareholders of the Company or their respective associates (as defined in the GEM Listing Rules) had an interest in a business that competed with or might compete with the business of the Group.

AUDIT COMMITTEE

As required by Rule 5.28 of the GEM Listing Rules, the Company has established an audit committee with written terms of reference which deal clearly with its authority and duties. The audit committee's principal duties are the review and supervision of the Company's financial reporting process and internal control systems. The audit committee comprises three independent non-executive directors, namely Mr. Ha Tak Kong, Ms. Yeung Mo Sheung, Ann, Mr. Lau Siu Hung, Ricky. The chairman of the audit committee is Mr. Ha Tak Kong.

The Company's financial statements for the first quarter ended 31st March, 2008 have been reviewed by the audit committee. The audit committee considered that the relevant financial statements have been prepared in compliance with the applicable accounting principles and requirements of the Stock Exchange, and disclosures have been fully made.

By Order of the Board
Liao Ko Ping
Managing Director

Hong Kong, 14th May, 2008

Members of the Board:

Mr. Liao Lien Shen, *Chairman*

Mr. Liao Ko Ping, *Managing Director*

Mr. Ng Ming Wah, *Executive Director*

Mr Fong Chi Ho, *Executive Director*

Mr. Ha Tak Kong, *Independent Non-executive Director*

Ms. Yeung Mo Sheung, Ann, *Independent Non-executive Director*

Mr. Lan Siu Hung, Ricky, *Independent Non-executive Director*

This report, for which the directors of the Company (the “Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.