

## AUTOMATED ANNOUNCES 2014 ANNUAL RESULTS

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### *To Strengthen the Market Position as a Trustworthy and Professional IT Partner Captures the Growth Momentum by 5 Focused Solutions and Services*

(Hong Kong, 20 March 2015) – **Automated Systems Holdings Limited** (“ASL” or “the Group”) (HKEx stock code: 771), a trustworthy and professional IT partner in the region, announced its annual results for the year ended 31 December 2014.

For the year ended 31 December 2014, profit attributable to equity holders of the Group was approximately HK\$28.5 million, representing an increase of 64.7% compared to last year. Basic earnings per share for the review year was HK9.15 cents, increased by 64.9% as compared to last year (2013: HK5.55 cents). Such increases were primarily due to the one-off gain of HK\$44.7 million on deemed disposal of the Group’s partial interests in a subsidiary, i-Sprint Innovations Pte Ltd (“i-Sprint”) who is a regional leader in Identity, Credential and Access Management (ICAM) solution services, and the Group’s continuous efforts in enhancing the operational efficiency during the year<sup>1</sup>. Following the completion of investment from a strategic investor, i-Sprint ceases to be a subsidiary of the Group yet the Group remains i-Sprint’s single largest shareholder. The Board of Directors recommended the payment of a final dividend of HK2.5 cents per share for the year ended 31 December 2014.

During the year under review, there was a combination of factors, including increasingly acute competition of Information Technology (IT) market and de-consolidation of i-Sprint’s financial results from the accounts of the Group since 12 February 2014, following the deemed disposal of the Group’s partial interests in i-Sprint<sup>2</sup>. Thus, revenue and gross profit margin were HK\$1,433.9 million (2013: HK\$1,613.0 million) and 8.0% (2013: 9.3%) respectively.

The Group maintained a healthy balance sheet during the period under review. As at 31 December 2014, the Group’s net cash stood at approximately HK\$130.4 million with a working capital ratio of 1.68:1. For the year ended 31 December 2014, orders newly secured by the Group amounted to approximately HK\$1,537.6 million. As at 31 December 2014, the order book balance was approximately HK\$783.3 million. The above comparative amounts excluded orders, cash and cash equivalents and short-term borrowings of disposal group classified as held for sale.

**Mr. Simon Leung, Chief Executive Officer of Automated Systems Holdings Limited** said, “Despite the fact that the business environment remained challenging in 2014, we continued receiving significant IT solutions and services orders from public and commercial sectors, exemplifying a proud past of 40 plus years of strong foundation which cultivates a diverse pool of IT expertise that meets customer’s needs.”

For the year ended 31 December 2014, product sales and service revenue were HK\$805.6 million (2013: HK\$890.5 million) and HK\$628.3 million (2013: HK\$722.5 million), contributing 56.2% (2013: 55.2%) and 43.8% (2013: 44.8%) to total revenue respectively.

<sup>1</sup> Details of the deemed disposal are disclosed in the Group’s announcements dated 28 January 2014, 4 February 2014 and 12 February 2014.

<sup>2</sup> Details of other income are disclosed in the Group’s announcement dated 19 March 2015

The Group, during the year, continued to secure numerous sizable government or quasi-government projects. It is worth noting that ASL has been awarded a long-term managed service tender for providing a 5 years personal computer support services to a statutory body who has been a long-standing customer of the Group. The awarded tender is synchronized with the Group's direction with service provisions in compliance with international standards while expanding services business.

In the aspect of solution business, the Group is pleased with the joint success achieved by working closely with i-Sprint, an associate of the Group, in securing increasingly significant deals from security intensive financial institutions and major customers in Asia. The joint success also expanded to the education sector by garnering security deals with two renowned universities.

Leveraging its strong domain expertise, the Group successfully obtained a number of industry-specific solutions orders with the application of multi-vendor technologies, including the provision of business intelligence solutions and services for one of the world's leading independent aircraft engineering and maintenance groups, a large-scale revamp of a point-of-sales system for an international clothing company and the implementation of a core IT network for a new building of a non-profit-making private hospital in Hong Kong.

**Mr. Leung** continued, "To strengthen our market position as a trustworthy and professional IT partner, the Group focused its efforts on refining and implementing new strategies in the second half of 2014. We have defined our IT solutions and services to 5 strategic focus areas of Infrastructure, Security, Data Intelligence, Mobile and Cloud ("5 Focused Solutions and Services"). Infrastructure is positioned as the foundation for the Group's business, while Security is identified as the intersecting pillar and core focus among them."

The convergence of cloud computing, social and mobile technologies together with the challenges in managing and safeguarding big data create great potential markets for security business. According to a recent study of International Data Corporation (IDC), the overall Asia/Pacific (excluding Japan) IT security market would increase at a Compound Annual Growth Rate (CAGR) of 11.4% to US\$6.2 billion in 2017. Going forward to 2015, the Group will focus on developing its security business which will be one of its strategic growth areas.

Winning together with i-Sprint not only signified the Group's investment in i-Sprint is successful, but also its expansion strategy is on the right track. In the early 2015, the Group has already been in close discussion with its partners and customers in using application software (Apps) embedded with i-Sprint's products and received positive feedback. The Group will continue to leverage intellectual property and the proven records of i-Sprint, and its 40 plus years of solid foundation to provide world-class security solutions. In addition, the Group will invest to enhance its security business operation.

To further strengthen the leading position in regional IT and security markets, the Group made a strategic investment by officially launching a leading-edge IT solutions center, Automated Center of Excellence ("ACoE") at its Hong Kong headquarters on 9 January 2015. Covering approximately 10,000 square feet with 7 main areas, ACoE is designed with multi-vendor interoperability for partners and customers to experience the aforesaid 5 Focused Solutions and Services. It can also be served as a comprehensive business center, offering a professional business environment for meetings, products and

solutions demonstrations, proof-of-concept, trainings, workshops and seminars using the latest technologies. The Group believes that the ACoE is a unique platform to provide an impressive and informative experience to partners and customers by offering an opportunity to see, touch and feel the integrated solutions ASL offers.

In addition, ASL foresees that the growth momentum in industries such as retail, healthcare and aviation will continue and the demand for products and solutions from them will remain strong in foreseeable future. Hence, the Group will continue to customise industry-specific solutions for partners and customers by using 5 Focused Solutions and Services.

IT is a service-oriented business and greatly relies on high quality personnel. As such, the Group keeps building an open and dynamic environment that will enhance teamwork and communication as well as to equip and drive its employees to innovate in order to provide the best service to its regional customers.

“Looking ahead, we will continue to work closely with our huge network of world-leading partners, streamline our operation process as well as create greater synergies with our ultimate holding company, Beijing Teamsun Technology Co., Ltd. With the refined strategic focuses, invested facilities and enhanced talent pool, we believe that the stage is ready for us to move up the value chain and to seek new growth opportunities,” **Mr. Leung** concluded.

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#### **About Automated Systems Holdings Limited**

Automated Systems (H.K.) Limited, a trustworthy and professional IT partner in the region, was founded in Hong Kong in 1973 and was listed on the Stock Exchange of Hong Kong Limited under the name of Automated Systems Holdings Limited (“The ASL Group” or “the Group”) (Stock Code: 771) in November 1997. The ASL Group’s ultimate controlling shareholder is Beijing Teamsun Technology Co., Ltd. whose shares are listed on the Shanghai Stock Exchange (Stock Code: 600410). The Group is a member of the Teamsun Group which recorded turnover with over RMB 5.0 billion and has over 5,000 employees. The ASL Group, consisting of Automated Systems (H.K.) Limited, ELM Computer Technologies Limited, CSA Automated (Macau) Limited, Guangzhou Automated Systems Limited, ASL Automated (Thailand) Limited. In addition, i-Sprint Innovations Pte Ltd is our associate company. We offer professional information technology services to corporate clients worldwide, particularly in the Greater China and Asia covering Hong Kong, Mainland China, Taiwan, Macau, Thailand, Singapore and Malaysia, etc. After more than 40 years of success, the ASL Group has established its reputation as a trustworthy and professional IT partner in Asia.

With its strong commitment to quality services, the ASL Group has been winning well-known clients such as government agencies, prestigious universities, telecommunications giants, transportation enterprises, major financial institutions, and leading international corporations.

For more information, please visit our web page at <http://www.asl.com.hk>.

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