AUTOMATED SYSTEMS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 771)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31ST DECEMBER 2011

RESULTS

The Board of Directors (the "Board") 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 2011 together with comparative figures for the nine months ended 31st December 2010 as follows:

Consolidated Income Statement

		Unaudited		**Audited**	
		Three months ended 31st December		**Year ended 31st December**	**Nine months ended 31st December**
		2011	2010	**2011**	2010
	Note	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue	3	**391,062**	361,210	**1,537,328**	994,509
Cost of goods sold		**(194,108)**	(175,035)	**(808,780)**	(510,438)
Cost of services rendered		**(156,428)**	(137,678)	**(558,098)**	(354,871)
Other income	4	**1,368**	1,785	**3,594**	4,534
Other loss	5	**(65)**	-	**(1,226)**	-
Fair value gain on revaluation of investment properties		**4,000**	5,800	**4,000**	5,800
Selling expenses		**(14,423)**	(17,694)	**(69,599)**	(52,601)
Administrative expenses		**(16,873)**	(16,087)	**(64,291)**	(43,657)
Finance income	6	**498**	286	**1,269**	681
Share of results of associates		**246**	(112)	**913**	224
Profit before income tax		**15,277**	22,475	**45,110**	44,181
Income tax expense	8	**6,805**	(5,195)	**(294)**	(9,648)
Profit for the period/year attributable to equity holders of the Company		**22,082**	17,280	**44,816**	34,533
DIVIDENDS					
Interim dividend	9	-	12,456	-	12,456
Final dividend		-	-	**12,456**	-

Consolidated Income Statement (Cont'd)

		Unaudited		Audited	
		Three months ended 31st December		Year ended 31st December	Nine months ended 31st December
		2011	2010	**2011**	2010
	Note	***HK cents***	*HK cents*	***HK cents***	*HK cents*
Earnings per share attributable to equity holders of the Company	10				
Basic and diluted earnings per share		**7.09**	5.55	**14.39**	11.09

Consolidated Statement of Comprehensive Income

	Unaudited		Audited	
	Three months ended 31st December		Year ended 31st December	Nine months ended 31st December
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Profit for the period/year	**22,082**	17,280	**44,816**	34,533
Other comprehensive income/(loss):				
Revaluation surplus of leasehold land and buildings	**24,143**	32,196	**24,143**	32,196
Deferred taxation arising from revaluation surplus of leasehold land and buildings	**(3,984)**	(5,312)	**(3,984)**	(5,312)
Exchange differences on translation of overseas operations	**(2,590)**	382	**(2,178)**	1,645
Total comprehensive income for the period/year attributable to equity holders of the Company	**39,651**	44,546	**62,797**	63,062

Consolidated Balance Sheet

		Audited 31st December	
		2011	2010
	Note	***HK$'000***	*HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment	11	**176,912**	162,907
Investment properties	12	**28,700**	24,700
Intangible assets	13	**10,593**	900
Goodwill	13	**34,213**	-
Interests in associates		**1,287**	1,865
Finance lease receivables		**16,013**	3,210
Trade receivables	14	**1,729**	1,869
Long-term bank deposit	16	**155**	-
Restricted bank deposits	16	**498**	-
Deferred income tax assets		**1,001**	-
		271,101	195,451
CURRENT ASSETS			
Inventories		**100,658**	76,972
Trade receivables	14	**206,953**	163,722
Finance lease receivables		**6,724**	1,914
Other receivables, deposits and prepayments	15	**23,645**	23,605
Amounts due from customers for contract work		**190,615**	161,659
Tax recoverable		**785**	-
Restricted bank deposits	16	**362**	1,924
Cash and cash equivalents	16	**108,404**	195,552
		638,146	625,348
TOTAL ASSETS		**909,247**	820,799
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
Share capital		**31,140**	31,140
Share premium		**104,947**	104,947
Reserves		**371,540**	321,154
TOTAL EQUITY		**507,627**	457,241
NON-CURRENT LIABILITIES			
Contingent consideration payable	13	**9,211**	-
Deferred income tax liabilities		**23,385**	17,996
Deferred income		**-**	73
		32,596	18,069
CURRENT LIABILITIES			
Trade payables	17	**200,432**	193,000
Other payables and accruals	18	**44,212**	48,190
Contingent consideration payable	13	**4,274**	-
Receipts in advance		**114,462**	91,979
Current income tax liabilities		**5,644**	12,320
		369,024	345,489
TOTAL LIABILITIES		**401,620**	363,558
TOTAL EQUITY AND LIABILITIES		**909,247**	820,799
NET CURRENT ASSETS		**269,122**	279,859
TOTAL ASSETS LESS CURRENT LIABILITIES		**540,223**	475,310

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

1. Basis of Preparation

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss, leasehold land and buildings, investment properties and contingent consideration payables.

The preparation of consolidated financial statements in conformity with HKFRS 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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed.

As a result of the change of financial year end date from 31st March to 31st December, the comparative amounts for the consolidated income statement, consolidated statement of comprehensive income, consolidated cash flow statement and related notes, which covered a nine-month-period from 1st April 2010 to 31st December 2010, are not directly comparable to the financial statements of the current year.

2. Principal Accounting Policies

Except as described below, the accounting policies applied are consistent with those of the financial statements for the nine months ended 31st December 2010, as described in those financial statements.

(a) The following standards, amendments and interpretations are mandatory for the first time for the financial period beginning 1st January 2011, but do not have any financial impact on the Group:

HKAS 24 (Revised), "Related Party Disclosures" is effective for annual period beginning on or after January 2011. It introduces an exemption from all of the disclosure requirements of HKAS 24 for transactions among government related entities and the government. Those disclosures are replaced with a requirement to disclose:

- The name of the government and the nature of their relationship;
- The nature and amount of any individually significant transactions; and
- The extent of any collectively-significant transactions qualitatively or quantitatively.

It also clarifies and simplifies the definition of a related party.

(b) New standards, amendments and interpretations have been issued but are not effective for the financial year beginning 1st January 2011 and have not been early adopted.

HKFRS 9	Financial instruments
HKFRS 10	Consolidated financial statements
HKFRS 11	Joint arrangements
HKFRS 12	Disclosures of interests in other entities
HKFRS 13	Fair value measurement
HKAS 19 (Amendment)	Employee benefits

There are no other HKFRSs or HK(IFRIC) interpretations that are not yet effective that would be expected to have a material impact on the Group.

3. Revenue and Segment Information

Revenue represents the net amounts received and receivable for goods sold by the Group to outside customers, less returns and allowances, and revenue from service contracts, and is analysed as follows:

	Unaudited		**Audited**	
	Three months ended 31st December		**Year ended 31st December**	**Nine months ended**
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Sales of goods	**219,759**	202,188	**899,490**	573,910
Revenue from service contracts	**171,303**	159,022	**637,838**	420,599
	391,062	361,210	**1,537,328**	994,509

The chief operating decision maker has been identified as the Board of Directors (the "Board"). The Board reviews the Group's internal reporting in order to assess the performance and allocate resources. The Board has determined the operating segments based on the Group's internal reporting.

The Group is currently organised into two (nine months ended 31st December 2010: 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:

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 segment for the period/year are presented below.

Unaudited
Three months ended 31st December 2011

	IT Products	**IT Services**	**Total Group**
	HK$'000	*HK$'000*	*HK$'000*
Revenue from external customers	**219,759**	**171,303**	**391,062**
Intersegment revenue	**10,146**	**8,287**	**18,433**
Segment revenue	**229,905**	**179,590**	**409,495**
Reportable segment profit	**14,903**	**13,188**	**28,091**
Segment depreciation	**747**	**2,088**	**2,835**
Segment amortisation	**-**	**581**	**581**
Additions to property, plant and equipment	**144**	**1,689**	**1,833**

Audited
Year ended 31st December 2011

	IT Products	**IT Services**	**Total Group**
	HK$'000	*HK$'000*	*HK$'000*
Revenue from external customers	**899,490**	**637,838**	**1,537,328**
Intersegment revenue	**23,655**	**39,782**	**63,437**
Segment revenue	**923,145**	**677,620**	**1,600,765**
Reportable segment profit	**47,884**	**54,236**	**102,120**
Segment depreciation	**2,627**	**8,819**	**11,446**
Segment amortisation	**-**	**2,071**	**2,071**
Additions to property, plant and equipment	**957**	**5,272**	**6,229**
Additions to intangible assets	**-**	**12,035**	**12,035**
Additions to goodwill	**-**	**35,274**	**35,274**

Unaudited
Three months ended 31st December 2010

	IT Products	IT Services	Total Group
	HK$'000	*HK$'000*	*HK$'000*
Revenue from external customers	202,188	159,022	361,210
Intersegment revenue	2,521	3,939	6,460
Segment revenue	204,709	162,961	367,670
Reportable segment profit	17,004	14,164	31,168
Segment depreciation	535	1,572	2,107
Additions to property, plant and equipment	425	2,832	3,257

Audited
Nine months ended 31st December 2010

	IT Products	IT Services	Total Group
	HK$'000	*HK$'000*	*HK$'000*
Revenue from external customers	573,910	420,599	994,509
Intersegment revenue	8,788	11,892	20,680
Segment revenue	582,698	432,491	1,015,189
Reportable segment profit	37,683	41,156	78,839
Segment depreciation	1,099	4,871	5,970
Additions to property, plant and equipment	882	5,434	6,316

The Group's assets and liabilities by operating segment for the year/period are presented below.

Audited **As at 31st December 2011**	**IT Products**	**IT Services**	**Total Group**
	HK$'000	***HK$'000***	***HK$'000***
Reportable segment assets	**287,972**	**306,393**	**594,365**
Reportable segment liabilities	**182,163**	**144,721**	**326,884**
Audited As at 31st December 2010			
Reportable segment assets	271,328	172,807	444,135
Reportable segment liabilities	192,663	96,812	289,475

(a) 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/loss, share of results of associates, gain or loss on disposal of property, plant and equipment, unallocated depreciation for property, plant and equipment that are used for all segments, fair value gain on revaluation of investment properties and other 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, restricted bank deposits, cash and cash equivalents, long-term bank deposit and unallocated corporate assets (mainly include property, plant and equipment, investment properties and part of intangible assets that are used by all segments, prepayments and deposits).

Reportable segment liabilities exclude current income tax liabilities, deferred income tax liabilities and unallocated corporate liabilities (mainly include accrued charges of the head office).

Additions to property, plant and equipment, intangible assets and goodwill include additions resulting from acquisition through business combinations.

(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:

Revenue	**Unaudited**		**Audited**	
	Three months ended 31st December		**Year ended 31st December**	**Nine months ended 31st December**
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Reportable segment revenue	**409,495**	367,670	**1,600,765**	1,015,189
Elimination of intersegment revenue	**(18,433)**	(6,460)	**(63,437)**	(20,680)
Revenue per consolidated income statement	**391,062**	361,210	**1,537,328**	994,509

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

Profit or loss	**Unaudited**		**Audited**	
	Three months ended 31st December		**Year ended 31st December**	**Nine months ended 31st December**
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Reportable segment profit	**28,091**	31,168	**102,120**	78,839
Unallocated amounts:				
Unallocated other income	**1,368**	1,706	**3,594**	2,906
Unallocated other loss	**(65)**	-	**(1,226)**	-
Fair value gain on revaluation of investment properties	**4,000**	5,800	**4,000**	5,800
Unallocated (loss)/gain on disposal of property, plant and equipment	**(257)**	72	**(263)**	68
Unallocated depreciation	**(1,576)**	(1,686)	**(5,638)**	(5,232)
Share of results of associates	**246**	(112)	**913**	224
Unallocated corporate expenses	**(16,530)**	(14,473)	**(58,390)**	(38,424)
Profit before income tax per consolidated income statement	**15,277**	22,475	**45,110**	44,181

Assets	**Audited**	
	31st December	
	2011	2010
	HK$'000	*HK$'000*
Reportable segment assets	**594,365**	444,135
Unallocated assets:		
Interests in associates	**1,287**	1,865
Deferred income tax assets	**1,001**	-
Unallocated restricted bank deposits	**860**	1,924
Unallocated cash and cash equivalents	**108,404**	195,552
Unallocated long-term bank deposit	**155**	-
Unallocated corporate assets	**203,175**	177,323
Total assets per consolidated balance sheet	**909,247**	820,799

Liabilities	Audited 31st December	
	2011	2010
	HK$'000	*HK$'000*
Reportable segment liabilities	**326,884**	289,475
Unallocated liabilities:		
Current income tax liabilities	**5,644**	12,320
Deferred income tax liabilities	**23,385**	17,996
Unallocated corporate liabilities	**45,707**	43,767
Total liabilities per consolidated balance sheet	**401,620**	363,558

The Group's businesses and segment assets are all located in the respective place of domicile of the relevant Group entities which include Hong Kong, Guangzhou, Macau, Singapore, Taiwan and Thailand.

Place of domicile	Revenue from external customers Unaudited		Revenue from external customers Audited	
	Three months ended 31st December		**Year ended 31st December**	Nine months ended 31st December
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**333,761**	316,984	**1,355,671**	892,766
Guangzhou	**5,797**	9,309	**17,914**	20,788
Macau	**21,340**	16,386	**54,299**	40,846
Singapore	**7,231**	-	**17,685**	-
Taiwan	**13,014**	7,049	**41,711**	20,285
Thailand	**9,308**	11,482	**48,543**	19,824
Others	**611**	-	**1,505**	-
	391,062	361,210	**1,537,328**	994,509

Place of domicile	Non-current assets Audited 31st December	
	2011	2010
	HK$'000	*HK$'000*
Hong Kong	**207,230**	185,255
Guangzhou	**229**	2,208
Macau	**3,646**	5,831
Singapore	**44,311**	-
Taiwan	**579**	1,062
Thailand	**15,052**	1,095
Others	**54**	-
	271,101	195,451

4. Other Income

	Unaudited Three months ended 31st December		Audited Year ended 31st December	Audited Nine months ended 31st December
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Interest on bank deposits	**18**	120	**265**	333
Equipment rental income	**-**	-	**-**	1,439
Rental income from investment properties	**374**	374	**1,496**	1,122
Exchange gain	**-**	620	**-**	670
Referral income received from group companies	**547**	-	**859**	-
Fair value gain on foreign forward contract	**21**	-	**21**	-
Others	**408**	671	**953**	970
	1,368	1,785	**3,594**	4,534

5. Other Loss

	Unaudited Three months ended 31st December		Audited Year ended 31st December	Audited Nine months ended 31st December
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Contingent consideration payable - Fair value loss	**65**	-	**1,226**	-

6. Finance Income

Finance income represents accretion of discount recognised upon initial recognition of loans and receivables to their fair value.

7. Expenses by Nature

	Unaudited Three months ended 31st December		Audited Year ended 31st December	Audited Nine months ended 31st December
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Profit before income tax has been arrived at after charging/(crediting):				
Employee benefit expenses (excluding directors' remuneration)	**111,130**	99,527	**440,044**	277,738
Depreciation and amortisation				
Property, plant and equipment	**4,411**	3,793	**17,084**	11,202
Intangible assets	**581**	-	**2,071**	-
Directors' remuneration	**3,521**	3,466	**8,457**	7,914
Auditor's remuneration:				
Current year	**796**	967	**2,847**	1,736
Underprovision in respect of prior year	**41**	-	**30**	32
Loss/(gain) on disposal of property, plant and equipment	**1,095**	(107)	**1,060**	(227)
Operating lease rentals in respect of:				
Office premises	**2,089**	2,163	**8,099**	5,863
Computer equipment	**-**	-	**-**	1,281
Reversal of impairment of intangible assets	**-**	-	**-**	(200)
Provision for impairment of trade receivables	**117**	311	**758**	863
Reversal of provision for impairment of trade receivables	**(553)**	(179)	**(554)**	(1,597)

8. Income Tax Expense

	Unaudited		Audited	
	Three months ended 31st December		Year ended 31st December	Nine months ended 31st December
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Current taxation:				
Hong Kong profits tax	**1,232**	3,342	**8,788**	7,600
Overseas taxation	**364**	(66)	**680**	191
(Over)/under-provision in prior period/year:				
Hong Kong profits tax	**(7,651)**	(139)	**(7,630)**	(276)
Overseas taxation	**(28)**	-	**52**	(87)
	(6,083)	3,137	**1,890**	7,428
Deferred taxation:				
Current period/year	**(722)**	2,058	**(1,596)**	2,220
Income tax expense	**(6,805)**	5,195	**294**	9,648

Hong Kong profits tax has been provided at the rate of 16.5% (nine months ended 31st December 2010: 16.5%) on the estimated assessable profits for the year/period. Taxation on overseas profits has been calculated on the estimated assessable profits for the year/period at the rates of taxation prevailing in the countries in which the Group operates.

Decrease in income tax expense was mainly due to reversal of tax provisions made in prior periods.

9. Dividends

	Audited	
	Year ended 31st December	Nine months ended 31st December
	2011	2010
	HK$'000	*HK$'000*
Dividends recognised as distribution during the year/period:		
Interim dividend in respect of the nine months ended 31st December 2010 of 4.0 HK cents per share	-	12,456
Final dividend in respect of the nine months ended 31st December 2010 of 4.0 HK cents per share	**12,456**	-
	12,456	12,456
Dividends proposed:		
Final dividend in respect of the year ended 31st December 2011 of 5.5 HK cents per share (nine months ended 31st December 2010: 4.0 HK cents per share)	**17,127**	12,456

10. Earnings Per Share

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

	Unaudited		**Audited**	
	Three months ended 31st December		**Year ended 31st December**	Nine months ended 31st December
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Earnings for the purpose of basic and diluted earnings per share	**22,082**	17,280	**44,816**	34,533

	Number of shares		**Number of shares**	
	Three months ended 31st December		**Year ended 31st December**	Nine months ended 31st December
	2011	2010	**2011**	2010
	'000	*'000*	***'000***	*'000*
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	**311,403**	311,403	**311,403**	311,403

There were no dilutive instruments for the year ended 31st December 2011 (nine months ended 31st December 2010: same).

11. Property, Plant and Equipment

During the year ended 31st December 2011, the addition of property, plant and equipment, mainly for computers and office equipment, was approximately HK$8,187,000 (nine months ended 31st December 2010: HK$11,040,000).

During the year ended 31st December 2011, the Group disposed of certain property, plant and equipment at the carrying amount of HK$1,497,000 (nine months ended 31st December 2010: HK$81,000), resulting in a loss on disposal of HK$1,060,000 (nine months ended 31st December 2010: gain on disposal of HK$227,000).

The Group's leasehold land and buildings were stated at valuations made at 31st December 2011. The leasehold land and buildings were last revalued by DTZ Debenham Tie Leung Limited, an independent professional valuer, at 31st December 2011 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 HK$20,159,000 (nine months ended 31st December 2010: HK$26,884,000) which has been credited to the property revaluation reserve.

As at 31st December 2011, if the leasehold land and buildings had not been revalued, they would have been included in these consolidated financial statements at historical cost, less accumulated depreciation of approximately HK$52,497,000 (2010: HK$54,562,000).

The Group's interest in leasehold land represents finance lease payments held in Hong Kong between 10 to 50 years.

As at 31st December 2011, the Group has pledged leasehold land and buildings having a carrying amount of approximately HK$149,900,000 (2010: HK$129,300,000) for banking facilities granted to the Group.

12. Investment Properties

The investment properties of the Group were last revalued by DTZ Debenham Tie Leung Limited, an independent professional valuer at 31st December 2011, on the basis of market value.

As at 31st December 2011, the Group has pledged investment properties having a carrying amount of approximately HK$28,700,000 (2010: HK$24,700,000) for banking facilities granted to the Group.

13. Intangible Assets and Goodwill

On 28th March 2011, the Group acquired 100% of the share capital of i-Sprint Innovations Pte. Ltd. ("i-Sprint"). i-Sprint group is principally engaged in the business of developing, distributing, implementing and supporting technology risk management products. Depending on the upcoming financial performance of i-Sprint, the cash consideration for this acquisition may range from S$6,000,000 (equivalent to approximately HK$36,000,000) to S$7,900,000 (equivalent to approximately HK$47,400,000). Details of this acquisition were set out in the Company's announcements dated 28th March 2011 and 31st March 2011.

A goodwill of S$5,719,000 (equivalent to approximately HK$35,274,000), intangible assets of S$1,951,000 (equivalent to approximately HK$12,035,000), net tangible liabilities of S$195,000 (equivalent to approximately HK$1,203,000) and deferred income tax liabilities of S$332,000 (equivalent to approximately HK$2,046,000) were recognised in relation to this acquisition.

The goodwill arises from a number of factors. The most significant amongst these is the premium attributable to a pre-existing, well-positioned business that is in operation in a competitive market. Other significant factors include synergies through accessing a highly skilled workforce and obtaining economies of scale.

The Group's competitive position in the information technology market is expected to be strengthened as the acquisition provides the opportunity for the Group to serve more clients with regional presence, especially those in the financial services sectors. Besides which, the addition of i-Sprint's products provides an opportunity for the Group to expand its credential in management solutions and to enrich the Group's existing security solutions offerings.

As at 31st December 2011, approximately S$5,150,000 (equivalent to approximately HK$31,801,000) of the acquisition costs had been settled and contingent consideration payable of S$2,254,000 (equivalent to approximately HK$13,485,000) was recognised in the consolidated balance sheet for the remaining portion of the contingent consideration.

The fair value of the contingent consideration payable was estimated based on an assumed probability weighting in fulfilling the performance requirements, using a discount rate of 15.5%. During the period from the date of acquisition to 31st December 2011, fair value loss of HK$1,226,000 was recognised in the profit or loss for the contingent consideration payable.

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.

	Audited 31st December	
	2011	2010
	HK$'000	*HK$'000*
Trade receivables	**209,197**	165,903
Less: provision for impairment of receivables	**(515)**	(312)
Trade receivables – net	**208,682**	165,591
Less: non-current portion of trade receivables	**(1,729)**	(1,869)
Current portion of trade receivables	**206,953**	163,722

All non-current receivables are due within five years from the balance sheet date.

An ageing analysis of the gross trade receivables as at the balance sheet date, based on ageing from payment due date, is as follows:

	Audited 31st December	
	2011	2010
	HK$'000	*HK$'000*
Current	**143,950**	126,695
Within 30 days	**28,702**	15,992
31 - 60 days	**15,567**	4,234
61 - 90 days	**7,493**	6,454
Over 90 days	**13,485**	12,528
	209,197	165,903

15. Other Receivables, Deposits and Prepayments

	Audited 31st December	
	2011	2010
	HK$'000	*HK$'000*
Other receivables	**2,614**	1,340
Deposits	**5,649**	6,284
Prepayments	**14,436**	15,469
Amount due from the ultimate holding company	**946**	512
	23,645	23,605

16. Long-Term Bank Deposit, Restricted Bank Deposits and Cash and Cash Equivalents

	Audited 31st December	
	2011	2010
	HK$'000	*HK$'000*
Cash at bank and on hand	**100,244**	132,309
Short-term bank deposits	**8,160**	63,243
Cash and cash equivalents	**108,404**	195,552
Restricted bank deposits	**860**	1,924
Less: Non-current portion	**(498)**	-
Current portion of restricted bank deposits	**362**	1,924
Long-term bank deposit	**155**	-

Restricted bank deposits represented fixed term deposits placed in commercial banks that were pledged against banking facilities and performance bonds granted to the Group.

Long-term bank deposit represented fixed term deposit placed in commercial banks whose maturity date is over 1 year.

Bank balances, short-term, long-term bank deposits and restricted bank deposits carry interest at market rates with average interest rate of 0.10%, 0.45% ,0.70% and 0.50% (2010: 0.03%, 0.69%, nil and 0.31%) per annum.

17. Trade Payables

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

	Audited 31st December	
	2011	2010
	HK$'000	*HK$'000*
Current	**114,313**	126,898
Within 30 days	**54,988**	39,055
31 – 60 days	**21,491**	14,948
61 – 90 days	**2,206**	1,634
Over 90 days	**7,434**	10,465
	200,432	193,000

18. Other Payables and Accruals

	Audited 31st December	
	2011	2010
	HK$'000	*HK$'000*
Other payables	**8,217**	5,853
Accruals	**34,535**	39,934
Deferred income	**-**	456
Amounts due to fellow subsidiaries	**-**	492
Amount due to an associate	**1,460**	1,455
	44,212	48,190

19. Pledge of Assets

At 31st December 2011, the Group's leasehold land and buildings of approximately HK$149,900,000 (2010: HK$129,300,000) and investment properties of approximately HK$28,700,000 (2010: HK$24,700,000) were pledged to secure the banking facilities of the Group.

At 31st December 2011, the Group's restricted bank balances were pledged to secure the banking facilities and performance bonds of the Group of approximately HK$860,000 (2010: HK$1,924,000).

DIVIDEND

The Directors have resolved to recommend the payment of a final dividend of 5.5 HK cents per share for the year ended 31st December 2011. Subject to the approval of shareholders at the forthcoming Annual General Meeting, the proposed dividend will be paid on or before 23rd May 2012 to shareholders whose names appear on the Register of Members of the Company on 9th May 2012 (nine months ended 31st December 2010: 4.0 HK cents).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial results

For the year ended 31st December 2011, the Group's revenue was HK$1,537.3 million, higher by 10.4% compared to the period from January to December 2010. For the three months ended 31st December 2011, the revenue of the Group was HK$391.1 million, higher by 8.3% compared to the same period last year.

For the year ended 31st December 2011, product sales and service revenue were HK$899.5 million and HK$637.8 million, which increased by 6.6% and 16.3% compared to the period from January to December 2010 respectively. Product sales and service revenue contributed 58.5% and 41.5% to total revenue respectively, compared to 60.6% and 39.4% from the period from January to December 2010. For the three months ended 31st December 2011, product sales and service revenue were HK$219.8 million and HK$171.3 million, which increased by 8.7% and 7.7% respectively as compared with the three months ended 31st December 2010.

Commercial and public sector sales for the year ended 31st December 2011 contributed 39.9% and 60.1% to revenue respectively, compared to 44.9% and 55.1% for the period from January to December 2010. Commercial and public sector sales for the three months ended 31st December 2011 contributed 42.4% and 57.6% to revenue respectively, compared to 39.6 % and 60.4 % for the same period in 2010.

Profit before income tax was HK$45.1 million for the full year of 2011, lower by 38.1% compared to the period from January to December of 2010. For the three months ended 31st December 2011, profit before income tax was HK$15.3 million, lower by 32.0% compared to the corresponding period last year. The increase in operating costs of the Group caused a decrease in profit before income tax. The increase in staff costs, investment in various projects, the one-off relevant expenses for acquiring i-Sprint Innovations Pte. Ltd. ("i-Sprint") and additional operating costs were also the primary factors. During the period under review, the Group assessed the tax allowance provided in previous years, and reversed part of the allowance to partially reduce the impact from an increase in operating cost. The Group will continue to focus on a series of current cost control measures to lower its software business overheads by outsourcing and strengthening the relevant management in human resources and software projects.

During the three and twelve months ended 31st December 2011, orders newly secured by the Group amounted to approximately HK$507.5 million and HK$1,794.7 million respectively, representing an increase of 26.3% and 22.2% respectively as compared with the corresponding period in 2010. As of 31st December 2011, the order book balance was approximately HK$713.7 million, an increase of HK$97.5 million compared to the corresponding period last year. The Group's cash stood at approximately HK$108.4 million with a working capital ratio of 1.73:1. The Group maintained a healthy balance sheet and no debt was recorded during the period under review.

In view of the change of financial year end date of the Company on 15th July 2010, the audited and unaudited results for the period from January to December 2011 and 2010 respectively are tabled below for comparative purpose only.

	Twelve months ended 31st December	
	2011	2010
	HK$'000	HK$'000
	Audited	Unaudited
Revenue	1,537,328	1,392,510
Cost of goods sold	(808,780)	(754,950)
Cost of services rendered	(558,098)	(456,170)
Other income	3,594	7,278
Other loss	(1,226)	-
Fair value gain on revaluation of investment properties	4,000	9,390
Selling expenses	(69,599)	(69,631)
Administrative expenses	(64,291)	(57,557)
Finance income	1,269	874
Share of results of associates	913	1,190
Profit before income tax	45,110	72,934
Income tax expense	(294)	(14,421)
Profit for the year attributable to equity holders of the Company	44,816	58,513

Business Review

For the year ended 31st December 2011, the Group recorded a growth in revenue representing an increase of 10.4% as compared to the period from January to December 2010.

Continuous expansion in Asia Pacific Region's IT security market

On 28th March 2011, the Group acquired the entire equity interest of i-Sprint, a Singapore-based world-class credential and access management solutions provider. This acquisition not only helps the Group to secure an increasing number of significant deals, but also widened its customer portfolios and enhanced market penetration in different markets, thereby yielding encouraging results.

i-Sprint's development in the Greater China market is satisfactory. Its key achievements included successful penetration of a full suite of i-Sprint products into Hong Kong market in the first half of 2011, which was subsequently extended to mainland China and resulted in a number of significant projects. i-Sprint also established an R&D Centre at the Group's Outsourcing Delivery Excellence Centre (ODEC) in Zhuhai, focusing on product development and localisation for the mainland China market. At the same time, i-Sprint expanded its business to Taiwan not only by seizing a new order from TransGlobe Life Insurance Inc. towards the end of last year, but also by winning a contract from one of the largest financial institutions in Asia to provide security solutions for accessing its banking system.

Consistent achievement in IT solutions business

During the year, the Group's IT Solution Business maintained good results. It was successful in capturing the increasing demand for IT solutions from both private and public sector customers. The Group secured various deals for the provision of popular solutions in the industry, including business intelligence and enterprise content management.

We have also made satisfactory progress in the security solutions business. Notably, we succeeded in extending our market-proven security assessment services to Macau by providing the Macau Education and Youth Affairs Bureau such services to reduce the potential security risk as concerns its e-public services.

As regards the government policy to promote Cloud Computing with an aim to facilitate the implementation of e-government services and our capabilities to support Cloud Computing by providing reliable infrastructure, applications and related services, the Group was further awarded a multi-million dollar Cloud Computing project in December 2011 subsequent to the winning of a project relating to the provision of a cloud platform with Geographical Information System (GIS) services to several government departments in June 2011. The Group was responsible for the design, supply, delivery, installation, implementation, commissioning, system support and maintenance and other related services for a government department's citizen-centric information system which can assist 10 government departments effectively in managing the public property for better public safety.

In addition, the Group's sizable turnkey or off-the-shelf solutions were widely adopted by our key customers. In December 2011, the Group was awarded a multi-million dollar tender from a government department to provide an integrated system, which can assist the application process of financial subsidy to improve operational efficiency. The Group was responsible for the design, supply, delivery, installation, commissioning, maintenance of hardware and software and other related services. The implementation and maintenance services of this project will last for several years respectively and is expected to provide recurrent income to the Group in the future.

Managed services strategy achieved good results

During the year, the Group captured the opportunities from long-standing and major customers covering different IT areas, different industry sectors and different regions. In particular, our managed services made steady progress. The Group won some major projects, including the continuous supply of complex and large-scale desk side and server operations support to an international airline, together with the supply of several thousands units of desktop computers for all of its offices in both Hong Kong and mainland China; the provision of systems integration and managed services for the operation of data centres of a government department; and the provision of managed network support services for a Hong Kong-listed multinational apparel company for a number of years to come. Apart from obtaining fruitful results in Hong Kong, the Group's managed services also extended to customers in other regions, included providing multi-million dollar infrastructure managed services to a renowned bank in Thailand, a bank with which our business relationship has already lasted for over a decade.

ASL is always committed to enhancing our service level. We have been awarded with the ISO 20000 IT Service Management (ITSM) Certification from the Hong Kong Quality Assurance Agency (HKQAA) in December 2011 and became one of the few IT companies to earn this accreditation. The scope of the ISO 20000 certification encompasses managed services, internal helpdesk and IT service support, which will enable the Group's continuous development in managed services business.

Persistent in offering outstanding IT infrastructure

Significant achievements were made in IT infrastructure business during the year. Recent major contracts won by the Group included the storage system upgrade for a world-renowned logistics company, as well as the firewall upgrade and security equipment migration services for the aforesaid airlines. Outside Hong Kong, the Group also secured an order for the provision of networking infrastructure and systems integration services for Escola Sao Paulo, which demonstrates customers' confidence in our abilities.

Outlook and Prospects

In order to cope with the future challenges in the market, we will continue to focus on the expansion of the recurrent revenue-based business (such as managed services) and strive for more sizable projects from customers of the public and private sectors. In January 2012, the Group obtained a multi-million dollar contract from a financial institution for the supply, implementation and maintenance of the operations support systems at its newly-established data centre in Hong Kong, which was a fruition of our earlier efforts towards actively looking into opportunities involving data centres.

In addition, the Group will continue to carry out our strategy in promoting various kinds of solutions. By leveraging the advantages and leading position of i-Sprint in the market, we will continue to facilitate the growth of the IT security solutions business. i-Sprint has extensive experience and the expertise to implement authentication solution in many renowned financial institutions in Asia Pacific, and its platform supports multi-brand hardware token. In view of the regulatory requirements for data management in Internet and Mobile banking in the market, ASL launched a security project in January 2012 for the largest financial holding company in Taiwan to provide a two factors authentication and transaction signing token management platform. The project amount is one of the highest amongst the Group's IT security business projects in Taiwan.

The Group will actively seize business opportunities arising from the future market transition into the "Cloud Era", including the provision of cloud infrastructure, data centre service, systems integration and implementation, and consultancy service to customers across the Asia Pacific region. In view of the Hong Kong Government's strategy for establishing a government cloud environment progressively over the next few years in order to support a new series of e-services applications to enhance the quality of public services, the Group expects this policy will enable us to further develop our cloud business.

Looking ahead, we will continue to implement cost-effective measures, strengthen our services level and quality, establish stronger partnership alliances, and create greater synergies with Beijing Teamsun Technology Co., Ltd. (the ultimate holding company of the Group). The Group strongly believes that, by leveraging on our solid foundation and excellence performance, we can offer innovative solutions and services to customers for sustainable growth of our business.

Financial Resources and Liquidity
As at 31st December 2011, the Group's total assets of HK$909.2 million were financed by current liabilities of HK$369.0 million, non-current liabilities of HK$32.6 million and shareholders' equity of HK$507.6 million. The Group had a working capital ratio of approximately 1.73:1.

As at 31st December 2011, the Group had an aggregate composite banking facility from banks of approximately HK$110.9 million (2010: HK$112.2 million). The Group had pledged leasehold land and buildings and investment properties in an aggregate amount of HK$178.6 million (2010: HK$154.0 million) and restricted bank deposits of approximately HK$0.9 million (2010: HK$1.9 million) for banking facilities and performance bonds granted to the Group respectively. The performance bonds issued by the Group to customers as security of contracts were approximately HK$32.2 million as at 31st December 2011 (2010: HK$31.3 million). The Group's gearing ratio was zero as at 31st December 2011 (2010: zero).

Treasury Policies
The Group generally financed its operations with internally generated resources and credit facilities provided by banks. Bank facilities available for the Group include trust receipt loans, overdrafts and term loans. The interest rates of most of them are fixed by reference to the respective countries' Interbank Offer Rate. The bank deposits are mainly denominated in Hong Kong dollars and United States dollars ("US dollars").

Foreign Exchange Exposure
The Group mainly earns revenue and incurs costs in US dollars and Hong Kong dollars. Foreign exchange exposure of the Group will continue to be minimal as long as the policy of the Government of the Hong Kong Special Administrative Region to link the Hong Kong dollars to the US dollars remains in effect. There was no material exposure to fluctuations in exchange rates and therefore no related hedging financial instrument was applied during the year ended 31st December 2011 (nine months ended 31st December 2010: Same).

After the acquisition of i-Sprint during the year, the Group is exposed to foreign exchange risk arising from Singapore dollar ("SGD"). Foreign exchange risk arises from recognised assets and liabilities. As at 31st December 2011, if SGD had weakened/strengthened by 5% against the HKD with all other variables held constant, profit for the year would have been approximately HK$674,000 higher/lower, mainly a result of the foreign exchange difference on translation of SGD denominated liabilities.

To manage the foreign currency risk arising from SGD, the Group had entered into forward exchange contracts. A gain of HK$21,000 (nine months ended 31st December 2010: nil) was recognised in the Group's consolidated income statement.

Contingent Liabilities
As at 31st December 2011, bank deposits held as security for banking facilities and performance bonds amounted to approximately HK$0.9 million (2010: HK$1.9 million). At 31st December 2011, performance bonds of HK$32.2 million (2010: HK$31.3 million) have been issued by the Group to customers as security of contracts.

Corporate guarantee to vendors as security for goods supplied to the Group amounted to approximately HK$44.6 million as at 31st December 2011 (2010: HK$44.7 million). The amount utilised against goods supplied as at 31st December 2011 which was secured by the corporate guarantee was approximately HK$1.2 million (2010: HK$3.7 million).

Capital Commitment
As at 31st December 2011, the contracted capital commitments of the Group were HK$0.4 million (2010: HK$0.4 million).

Major Customers and Suppliers
During the year ended 31st December 2011, the five largest customers and single largest customer of the Group accounted for approximately 22.2% and 6.2%, respectively, of the Group's revenue. The five largest suppliers and single largest supplier of the Group accounted for approximately 38.6% and 10.8%, respectively, of the Group's purchases.

At no time during the year ended 31st December 2011 did a director, an associate of a director or a shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's issued share capital) has an interest in any of the Group's five largest customers or suppliers.

Employee and Remuneration Policies

As at 31st December 2011, the Group, excluding its associates, employed 1,594 permanent and contract staff in Hong Kong, mainland China, Taiwan, Macau, Thailand, Singapore and Malaysia. The Group remunerates its employees based on their performance, working experience and the prevailing market conditions. Bonuses are granted on a discretionary basis. Other employee benefits include mandatory provident fund, insurance, medical coverage and share options scheme.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 4th May 2012 to 9th May 2012, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to qualify for the proposed final dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's registrars, Tricor Tengis Limited at 26/F Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on 3rd May 2012. The dividend warrants will be despatched on or before 23rd May 2012.

2012 ANNUAL GENERAL MEETING

The Company will convene the forthcoming annual general meeting on 26th April 2012, and the register of members of the Company will be closed from 23rd April 2012 to 26th April 2012, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to qualify for the entitlement to attend and vote at the forthcoming annual general meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's registrars, Tricor Tengis Limited at 26/F Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on 20th April 2012.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31st December 2011, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the audited annual results.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS ("PwC")

The figures in respect of the preliminary announcement of the Group's results for the year ended 31st December 2011 have been agreed by the Group's auditor, PwC, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PwC in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PwC on the preliminary announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the 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 2011, and they all confirmed that they have fully complied with the required standard set out in the Model Code.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules throughout the accounting period for the year ended 31st December 2011 except with respect to Code A.4.1, all Non-Executive Directors of the Company are not appointed for a specific term but are subject to retirement by rotation and re-election in accordance with the Company's Bye-laws.

By Order of the Board
Hui Wing Choy, Henry
Chief Executive Officer

Hong Kong, 15th March 2012

As at the date hereof, the Board comprises Mr. Lai Yam Ting, Ready, Mr. Hui Wing Choy, Henry, Mr. Leung Tat Kwong, Simon and Mr. Lau Ming Chi, Edward being Executive Directors, Mr. Hu Liankui, Mr. Wang Weihang and Mr. Chen Zhaohui being Non-Executive Directors and Ms. Young Meng Ying, Mr. Lu Jiaqi and Ms. Xu Peng being Independent Non-Executive Directors.