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AUTOMATED SYSTEMS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

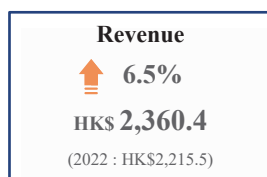
(Stock Code: 771)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31ST DECEMBER 2023

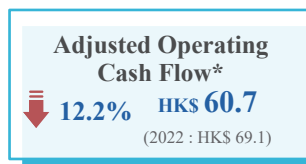
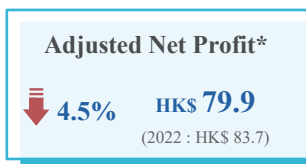
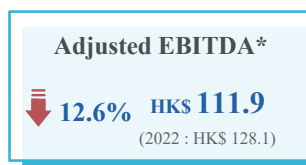
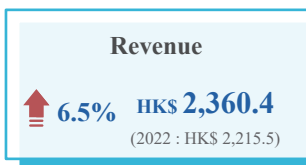
GROUP PERFORMANCE OVERVIEW

(HK\$ million)

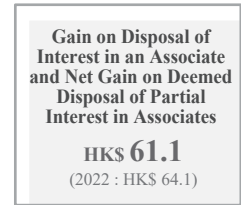
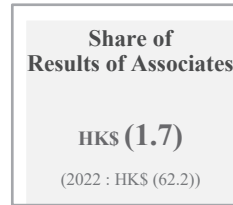
Group Consolidated Financial Result



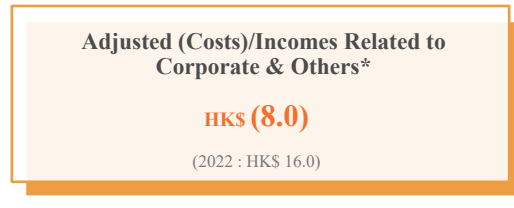
Core Business



Interest in Associates



Non-Operating Items



Adjusted EBITDA:

Adjusted Earnings Before Interest, Taxes, Depreciation, and Amortisation ("Adjusted EBITDA") is calculated based on profit for the year excluding interest income and expenses, tax, depreciation and amortisation, fair value change on investment properties, equity-settled share-based payments expense, government grants, share of results of associates, gain on disposal of interest in an associate, net gain on deemed disposal of partial interest in an associate and remeasurement of employee benefit obligation.

Adjusted Net Profit:

Adjusted Net Profit is calculated based on Adjusted EBITDA adding back depreciation and amortisation and income tax expense and tax adjustments from the remeasurement of employee benefit obligation and gain on disposal of the partial interest in an associate.

Adjusted Operating Cash Flow:

Operating cash flow of core business is calculated based on net cash from operating activities of the Group excluding tax refund in relation to disposal of the partial interest in an associate and government grants.

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

Mainly represent the fair value change on investment properties, equity-settled share-based payments expense, government grants, tax adjustments from the gain on disposal of the partial interest in an associate, finance costs and income and tax adjustments from the remeasurement of employee benefit obligation.

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.

Unified Technology 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.

*:

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 (the “Board”) of directors (the “Directors”) of Automated Systems Holdings Limited (the “Company”) are pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group” or “ASL”) for the year ended 31st December 2023 together with comparative figures for the year ended 31st December 2022 as follows:

Consolidated Statement of Profit or Loss

		Audited	
		Year ended	
		31st December	
		2023	2022
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	3	2,360,425	2,215,486
Cost of goods sold		(1,034,782)	(945,735)
Cost of services rendered		(1,079,686)	(996,459)
Other income	4	15,736	4,427
Other gain, net	5	59,713	61,467
Fair value loss on investment properties		(1,200)	(2,300)
Selling expenses		(101,218)	(90,188)
Administrative expenses		(66,075)	(61,729)
Finance income	6	249	158
Finance costs		(2,563)	(3,545)
Share of results of associates		(1,685)	(62,196)
Profit before income tax	7	148,914	119,386
Income tax expense	8	(17,595)	(17,801)
Profit for the year attributable to equity holders of the Company		<u>131,319</u>	<u>101,585</u>
		<i>HK cents</i>	<i>HK cents</i>
Earnings per share attributable to equity holders of the Company:	<i>10</i>		
– Basic		15.75	12.19
– Diluted		<u>15.75</u>	<u>12.18</u>

Consolidated Statement of Comprehensive Income

	Audited Year ended 31st December	
	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Profit for the year	131,319	101,585
Other comprehensive income/(loss):		
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Revaluation surplus/(loss) of land and buildings	5,016	(753)
Deferred taxation arising from revaluation of land and buildings	(828)	124
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of overseas operations	1,931	(6,017)
Share of other comprehensive income/(loss) of associates	5,059	(589)
Total comprehensive income for the year attributable to equity holders of the Company	<u>142,497</u>	<u>94,350</u>

Consolidated Statement of Financial Position

		Audited	
		31st December	
		2023	2022
	<i>Notes</i>	HK\$'000	HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	<i>11</i>	337,048	339,757
Investment properties	<i>12</i>	50,800	52,000
Intangible assets		–	–
Interests in associates	<i>13</i>	1,258,056	1,192,897
Prepayments	<i>15</i>	2,350	–
Financial asset at fair value through other comprehensive income (“FVOCI”)		3,906	3,899
Finance lease receivables		2,499	2,362
Deferred income tax assets		781	1,213
		<u>1,655,440</u>	<u>1,592,128</u>
CURRENT ASSETS			
Inventories		295,890	286,532
Trade receivables	<i>14</i>	228,692	192,079
Finance lease receivables		1,726	2,656
Other receivables, deposits and prepayments	<i>15</i>	41,900	28,713
Contract assets		344,583	368,298
Tax recoverable		3,044	14,242
Time deposits	<i>16</i>	287,218	–
Bank balances and cash	<i>16</i>	252,401	547,635
		<u>1,455,454</u>	<u>1,440,155</u>
TOTAL ASSETS		<u><u>3,110,894</u></u>	<u><u>3,032,283</u></u>
EQUITY			
Share capital		83,370	83,370
Share premium		403,164	403,164
Reserves		<u>1,690,782</u>	<u>1,573,285</u>
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		<u>2,177,316</u>	<u>2,059,819</u>

Consolidated Statement of Financial Position (Continued)

		Audited	
		31st December	
		2023	2022
	<i>Notes</i>	HK\$'000	HK\$'000
NON-CURRENT LIABILITIES			
Deferred income tax liabilities		170,229	169,423
Lease liabilities		5,969	2,166
		<u>176,198</u>	<u>171,589</u>
CURRENT LIABILITIES			
Trade payables	<i>17</i>	302,821	313,598
Other payables and accruals	<i>18</i>	179,245	169,077
Receipts in advance		253,535	246,561
Current income tax liabilities		5,331	7,724
Bank borrowings	<i>19</i>	11,259	56,347
Lease liabilities		5,189	7,568
		<u>757,380</u>	<u>800,875</u>
TOTAL LIABILITIES		<u>933,578</u>	<u>972,464</u>
TOTAL EQUITY AND LIABILITIES		<u>3,110,894</u>	<u>3,032,283</u>
NET CURRENT ASSETS		<u>698,074</u>	<u>639,280</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,353,514</u>	<u>2,231,408</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKAS”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the accounting principles generally accepted in Hong Kong.

The consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and 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”).

The consolidated financial statements have been prepared under the historical cost basis except for land and buildings, investment properties and equity investment classified as financial assets at FVOCI, which are stated at fair values.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

2. MATERIAL ACCOUNTING POLICIES

(i) New and amended HKFRSs that are effective for the annual periods beginning on 1st January 2023:

In the current year, the Group has applied for the first time the following new and amended HKFRSs issued by the HKICPA effective for the Group’s consolidated financial statements for the annual period beginning on 1st January 2023:

HKFRS 17	Insurance Contracts and other amendments
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

The adoption of these new and amended HKFRSs has no material impact on how the results and financial position of the Group for the current and prior periods have been prepared and presented.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(ii) Issued but not yet effective HKFRSs:

At the date of authorisation of these consolidated financial statements, certain amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ¹
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 ¹
Amendments to HKAS 1	Non-current Liabilities with Covenants ¹
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements ¹
Amendments to HKAS 21	Lack of Exchangeability ²

¹ Effective for annual periods beginning on or after 1st January 2024

² Effective for annual periods beginning on or after 1st January 2025

³ Effective date not yet determined

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning on or after the effective date of the pronouncement. The amended HKFRSs are not expected to have a material impact on the Group's financial statements.

3. REVENUE AND SEGMENT INFORMATION

The Group's revenue is analysed as follows:

	Audited Year ended 31st December	
	2023	2022
	HK\$'000	HK\$'000
Sales of goods	1,179,728	1,090,786
Revenue from service contracts	<u>1,180,697</u>	<u>1,124,700</u>
	<u><u>2,360,425</u></u>	<u><u>2,215,486</u></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 currently organised into two (2022: two) operating divisions—Information Technology Products (“IT Products”) and Information Technology Services (“IT Services”).

3. REVENUE AND SEGMENT INFORMATION (Continued)

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:

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.

The Group's revenue and results by operating segments for the year are presented below:

Audited

Year ended 31st December 2023

	IT Products <i>HK\$'000</i>	IT Services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue from external customers	1,179,728	1,180,697	2,360,425
Intersegment revenue	<u>1,765</u>	<u>27,973</u>	<u>29,738</u>
Segment revenue	1,181,493	1,208,670	2,390,163
Reportable segment profit	98,702	46,720	145,422
Segment depreciation	3,385	13,792	17,177
Additions to property, plant and equipment*	<u>28</u>	<u>3,091</u>	<u>3,119</u>

* Additions to property, plant and equipment of HK\$15,727,000 were related to unallocated assets.

Audited

Year ended 31st December 2022

	IT Products <i>HK\$'000</i>	IT Services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue from external customers	1,090,786	1,124,700	2,215,486
Intersegment revenue	<u>2,433</u>	<u>21,695</u>	<u>24,128</u>
Segment revenue	1,093,219	1,146,395	2,239,614
Reportable segment profit	101,600	77,818	179,418
Segment depreciation	3,432	13,531	16,963
Additions to property, plant and equipment*	<u>61</u>	<u>4,314</u>	<u>4,375</u>

* Additions to property, plant and equipment of HK\$55,085,000 were related to unallocated assets.

3. REVENUE AND SEGMENT INFORMATION (Continued)

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

Audited

As at 31st December 2023

	IT Products <i>HK\$'000</i>	IT Services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Reportable segment assets	506,343	395,947	902,290
Reportable segment liabilities	<u>344,080</u>	<u>263,683</u>	<u>607,763</u>

Audited

As at 31st December 2022

	IT Products <i>HK\$'000</i>	IT Services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Reportable segment assets	467,958	398,915	866,873
Reportable segment liabilities	<u>378,680</u>	<u>226,424</u>	<u>605,104</u>

(a) Segment accounting policies

The accounting policies of the reportable segments are the same as the Group's accounting policies. Performance is measured based on segment profit that is used by the chief operating decision maker for the purposes of resource allocation and assessment of segment performance. Income tax expense is not allocated to reportable segments.

The revenue, profit or loss, assets and liabilities of the Group are allocated based on the operations of the segments.

Reportable segment profit is profit before income tax, excluding unallocated other income, unallocated other gain, net, share of results of associates, unallocated depreciation for property, plant and equipment that are used for all segments, fair value loss on investment properties, finance costs and unallocated corporate expenses (mainly include staff costs and other general administrative expenses) of the head office.

Reportable segment assets exclude interests in associates, deferred income tax assets, tax recoverable, time deposits, bank balances and cash and unallocated corporate assets (mainly include property, plant and equipment and investment properties that are used by all segments, prepayments, deposits, other receivables and financial asset at FVOCI).

Reportable segment liabilities exclude current income tax liabilities, deferred income tax liabilities and unallocated corporate liabilities, which mainly include lease liabilities, accrued charges of the head office and bank borrowings.

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:

	Audited	
	Year ended	
	31st December	
	2023	2022
	HK\$'000	HK\$'000
Revenue		
Reportable segment revenue	2,390,163	2,239,614
Elimination of intersegment revenue	(29,738)	(24,128)
	<u>2,360,425</u>	<u>2,215,486</u>
Revenue per consolidated statement of profit or loss	<u>2,360,425</u>	<u>2,215,486</u>

	Audited	
	Year ended	
	31st December	
	2023	2022
	HK\$'000	HK\$'000
Profit or loss		
Reportable segment profit	145,422	179,418
Unallocated amounts:		
Unallocated other income	13,813	4,046
Unallocated other gain, net	59,713	61,467
Fair value loss on investment properties	(1,200)	(2,300)
Unallocated depreciation	(8,344)	(7,709)
Share of results of associates	(1,685)	(62,196)
Finance costs	(2,563)	(3,545)
Unallocated corporate expenses	(56,242)	(49,795)
	<u>148,914</u>	<u>119,386</u>
Profit before income tax per consolidated statement of profit or loss	<u>148,914</u>	<u>119,386</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)

	Audited	
	31st December	
	2023	2022
	HK\$'000	HK\$'000
Assets		
Reportable segment assets	902,290	866,873
Unallocated assets:		
Interests in associates	1,258,056	1,192,897
Deferred income tax assets	781	1,213
Tax recoverable	3,044	14,242
Time deposits	287,218	–
Bank balances and cash	252,401	547,635
Unallocated corporate assets	<u>407,104</u>	<u>409,423</u>
Total assets per consolidated statement of financial position	<u><u>3,110,894</u></u>	<u><u>3,032,283</u></u>

	Audited	
	31st December	
	2023	2022
	HK\$'000	HK\$'000
Liabilities		
Reportable segment liabilities	607,763	605,104
Unallocated liabilities:		
Current income tax liabilities	5,331	7,724
Deferred income tax liabilities	170,229	169,423
Unallocated corporate liabilities	<u>150,255</u>	<u>190,213</u>
Total liabilities per consolidated statement of financial position	<u><u>933,578</u></u>	<u><u>972,464</u></u>

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.

	Revenue from external customers Audited Year ended 31st December	
	2023 HK\$'000	2022 HK\$'000
Place of domicile		
Hong Kong	2,232,844	2,117,204
Mainland China	7,258	4,154
Macau	56,202	29,917
Thailand	50,363	47,529
Taiwan	13,758	16,682
	<u>2,360,425</u>	<u>2,215,486</u>

Information about major customers

The Group has one (2022: one) customer with whom transaction exceeded 10% of the Group's revenue amounted to approximately HK\$295,481,000 during the year ended 31st December 2023 (2022: HK\$377,407,000).

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 and investment properties, the location of the operations to which they are allocated in the case of intangible assets and prepayments, and the location of operations in the case of interests in associates.

	Specified non-current assets Audited 31st December	
	2023 HK\$'000	2022 HK\$'000
Place of domicile		
Hong Kong	333,437	335,461
US	1,232,932	1,172,146
Singapore	25,124	19,952
Mainland China	53,902	52,545
Macau	1,816	3,688
Thailand	973	333
Taiwan	70	529
	<u>1,648,254</u>	<u>1,584,654</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 of time, details of the Group's timing of revenue recognition were as follows:

	Audited	
	Year ended	
	31st December	
	2023	2022
	HK\$'000	HK\$'000
Timing of revenue recognition		
At a point in time	1,362,195	1,256,420
Over time	998,230	959,066
	<hr/>	<hr/>
Revenue from external customers	2,360,425	2,215,486
	<hr/> <hr/>	<hr/> <hr/>

Revenue relates to performance obligation that are unsatisfied as at 31st December 2023 amounted to HK\$1,508,621,000 (2022: HK\$1,395,613,000) are expected to be recognised within one to five years.

4. OTHER INCOME

	Audited	
	Year ended	
	31st December	
	2023	2022
	HK\$'000	HK\$'000
Interest on bank deposits	10,736	398
Rental income from investment properties	2,836	2,751
Others	2,164	1,278
	<hr/>	<hr/>
	15,736	4,427
	<hr/> <hr/>	<hr/> <hr/>

5. OTHER GAIN, NET

	Audited	
	Year ended	
	31st December	
	2023	2022
	HK\$'000	HK\$'000
Loss on disposal of property, plant and equipment	(3)	–
Gain on disposal of interest in an associate	668	–
Exchange loss, net	(1,319)	(2,460)
Net gain on deemed disposal of partial interest in an associate	60,394	64,063
Others	(27)	(136)
	<hr/>	<hr/>
	59,713	61,467
	<hr/> <hr/>	<hr/> <hr/>

6. FINANCE INCOME

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

7. PROFIT BEFORE INCOME TAX

	Audited	
	Year ended	
	31st December	
	2023	2022
	HK\$'000	HK\$'000
Profit before income tax is arrived at after charging/(crediting):		
Auditors' remuneration:		
Audit services		
– Current year	2,167	2,183
– Under/(Over)-provision in respect of prior year	50	(120)
Non-audit services	1,082	950
Depreciation:		
– Property, plant and equipment–owned assets	18,339	17,844
– Property, plant and equipment–right-of-use assets	7,182	6,828
Lease charges:		
– Short term leases	730	2,008
ECL allowance of trade receivables	489	1,207
Reversal of ECL allowance of trade receivables	(92)	(396)
Reversal of provision for obsolete inventories, net	(3)	(48)
Write off of inventories	79	64
	<u>79</u>	<u>64</u>

8. INCOME TAX EXPENSE

	Audited	
	Year ended	
	31st December	
	2023	2022
	HK\$'000	HK\$'000
Current taxation:		
Hong Kong profits tax (<i>Note (i)</i>)	13,866	17,943
Overseas taxation (<i>Note (ii)</i>)	2,557	1,417
Under/(Over) provision in respect of prior years:		
Hong Kong profits tax	85	(63)
Overseas taxation	884	(1,939)
	<u>17,392</u>	<u>17,358</u>
Deferred taxation:		
Current year	203	443
Income tax expense	<u>17,595</u>	<u>17,801</u>

8. INCOME TAX EXPENSE (Continued)

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 years ended 31st December 2023 and 2022, Hong Kong profits tax of a subsidiary of the Company is calculated in accordance with the two-tiered profits tax rates regime.
- (ii) Taxation on overseas profit has been calculated on the assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

9. DIVIDENDS

	Audited	
	Year ended	
	31st December	
	2023	2022
	HK\$'000	HK\$'000
Dividend approved and paid:		
Final dividend in respect of the year ended 31st December 2022 of 3.0 HK cents (2022: in respect of the year ended 31st December 2021 of 3.0 HK cents) per share	<u><u>25,011</u></u>	<u><u>25,011</u></u>

	Year ended	
	31st December	
	2023	2022
	HK\$'000	HK\$'000
Dividend proposed:		
Final dividend in respect of the year ended 31st December 2023 of 3.0 HK cents (2022: in respect of the year ended 31st December 2022 of 3.0 HK cents) per share (Note)	<u><u>25,011</u></u>	<u><u>25,011</u></u>

The Directors have resolved to recommend the payment of a final dividend in respect of the year ended 31st December 2023 of 3.0 HK cents per share subject to the approval of shareholders at the forthcoming annual general meeting.

Note:

The proposed final dividend for the year ended 31st December 2023, as referred to above, is calculated on the basis of 833,696,492 (2022: 833,696,492) ordinary shares in issue as at 31st December 2023 and at a final dividend of 3.0 HK cents (2022: 3.0 HK cents) per share.

10. EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

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

	Audited	
	Year ended	
	31st December	
	2023	2022
	HK\$'000	HK\$'000
Profit attributable to equity holders of the Company for basic and diluted earnings per share	<u>131,319</u>	<u>101,585</u>
	Number of shares	
	2023	2022
	'000	'000
Weighted average number of ordinary shares for basic earnings per share (<i>Note (a)</i>)	833,696	833,671
Effect of dilutive potential ordinary shares		
– Share options (<i>Note (b)</i>)	<u>–</u>	<u>346</u>
Weighted average number of ordinary shares for diluted earnings per share	<u>833,696</u>	<u>834,017</u>
	Audited	
	Year ended	
	31st December	
	2023	2022
	HK cents	HK cents
Earnings per share		
– Basic	15.75	12.19
– Diluted	<u>15.75</u>	<u>12.18</u>

Notes:

- (a) The 833,696,000 ordinary shares are derived from the weighted average number of ordinary shares in issue during the year ended 31st December 2023.

The 833,671,000 ordinary shares are derived from the weighted average number of ordinary shares in issue during the year ended 31st December 2022.

- (b) The calculation of the diluted earnings per share for the years ended 31st December 2023 has not taken into account the exercise of the share options of the Company granted in 2017 and the effect of the dilutive instruments issued by the Group's associates as they are considered as anti-dilutive.

The calculation of the diluted earnings per share for the years ended 31st December 2022 has taken into account the exercise of the share options of the Company granted in 2012 and 2017 but has not taken into account the effect of the dilutive instruments issued by the Group's associates as they are considered as anti-dilutive.

11. PROPERTY, PLANT AND EQUIPMENT

During the year ended 31st December 2023, additions to property, plant and equipment was approximately HK\$18,846,000 (2022: HK\$59,460,000), mainly for the acquisition of computer and office equipment and furniture and fixtures (2022: property in Guangzhou, computer and office equipment and furniture and fixtures). During the year ended 31st December 2023, addition to right-of-use assets, right-of-use assets with reassessment of lease term and lease modification of HK\$67,000 (2022: nil), HK\$6,325,000 (2022: HK\$4,935,000) and HK\$2,492,000 (2022: nil), respectively, which are related to office premises and office equipment.

The Group's land and buildings were stated at valuations made at 31st December 2023 and 2022. The land and buildings were last revalued by an independent professional valuer, at 31st December 2023 and 2022, at market value basis which is determined by reference to market evidence of recent transactions for similar properties. The revaluation gave rise to a revaluation surplus net of applicable deferred income taxes of approximately HK\$4,188,000 (2022: revaluation loss net of applicable deferred income taxes of approximately HK\$629,000) which has been included in the property revaluation reserve.

As at 31st December 2023, if the land and buildings had not been revalued, they would have been included in these consolidated financial statements at historical cost, less accumulated depreciation and amortisation, of approximately HK\$76,013,000 (2022: HK\$78,947,000).

As at 31st December 2023, the Group had pledged land and buildings with carrying amount of HK\$156,000,000 (2022: HK\$159,600,000) to secure banking facilities granted to the Group as disclosed in Note 20.

12. INVESTMENT PROPERTIES

The investment properties of the Group were last revalued by an independent professional valuer at 31st December 2023 and 2022 at market value basis, which is determined by reference to market evidence of recent transactions for similar properties.

As at 31st December 2023, the Group had pledged investment properties with carrying amount of HK\$50,800,000 (2022: HK\$52,000,000) to secure banking facilities granted to the Group as disclosed in Note 20.

13. INTERESTS IN ASSOCIATES

	Audited	
	31st December	
	2023	2022
	HK\$'000	HK\$'000
At 1st January	1,192,897	1,191,768
Dividend received	(699)	–
Disposal of interest in an associate	(324)	–
Net gain on deemed disposal of partial interest in an associate	60,394	64,063
Share of results of associates	(1,685)	(62,196)
Share of other comprehensive income/(loss) of associates	5,059	(589)
Exchange realignment	2,414	(149)
	1,258,056	1,192,897
At 31st December	1,258,056	1,192,897

14. TRADE RECEIVABLES

	Audited	
	31st December	
	2023	2022
	HK\$'000	HK\$'000
Trade receivables – gross	238,204	201,194
Less: ECL allowance	<u>(9,512)</u>	<u>(9,115)</u>
Trade receivables – net	<u>228,692</u>	<u>192,079</u>

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.

Based on the invoice dates, the ageing analysis of the gross trade receivables is as follows:

	Audited	
	31st December	
	2023	2022
	HK\$'000	HK\$'000
0 – 30 days	131,852	128,816
31 – 60 days	55,324	26,553
61 – 90 days	19,190	15,575
Over 90 days	<u>31,838</u>	<u>30,250</u>
	<u>238,204</u>	<u>201,194</u>

15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Audited	
	31st December	
	2023	2022
	HK\$'000	HK\$'000
Other receivables	2,104	2,082
Deposits	5,975	6,652
Prepayments	28,689	16,258
Amount due from ultimate holding company	832	832
Amounts due from associates	7,482	3,239
Amount due from a fellow subsidiary	<u>–</u>	<u>482</u>
Other receivables, deposits and prepayments – gross	45,082	29,545
Less: ECL allowance	<u>(832)</u>	<u>(832)</u>
Other receivables, deposits and prepayments – net	<u>44,250</u>	<u>28,713</u>
Representing:		
Non-current assets	2,350	–
Current assets	<u>41,900</u>	<u>28,713</u>
	<u>44,250</u>	<u>28,713</u>

16. TIME DEPOSITS/BANK BALANCES AND CASH

Time deposits at 31st December 2023 represented bank deposits placed in banks in the US. The interest rate ranged from 5.0% to 5.3% (2022: nil) per annum and are denominated in USD.

As at 31st December 2023, bank balances carry interest at market rates with an average interest rate of 0.39% (2022: 0.10%) per annum.

17. TRADE PAYABLES

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

	Audited	
	31st December	
	2023	2022
	HK\$'000	HK\$'000
Current	222,681	204,746
Within 30 days	51,376	69,145
31 – 60 days	6,132	20,663
61 – 90 days	3,313	2,059
Over 90 days	19,319	16,985
	<u>302,821</u>	<u>313,598</u>

18. OTHER PAYABLES AND ACCRUALS

	Audited	
	31st December	
	2023	2022
	HK\$'000	HK\$'000
Other payables	6,313	5,026
Accruals	169,198	162,778
Amount due to ultimate holding company	1,460	1,247
Amounts due to associates	2,252	26
Amount due to a fellow subsidiary	22	–
	<u>179,245</u>	<u>169,077</u>

19. BANK BORROWINGS

	Audited	
	31st December	
	2023	2022
	HK\$'000	HK\$'000
Current		
Bank borrowings, secured	11,259	56,347
	<u>11,259</u>	<u>56,347</u>

19. BANK BORROWINGS (Continued)

The Group's bank borrowings are repayable as follows:

	Audited	
	31st December	
	2023	2022
	HK\$'000	HK\$'000
Within one year or on demand	<u>11,259</u>	<u>56,347</u>

The bank borrowings are repayable by 60 equal monthly instalments commencing from 29th March 2019 and bears interest at floating interest rate. As at 31st December 2023, the bank borrowings bears interest at floating interest rate and are denominated in Hong Kong Dollar with an effective interest rate of 6.78% (2022: 5.60%) per annum.

As at 31st December 2023, the bank borrowings are secured by:

- (1) the legal charges over the Group's land and buildings with carrying amount of approximately HK\$156,000,000 (2022: HK\$159,600,000) (Note 11);
- (2) the legal charges over the Group's investment properties with carrying amount of HK\$50,800,000 (2022: HK\$52,000,000) (Note 12);
- (3) the guarantee given by the Company and certain subsidiaries of the Group up to a limit of HK\$330,000,000 (2022: HK\$330,000,000);
- (4) assignment of rental and sales proceeds from the Group's land and buildings and investment properties; and
- (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 31st December 2023 and 2022.

20. PLEDGE OF ASSETS

As at 31st December 2023, the Group's land and buildings with carrying amount of HK\$156,000,000 (2022: HK\$159,600,000) (Note 11) and investment properties with carrying amount of HK\$50,800,000 (2022: HK\$52,000,000) (Note 12) were pledged to secure the Group's bank borrowings.

DIVIDEND

The Directors have resolved to recommend the payment of a final dividend of 3.0 HK cents per share for the year ended 31st December 2023 (2022: 3.0 HK cents). Subject to the approval of shareholders at the forthcoming annual general meeting, the proposed final dividend is expected to be paid on Wednesday, 26th June 2024 to shareholders whose names appear on the register of members of the Company on Wednesday, 12th June 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

For the year ended 31st December 2023, total revenue of the Group was HK\$2,360.4 million, representing a 6.5% increase from the last year, in which product sales was increased by 8.2% to HK\$1,179.7 million and service revenue was increased by 5.0% to HK\$1,180.7 million. In addition, product sales and service revenue contributed 50.0% and 50.0% to total revenue respectively, compared to 49.2% and 50.8% respectively of last year.

For the year ended 31st December 2023, commercial and public sector sales contributed 42.4% and 57.6% to total revenue respectively, compared to 37.8% and 62.2% respectively of last year.

Gross profit for the year ended 31st December 2023 was HK\$246.0 million, a decrease of HK\$11.6 million or 4.5% compared to last year, factoring out the government grants for wage subsidies, the decreases were mainly attributable to the increased staff costs in project delivery.

During the year under review, the Group recorded a profit for the year attributable to the Company's equity holders of HK\$131.3 million, an increase of 29.3% compared to last year of HK\$101.6 million. The increase was primarily attributable to the increase in gains from interest in an associate for non-recurring items as compared to last year.

For the year ended 31st December 2023, orders newly secured by the Group's amounted to approximately HK\$2,496.4 million. As at 31st December 2023, the Group's order book balance was approximately HK\$1,508.6 million. The Group's bank balances and cash and time deposits in total stood at approximately HK\$539.6 million with a working capital ratio of 1.92:1. The Group maintained a healthy financial position. As at 31st December 2023, the outstanding borrowings amounted to HK\$11.3 million.

Adjusted Earnings Before Interest, Taxes, Depreciation, and Amortisation ("Adjusted EBITDA") for the year ended 31st December 2023 was HK\$111.9 million, a decrease of 12.6% compared to 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 for the year” to “Adjusted EBITDA” the year ended 31st December 2023 and 2022 are as follows:

	Year ended	
	31st December	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the year – HKFRS measure	131,319	101,585
Interest expenses	2,563	3,545
Interest income	(10,736)	(398)
Income tax expenses	17,595	17,801
	<hr/>	<hr/>
Profit before interest and tax	140,741	122,533
Adjustments for non-cash items:		
Depreciation and amortisation	25,521	24,672
Equity-settled share-based payments expense	11	53
Share of results of associates	1,685	62,196
Fair value loss on investment properties	1,200	2,300
Adjustments for non-recurring items:		
Gain on disposal of interest in an associate	(668)	–
Net gain on deemed disposal of partial interest in an associate	(60,394)	(64,063)
Remeasurement of employee benefit obligations	3,839	–
Government grants	–	(19,607)
	<hr/>	<hr/>
Adjusted EBITDA – Non-HKFRS measure	111,935	128,084
	<hr/> <hr/>	<hr/> <hr/>

Core Business Review

During the year, our performance remained steady. The Group recorded orders newly secured and revenue of HK\$2,496.4 million and HK\$2,360.4 million, representing an increase of 3.0% and 6.5% respectively. Adjusted EBITDA and adjusted net profit reached HK\$111.9 million, and HK\$79.9 million respectively. The Group's three businesses, namely DevSecOps, showed stable growth in service revenue compared to last year.

Innovative Solutions Business

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

Innovative Solutions Business saw an increase in service orders newly secured as compared to last year. The increase was mainly attributable to higher orders amount for application development and the provision of IT outsourcing services. During the year, its service revenue recorded HK\$497.0 million.

For sector performance, the Group delivered outstanding results particularly in the government and healthcare sectors. Benefiting from the government's continuous investment in information technology, even in the post-pandemic era, the Group captured growth in the government sector. During the year, the Group actively supported the government's initiative in implementing digital transformation and contributed to the Smart City development. For example, the Group participated in the implementation of the "iAM Smart (智方便)". Furthermore, orders for application maintenance hit a record high, whilst cloud service and maintenance renewal business showed steady growth. The Group's continuous penetration in specific organizations have yielded excellent results during the year.

Intelligent Cybersecurity Services Business

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

In regard of the Intelligent Cybersecurity Services business, the service orders newly secured recorded a double-digit growth as compared to last year. During the year, service revenue amounted to HK\$196.5 million. The main business growth was due to the ongoing demand from cybersecurity, banking and education customers for security operation center. The consulting and professional services of the Group's Security Operation Center (SOC²) in Macau gained popularity among customers, further expanding our cybersecurity business in the Greater Bay Area. Furthermore, the Group received orders for DevSec and IoT security solutions from large enterprises.

For sector performance, the Group showed remarkable performance in the government sector and finance industry. Furthermore, during the year, the Group not only strengthened collaborations with Chinese brands, but also opened a third Security Operation Center (SOC) at its Greater Bay Area headquarters. Continuous investment of resources was made to enhance information and cybersecurity protection capabilities in order to support the Group's unique unified technology services.

Integrated Managed Services Business

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

During the year, service orders newly secured in the Integrated Managed Services Business presented growth compared to last year. Despite a decrease in orders related to the pandemic, the service revenue recorded HK\$437.2 million, fueled by market demand for ITSM projects, DevSecOps and managed services.

For sector performance, the Group utilized its unique DevSecOps managed services maturity model and through automation technology and process management, successfully renewed its managed service contracts with multiple banks and other industries clients. We also expanded our reach to clientele in the education sector. In particular, we effectively met the demand of an institution from the banking, finance, securities and insurance industries for managed service at its service center located in the Greater Bay Area. Furthermore, we successfully secured a DevSecOps managed service order from a financial institution for providing comprehensive service desk support and application managed services. During the year, the Group continued to strengthen teamwork capabilities.

Enhancement of Platform-Driven DevSecOps Services and the Provision of Cloud-native “as-a-Service”

For new businesses, the Group actively develops hybrid cloud services and continuously improves the capabilities of its service platform. As a result of such efforts, our platform-driven services have gained wider recognition from its customers, especially with a significant increase in orders for the Unified Operation Center (UOC), a hybrid cloud platform. We have successfully penetrated into the government sector and secured our first UOC order. In addition, the “ASL Marketplace”, a cloud-native platform launched a new as-a-Service product, showcasing cloud-native and one-stop DevSecOps capabilities.

Implementing Sector-Focus Strategies and Actively Expanding Footprint in the Greater Bay Area

The Group is actively fostering its presence in the Greater Bay Area through enhancing its technology services and conducting customer demand analysis. In 2023, the Group collaborated with a leading global financial technology provider, Finastra to enhance training for tech talent and marketing promotion in the finance industry, securing multiple orders. During the year, the Group expanded our talent pool and accelerated regional footprint. In August 2023, we opened our headquarters in the Greater Bay Area, expanded our technical team, and enhanced offshore delivery capabilities.

Furthermore, the Group has also undertaken adjustments to its business operation model, aiming to strengthen its ability to make strategic breakthrough in key sectors. We also integrated delivery resources and technical capabilities based on the characteristics of information technology development in different sectors, aiming to better serve clients in these sectors.

“ASL Solution Day”

In 2023, the Group celebrated its 50th anniversary and hosted a series of activities to honoring the past and forging a bright future. At the flagship event – “ASL Solution Day 2023”, we not only introduced new CI system and business strategies but also showcased our integrated solutions by focusing on our integrated service capability, rather than simply promoting individual products. This event symbolizes the Group’s transformation from providing integrated hardware, software and technical services towards becoming a comprehensive service integration supplier driven by sector demands.

Business of Associates

Grid Dynamics Holdings, Inc. (“GDH”, NASDAQ ticker symbol: GDYN), an associate with business in Europe and the U.S., is adept in navigating uncertainties. In 2023, GDH added 33 enterprise customers, scaled its delivery locations across Poland, India, and Mexico, enhanced its sales and research and development organizations with greater industry expertise, especially in supply-chain, manufacturing, financial services, and pharmaceutical. GDH were recognized by hyperscalers such as Google, Amazon, and Microsoft for its artificial intelligence (“AI”) capabilities and other technical skills. Besides, AI is now infused across all of its industry practices, with many new customers embracing AI in their solutions.

According to Form 10-K for the year ended 31st December 2023 of GDH published on the U.S. Securities and Exchange Commission website, GDH’s annual total revenue in 2023 increased from US\$310.5 million (equivalent to approximately HK\$2,425.4 million) in 2022 to US\$312.9 million (equivalent to approximately HK\$ 2,444.4 million), up by 0.8%. Non-GAAP EBITDA was US\$44.2 million (equivalent to approximately HK\$ 345.6 million), compared to US\$58.2 million (equivalent to approximately HK\$454.7 million) in 2022. GDH continues to diversify its industry structure.

i-Sprint Holdings Limited and its subsidiaries (collectively “i-Sprint”), one of the major associates in Asia Pacific, recorded a stable business performance during the year, with its revenue and EBITDA reaching approximately HK\$128.5 million and approximately HK\$29.5 million respectively. i-Sprint experienced significant growth in new customers and successfully renewed contracts with multiple existing clients. i-Sprint’s products has been recognized for industry excellence continuously and received numerous awards.

Outlook and Prospects

In 2023, Hong Kong faced market contraction and economic downturn, particularly in the commercial market. The government also reduced spending in public healthcare to a certain extent, which created dual pressures for us. Additionally, the talent shortage in Hong Kong presents a challenge to our human resources management. Nevertheless, the Group has expanded its talent pool in the Greater Bay Area, actively draw talent in suitable locations as well as explored business opportunities in the Asia Pacific region.

The Group will focus on the following four areas in the future development, aiming to promote sector-focused and high-value professional IT services: (1) application and integration of innovative technologies; (2) capitalising on our strengths in customer application through our deep understanding of customers’ business environments in specific sectors, with a special focus on developing sectors where we have an advantage, including the government and banking sectors; (3) strengthening the capability to integrate and implement technology based on application scenarios, so as to further enhance the value of IT professional services; and (4) regional expansion and coverage ability, extending our business operations beyond Hong Kong.

In terms of partnership, we will continue to optimize our partner ecosystem, pursue the dual-line development with of our suppliers from Mainland China and the rest of the world, particularly accelerating the establishment of a Chinese brand ecosystem to meet market demands. In addition, the Group will closely monitor the opportunities presented by the Government of the Hong Kong Special Administrative Region for the “Hong Kong Innovation and Technology Development Blueprint” and other measures aimed at driving the development of digital economy and transforming Hong Kong into a smart city. We will also continue to align with the government’s initiatives to ensure that citizens can enjoy the convenience brought about by technological advancement, while also contributing new momentum to the economic development, and facilitate Hong Kong to more effectively align with the overall national development.

2023 is a remarkable year as the Group celebrates its 50th anniversary milestone. Inheritance of the Spirit, A Legacy of Perseverance. As we embark on the trajectory of the next fifty years, the Group seeks to become a leading Unified Technology Services (UTS) Partner in the region. We will work hand in hand with various stakeholders, including customers, partners, employees and investors to build a brighter future. Together, we are Unified for Success!

Financial Resources and Liquidity

As at 31st December 2023, the Group's total assets of HK\$3,110.9 million were financed by current liabilities of HK\$757.4 million, non-current liabilities of HK\$176.2 million and equity attributable to equity holders of the Company of HK\$2,177.3 million. The Group had a working capital ratio of approximately 1.92:1.

As at 31st December 2023, the Group had an aggregate composite banking facility from banks of approximately HK\$226.6 million (2022: HK\$301.5 million). The Group had pledged land and buildings in an aggregate amount of HK\$156.0 million (2022: HK\$159.6 million) and investment properties with a carrying amount of HK\$50.8 million (2022: HK\$52.0 million) to secure the Group's bank borrowings. The performance bonds issued by the Group to customers as security of contracts were approximately HK\$126.8 million (2022: HK\$112.2 million) as at 31st December 2023. The Group's gearing ratio (bank borrowings over equity attributable to equity holders of the Company) was 0.5% as at 31st December 2023 (2022: 2.7%).

Material Acquisition and Disposal

During the year ended 31st December 2023, 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 year ended 31st December 2023 (2022: same).

Contingent Liabilities

As at 31st December 2023, performance bonds of approximately HK\$126.8 million (2022: HK\$112.2 million) had been issued by the bank on behalf of the Group to customers as security of contracts.

Capital Commitments

As at 31st December 2023, the Group had contracted capital commitment in respect of property, plant and equipment of approximately HK\$0.4 million (2022: HK\$1.4 million).

Major Customers and Suppliers

During the year ended 31st December 2023, the five largest customers and single largest customer of the Group accounted for approximately 31.0% and 12.5%, respectively, of the Group's total revenue. The five largest suppliers and single largest supplier of the Group accounted for approximately 40.6% and 16.1%, respectively, of the Group's purchases.

At no time during the year ended 31st December 2023 did a Director, their close associate or any shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the number of the Company's issued shares) has an interest in any of the Group's five largest customers or suppliers.

Employee and Remuneration Policies

As at 31st December 2023, the Group, excluding its associates, employed 1,495 permanent and contract staff (2022: 1,474) 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 option scheme.

CLOSURE OF REGISTER OF MEMBERS FOR 2024 ANNUAL GENERAL MEETING

The Company will convene the forthcoming annual general meeting on Wednesday, 29th May 2024. For determining the entitlement to attend and vote at the forthcoming annual general meeting, the register of members of the Company will be closed from Friday, 24th May 2024 to Wednesday, 29th May 2024, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to determine the entitlement to attend and vote at the forthcoming annual general meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 23rd May 2024.

CLOSURE OF REGISTER OF MEMBERS FOR PROPOSED FINAL DIVIDEND

The proposed final dividend is subject to the approval of the shareholders at the forthcoming annual general meeting. The record date for entitlement to the proposed final dividend is Wednesday, 12th June 2024. For determining the entitlement of the final dividend, the register of members of the Company will be closed from Thursday, 6th June 2024 to Wednesday, 12th June 2024, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the final dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 5th June 2024. The final dividend warrants are expected to be despatched to the qualifying shareholders of the Company on Wednesday, 26th June 2024.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31st December 2023, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

EVENTS AFTER THE REPORTING DATE

As at the date of this announcement, the Directors are not aware of any significant events related to the business or financial performance of the Group after reporting period.

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 audited annual results.

SCOPE OF WORK OF GRANT THORNTON HONG KONG LIMITED ("GRANT THORNTON HONG KONG")

The figures in respect of the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of comprehensive income and the related notes thereto of the Group for the year ended 31st December 2023 as set out in the preliminary announcement have been agreed by the Company's auditor, Grant Thornton Hong Kong, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Grant Thornton Hong Kong in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by HKICPA and consequently no assurance has been expressed by Grant Thornton Hong Kong on the preliminary announcement.

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 C3 (formerly 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 year ended 31st December 2023, and they all confirmed that they have fully complied with the required standard 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 C1 (formerly Appendix 14) to the Listing Rules throughout the year ended 31st December 2023, 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 24th May 2023 due to other commitments.

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

Hong Kong, 27th March 2024

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