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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the Month of August, 2011

Commission File Number: 001-33602

HOLLYSYS AUTOMATION TECHNOLOGIES, LTD.

(Exact name of registrant as specified in its charter)

No.2 Disheng Middle Road
Beijing Economic-Technological Development Area
Beijing, People's Republic of China, 100176

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F. Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation ST Rule 101(b)(1): Not Applicable

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation ST Rule 101(b)(7): Not Applicable

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934. Yes No

If "Yes" marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82 - _____.

Hollysys Automation Technologies Reports Unaudited Financial Results for the Fourth Quarter and Fiscal Year 2011 Ended June 30, 2011 and Announces Management Stock Purchase Plan

On August 15, 2011, Hollysys Automation Technologies announced its unaudited financial results for the fiscal fourth quarter and fiscal year 2011 ended June 30, 2011, and management share purchase plan lead by our chairman and CEO, Dr. Changli Wang.

The Company's press release regarding the foregoing matters is attached hereto as Exhibit 99.1.

Exhibits

<u>Exhibit</u>	<u>Description</u>
99.1	Press Release, dated August 15, 2011.
99.2	A letter to the investors, dated August 15, 2011

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HOLLYSYS AUTOMATION TECHNOLOGIES, LTD.

By: /s/ Changli Wang

Changli Wang

Chairman and Chief Executive Officer

Date: August 15, 2011.

EXHIBIT INDEX

<u>Exhibit</u>	<u>Description</u>
99.1	Press Release, dated August 15, 2011.
99.2	A letter to the investors, dated August 15, 2011



Hollysys Automation Technologies Ltd.

FOR IMMEDIATE RELEASE

Hollysys Automation Technologies Reports Unaudited

Financial Results for the Fourth Quarter and Fiscal Year 2011 Ended June 30, 2011 And Announces Management Stock Purchase Plan

Beijing, China – Aug 15, 2011 – Hollysys Automation Technologies, Ltd. (NASDAQ: HOLD) (“Hollysys” or the “Company”), a leading provider of automation and control technologies and applications in China, today announced its unaudited financial results for the fiscal fourth quarter and fiscal year 2011 ended June 30, 2011 (see attached tables).

Q4 Financial Highlights

- Quarterly revenues of \$71.9 million, representing an increase of 27.5% compared to \$56.4 million year-over-year
- Gross margin at 28.8%, as compared to 33.9% year-over-year, and 40.3% quarter-over-quarter
- Non-GAAP net income attributable to Hollysys of \$7.0 million, as compared to \$6.3 million and a 11.9% increase year-over-year
- \$7.4 million cash generated from operations for the quarter, as compared to \$3.9 million used quarter-over-quarter and \$1.8 million provided year-over-year
- Non-GAAP Diluted EPS at \$0.13 reported for the quarter, as compared to \$0.11 year-over-year
- Record-high backlog of \$296.4 million as of June 30, 2011, a 17.2% increase compared to \$252.9 million year-over-year
- Quarterly DSO of 129 days, as compared to 116 days year-over-year

Fiscal Year Financial Highlights

- Revenues of \$262.8 million, representing an increase of 51.0% compared to \$174.1 million year-over-year
 - Gross margin at 34.7%, as compared to 34.6% year-over-year.
-

Hollysys Automation Technologies, Ltd
Aug 15, 2011

Page 2

- Non-GAAP net income attributable to Hollysys of \$42.0 million, as compared to \$26.2 million and a 60.2% increase year-over-year
- \$1.8 million cash used in operations for the fiscal year 2011; cash and cash equivalents of \$90.7 million as of the year end.
- Non-GAAP Diluted EPS at \$0.76 reported for the fiscal year, as compared to \$0.51 year-over-year
- DSO of 124 days, as compared to 140 days year-over-year.
- Inventory turnover of 58 days, versus 73 days year-over-year.

Dr. Changli Wang, Chairman and CEO of Hollysys, stated: “We are very pleased to report robust financial performance for fiscal year 2011, which is marked as a milestone year towards fulfilling our strategic growth objectives with the following remarkable highlights:

1. Both revenue and non-GAAP net income delivered unprecedented year-over-year growth, driven by growth from all of our major business lines, which is a strong validation of our growth strategy and management execution;
 2. Our industrial automation demonstrated very strong growth momentum with historical record-high annual revenue and backlog reported, driven by change of market positioning from single product offering to total solution positioning bolstered by more proprietary products pushed out to the market;
 3. Our high-speed rail and subway businesses delivered explosive growth during the year as expected. Our leadership position in high-speed rail signaling market in China and strong backlog will ensure our continuous growth going forward;
 4. We laid a solid foundation to further grow our businesses by investing our efforts and resources in research and development to continuously round out our product offerings; expanding our sales network and sales force to capitalize on the macro trend unfolding in China’s economy, and streamlining some of the key operational functions, such as supply chain and inventory management;
 5. We made significant progress in internationalizing Hollysys businesses through acquisition of Concord Corporation in Singapore, through which we obtained a well established channel to cross-sell our products in rail and industrial automation segments and seasoned management team to form the core of our future international team in a highly accretive manner.”
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Hollysys Automation Technologies, Ltd
Aug 15, 2011

Page 3

Dr. Wang continued: “We’ve noticed the short interest on HOLI has reached historical high in the past few months. In this context, the Company believes that an important way to protect shareholder value is to limit short sellers’ ability to borrow stocks and shareholders can contribute by reviewing whether their custodians or brokers are lending their shares to third parties. It’s a common practice for brokers or custodians to lend out stocks to third parties for a fee, since investors may have approved this in a blanket agreement they signed when opening their accounts. This activity can be extremely profitable for brokers or custodians, not to mention short-sellers, but may go against the interest of the holders of our shares. We call on our shareholders who have been supportive to the Company, and have unfairly suffered, to be vigilant and make sure that they are in full control of the economic benefits of their ownership in our Company. It is prudent for our shareholders to issue an instruction to their respective brokers or custodians not to lend out their shares to third party, or alternatively, request a stock certificate be issued and be delivered to them so that shareholders are in complete control of shares of stock held.”

“In line with this topic, I would like to announce that several members of our management have decided to engage in purchases of our shares under Rule 10b5-1 plans. This action has been approved by our board of directors. The management persons, lead by our company Chairman and CEO, have indicated that they will commit up to \$7.5 million for their purchases to demonstrate our confidence in Hollysys’ strong business fundamentals and prospects and our strong commitment to supporting and protecting our shareholders’ value during difficult times. The Rule 10b5-1 plans will be established and carried out subject to the Company’s securities trading policy. The timing and actual numbers of shares purchased under this plan will depend on a variety of factors including regulatory restrictions on price, volume, timing, applicable legal requirements, and other market conditions. There can be no assurance that any shares will be purchased either through the plan.

“I am attaching ‘A Letter to Hollysys Investors’ with this earnings release, which I hope would provide more colors on the factors driving this fiscal year’s financial numbers and elaboration of our growth strategy going forward, and the foundation and consideration of our growth strategy’s formulation. I would like to continue to communicate with our shareholders on annual basis in this manner, to bring them up to speed on the latest strategy, direction, and most importantly, the thinking and rationale behind it. Hollysys would also like to continue to hold Annual Investor Day in this October at our Beijing premises, which will be filled with showcasing our whole executive team, insightful presentations from various corporate executives in charge of the functions most interesting to shareholders, and facility tour, to further enhance our transparency and investor friendliness. Our shareholders who would like to participate in this annual event shall contact their brokerage firms to arrange the reservation, which is on limited availability basis.”

Hollysys Automation Technologies, Ltd
Aug 15, 2011

Page 4

The Fourth Quarter and Fiscal Year 2011 Unaudited Financial Results Summary

To facilitate a clear understanding of Hollysys operational result, a summary of unaudited non-GAAP financial results is shown as below:

In USD thousands, except share numbers and EPS

	Three Months ended			Fiscal year ended		
	June 30, 2011	June 30, 2010	% Change	June 30, 2011	June 30, 2010	% Change
Revenues	\$ 71,863	56,371	27.5%	\$ 262,842	174,089	51.0%
Integrated Contract Revenue	\$ 67,578	53,016	27.5%	\$ 248,576	164,118	51.5%
Products Sales	\$ 4,285	3,355	27.7%	\$ 14,266	9,971	43.1%
Cost of Revenues	\$ 51,188	37,246	37.4%	\$ 171,713	113,937	50.7%
Gross Profit	\$ 20,675	19,125	8.1%	\$ 91,129	60,152	51.5%
Total Operating Expenses	\$ 12,136	9,287	30.7%	\$ 45,886	27,080	69.4%
Selling	\$ 6,171	3,113	98.2%	\$ 20,446	12,152	68.3%
General and Administrative	\$ 2,749	4,514	(39.1)%	\$ 16,119	13,390	20.4%
Research and Development	\$ 5,505	3,859	42.6%	\$ 20,133	13,071	54.0%
VAT refunds and government subsidy	\$ (2,289)	(2,199)	4.1%	\$ (10,812)	(11,533)	(6.3)%
Income from Operations	\$ 8,539	9,837	(13.2)%	\$ 45,243	33,071	36.8%
Other income (expense), net	\$ 408	(151)	369.6%	\$ (208)	(215)	(3.3)%
Gains (losses) on disposal of equity interest in equity investees	\$ (50)	-		\$ 1,401	-	
Dilution gain on share of an equity investee	757	-		757	-	
Share of net gains of equity investees	\$ 488	3,314	(85.3)%	\$ 2,848	3,958	(28.0)%
Interest expense, net	\$ (411)	(123)	233.5%	\$ (1,579)	(1,071)	47.4%
Income Tax Expenses	\$ 2,633	6,552	(59.8)%	\$ 6,444	7,663	(15.9)%
Non-GAAP Net income (loss) attributable to non-controlling interest	\$ 71	47	51.6%	\$ (5)	1,851	(100.3)%
Non-GAAP Net Income attributable to Hollysys Automation Technologies Ltd.	\$ 7,028	6,278	11.9%	\$ 42,022	26,229	60.2%
Basic Non-GAAP EPS	\$ 0.13	0.12	11.3%	\$ 0.77	0.51	50.5%
Diluted Non-GAAP EPS	\$ 0.13	0.11	11.9%	\$ 0.76	0.51	51.1%
Stock-based Compensation Cost	\$ 156	131	18.7%	\$ 552	524	5.3%
Net income attributable to Hollysys Automation Technologies Ltd.(GAAP)	\$ 6,872	6,147	11.8%	\$ 41,470	25,705	61.3%
Basic GAAP EPS	\$ 0.13	0.11	11.2%	\$ 0.76	0.50	51.5%
Diluted GAAP EPS	\$ 0.12	0.11	11.8%	\$ 0.75	0.50	52.2%
Basic Weighted Average Common Shares Outstanding	54,692,129	54,385,044	0.6%	54,564,842	51,243,667	6.5%
Diluted Weighted Average Common Shares Outstanding	54,988,505	54,984,420	0.0%	54,949,280	51,838,294	6.0%

Hollysys Automation Technologies, Ltd
Aug 15, 2011

Page 5

Operational Results Analysis for the fourth quarter ended June 30, 2011

For the three months ended June 30, 2011, total revenues increased by 27.5% to \$71.9 million, from \$56.4 million in the prior fiscal year period. Of the total revenues, revenue from integrated contracts increased by 27.5% to \$67.6 million, as compared to \$53.0 million for the same period of the prior year. The Company's integrated contract revenue by segment was as followings:

(In USD million)

	Three months ended June 30,			
	2011		2010	
	\$	% to Total Revenue	\$	% to Total Revenue
Industrial Automation	38.8	57.4%	24.0	45.4%
Rail Automation	22.2	32.9%	9.0	16.9%
Subway Automation	6.6	9.7%	17.5	33.0%
Nuclear automation and miscellaneous	-	-	2.5	4.7%
Total	67.6	100.0%	53.0	100.0%

As a percentage of total revenues, overall gross margin was 28.8% for the three months ended June 30, 2011, as compared to 33.9% for the same period of last year. The gross margin for integrated contracts and product sales were 26.9% and 57.6% for the three months ended June 30, 2011, as compared to 32.8% and 51.8% for the same period of last year respectively. The gross margin decrease was mainly due to a few lower margin projects or portion of projects being recognized in the quarter.

For the three months ended June 30, 2011, selling expenses were \$6.2 million, compared to \$5.3 million quarter over quarter, and \$3.1 million year over year. The increase was mainly due to the Company's expanded sales network and increased selling staffs. As a percentage of total revenues, selling expenses were 8.6% compared to 9.5% quarter over quarter, and 5.5% year over year.

General and administrative expenses, excluding non-cash stock-based compensation expense, were \$2.7 million for the quarter ended June 30, 2011, representing a decrease of \$1.8 million, or 39.1%, as compared to \$4.5 million for the same period of prior year. The decrease was mainly due to a decrease of \$1.2 million in allowance for doubtful accounts. As a percentage of total revenues, G&A expenses were 3.8% and 8.0% for the three months ended June 30, 2011 and 2010, respectively. Including the non-cash stock compensation cost recorded on a GAAP basis, G&A expenses were \$2.9 million and \$4.6 million for three months ended June 30, 2011 and 2010, respectively.

Hollysys Automation Technologies, Ltd
Aug 15, 2011

Page 6

Research and development expenses were \$5.5 million for the three months ended June 30, 2011, compared to \$3.9 million for the same period of last year, increased by \$1.6 million, or 42.6%, mainly due to the Company's increased R&D activities. As a percentage of total revenue, R&D expenses were 7.7% and 6.8% for three months ended June 30, 2011 and 2010, respectively.

The dilution gain on share of an equity investee was \$0.8 million for the three months ended June 30, 2011, which was from a dilution of the equity interest in IPE Biotechnology Co., Ltd (hereafter "IPE"). In April 2011, a third party company injected \$4.5 million to IPE, of which \$0.9 million was recognized as the paid in capital, and the remaining \$3.6 million was recognized as capital premium. As a result of this capital increment, Hollysys' equity interest in IPE was diluted from 28.04% to 23.39%, and recognized a gain of \$0.8 million from this dilution.

The share of net gains from equity investees were \$0.5 million for the three months ended June 30, 2011, of which, \$0.3 million was from Beijing Techenergy Ltd., the 50/50 joint venture between Hollysys and China Guangdong Nuclear Power Corp., that mainly engages in providing automation and control products and services to China's nuclear industry.

The income tax expenses were \$2.6 million the three months ended June 30, 2011, compared to \$6.6 million for the prior year period. For the quarter ended June 30, 2011, Hangzhou Hollysys declared a cash dividend of \$26.1 million, of \$10.4 million was to be paid to Gifted Time Holdings Limited, a BVI company. According to the tax treaty between China and the BVI, the Company recognized a 10% withholding tax of \$1.1 million. Excluding the withholding tax related to the dividends declaration for this quarter, and a one-time tax expense of \$4.45 million related to Hollysys group re-organization recorded in the prior year period, the effective tax rate was 16.2% and 16.5% for the three months ended June 30, 2011, and 2010, respectively.

Hollysys Automation Technologies, Ltd
Aug 15, 2011

Page 7

For the three months ended June 30, 2011, the non-GAAP net income excluding non-cash stock compensation cost was \$7.0 million or \$0.13 per diluted share based on 55 million shares outstanding. This represents an increase of \$0.7 million, or 11.9%, over the \$6.3 million, or \$0.11 per share based on 55 million shares outstanding, reported in the prior year period. On a GAAP basis, net income attributable to Hollysys was \$6.9 million, or \$0.12 per diluted share representing an increase of \$0.7 million, or 11.8%, over the \$6.1 million, or \$0.11 per share reported in the prior year period.

Operational Results Analysis for the fiscal year ended June 30, 2011

For the fiscal year 2011, total revenues increased by 51.0% to \$262.8 million, from \$174.1 million of the prior year. Of the total revenues, revenue from integrated contracts increased by 51.5% to \$248.6 million, from \$164.1 million for the prior fiscal year. The Company's integrated contract revenue by segment was as followings:

(In USD million)

	Fiscal year ended June 30,,			
	2011		2010	
	\$	% to Total Revenue	\$	% to Total Revenue
Industrial Automation	129.0	51.9%	94.2	57.4%
Rail Automation	69.9	28.1%	28.7	17.5%
Subway Automation	45.6	18.4%	31.3	19.1%
Nuclear automation and miscellaneous	4.1	1.6%	9.9	6.0%
Total	248.6	100.0%	164.1	100.0%

As a percentage of total revenues, overall gross margin was 34.7% for the fiscal year 2011, as compared to 34.6% for last year. The gross margin for integrated contracts and product sales were 33.5% and 55.4% for the fiscal 2011, as compared to 32.8% and 63.2% for last year respectively.

For fiscal year 2011, selling expenses were \$20.4 million, compared to \$12.2 million year over year. The increase was mainly due to the Company's expanded sales network and increased selling staffs. As a percentage of total revenues, selling expenses were 7.8% and 7.0% for fiscal year 2011 and 2010, respectively.

Hollysys Automation Technologies, Ltd
Aug 15, 2011

Page 8

General and administrative expenses, excluding non-cash stock-based compensation expense, were \$16.1 million for the fiscal year 2011, compared to \$13.4 million year over year, representing an increase of \$2.7 million, or 20.4%. As a percentage of total revenues, G&A expenses were 6.1% and 7.7% for the fiscal year 2011 and 2010, respectively. Including the non-cash stock compensation cost recorded on a GAAP basis, G&A expenses were \$16.7 million and \$13.9 million for fiscal year, 2011 and 2010, respectively.

Research and development expenses were \$20.1 million for fiscal year 2011, compared to \$13.1 million for last year, increased by \$7.1 million, or 54.0%, mainly due to the Company's increased R&D activities. As a percentage of total revenue, R&D expenses were 7.7% and 7.5% for fiscal year 2011 and 2010, respectively.

The gains on disposal of equity interest in equity investees amounted to \$1.4 million for fiscal year 2011, which was mainly contributed by the gain on disposal of 29% interest in Hollysys Information Technology Co. Ltd. which Hollysys will continue to own 20% after the transaction.

The share of net gains from equity investees were \$2.8 million for the fiscal year 2011, of which, \$2.2 million from Beijing Techenergy Ltd., the 50/50 joint venture between Hollysys and China Guangdong Nuclear Power Corp., that mainly engages in providing automation and control products and services to China's nuclear industry.

The income tax expenses were \$6.4 million for fiscal year 2011, compared to \$7.7 million for the prior year. In fiscal 2011, Hangzhou Hollysys declared a cash dividend of \$26.1 million, of which \$10.4 million was to be paid to Gifted Time Holdings Limited, a BVI company. According to the tax treaty between China and the BVI, the Company recognized a 10% withholding tax of \$1.1 million. Excluding the withholding tax related to the dividends declaration for this quarter, and a one-time tax expense of \$4.45 million related to Hollysys group re-organization recorded in the prior year, the effective tax rate was 11.2% and 9.1% for the year ended June 30, 2011 and 2010, respectively.

Hollysys Automation Technologies, Ltd
Aug 15, 2011

Page 9

For the fiscal year 2011, the non-GAAP net income excluding non-cash stock compensation cost was \$42.0 million or \$0.76 per diluted share based on 55 million shares outstanding. This represents an increase of \$15.8 million, or 60.2%, over the \$26.2 million, or \$0.51 per share based on 52 million shares outstanding, reported in the prior year period. On a GAAP basis, net income attributable to Hollysys was \$41.5 million, or \$0.75 per diluted share representing an increase of \$15.8 million, or 61.3%, over the \$25.7 million, or \$0.50 per share reported in the prior year.

Backlog Highlights

Hollysys' backlog as of June 30, 2011 was \$296.4 million, compared to \$280.9 million on March 31, 2011, and \$252.9 million on June 30, 2010. The detailed breakdown of the backlog by segment is as follows:

(In USD million)

	2011-6-30		Quarter-over-Quarter Analysis			Year-over-Year Analysis		
	\$	% to Total Backlog	2011-3-31	% to Total Backlog	% Change	2010-6-30	% to Total Backlog	% Change
Industrial Automation	102.4	34.5%	91.5	32.6%	11.9%	85.9	34.0%	19.2%
Rail Automation	105.6	35.6%	102.9	36.6%	2.6%	50.5	20.0%	109.0%
Subway Automation	70.3	23.7%	71.7	25.5%	(1.9)%	106.2	42.0%	(33.8)%
Nuclear automation and miscellaneous	18.1	6.2%	14.8	5.3%	22.3%	10.3	4.0%	77.7%
Total	296.4	100.0%	280.9	100.0%	5.5%	252.9	100.0%	17.2%

In backlog breakdown, industrial automation backlog set another historical high in Hollysys' history.

Cash Flow Highlights

The net cash provided by operating activities was \$7.4 million for the three months ended June 30, 2011, mainly due to a decrease of \$12.0 million in inventories. Including investing and financing activities, the total net cash outflow for this quarter was \$5.2 million. For the fiscal year ended June 30, 2011, the total cash outflow was \$28.8 million including investing and financing activities, mainly due to \$16.9 million cash prepaid for acquisition of Concord, and \$12.1 million repayments of bonds payable, in addition to the Company's cash inflow and outflow during the ordinary course of business.

Hollysys Automation Technologies, Ltd
Aug 15, 2011

Page 10

Balance Sheet Highlights

As of June 30, 2011, Hollysys' cash and cash equivalents were \$90.7 million, compared to \$95.9 million on March 31, 2011. For the three months ended June 30 2011, Days Sales Outstanding ("DSO") is 129 days, as compared to 116 days year-over-year and 156 days quarter-over-quarter; and inventory turnover was 63 days, as compared to 59 year-over-year and 101 days quarter-over-quarter. For the year ended June 30 2011, Days Sales Outstanding ("DSO") was 124 days, as compared to 140 days year-over-year; and inventory turnover was 58 days, as compared to 73 year-over-year.

Outlook for FY 2012

Dr. Wang concluded, "Given our strong backlog currently on-hand and sales pipeline envisioned so far, we project our revenue in the range between US \$354 million and US \$356 million and non-GAAP net income in the range between \$57 million and \$58 million on consolidated basis including newly closed acquisition, which is based on management best estimate of our current market and business conditions at this point in time, with certain level of conservatism in mind. The management would also like to maintain our earnings per share at or above one US dollar when it comes to any potential dilution effects caused by financing, incentive share scheme, or acquisition during the year."

Conference Call

Management will discuss the current status of the Company's operations during a conference call at 9:00 AM ET/9:00 PM Beijing time on Tuesday, August 16, 2011. Interested parties may participate in the call by dialing the following numbers approximately 10 minutes before the call is scheduled to begin and ask to be connected to the Hollysys Automation Technologies conference call. The conference call identification number is **88140575**.

1-866-519-4004 (USA)
800-930-346 (HK)
+852-24750994 (HK)
800-819-0121 (China Landline)
400-620-8038 (China Mobile)

+ **65-67239381** (International)

Hollysys Automation Technologies, Ltd
Aug 15, 2011

Page 11

In addition, a recorded replay of the conference call will be accessible within 24 hours via Hollysys' website at:
<http://www.hollysys.com.sg/home/index.php/investor-relations/events-a-webcast>

About Hollysys Automation Technologies, Ltd.

Hollysys Automation Technologies is a leading provider of automation and control technologies and applications in China that enables its diversified industry and utility customers to improve operating safety, reliability, and efficiency. Founded in 1993, Hollysys has approximately 3,500 employees with nationwide presence in over 40 cities in China, with subsidiaries and offices in Singapore, Malaysia, Dubai, India, and serves over 2000 customers in the industrial, railway, subway & nuclear industries in China, south-east Asia, and the middle east. Its proprietary technologies are applied in its industrial automation solution suite including Distributed Control System (DCS), Programmable Logic Controller (PLC), RMIS, HAMS, OTS, and other products, high-speed railway signaling system of Train Control Center(TCC) and Automatic Train Protection (ATP), and other products, subway supervisory and control platform (SCADA), and nuclear conventional island automation and control system.

SAFE HARBOUR:

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact included herein are "forward-looking statements," including statements regarding: the ability of the Company to achieve its commercial objectives; the business strategy, plans and objectives of the Company and its subsidiaries; and any other statements of non-historical information. These forward-looking statements are often identified by the use of forward-looking terminology such as "believes," "expects" or similar expressions, involve known and unknown risks and uncertainties. Such forward-looking statements, based upon the current beliefs and expectations of Hollysys' management, are subject to risks and uncertainties, which could cause actual results to differ from the forward looking statements. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, they do involve assumptions, risks and uncertainties, and these expectations may prove to be incorrect. Investors should not place undue reliance on these forward-looking statements, which speak only as of the date of this press release. The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of a variety of factors, including those discussed in the Company's reports that are filed with the Securities and Exchange Commission and available on its website (<http://www.sec.gov>). All forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these factors. Other than as required under the securities laws, the Company does not assume a duty to update these forward-looking statements.

Hollysys Automation Technologies, Ltd
Aug 15, 2011

Page 12

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Hollysys Automation Technologies, Ltd
Aug 15, 2011

Page 13

HOLLYSYS AUTOMATION TECHNOLOGIES LTD.
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(In US Dollars)

	Three months ended June 30,		Fiscal year ended June 30,	
	2011 (Unaudited)	2010 (Unaudited)	2011 (Unaudited)	2010 (Audited)
Revenues				
Integrated contract revenue	\$ 67,578,258	\$ 53,016,254	\$ 248,576,098	\$ 164,118,183
Products sales	4,284,909	3,354,531	14,265,788	9,971,013
Total revenues	71,863,167	56,370,785	262,841,886	174,089,196
Cost of integrated contracts	49,369,575	35,629,054	165,354,157	110,268,475
Cost of products sold	1,818,705	1,616,890	6,359,013	3,668,899
Gross profit	20,674,887	19,124,841	91,128,716	60,151,822
Operating expenses				
Selling	6,171,298	3,113,064	20,445,846	12,152,019
General and administrative	2,904,590	4,644,693	16,671,448	13,914,091
Research and development	5,504,524	3,859,217	20,132,575	13,071,318
VAT refunds and government subsidy	(2,289,430)	(2,198,523)	(10,811,919)	(11,533,006)
Total operating expenses	12,290,982	9,418,451	46,437,950	27,604,422
Income from operations	8,383,905	9,706,390	44,690,766	32,547,400
Other income(expense), net	407,600	(151,160)	(208,093)	(215,277)
Gains (losses) on disposal of equity interest equity investees	(50,094)	-	1,400,533	-
Dilution gain on share of an equity investee	756,619	-	756,619	-
Share of net gains of equity investees	488,236	3,313,781	2,847,866	3,958,073
Interest expense, net	(410,905)	(123,201)	(1,578,610)	(1,070,772)
Income before income taxes	9,575,361	12,745,810	47,909,081	35,219,424
Income taxes expenses	2,632,545	6,551,849	6,443,967	7,663,433
Net income	6,942,816	6,193,961	41,465,114	27,555,991
Less: Net income (loss) attributable to non-controlling interest	70,544	46,523	(4,884)	1,851,453
Net income attributable to Hollysys Automation Technologies Ltd.	\$ 6,872,272	\$ 6,147,438	\$ 41,469,998	\$ 25,704,538
Weighted average number of common shares	54,692,129	54,385,044	54,564,842	51,243,667
Weighted average number of diluted common shares	54,988,505	54,984,420	54,949,280	51,838,294
Basic earnings per share attributable to Hollysys Automation Technologies Ltd.	0.13	0.11	0.76	0.50
Diluted earnings per share attributable to Hollysys Automation Technologies Ltd.	0.12	0.11	0.75	0.50
Other comprehensive income				
Net income	6,942,816	6,193,961	41,465,114	27,555,991
Translation adjustments	1,414,884	1,069,998	9,308,905	1,219,809
Comprehensive income	8,357,700	7,263,959	50,774,019	28,775,800
Less: Comprehensive income attributable to non-controlling interest	82,919	50,699	35,753	1,876,297
Comprehensive income attributable to Hollysys Automation Technologies Ltd.	\$ 8,274,781	\$ 7,213,260	\$ 50,738,266	\$ 26,899,503

Hollysys Automation Technologies, Ltd
Aug 15, 2011

Page 14

HOLLYSYS AUTOMATION TECHNOLOGIES LTD.
CONSOLIDATED BALANCE SHEETS
(In US Dollars)

	<u>June 30,</u> <u>2011</u>	<u>March 31,</u> <u>2011</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 90,669,059	\$ 95,879,217
Contract commitment deposit in banks	4,115,733	6,389,531
Accounts receivable, net of allowance for doubtful accounts of \$10,691,810 and \$10,092,861	98,002,235	86,731,112
Cost and estimated earnings in excess of billings, net of allowance for doubtful accounts of \$1,232,813 and \$1,252,882	103,515,659	86,072,030
Other receivables, net of allowance for doubtful accounts of \$249,052 and \$195,186	5,057,899	4,710,432
Advances to suppliers	7,818,493	8,507,834
Amount due from related parties	12,175,447	12,360,848
Inventories, net of provision of \$1,738,184 and \$2,441,954	27,972,600	39,661,665
Prepaid expenses	1,018,841	1,009,817
Deferred tax assets	2,021,466	1,374,861
Assets held for sale	8,945,718	8,830,015
Income tax recoverable	1,098,806	1,021,787
Total current assets	362,411,956	352,549,149
Advance payment for acquisition of a subsidiary	16,856,148	-
Property, plant and equipment, net	59,753,192	61,430,634
Long term investments	18,571,152	17,099,657
Deferred tax assets	991,496	725,155
Total assets	458,583,944	431,804,595
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Short-term bank loans	11,528,465	4,464,801
Current portion of long-term loans	5,408,245	4,194,375
Accounts payable	63,397,616	58,987,254
Deferred revenue	43,202,760	36,551,287
Accrued payroll and related expense	6,181,626	4,436,779
Income tax payable	5,060,131	3,251,754
Warranty liabilities	2,798,800	2,383,474
Other tax payables	12,547,517	11,906,234
Accrued liabilities	5,692,209	4,807,093
Amounts due to related parties	3,338,563	3,407,299
Construction cost payable	1,882,872	6,885,517
Total current liabilities	161,038,804	141,275,867
Long-term bank loans	31,676,865	33,173,693
Total liabilities	192,715,669	174,449,560
Commitments and contingencies		
Stockholder's equity		
Common stock, par value \$0.001 per share, 100,000,000 shares authorized, and 54,692,129 shares issued and outstanding	54,693	54,693
Additional paid-in capital	140,373,585	140,218,045
Appropriated earnings	23,061,779	24,380,097
Retained earnings	74,741,788	66,551,198
Accumulated comprehensive income - translation adjustments	26,825,812	25,423,303
Total Hollysys Automation Technologies Ltd. stockholder's equity	265,057,657	256,627,336
Non-controlling interest	810,618	727,699
Total equity	265,868,275	257,355,035
Total liabilities and stockholders' equity	\$ 458,583,944	\$ 431,804,595

Hollysys Automation Technologies, Ltd
Aug 15, 2011

Page 15

HOLLYSYS AUTOMATION TECHNOLOGIES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In US Dollars)

	Three months ended June 30, 2011 (Unaudited)	Fiscal year ended June 30, 2011 (Unaudited)
Cash flows from operating activities:		
Net income	\$ 6,942,816	\$ 41,465,114
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,030,488	4,468,592
Allowance for doubtful accounts	590,156	2,816,320
Impairment loss on long-term assets	13,564	189,659
Gain on disposal of property, plant and equipment	(268,008)	(166,177)
Losses (gains) on disposal of equity investees	50,094	(1,400,533)
Dilution gain on share of an equity investee	(756,619)	(756,619)
Share of net gains from equity investees	(488,236)	(2,847,866)
Amortization of expenses accrued for bond payable	-	31,531
Stock-based compensation	155,540	551,966
Deferred tax assets (liabilities), net	(890,765)	(1,297,968)
Changes in operating assets and liabilities:		
Accounts receivable	(10,237,650)	(30,227,617)
Cost and estimated earnings in excess of billings	(17,292,763)	(42,587,603)
Inventories	12,008,746	(3,256,130)
Advance to suppliers	834,239	3,384,430
Other receivables	(251,107)	(685,398)
Deposits and other assets	2,337,734	506,365
Due from related parties	196,426	(336,128)
Accounts payable	2,719,533	18,481,215
Deferred revenue	6,196,090	7,994,334
Accruals and other payable	2,460,753	2,113,829
Due to related parties	(92,528)	(457,800)
Tax payable	2,162,000	222,993
Net cash provided by (used in) operating activities	7,420,503	(1,793,491)
Cash flows from investing activities:		
Purchase of property, plant and equipment	(2,192,574)	(16,045,183)
Proceeds from disposing property, plant and equipment	7,045	12,574
Receipt from related parties	-	27
Cash prepaid for acquisition of a subsidiary	(16,856,148)	(16,856,148)
Proceeds from disposal of equity interest in equity investees	-	3,726,997
Dividends from an equity investee	-	90,517
Net cash used in investing activities	(19,041,677)	(29,071,216)
Cash flows from financing activities:		
Proceeds from short-term loans	11,232,261	15,671,580
Repayments of short-term loans	(4,425,039)	(5,924,784)
Repayments of bonds payable	-	(12,068,913)
Repayments of long-term loans	(746,000)	(1,508,614)
Proceeds from exercise of options	-	1,070,700
Net cash provided by (used in) financing activities	6,061,222	(2,760,031)
Effect of foreign exchange rate changes	349,794	4,791,852
Net decrease in cash and cash equivalents	\$ (5,210,158)	\$ (28,832,886)
Cash and cash equivalents, beginning of period	\$ 95,879,217	\$ 119,501,945
Cash and cash equivalents, end of period	90,669,059	90,669,059

Hollysys Automation Technologies, Ltd
Aug 15, 2011

Page 16

Reconcile GAAP Net Income to Non-GAAP Net Income

The following table provides more details on the reconciliations between GAAP financial measures that are most directly comparable to non-GAAP financial measures.

	Three months ended		Fiscal year ended	
	June 30,		June 30,	
	2011	2010	2011	2010
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net income attributable to Hollysys Automation Technologies Ltd.	\$ 6,872,272	\$ 6,147,438	\$ 41,469,998	\$ 25,704,538
Adjustments:				
Stock-based compensation cost	155,540	131,019	551,966	524,076
Non-GAAP Net Income attributable to Hollysys Automation Technologies Ltd.	\$ 7,027,812	\$ 6,278,457	\$ 42,021,964	\$ 26,228,614

A Letter to the Investors

Dear investors,

2011 was a tough year for us, economic recovery in the world has been slower than many people expected, and the Chinese economic growth has been subdued due to a series of tight fiscal and monetary policies to rein in the nonstop inflation, which render the much needed capital a scarce resource for small and medium non state owned enterprises. In spite of all of the difficulties, we are still pleased to report a strong set of results for the financial year 2011. Our revenue grew 51% to \$262.8 million; net income increased by 60.2% to \$42 million, earnings per share was reported at \$0.76 compared with \$0.51 EPS for last year. We closed our year with a healthy backlog of \$296.4 million, which will help us to deliver a promising result for the year 2012.

Tough time never last, but tough people do.

Hollysys survived a string of unprecedented strikes and passed the severe test with an outstanding score amidst the negative market conditions and external disastrous events during our fiscal year 2011. The first came in to nearly halt the high-speed rail business since February, when the minister of the Ministry of China Rail, Liu Zhijun, who didn't support Hollysys during his tenure, was removed because of criminal activities. Then the new nuclear power plant projects got suspended from March, a rippling effect of the Japanese nuclear power plant radiation leakage accident caused by the earthquake and tsunami. In addition to the two cold waves fallen upon us, Hollysys experienced the most catastrophic plague, which was the short selling pressure and the distrust of the China based companies, because some of them, especially those went public through back door listing, were found lacking of adequate corporate governance and internal controls and discovered or exposed to commit serious frauds in their proclaimed business data such as contracts, revenues, profits even bank account balances. With extraordinary courage and efforts called upon to have overcome the previous pummels, we had to confront another disastrous impact, the Wenzhou high speed rail collision accident, which killed 39 passengers and injured 191 passengers. Even though we concluded that our ATP system worked fine and normally during the accident based on data analysis from various sources not long after the accident, and we announced our conclusion on a timely basis, the tragic event still led to severe panic among our shareholders, and drove our prices to the 52 weeks low.

During these hard times, our colleagues and I did not complain or grumble about these unfair treatment, because we strongly believe that **tough time never last but tough people do!** There are no great long-lasting companies in the world without experiencing various hardships and perils. Compared with our multinational competitors, most of which have lasted more than a century, the tremendous hardship forced upon us now will stifle our potential vanity, complacency and impetuosity, solidify our business and strengthen our tenacity to strive for our great objective to build an everlasting, healthy and sustainable growing automation company in the world. Facing the uncontrollable difficulties, we calmly analyzed each of them and formulated clear strategies for every business sector.

For our nuclear power plant control business, which has improved our company image and raised our core competence dramatically by achieving the highest technical requirements and paramount quality specifications, and greatly inflated our shareholders expectations, we realized that the business has much more an emblematic meaning than an economical one to us and we have remained sober from the early stage. We calculated clearly, instead of speculating boldly, that our subsidiary joint venture company will get 4 to 6 projects each year at most for the next 10 to 15 years, under the current China's ambitious nuclear power development and construction plan. Although the nuclear power control business looks quite lucrative on project basis, it is very hard to become a powerful engine to drive Hollysys' perpetual growth at a desired pace due to its limited financial impact and earning capability. Understanding the scenario, Hollysys made the strategic decision on nuclear power control business sector, that we will deploy only adequate resources after our system platform is complete to guarantee the required system high quality and supply our JV to generate decent profit, and ensure our JV to continuously enjoy a leading position in this field in China.

Notwithstanding the ups and downs of our rail way automation business, including signaling system and SCADA system for the high-speed rail and subway segments, our judgment is that this will be a profitable and sustainable business with high entry barrier requiring critical safety concerns, and the market is quite lumpy and not huge enough to attract too many competitors. We understand this business very clearly that it is very difficult for us to forecast its financial figure on quarterly even annual bases. Considering the mass transportation requirement in China and the world, especially under the increasing pressure for environmental protection and energy conservation, we believe that railway transportation will grow for a very long time. Thanks to the Ministry of Rail, who awarded us this golden opportunity to design and supply the 250 km/h and 350km/h high-speed rail signaling system, and assisted us in setting up the collaborative relationship with Hitachi for the 250km/h on-board ATP system and with Ansaldo for the 350 km/h telecommunication based train control systems, we have grown from a new entrant to a very competitive signaling system provider within a short time span of 5 years, which would have taken the multinational competitors at least 10 years . Being able to participate in drawing the CTCS standard and having delivered successfully quite amount of signaling systems, which have experienced various severe application environments with solid quality and great functionalities, is an invaluable experience to understand the genuine requirement and specifications of high- speed rail signaling system, which would be impossible to grasp without hands-on practices. Through working and providing CTCS standard compliant signaling systems to MOR, we obtained a rare opportunity to learn high-speed rail signaling technologies and mature experiences and accumulate strong track records through which we successfully cultivated and developed our own proprietary capability from both technology and implementation perspective to support our strategic goal for this business going forward.

With our clear understanding of the CTCS, China Transportation Control System standards, and invaluable experiences accumulated from this round of China's high-speed rail build-out, we have finished all of the R&D investment and are qualified to fulfill all of the projects for the Ministry of China Rail, and could have temporarily boosted our earnings by diminished R&D spending. However, Hollysys has always been watching the big picture of this business. In order to establish long term distinguished competitive advantages, to be able to explore the rail market outside of China, and to exploit the full potential of our signaling platforms in metro systems, we have to redesign the whole set of signal systems totally on our own proprietary technologies and get fully certified by the prestigious European Organizations for the SIL 4 certification (Safety Level IV). It is a paramount of investment in capital and human resources for a fledgling business in Hollysys. Through fastidious analysis of all safety requirements and comparison of the technical advantages of the mature systems, and leveraging on our core technologies gained from our industrial control system design and development, our engineers worked around the clock for the past one and half years, and finished most of the prototypes of most of the platforms, and near the finish line to get all certified by the most prestigious TUV. The signaling system set includes the onboard ATP system with SIL 4 for high-speed rail and subway used to protect the train from over speed and accidents, the ground based TCC train control system with SIL 4 for ground safety control of trains, CBI computer based interlocking system with SIL 4 for both high speed rail and subway, ATS automatic train supervision system with SIL 2 for metro ATC systems, and some other auxiliary interfacing products. Based on our own technologies, we can customize our system platforms to meet every level of requirements from conventional rail signaling systems to the most state-of-the-art high-speed rail applications, not only for Chinese market but also for international market. Our current schedule is that most of the platform will be certified by the calendar 2011 year-end, and ATP for metro systems with ATO (automatic Train Operation) will be certified by the end of calendar 2012. Given the series negative events surrounding China's high-speed rail build-out, it is hard for us to make any prognosis on how quickly the China rail construction will recover, and all we can do is to make ourselves ready in all aspects in order to capture the opportunity when it does arise. Being armed with the full signaling product offerings, we are more confident and excited than ever to aggressively compete in the global arena of rail signaling market.

In subway SCADA business, we made a conscientious decision of concentrating on the quality customers and higher margin projects prior to our proprietary subway signaling system coming out to the market. The application of SCADA for subway operation is not safety and operation critical and there is a trend that price-cutting is the only competitive weapon wielded by our competitors. With our full suite of subway signaling products certified by European safety standard, our SCADA competitive advantages will be greatly enhanced by bundling it together with our signaling system, not only for the market in China, but the international market at large.

Innovation to Drive Long Term Sustainable Growth for the Industrial Automation Business

Since its inception, Hollysys has been very lucky, but we never depend on good luck. Every few months or on some special situations, my colleagues and I sit down calmly to evaluate our business environments and opportunities through comprehensive SWOT analysis, so as to make judicious decisions.

At the time when our high-speed rail business was showing and regarded as the most promising prospect, and our capabilities are ready for full fledged fly, we made the very tranquil judgment that this business would be a good long term business, but with certain level of uncertainties and lumpiness in nature due to customer concentration, Hollysys cannot afford solely depending on such a uncontrollable business to maintain a sustainable and steady growth over the longer term. Through a circumventing examination, we realized that our incumbent industrial automation business had much greater growth potential which we were far from fully exploiting it.

First of all, our mindset needs to be changed in order to perceive the new scenario of this traditional business, which means to re-define Hollysys industrial control business from a DCS system provider to a total system solution provider.

The demographic structure change and aging process acceleration will transform every aspect of our life in China. The shortage of labor force and the fast increasing labor cost will force most of the manufacturing factories to utilize automation products and systems to replace manual workers, which will create unfathomable additional growing opportunities for the automation companies and we will strive to gain a substantial part of it.

The second driving force derived from the fundamental transformation of business environment predicted by C. K. Prahalad and M.S.Krishnan in their book "the New Age of Innovation". According to Prahalad and Krishnan, the transformation is built on two basic pillars: namely N=1 and R=G BY N=1, it means that value is based on unique personalized experiences of consumers and firms have to learn to focus on one consumer and his/her experience at a time even if they serve 100 million consumers. R=G defines that no firm is big enough in scope and size to satisfy the experiences of one consumer at a time, and that all firms will access resources from a wide variety of other big and small firms, focusing on access of global resources instead of owning them. This mega trend is fully reflected in our industrial automation market. Firstly, the technological progress in all the measurement instrumentations and equipments, which become intelligent with sophisticated communication protocols rather than the 4-20mA physical signals, makes most of the field maintenance oriented engineers unable to handle, and it is far from economical for the factories to maintain these engineering staffs due to the dramatic increase in salaries and other labor costs. Therefore, more and more of our customers incline to let the system providers to become the MAV main automation vendor. We refer to this integrated solution as one-stop shop. Secondly, fierce competition between the manufacturing enterprises forces them to enhance their productivity and product quality constantly, and this can be easily realized through advanced automation recipes and algorithms. To obtain these objectives needs the systems provider to fully understand the manufacturing process, which requires the closer collaboration between the customer and the vendor. This trend will transform the conventional purchasing mode, where all systems and equipments are separately purchased through individual bidding processes, to a steady and long term collaboration between customers and qualified system vendors. This new relationship between customer and automation system provider based on long term collaboration is referred to as back room service provider.

Based on this point of view, Hollysys began to execute a new growth strategy from July of 2010. The new strategy comprises mainly three categories of actions: firstly, we enlarge the sales network all over China in three years so as to cover most the industrial areas to guarantee full access to every incumbent and potential customer. We refer to this strategy as farming the customer field, where you can expect your yield depending on your investment and labor, instead of sporadic hunting for projects, where you may succeed to get the prey only if you are very skillful and having some good luck. Secondly, we spend significant investments to enhance our system functions both vertically and horizontally. Vertical integration means that we will supply each customer with full spectrum of products from the DCS control to process management software packages such as AMS asset management system, MES manufacturing execution systems, APC advanced process control systems, OTS simulation and on job training system, and dedicated solutions for power, chemical, cement, iron and steel, pulp and paper process with expertise. Horizontal extension is to expand our products to include DCS, PLC, and proprietary safety protection systems and various instrumentation equipments integrated from our OEM resources or some third party vendors. Thirdly, we have been inviting prestigious experts in every application field to join Hollysys so as to help our customers improve their manufacturing process.

The new growth strategy for industrial automation has delivered astonishing results of more than 35% revenue growth year-over-year, which is much more than we expected, considering the DCS markets growth rate has been no higher than 12% in the past few years. More importantly, this stellar performance provides our colleagues with great confidence in our new set strategy, through which they see a high annual growth rate of 25% to 30% possible and plausible for industrial automation for the foreseeable future. Through our new growth strategy and strong execution, our goal is to enable a traditional low-growth business line rejuvenated to become a fully charged engine to drive our business growth forward.

M&A to Accelerate International Development

There has been a continuous pressure from our investors that Hollysys was too meticulous in M&A activities to utilize the capital to grow the business faster. Having seen too many M&A cases ended up with sad and vacant results instead of promising and promised growth, therefore we have been controlling the impetus to rush into any M&A just for the ego and vanity of the management team. Nevertheless, with perfect synergy in business operation and congruent match in cultures, we see the Concord acquisition will tremendously accelerate Hollysys' international business expansion and development.

Having a strong belief that the emerging markets will constitute a significant part of our business where potential customers are exuberant without local competitors, Hollysys has been trying to exploring the South and East Asian automation market for the past three years. It was quite disappointing to have realized that we didn't achieve our desired goal at a satisfactory pace, due to lacking an effective team capable addressing vastly different markets with cultural and linguistic differences and inability to establish a trustworthy brand in a short time. As we were groping around in the darkness and anxiety, Concord came to our eyesight. Established in 1983, Concord is an engineering company carrying out electrical systems and instrumentation installation and testing work in industrial sectors such as power plant, chemical process, water processing and semiconductor manufacturing. In the past five years, Concord has successfully entered a promising business segment, to install and test electric power and signal systems in metro transportation and high-speed rail industries. Being a grass-root enterprise without any prominent background, very much like Hollysys in this aspect, the founders of Concord, the Chim brothers, have known it well that they have no privileges and no one to rely on to win business opportunities except delivering outstanding engineering result with the lowest cost on consistent basis. Dreaming to build a long-term sustainable enterprise, they have been persistently improving the project management efficiency, the quality of service, and dedicating to a harmonious and mutual beneficial relationship between colleagues and customers with integrity and value-adding. Leveraging on its strong track record and reputation, Concord has become one of the most competitive engineering companies in ASEAN countries and Middle East, working as a sub-contractor with the most established EPCs in the region. Concord management was well aware that lacking of proprietary technology and products in its addressable market verticals prevents it from elevating its business to the next higher level. Both Concord and Hollysys see the perfect match of Hollysys' full product offerings in industrial automation and rail signaling markets combined with Concord's long-time established team and customer base and are highly confident in achieving the desired synergetic advantages and establishing Hollysys' foothold in international market, which in turn will create sustainable value for our customers and shareholders.

Better Value for Money Is Always Part of Our Competitive Edge

According to the classical competitive advantage theory, differentiation and low cost are two effective weapons to maintain competitive edge over competitors. Although Hollysys has been consistently enhancing our differentiation level by constantly improving our product performances and fostering customer affinities by our tailored solutions and satisfactory services, we have never stopped the endeavor to streamline our R&D, manufacturing, procurement, project execution processes, to sift out unnecessary applications and redundant procedures so as to drive the overall cost 6% to 8% down every year, even though remuneration and other costs have been increasing consecutively every year. Dr. He Jianfeng, the China's business group president known as the Czar in Hollysys for his tough execution, has been taking charge of this responsibility since the beginning of our fiscal 2011. With our competitive engineer labor cost at 70% lower than our multinational competitors, our persistently improved operation, and our reliable and mature system platforms proven in tens of thousands projects in various harsh applications in China, we have no doubt in our sustainable and profitable growth not only in Chinese market but also in the world.

Our Distinguished Team Ensures Solid Execution of Our Growth Strategies

It is my great pleasure to share with you that what I have enjoyed most during all these 18 years of growing our innovative enterprise is being able to work with my team, who shares the same dream with me and relieves me from all of the distress and operational managerial chores in different business operations so that I can have the time and mental tranquility to keep watching the mega trends pertinent to our business environment, and technology development in our field to prevent any big mistaken decisions made at strategic level. In 2010, we reorganized our business and constituted Hollysys Group in China (HGC), managing all our business activities in China. The group is mainly consisted of strategic executive committee (SEC), R&D center, manufacturing plant, Beijing Hollysys Co. Ltd (BHC) engaging in high-speed rail and subway businesses, Hangzhou Hollysys Co. Ltd (HHC) engaging in process control (DCS) and developing our sales network in China, Beijing Hollysys Automation and Driver Co. Ltd (BHAD) dedicated to factory automation (PLC) business, and Xian Hollysys Co Ltd (XHC) for R&D and exploring new automation opportunities. Our SEC is consisted of the following members of our key business executives.

Wang Changli, 48, PhD in Automation, 18 years with Hollysys, Chairman of HGC, Chairman and CEO of Hollysys Automation Technologies Ltd.;

He Jianfeng, 49, PhD in Automation, CEO of HGC, 14 years with Hollysys, previously CEO of HHC and BHC in charge of business execution and overhauling corporate internal functions and processes;

Peter Li, 47, Master in Educational Administration with C.G.A. professional accounting designation, 3 years with Hollysys, CFO of Hollysys Automation Technologies Co. Ltd.;

Xu Yue, 50, Master in Computer Science, CEO of BHC, 11 years with Hollysys, in charge of high-speed rail and subway businesses, instrumental in building a top-notch team for high-speed rail business from 30 to 300 people in 6 years, leading Hollysys in the process to have emerged as one of the leading players in signaling business in China;

Shi Hongyuan, 42, Master in Precision Instrumentation, 14 years with Hollysys, CEO of HHC from 2010, previously in charge of R&D;

Shao Baiqing, 43, Master in Computing and Automation, 18 years with Hollysys, Vice President of HGB and CEO of XHC , in charge of corporate branding, business development and Administration of XHC, previously in charge of R&D, production, power plant automation, Information systems, and HR;

Shi Bo, 41, B.Sc. in Computer Science, 18 years with Hollysys, in charge of R&D;

Zhou Yuanna, 48, MBA, B.Sc. in Automation and Control, 13 years with Hollysys, COO of HHC, in charge of DCS sales and network building, being instrumental in driving Hollysys Industrial automation business growth;

Xu Changrong, 41, PhD in Thermal power and Instrumentation, 14 years with Hollysys, CEO of BHAD, in charge of growing Hollysys' PLC business to one of its growth engines;

Qu Xiaorong, 41, Master in Finance and Accounting, 5 years with Hollysys, Chief Finance Controller of HGB, in charge of corporate finance and accounting.

Most of our executives have shared happiness and hardships with me for more than 10 years and they earned their position by merits and capabilities. It is our shared ambition to develop a sustainably growing automation company in the world, to create genuine value for our customers, shareholders and colleagues, and to compete with the century old multinationals. Although we have successfully accomplished many outstanding projects such as 1000 MW nuclear power control systems, high-speed rail signal systems and sophisticated control systems in various industries through our consistent innovative work, we have never shown complacency, because we are well aware that we are still very immature compared with our competitors. I am grateful and deeply indebted to their integrity and loyalty to our great mission, and they sacrificed their leisure time because of the tremendous work load, not to mention that they could have earned much more money if they had worked for the multinational companies.

It is out of our capability to predict the economical conditions and stock market fluctuations in the future, however, based on the tenacious determination of our people to consistently improve our competitive edges through effective innovation and efficient operations, to prepare to fight any unexpected difficulties and to win big in favorable environment, we are confident that our investors are going to be greatly rewarded for their sagacious choice and their faith in Hollysys. I am writing this letter with my heart, trying to clarify some of your concerns and to share my considerations and my feelings with you, wishing to improve the mutual understanding and to enhance transparency of our decision making process.

I would like to end this letter with an old saying that if winter comes, can Spring be far behind?

With Best Wishes,

Wang Changli
Chairman and CEO
Hollysys Automation Technologies co. Ltd
