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# AUTOMATED

## AUTOMATED SYSTEMS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 771)

### INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30TH JUNE 2022

#### GROUP PERFORMANCE OVERVIEW

(HK\$ million)

Core Business		Interest in Associates	Non-Operating Items
<b>Order – System Integration &amp; Other Businesses</b> ▼ 2.4% <b>HK\$ 649.5</b> (CY21 1H: HK\$665.4)	<b>Order – DevSecOps Professional Service</b> ▲ 19.9% <b>HK\$ 645.9</b> (CY21 1H: HK\$538.9)	<b>Share of Results of Associates</b> HK\$ (33.9) (CY21 1H: HK\$ (19.9))	<b>Adjusted Investment Activities*</b> Nil (CY21 1H: HK\$ (0.5))
<b>Revenue</b> ▲ 0.8% <b>HK\$ 1,093.8</b> (CY21 1H: HK\$1,084.9)	<b>Adjusted EBITDA*</b> ▲ 1.8% <b>HK\$ 66.7</b> (CY21 1H: HK\$65.5)	<b>Loss on Deemed Disposal of Partial Interest in an Associate</b> HK\$ (4.1) (CY21 1H: HK\$ (114.5))	<b>Adjusted Incomes/(Costs) Related to Corporate &amp; Others*</b> HK\$ 4.9 (CY21 1H: HK\$ (2.1))
<b>Adjusted Net Profit*</b> ▲ 0.5% <b>HK\$ 44.4</b> (CY21 1H: HK\$44.2)	<b>Adjusted Operating Cash Flow*</b> ▲ 24.4% <b>HK\$ 121.9</b> (CY21 1H: HK\$98.0)		

#### Group Consolidated Financial Result

<b>Revenue</b> ▲ 0.8% <b>HK\$1,093.8</b> (CY21 1H: HK\$1,084.9)	<b>Profit/(Loss) for the Period</b> <b>HK\$11.3</b> (CY21 1H: HK\$(92.7))	<b>Basic Earnings/(Loss) Per Share</b> (HK Cents) <b>1.36</b> (CY21 1H: (11.15))
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**Adjusted EBITDA:**

Adjusted Earnings Before Interest, Taxes, Depreciation, and Amortisation (Adjusted EBITDA) is calculated based on profit for the period from operations in Asia Pacific excluding interest income and expenses, tax, depreciation, amortisation, equity-settled share-based payments expense, government grants, share of results of associates, loss on deemed disposal of partial interest in an associate and one-off professional fees.

**Adjusted Net Profit:**

Adjusted Net Profit is calculated based on Adjusted EBITDA adding back depreciation, amortisation and income tax expense (except for the tax effect of a subsidiary's interest income not related to the core business) (CY21 1H: Adjusted Net Profit is calculated based on loss for the period from operations in Asia Pacific excluding overseas withholding tax, interest income and expenses, equity-settled share-based payments expense, share of results of associates, gain on disposal of a subsidiary, loss on deemed disposal of partial interests in an associate, waiver of intercompany balances with disposed subsidiary, one-off professional fees and tax impacts of these adjustments).

**Adjusted Operating Cash Flow:**

Operating cash flow of core business is calculated based on net cash from operating activities of the Group excluding government grants.

**Adjusted Investment Activities:**

Mainly represent professional fees relating to the disposal of partial interest in an associate.

**Adjusted Incomes/(Costs) Related to Corporate & Others:**

Mainly represent the equity-settled share-based payments expense, government grants and finance costs, the one-off professional fees are excluded and disclosed as Adjusted Investment Activities.

**Others:**

**System Integration & Other Businesses:**

Being the business of information technology in supplying of information technology and associated products carried out by the Group, and Professional Service carried out by subsidiaries, other than Automated Systems (H.K.) Limited.

**DevSecOps Professional Service:**

Being the business of information technology in providing systems integration, software and consulting services, engineering support for products and solutions and managed services carried out by a subsidiary, Automated Systems (H.K.) Limited.

**CY21 1H:**

Representing the first six months of calendar year 2021.

**\*:**

The information is not a measure required by or presented in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). The use of this non-HKFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for analysis of, our results or operations or financial condition as reported under HKFRS.

## RESULTS

The Board of Directors (the “Board”) of Automated Systems Holdings Limited (the “Company”) are pleased to announce the unaudited results of the Company and its subsidiaries (the “Group” or “ASL”) for the six months ended 30th June 2022. The interim financial information has been reviewed by the Company’s Audit Committee and the Company’s auditor.

### Condensed Consolidated Statement of Profit or Loss

		<b>Unaudited</b>	
		<b>Six months ended</b>	
		<b>30th June</b>	
	<i>Notes</i>	<b>2022</b>	2021
		<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>Revenue</b>	3	<b>1,093,824</b>	1,084,881
Cost of goods sold		<b>(467,641)</b>	(533,735)
Cost of services rendered		<b>(497,253)</b>	(433,811)
Other income	4	<b>1,924</b>	2,079
Other loss, net	5	<b>(5,735)</b>	(114,601)
Selling expenses		<b>(38,480)</b>	(40,177)
Administrative expenses		<b>(29,950)</b>	(25,864)
Finance income	6	<b>91</b>	154
Finance costs		<b>(1,550)</b>	(2,211)
Share of results of associates		<b>(33,897)</b>	(19,911)
		<hr/>	<hr/>
<b>Profit/(Loss) before income tax</b>	7	<b>21,333</b>	(83,196)
Income tax expense	8	<b>(10,023)</b>	(9,534)
		<hr/>	<hr/>
<b>Profit/(Loss) for the period attributable to equity holders of the Company</b>		<b>11,310</b>	(92,730)
		<hr/> <hr/>	<hr/> <hr/>
		<i>HK Cents</i>	<i>HK Cents</i>
<b>Earnings/(Loss) per share attributable to equity holders of the Company:</b>	<i>10</i>		
— Basic		<b>1.36</b>	(11.15)
— Diluted		<b>1.35</b>	(11.15)
		<hr/> <hr/>	<hr/> <hr/>

## Condensed Consolidated Statement of Comprehensive Income

	Unaudited	
	Six months ended	
	30th June	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Profit/(Loss) for the period</b>	<b>11,310</b>	<b>(92,730)</b>
<b>Other comprehensive income/(loss)</b> <b>that may be reclassified subsequently</b> <b>to profit or loss:</b>		
Exchange differences on translation of overseas operations	4,379	(54)
Share of other comprehensive loss of associates	<u>(2,272)</u>	<u>(629)</u>
<b>Total comprehensive income/(loss) for the period</b> <b>attributable to equity holders of the Company</b>	<b><u>13,417</u></b>	<b><u>(93,413)</u></b>

## Condensed Consolidated Statement of Financial Position

		Unaudited 30th June 2022 <i>HK\$'000</i>	Audited 31st December 2021 <i>HK\$'000</i>
	<i>Notes</i>		
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	<i>11</i>	300,877	306,419
Investment properties	<i>12</i>	54,300	54,300
Intangible assets		—	—
Interests in associates	<i>13</i>	1,158,456	1,191,768
Deposits		48,981	—
Finance lease receivables		1,098	2,044
Deferred income tax assets		88	1,293
		<u>1,563,800</u>	<u>1,555,824</u>
<b>CURRENT ASSETS</b>			
Inventories		273,548	234,017
Trade receivables	<i>14</i>	155,395	171,478
Finance lease receivables		2,218	2,244
Other receivables, deposits and prepayments	<i>15</i>	30,303	21,872
Contract assets		287,879	284,880
Tax recoverable		14,017	12,415
Bank balances and cash		628,477	603,947
		<u>1,391,837</u>	<u>1,330,853</u>
<b>TOTAL ASSETS</b>		<u><u>2,955,637</u></u>	<u><u>2,886,677</u></u>
<b>EQUITY</b>			
Share capital		83,369	83,358
Share premium		403,165	403,043
Reserves		1,492,359	1,503,924
		<u>1,978,893</u>	<u>1,990,325</u>
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>		<u>1,978,893</u>	<u>1,990,325</u>

**Condensed Consolidated Statement of Financial Position (Continued)**

		<b>Unaudited</b>	Audited
		<b>30th June</b>	31st December
		<b>2022</b>	2021
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred income tax liabilities		<b>170,262</b>	169,209
Lease liabilities		<b>5,962</b>	6,176
		<u><b>176,224</b></u>	<u>175,385</u>
<b>CURRENT LIABILITIES</b>			
Trade payables	<i>16</i>	<b>271,847</b>	258,508
Other payables and accruals	<i>17</i>	<b>124,022</b>	156,738
Receipts in advance		<b>307,988</b>	195,898
Current income tax liabilities		<b>10,515</b>	2,768
Bank borrowings	<i>18</i>	<b>78,696</b>	101,099
Lease liabilities		<b>7,452</b>	5,956
		<u><b>800,520</b></u>	<u>720,967</u>
<b>TOTAL LIABILITIES</b>		<u><b>976,744</b></u>	<u>896,352</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>2,955,637</b></u>	<u>2,886,677</u>
<b>NET CURRENT ASSETS</b>		<u><b>591,317</b></u>	<u>609,886</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><b>2,155,117</b></u>	<u>2,165,710</u>

## NOTES TO THE INTERIM FINANCIAL INFORMATION

### 1. BASIS OF PREPARATION

The interim financial information for the six months ended 30th June 2022 has been prepared in accordance with the applicable disclosure requirements of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31st December 2021, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### (i) Amended HKFRSs that are effective for annual periods beginning from 1st January 2022

The interim financial information for the six months ended 30th June 2022 have been prepared in accordance with the accounting policies adopted in the consolidated financial statements for the year ended 31st December 2021, except for the adoption of the following amended HKFRSs which are effective for the period beginning from 1st January 2022.

Amendments to HKFRS 16	<i>Covid-19-Related Rent Concessions beyond 30 June 2021</i>
Amendments to HKFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to HKAS 16	<i>Property, Plant and Equipment – Proceeds before Intended Use</i>
Amendments to HKAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
Amendments to HKFRSs	<i>Annual Improvements to HKFRS Standards 2018-2020</i>
Accounting Guideline 5 (Revised)	<i>Merger Accounting for Common Control Combination</i>

The adoption of these amended HKFRSs had no material impact on how the results and financial position of the Group for the current and prior periods have been prepared and presented. The Group has not early adopted any other standards, interpretation or amendment that has been issued but are not yet effective.

### 3. REVENUE AND SEGMENT INFORMATION

The Group’s revenue is analysed as follows:

	Unaudited Six months ended 30th June	
	2022 HK\$’000	2021 HK\$’000
Sales of goods	539,980	604,089
Revenue from service contracts	553,844	480,792
	<u>1,093,824</u>	<u>1,084,881</u>

The executive directors have been identified as the chief operating decision maker. The executive directors have reviewed the Group’s internal reporting in order to assess the performance and allocate resources. The executive directors have determined the operating segments based on the Group’s internal reporting.

The Group is organised into two (six months ended 30th June 2021: two) operating divisions — Information Technology Products (“IT Products”) and Information Technology Services (“IT Services”).

These divisions are the basis on which the Group reports its primary segment information to the chief operating decision maker. The business nature of each segment is disclosed as follows:

### 3. REVENUE AND SEGMENT INFORMATION (Continued)

#### IT Products

Being the business of information technology in supplying of information technology and associated products.

#### IT Services

Being the business of information technology in providing systems integration, software and consulting services, engineering support for products and solutions and managed services.

Segment information about these businesses is presented below:

#### Unaudited

Six months ended 30th June 2022

	IT Products <i>HK\$'000</i>	IT Services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue from external customers	539,980	553,844	1,093,824
Intersegment revenue	705	10,361	11,066
<b>Segment revenue</b>	<b>540,685</b>	<b>564,205</b>	<b>1,104,890</b>
<b>Reportable segment profit</b>	<b>53,472</b>	<b>35,551</b>	<b>89,023</b>
<b>Segment depreciation</b>	<b>1,649</b>	<b>6,839</b>	<b>8,488</b>
<b>Additions to property, plant and equipment*</b>	<b>18</b>	<b>1,799</b>	<b>1,817</b>

\* Additions to property, plant and equipment of HK\$5,291,000 were related to unallocated assets.

#### Unaudited

Six months ended 30th June 2021

	IT Products <i>HK\$'000</i>	IT Services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue from external customers	604,089	480,792	1,084,881
Intersegment revenue	1,526	10,469	11,995
<b>Segment revenue</b>	<b>605,615</b>	<b>491,261</b>	<b>1,096,876</b>
<b>Reportable segment profit</b>	<b>51,364</b>	<b>26,048</b>	<b>77,412</b>
<b>Segment depreciation</b>	<b>1,284</b>	<b>4,791</b>	<b>6,075</b>
<b>Additions to property, plant and equipment*</b>	<b>25</b>	<b>3,115</b>	<b>3,140</b>

\* Additions to property, plant and equipment of HK\$6,460,000 were related to unallocated assets.

### 3. REVENUE AND SEGMENT INFORMATION *(Continued)*

The Group's assets and liabilities by reportable segments as at reporting dates are presented below:

**Unaudited**  
**As at 30th June 2022**

	<b>IT Products</b> <i>HK\$'000</i>	<b>IT Services</b> <i>HK\$'000</i>	<b>Total</b> <i>HK\$'000</i>
<b>Reportable segment assets</b>	<b>402,840</b>	<b>332,843</b>	<b>735,683</b>
<b>Reportable segment liabilities</b>	<b>416,709</b>	<b>202,921</b>	<b>619,630</b>

**Audited**  
**As at 31st December 2021**

	<b>IT Products</b> <i>HK\$'000</i>	<b>IT Services</b> <i>HK\$'000</i>	<b>Total</b> <i>HK\$'000</i>
Reportable segment assets	376,687	329,333	706,020
Reportable segment liabilities	306,208	194,421	500,629

**(a) Segment accounting policies**

The accounting policies of the reportable segments are the same as the Group's accounting policies disclosed in the annual consolidated financial statements of the Group for the year ended 31st December 2021.



### 3. REVENUE AND SEGMENT INFORMATION *(Continued)*

#### (b) Reconciliation of the reportable segment revenue, profit or loss, assets and liabilities

Reportable segment revenue, profit or loss, assets and liabilities are reconciled to results and total assets and total liabilities of the Group as follows:

	<b>Unaudited</b>	
	<b>Six months ended</b>	
	<b>30th June</b>	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Revenue</b>		
Reportable segment revenue	1,104,890	1,096,876
Elimination of intersegment revenue	<u>(11,066)</u>	<u>(11,995)</u>
Revenue per condensed consolidated statement of profit or loss	<u><u>1,093,824</u></u>	<u><u>1,084,881</u></u>

Intersegment revenue is charged at cost plus a percentage of profit mark-up.

	<b>Unaudited</b>	
	<b>Six months ended</b>	
	<b>30th June</b>	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Profit or loss</b>		
Reportable segment profit	89,023	77,412
Unallocated amounts:		
Unallocated other income	1,828	1,895
Unallocated other loss, net	(5,735)	(114,601)
Unallocated depreciation	(3,902)	(5,383)
Share of results of associates	(33,897)	(19,911)
Finance costs	(1,550)	(2,211)
Unallocated corporate expenses	<u>(24,434)</u>	<u>(20,397)</u>
Profit/(Loss) before income tax per condensed consolidated statement of profit or loss	<u><u>21,333</u></u>	<u><u>(83,196)</u></u>

### 3. REVENUE AND SEGMENT INFORMATION *(Continued)*

#### (b) Reconciliation of the reportable segment revenue, profit or loss, assets and liabilities *(Continued)*

Reportable segment revenue, profit or loss, assets and liabilities are reconciled to results and total assets and total liabilities of the Group as follows *(Continued)*:

	<b>Unaudited 30th June 2022 HK\$'000</b>	Audited 31st December 2021 HK\$'000
<b>Assets</b>		
Reportable segment assets	735,683	706,020
Unallocated assets:		
Interests in associates	1,158,456	1,191,768
Deferred income tax assets	88	1,293
Tax recoverable	14,017	12,415
Bank balances and cash	628,477	603,947
Unallocated corporate assets	418,916	371,234
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Total assets per condensed consolidated statement of financial position	<b>2,955,637</b>	2,886,677
	<hr/> <hr/>	<hr/> <hr/>
	<b>Unaudited 30th June 2022 HK\$'000</b>	Audited 31st December 2021 HK\$'000
<b>Liabilities</b>		
Reportable segment liabilities	619,630	500,629
Unallocated liabilities:		
Current income tax liabilities	10,515	2,768
Deferred income tax liabilities	170,262	169,209
Unallocated corporate liabilities	176,337	223,746
	<hr/>	<hr/>
Total liabilities per condensed consolidated statement of financial position	<b>976,744</b>	896,352
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### 3. REVENUE AND SEGMENT INFORMATION (Continued)

#### (b) Reconciliation of the reportable segment revenue, profit or loss, assets and liabilities (Continued)

The following table sets out information about the geographical segment location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the services were provided or the goods were delivered.

Place of domicile	Unaudited Six months ended 30th June	
	2022 HK\$'000	2021 HK\$'000
Hong Kong	1,041,625	1,031,628
Mainland China	1,642	1,520
Macau	12,966	17,097
Taiwan	8,447	7,610
Thailand	29,144	27,026
	<u>1,093,824</u>	<u>1,084,881</u>

#### Information about major customers

The Group has one customer (six months ended 30th June 2021: two customers) with whom transaction exceeded 10% of the Group's revenue amounted to approximately HK\$167,373,000 during the six months ended 30th June 2022 (six months ended 30th June 2021: HK\$252,280,000).

The following table sets out information about the geographical segment location of the Group's non-current assets (other than financial instruments and deferred income tax assets). The geographical location of the specified non-current assets is based on the physical location of the asset in the case of property, plant and equipment, investment properties and deposits for property, plant and equipment, the location of the operations to which they are allocated in the case of the intangible assets and goodwill, and the location of operations in the case of interests in associates.

Place of domicile	Unaudited 30th June 2022 HK\$'000	Audited 31st December 2021 HK\$'000
	Hong Kong	346,863
US	1,140,531	1,172,303
Singapore	17,142	18,736
Mainland China	52,740	4,816
Macau	4,120	1,183
Taiwan	759	79
Thailand	459	124
	<u>1,562,614</u>	<u>1,552,487</u>

### 3. REVENUE AND SEGMENT INFORMATION (Continued)

#### (c) Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time, details of the Group's timing of revenue recognition were as follows:

	Unaudited Six months ended 30th June	
	2022 HK\$'000	2021 HK\$'000
<b>Timing of revenue recognition</b>		
At a point in time	617,961	679,444
Over time	475,863	405,437
Revenue from external customers	<u>1,093,824</u>	<u>1,084,881</u>

Revenue relates to performance obligation that are unsatisfied as at 30th June 2022 amounted to approximately HK\$1,399,616,000 (As at 30th June 2021: HK\$1,138,954,000) are expected to be recognised within one to five years.

### 4. OTHER INCOME

	Unaudited Six months ended 30th June	
	2022 HK\$'000	2021 HK\$'000
Interest on bank deposits	113	27
Rental income from investment properties	1,360	1,227
Others	451	825
	<u>1,924</u>	<u>2,079</u>

### 5. OTHER LOSS, NET

	Unaudited Six months ended 30th June	
	2022 HK\$'000	2021 HK\$'000
Loss on deemed disposal of partial interests in an associate	4,082	114,463
Exchange loss, net	1,653	138
	<u>5,735</u>	<u>114,601</u>

## 6. FINANCE INCOME

Finance income represents accretion of discount recognised upon initial recognition of finance lease receivables to their fair values.

## 7. PROFIT/(LOSS) BEFORE INCOME TAX

	Unaudited Six months ended 30th June	
	2022 HK\$'000	2021 HK\$'000
Profit/(Loss) before income tax is arrived at after charging/(crediting):		
Depreciation:		
Property, plant and equipment — owned assets	8,897	8,084
Property, plant and equipment — right-of-use assets	3,493	3,374
ECL allowance of trade receivables	399	339
Reversal of provision for ECL allowance of trade receivables	—	(522)
Employee benefit expenses (excluding directors' emoluments)	261,579	233,289

## 8. INCOME TAX EXPENSE

	Unaudited Six months ended 30th June	
	2022 HK\$'000	2021 HK\$'000
Current taxation:		
Hong Kong profits tax ( <i>Note (i)</i> )	8,954	9,157
Overseas taxation	293	245
	9,247	9,402
Deferred taxation:		
Current period	776	132
Income tax expense	10,023	9,534

### Notes:

- (i) Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying entities will be taxed at 8.25%, and the profits above HK\$2 million will be taxed at 16.5%. The profits of entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at 16.5%. For the six months ended 30th June 2022 and 2021, Hong Kong profits tax of a subsidiary of the Company is calculated in accordance with the two-tiered profits tax rates regime.

## 9. DIVIDENDS

<b>Unaudited</b>	
<b>Six months ended</b>	
<b>30th June</b>	
<b>2022</b>	<b>2021</b>
<b>HK\$'000</b>	<b>HK\$'000</b>

Dividend approved and paid during the period:

Final dividend in respect of the year ended 31st December 2021 of 3.0 HK cents per share (six months ended 30th June 2021: in respect of the year ended 31st December 2020 of 3.0 HK cents per share)

<b>25,011</b>	<b>24,973</b>
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<b>Unaudited</b>	
<b>Six months ended</b>	
<b>30th June</b>	
<b>2022</b>	<b>2021</b>
<b>HK\$'000</b>	<b>HK\$'000</b>

Dividend proposed:

Nil (six months ended 30th June 2021: Special dividend of 24.0 HK cents per share)

—	<b>199,781</b>
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### **For the six months ended 30th June 2022**

The Board do not recommend the payment of an interim dividend for the six months ended 30th June 2022.

### **For the six months ended 30th June 2021**

On 25th August 2021, the Board have resolved to recommend the payment of a special dividend of 24.0 HK cents per share. Subject to the approval of shareholders at a special general meeting, the proposed special dividend is expected to be paid on or before 19th October 2021 to shareholders whose names appear on the register of members of the Company on 29th September 2021.

The proposed special dividend, as referred to above, is calculated on the basis of 832,419,442 ordinary shares in issue as at 30th June 2021 and at a special dividend of 24.0 HK cents per share.

## 10. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The calculation of the basic and diluted earnings/(loss) per share attributable to equity holders of the Company is based on the following data:

	<b>Unaudited Six months ended 30th June</b>	
	<b>2022</b>	<b>2021</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Profit/(Loss) attributable to equity holders of the Company	<b>11,310</b>	<b>(92,730)</b>
	<b>Number of shares</b>	
	<b>30th June</b>	<b>30th June</b>
	<b>2022</b>	<b>2021</b>
	<b>'000</b>	<b>'000</b>
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share <i>(Note (a))</i>	<b>833,645</b>	831,676
Effect of dilutive potential ordinary shares — Share options <i>(Note (b))</i>	<b>4,031</b>	—
Weighted average number of ordinary shares for the purpose of diluted earnings/(loss) per share	<b>837,676</b>	831,676
	<b>Unaudited Six months ended 30th June</b>	
	<b>2022</b>	<b>2021</b>
	<b>HK cents</b>	<b>HK cents</b>
Earnings/(Loss) per share		
— Basic	<b>1.36</b>	(11.15)
— Diluted	<b>1.35</b>	(11.15)

### Notes:

- (a) The 833,645,000 ordinary shares are derived from the weighted average number of ordinary shares in issue during the six months ended 30th June 2022.

The 831,676,000 ordinary shares are derived from the weighted average number of ordinary shares in issue during the six months ended 30th June 2021.

- (b) The calculation of the diluted earnings per share for the six months ended 30th June 2022 has taken into the effect of the share options of the Company granted in 2012 and 2017 but has not taken into account the dilutive instruments issued by the Group's associates as they are considered as anti-dilutive.

The calculation of the diluted loss per share for the six months ended 30th June 2021 has not taken into the effect of the share options of the Company granted in 2012 and 2017 and the dilutive instruments issued by the Group's associates as they are considered as anti-dilutive.

## **11. PROPERTY, PLANT AND EQUIPMENT**

During the six months ended 30th June 2022, additions to property, plant and equipment, mainly for computer equipment and right-of-use assets — office premises, was approximately HK\$7,108,000 (six months ended 30th June 2021: HK\$9,600,000). During the six months ended 30th June 2022, no addition to right-of-use assets (six months ended 30th June 2021: \$5,739,000) and right-of-use assets with reassessment of lease term was approximately HK\$4,935,000 (six months ended 30th June 2021: nil), of which all are related to office premises.

The Group's land and buildings were stated at valuations made at 31st December 2021 less depreciation. The land and buildings were last revalued by an independent professional valuer at 31st December 2021 on market value basis which was determined by reference to market evidence of recent transactions for similar properties. As at 30th June 2022, the directors of the Company considered that the carrying amount of the Group's land and buildings did not differ significantly from their fair values.

As at 30th June 2022, if the land and buildings had not been revalued, they would have been included in the interim financial information at historical cost, less accumulated depreciation and amortisation with carrying amount of approximately HK\$30,806,000 (31st December 2021: HK\$31,840,000).

As at 30th June 2022, the Group had pledged land and buildings with carrying amount of approximately HK\$163,431,000 (31st December 2021: HK\$166,700,000) to secure Group's bank borrowings as disclosed in Note 18.

## **12. INVESTMENT PROPERTIES**

The investment properties of the Group were last revalued at 31st December 2021 by an independent professional valuer on market value basis which was determined by reference to market evidence of recent transactions for similar properties.

As at 30th June 2022, the directors of the Company considered that the carrying amount of the Group's investment properties which are carried at revalued amounts did not differ significantly from their fair values.

As at 30th June 2022, the Group had pledged investment properties with carrying amount of HK\$54,300,000 (31st December 2021: HK\$54,300,000) to secure the Group's bank borrowing as disclosed in Note 18.



### 13. INTERESTS IN ASSOCIATES

	<b>Unaudited 30th June 2022 HK\$'000</b>	Audited 31st December 2021 HK\$'000
Listed	1,140,531	1,172,303
Unlisted	17,925	19,465
	<b>1,158,456</b>	<b>1,191,768</b>
	<b>Unaudited 30th June 2022 HK\$'000</b>	Audited 31st December 2021 HK\$'000
At beginning of the period/year	1,191,768	1,769,196
Additional interest in an associate	—	25,909
Deemed disposal of partial interest in an associate ( <i>Note (i)</i> )	(4,082)	(176,471)
Disposal of interest in an associate ( <i>Note (ii)</i> )	—	(403,147)
Share of results of associates	(33,897)	(30,427)
Share of other comprehensive loss of associates	(2,272)	(924)
Exchange realignment	6,939	7,632
At end of the period/year	<b>1,158,456</b>	<b>1,191,768</b>

*Notes:*

- (i) During the six months ended 30th June 2022, certain restricted stock units and performance stock units granted by Grid Dynamics Holdings, Inc. (“GDH”) to its employees were vested and certain employees had exercised the vested stock options of GDH. As a result, the Group’s interest in GDH was diluted from 22.15% as at 31st December 2021 to 22.0% as at 30th June 2022, and an aggregate loss on deemed disposal of interests in associates of HK\$4,082,000 was recognised by the Group (Note 5).
- (ii) During the year ended 31st December 2021, the Group entered into an underwriting agreement with GDH, the other selling stockholders and the underwriters. Pursuant to which, among other things, the Group and the other selling stockholders agreed to transfer to the underwriters, and the underwriters agreed to receive and hold from the selling stockholders. The disposal was completed on 6th July 2021.

#### 14. 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.

	<b>Unaudited 30th June 2022 HK\$'000</b>	Audited 31st December 2021 HK\$'000
Trade receivables — gross	<b>164,103</b>	179,961
Less: ECL allowance	<b>(8,708)</b>	(8,483)
Trade receivables — net	<b><u>155,395</u></b>	<u>171,478</u>

An ageing analysis of the gross trade receivables as at the reporting date, based on the invoice dates, is as follows:

	<b>Unaudited 30th June 2022 HK\$'000</b>	Audited 31st December 2021 HK\$'000
0 — 30 days	<b>82,078</b>	87,954
31 — 60 days	<b>26,841</b>	47,096
61 — 90 days	<b>19,687</b>	19,663
Over 90 days	<b>35,497</b>	25,248
	<b><u>164,103</u></b>	<u>179,961</u>

#### 15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	<b>Unaudited 30th June 2022 HK\$'000</b>	Audited 31st December 2021 HK\$'000
Other receivables	<b>3,167</b>	2,108
Deposits	<b>6,525</b>	4,896
Prepayments	<b>18,891</b>	12,962
Amount due from ultimate holding company	<b>832</b>	832
Amounts due from fellow subsidiaries	<b>497</b>	405
Amounts due from associates	<b>1,223</b>	1,501
Other receivables, deposits and prepayments — gross	<b>31,135</b>	22,704
Less: ECL allowance	<b>(832)</b>	(832)
Other receivables, deposits and prepayments — net	<b><u>30,303</u></b>	<u>21,872</u>

## 16. TRADE PAYABLES

An ageing analysis of the trade payables as at the reporting date, based on payment due date, is as follows:

	<b>Unaudited 30th June 2022 HK\$'000</b>	Audited 31st December 2021 HK\$'000
Current	196,122	180,403
Within 30 days	55,726	51,341
31 — 60 days	7,657	13,522
61 — 90 days	2,153	1,473
Over 90 days	10,189	11,769
	<u>271,847</u>	<u>258,508</u>

## 17. OTHER PAYABLES AND ACCRUALS

	<b>Unaudited 30th June 2022 HK\$'000</b>	Audited 31st December 2021 HK\$'000
Other payables	7,178	5,871
Accruals	115,591	149,591
Amount due to ultimate holding company	1,233	1,276
Amount due to an associate	20	—
	<u>124,022</u>	<u>156,738</u>

## 18. BANK BORROWINGS

	<b>Unaudited 30th June 2022 HK\$'000</b>	Audited 31st December 2021 HK\$'000
<b>Current</b>		
Secured bank borrowings		
— repayable within one year or on demand	78,696	101,099
	<u>78,696</u>	<u>101,099</u>

The bank borrowings are repayable by 60 equal monthly instalments commencing from 29th March 2019 and bear interest at floating interest rate. The bank borrowings are denominated in HKD with an effective interest rate of 3.39% (31st December 2021: 3.39%) per annum as at 30th June 2022.

## 18. BANK BORROWINGS *(Continued)*

As at 30th June 2022, the bank borrowings are secured by the followings:

- (1) the legal charges over the Group's land and buildings with carrying amount of approximately HK\$163,431,000 (31st December 2021: HK\$166,700,000) (Note 11);
- (2) the legal charges over the Group's investment properties with carrying amount of HK\$54,300,000 (31st December 2021: HK\$54,300,000) (Note 12);
- (3) the guarantee given by the Company and certain subsidiaries of the Group up to a limit of HK\$330,000,000 (31st December 2021: HK\$330,000,000);
- (4) assignment of rental and sales proceeds from the Group's land and buildings and investment properties;
- (5) assignment of insurance of all insurance policies (other than third party liabilities and public liabilities) over the Group's land and buildings and investment properties.

The banking facilities of term loan is subject to the fulfillment of certain financial and non-financial covenants relating to certain subsidiaries of the Group, which are commonly found in lending arrangements with financial institutions. If the Group was to breach the covenants, the drawn down facilities would become repayable on demand.

The Group regularly monitors its compliance with these covenants, is up to the date with the scheduled repayments of the loans and does not consider it probable that the banks will exercise its discretion to demand repayment for so long as the Group continues to meet these requirements.

Subject to repayment on demand clauses which can be exercised at the banks' sole discretion, the above bank borrowings are classified as current liabilities as at 30th June 2022 and 31st December 2021.

## **DIVIDEND**

The Directors did not recommend the payment of an interim dividend for the six months ended 30th June 2022 (six months ended 30th June 2021: Nil).

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Financial Results**

For the six months ended 30th June 2022, total revenue of the Group was HK\$1,093.8 million, representing a 0.8% increase from the corresponding period last year, in which product sales was decreased by 10.6% to HK\$540.0 million while service revenue was increased by 15.2% to HK\$553.8 million. In addition, product sales and service revenue contributed 49.4% and 50.6% to total revenue respectively, compared to 55.7% and 44.3% for the corresponding period last year.

For the six months ended 30th June 2022, commercial and public sector sales contributed 39.3% and 60.7% to total revenue respectively, compared to 41.5% and 58.5% for the corresponding period last year.

Gross profit for the six months ended 30th June 2022 was HK\$128.9 million, an increase of HK\$11.6 million or 9.9% compared with the same period last year. The increases were mainly attributable to growth in orders newly secured in Hong Kong, Macau and Asia Pacific, as compared to last year.

During the period under review, the Group recorded a profit attributable to the Company's equity holders of HK\$11.3 million, turning the loss in the same period of last year into profit. It was mainly because of the significant drop in loss on deemed disposal of partial interests in an associate, compared to the loss of HK\$114.5 million recorded in the same period last year.

For the six months ended 30th June 2022, orders newly secured by the Group amounted to approximately HK\$1,295.4 million, representing a 7.6% increase from the corresponding period last year. As at 30th June 2022, the Group's order book balance was approximately HK\$1,399.6 million. The Group's net cash stood at approximately HK\$628.5 million with a working capital ratio of 1.74:1. The Group maintained a healthy financial position. As at 30th June 2022, the outstanding borrowings amounted to HK\$78.7 million.

Adjusted EBITDA for the six months ended 30th June 2022 was HK\$66.7 million, an increase of 1.8% compared with the same period last year. The "Adjusted EBITDA" excludes certain items that are non-cash or non-recurring in nature. It is a non-HKFRS financial measures used by the Company's management to evaluate the operating performance and trends of the Group's core business, to make strategic decisions regarding the allocation of capital and investments. "Adjusted EBITDA" is not a measure required by or presented in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). The use of it has limitations as an analytical tool, and should not be considered in isolation from, or as a substitute for analysis of, our results or operations or financial condition as reported under HKFRS.

The reconciliations from “Profit/(Loss) for the period” to “Adjusted EBITDA” for six months ended 30th June 2022 and 2021 are as follows:

	<b>Unaudited</b>	
	<b>Six months ended</b>	
	<b>30th June</b>	
	<b>2022</b>	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Profit/(loss) for the period – HKFRS measure</b>	<b>11,310</b>	(92,730)
Interest expenses	<b>1,550</b>	2,211
Interest income	<b>(113)</b>	(27)
Income tax expenses	<b>10,023</b>	9,534
	<hr/>	<hr/>
<b>Profit/(loss) before interest and tax</b>	<b>22,770</b>	(81,012)
<b>Adjustments for non-cash items:</b>		
Depreciation and amortisation	<b>12,390</b>	11,458
Equity-settled share-based payments expense	<b>61</b>	203
Share of results of associates	<b>33,897</b>	19,911
Loss on deemed disposal of partial interest in an associate	<b>4,082</b>	114,463
<b>Adjustments for non-recurring items:</b>		
Government grants	<b>(6,531)</b>	—
One-off professional fees	<b>—</b>	480
	<hr/>	<hr/>
<b>Adjusted EBITDA – Non-HKFRS measure</b>	<b>66,669</b>	65,503
	<hr/> <hr/>	<hr/> <hr/>

## **Core Business Review**

In the first half of 2022, the Group's core business performed steadily despite the lingering pandemic outbreak. The adjusted EBITDA recorded an increase of 1.8% as compared to same period last year. The increases are mainly attributable to growth in orders newly secured in Hong Kong, Macau and Asia Pacific, as compared to same period last year.

The Group's orders newly secured, revenue, adjusted EBITDA, and adjusted net profit recorded HK\$1,295.4 million, HK\$1,093.8 million, HK\$66.7 million, and HK\$44.4 million respectively, an increase of 7.6%, 0.8%, 1.8%, and 0.5% compared to the same period of last year respectively.

Revenue of the Group's three DevSecOps business remained broadly stable compared to the same period last year. The services of DevSecOps business outside of the DevSecOps business (see detailed description below) was systems integration.

### **Innovative Solutions Business**

(Application Development — Enhance customer experience with innovative applications; Dev)

During the reporting period, the service orders newly secured in the innovative solutions business increased as compared to last year. The main growth drivers came from professional services and orders for applications development. The Group's Offshore Delivery Excellence Center (ODEC) newly established last year in Mainland China recruited 60% more staff compared to the same period last year, successfully maintaining stable delivery capability and meeting the rapidly growing labour needs. During this reporting period, its service revenue recorded HK\$225.0 million, an increase of 30.3% compared to the same period last year.

The Group continued to support the government's fight against the pandemic and assist in promoting the Smart City Blueprint, including enhancing digital government service for two governmental disciplined forces. This year, the government issued the five-year-long "Standing Offer Agreement for Quality Professional Services 5 (SOA-QPS5)", initiating higher tender requirements for technical assessment weighting more than the previous years. While the Group ranked first in terms of market share in this sector during the first half of 2022, which reflects the Group's increasing capability in information technology service was aligned with the government's requirements of relevant services.

### **Intelligent Cybersecurity Services Business**

(Cybersecurity — Protect your assets with intelligent security technology; Sec)

The service orders newly secured in the intelligent cybersecurity services business delivered strong momentum as compared to the same period last year, with an increase of nearly 50%. During this reporting period, the service revenue reached HK\$84.4 million. The business growth was mainly driven by enterprises' needs in seeking continuous operation, remote work, automation, and centralized and managed security solutions during the pandemic.

The Group continued to successfully capture the market’s demand for new cybersecurity solution, including the provision of IoT cybersecurity solutions for a university, new managed security services under the hybrid cloud environment (including the Security Operation Center (SOC) service) for a leading fintech company, and cybersecurity solutions featuring micro-segmentation under cloud environment and DevOps integration for one of the largest charity organizations in Hong Kong.

### **Integrated Managed Services Business**

(Omni-channel Managed Services — Simplify your IT operations to increase efficiency; Ops)

The service orders newly secured in the integrated managed services business recorded a double-digit growth compared to the same period last year during this reporting period, with service revenue reaching HK\$230.1 million. The main growth drivers was contributed by ITSM information technology managed services and orders benefiting from government policies.

This business delivered outstanding performance in respective industries. In regard to the government, the Group continued to provide information technology services to support the fight against the pandemic. In respect of the logistics and transportation industry, the Group also successfully forayed into the market with its first order secured through providing ITSM services with a cloud-based environment management system. In addition, the Group has already introduced automation services to enable customers to access more convenient and interactive ITSM services.

### **New Business — Industry-specific, DevSecOps, as-a-Service**

By the end of last year, the Group launched “ASL Marketplace”, a cloud-based comprehensive online platform to showcase its latest one-stop service capability in cloud-native as-a-Service and DevSecOps integration. In the first half of 2022, the Group not only elevated the platform in the aspect of technology for the customer experience enhancement but also prepared for the launch of new products in full swing.

Moreover, the Group’s Unified Operation Center (UOC) is a delivery system that integrates DevSecOps professional IT services, which can solve continuous operation, maintenance and management optimization problems during the digital transformation journey for customers. Leveraging UOC’s quality services and remarkable reputation, the Group secured renewal orders. Orders secured during this reporting period involved local and even multinational centralized IT managed services, involving enterprise customers from various industries.

With respect to services and solutions for specific industries, the Group has already introduced a partner specialized in providing solutions for the financial industry, given that the Group’s solid customer base in the financial sector, to further consolidate its service capability and professional knowledge in this sector and it will make announcement in due course.

With its unique competitiveness in the provision of DevSecOps services, the Group received the “10 Best IT Solution Providers of 2022” award from a renowned technology magazine, testifying its capability has gained recognition in the industry.



## **Business of Associates**

Grid Dynamics Holdings, Inc. (“GDH”), an associate of the Company with business in Europe and the U.S., recorded a total revenue of US\$148.7 million (equivalent to approximately HK\$1,167.6 million) in the first half of 2022 and its non-GAAP EBITDA in the first half of 2022 was US\$24.7 million (equivalent to approximately HK\$193.6 million) according to Form 10-Q for the six months ended 30th June 2022 of GDH published on US Security and Exchange Commission website, beating market expectation. GDH’s revenue in the second quarter increased 8.3% on a sequential basis and 71.3% on a year-over-year basis as growth trends could be seen in all of its verticals. Furthermore, world-renowned brands Apple and Nike were the two largest customers of GDH.

Geopolitical factors presented certain impacts on GDH’s operation. After making efforts, GDH already terminated its operation in Russia. Most of the delivery resources together with delivery personnel from Ukraine were relocated to the research and development centers in peripheral countries in effort to smoothly liaise with customers. Meanwhile, GDH would gradually establish and expand the offshore delivery resources in India, Mexico, and Poland to support further development of business.

In the first half of 2022, GDH cooperated with several tech giants in the United States such as AWS, Google Cloud, and Microsoft Azure and introduced different partners to launch more advanced digital transformation services. Such cooperation brought immense business opportunities. Among them, GDH’s cooperation with selfologi even won the MACH Alliance Award for Best Health/Pharma Project.

i-Sprint Holdings Limited and its subsidiaries (“i-Sprint”), one of the major associates in Asia Pacific and as an international leading supplier of management, unified authentication, and access control solutions, recorded stable performance during this reporting period. It recorded a slight increase in revenue, recording approximately HK\$57.5 million, while EBITDA recorded approximately HK\$8.8 million. i-Sprint continued to receive orders from major customers in different regions and industries. During this reporting period, there were 30 new customers, which is close to the total of last year. Moreover, i-Sprint not only won the Top 10 Identity and Access Management Solutions Providers of 2022, but also its AR code, which is a bank-level, anti-counterfeiting, and copy-preventing QR code, had obtained patents in the United States, Mainland China, and Japan, showing its innovative technology has gained international recognition.

## Outlook and Prospects

The development prospects of the Asia Pacific economic circle face many risk factors. Coupled with the lingering pandemic in Hong Kong, supply chain issues, the acute shortage of technology talents caused by immigration, and the rapid increase of labour costs, the Group's business is expected to face multiple pressures and challenges in the future. To respond to the ever-changing market conditions, the Group will continue to remain resilient and agile, and seize business opportunities brought about by the pandemic simultaneously.

During the transition, the Group will make continuous transformation, promote the development of DevSecOps integrated IT services, and integrate its services into "Unified Technology Services". The Group's overall development direction will be industry-oriented. It will perfect a strong partner network (including the building of a cloud partner ecosystem), utilize its constantly-improving service-level agreement (SLA) standard and talents' technical qualification, combine the overall service delivery with service-oriented, self-branded, automated, and hybrid cloud platform — Unified Operation Center (UOC) and Security Operation Center (SOC), and flexibly make use of the resources in the Offshore Delivery Excellence Centers in Mainland China to fulfil the market needs of local or cross-regional customers for centralized IT managed services and cybersecurity.

In addition, the Group has already rolled out two new products in August this year – LearnIoTaaS (IoT Learning as-a-Service) and VEventaaS (Virtual Event Management as-a-Service) on the cloud-native ASL Marketplace to respectively fulfil the needs of STEM education measures and distance business. In future, the Group will make continuous updates to ASL Marketplace with enriched delivery content and enhanced platform (such as including automation services) for our customers to enjoy better customer experiences from a series of our self-branded as-a-Service.

Finally, the Group will focus on the sustainable development goals of all core businesses and seize development opportunities in the Guangdong-Hong Kong-Macao Greater Bay Area market, striving to become a trustworthy unified technology service partner which provides technology and professional service to customers..

## Financial Resources and Liquidity

As at 30th June 2022, the Group's total assets of HK\$2,955.6 million were financed by current liabilities of HK\$800.5 million, non-current liabilities of HK\$176.2 million and equity attributable to equity holders of the Company of HK\$1,978.9 million. The Group had a working capital ratio of approximately 1.74:1.

As at 30th June 2022, the Group had an aggregate composite banking facility from banks of approximately HK\$324.1 million (31st December 2021: HK\$346.6 million). The Group had pledged land and buildings in an aggregate amount of HK\$163.4 million (31st December 2021: HK\$166.7 million), investment properties with a carrying amount of HK\$54.3 million (31st December 2021: HK\$54.3 million) to secure Group's bank borrowings. The performance bonds issued by the Group to customers as security of contracts were approximately HK\$102.7 million as at 30th June 2022 (31st December 2021: HK\$102.5 million). The Group's gearing ratio (total borrowings over equity attributable to equity holders of the Company) was 4.0% as at 30th June 2022 (31st December 2021: 5.1%).

## **Material Acquisition and Disposal**

References are made to the announcements of the Company dated 28th February 2022 and 3rd March 2022 in relation to, among other matters, discloseable transaction in relation to the acquisition of a property in Guangzhou by Guangzhou Automated Systems Limited (an indirect wholly-owned subsidiary of the Company).

Save as disclosed above, during the six months ended 30th June 2022, neither the Company nor any of its subsidiaries had other material acquisition or disposal.

## **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, clean import loans, overdrafts and term loans. The interest rates of most of them are fixed by reference to the respective countries' Interbank Offer Rate. The bank deposits are mainly denominated in Hong Kong dollars ("HKD") and United States dollars ("USD"). The bank borrowings are denominated in HKD.

## **Foreign Exchange Exposure**

The Group mainly earns revenue and incurs costs in HKD and USD. Foreign exchange exposure to USD 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 HKD to USD remains in effect. There was no material exposure to fluctuations in exchange rates and therefore no related hedging financial instrument was applied during the six months ended 30th June 2022 (six months ended 30th June 2021: same).

## **Contingent Liabilities**

As at 30th June 2022, performance bonds of approximately HK\$102.7 million (31st December 2021: HK\$102.5 million) had been issued by the bank on behalf of the Group to customers as security of contracts.

## **Capital Commitments**

As at 30th June 2022, the Group had contracted capital commitment in respect of property, plant and equipment of approximately HK\$3.0 million (31st December 2021: HK\$0.4 million).

## **Employee and Remuneration Policies**

As at 30th June 2022, the Group, excluding its associates, employed 1,449 permanent and contract staff in Hong Kong, Mainland China, Taiwan, Macau 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.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

During the six months ended 30th June 2022, 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, risk management and internal control systems and financial reporting matters including the review of the unaudited interim results.

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules. The Company has made specific enquiry of all Directors regarding any non-compliance with the Model Code during the six months ended 30th June 2022, and they all confirmed that they have fully complied with the required standards set out in the Model Code.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Company has complied with the Corporate Governance Code (the “CG Code”) set out in Appendix 14 to the Listing Rules throughout the six months ended 30th June 2022, except as noted below:

With respect to CG Code provision C.1.6, a Non-Executive Director was unable to attend the annual general meeting of the Company held on 30th May 2022 due to other commitments.

By Order of the Board  
**Automated Systems Holdings Limited**  
**Wang Yueou**  
*Executive Director and Chief Executive Officer*

Hong Kong, 24th August 2022

*As at the date of this announcement, the Board comprises Mr. Wang Weihang and Mr. Wang Yueou being Executive Directors; Mr. Cui Yong being Non-Executive Director; and Mr. Pan Xinrong, Mr. Deng Jianxin and Ms. Or Siu Ching, Rerina being Independent Non-Executive Directors.*