

## **AUTOMATED ANNOUNCES 2013 ANNUAL RESULTS**

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### ***Focuses on IT Solutions Business and Value-added Services Grasps the Regional Opportunities Arising from the Prevailing IT Trends***

(Hong Kong, 28 March 2014) – **Automated Systems Holdings Limited** (“ASL” or “the Group”) (HKEx stock code: 771), a leading IT services provider in the region, announced its annual results for the year ended 31 December 2013. During the period under review, the Group’s revenue amounted to HK\$1,613.0 million (2012: HK\$1,673.3 million).

Gross profit margin and profit after income tax for the full year of 2013 were 9.3% and HK\$17.3 million (2012: 12.1% and HK\$41.2 million). Basic earnings per share for the review year were HK5.55 cents (2012: HK13.23 cents). The Group incurred an unexpectedly high delivery costs associated with a sizable business contract during the year under review. In addition, the increasingly prudent customer spending in information technology (IT) and intensified market competition also led to a drop in new orders secured in the first half of 2013. The new orders, however, picked up in the second half of the year. Upon the implementation of various measures relating to resources integration, cost reduction and enhancement of operating efficiency, the Group has achieved an initial positive momentum which resulted in a fall in overall operating costs. The Group believes that there are still rooms to improve the operational efficiency. With the Group’s diversified business development, the Group expects such strategy will help alleviate the possible impact of the above-mentioned contract and the overall operating environment on the business performance.

The Group maintained a healthy balance sheet during the period under review. As at 31 December 2013, the Group’s net cash stood at approximately HK\$114.7 million with a working capital ratio of 1.73:1. For the year ended 31 December 2013, orders newly secured by the Group amounted to approximately HK\$1,686.9 million. As at 31 December 2013, the order book balance was approximately HK\$840.3 million, an increase of HK\$10.5 million compared with the corresponding period last year.

**Mr. Henry Hui, Chief Executive Officer of Automated Systems Holdings Limited** said, “Despite the challenging environment in 2013, the Group continued to provide a wide spectrum of business solutions and IT services for both public and commercial sectors with its solid foundation, accumulated operation and technical experience over the past forty years as well as our unrelenting efforts to seize business opportunities.”

For the year ended 31 December 2013, product sales and service revenue were HK\$890.5 million and HK\$722.5 million. Product sales and service revenue contributed 55.2% and 44.8% to total revenue respectively, compared to 54.1% and 45.9% with the corresponding period last year. Commercial and public sector sales contributed 47.0% and 53.0% to revenue respectively during the period under review, compared to 46.6% and 53.4% for the corresponding period in 2012.

The Group, during the year, continued to gain trust and support from public sector and stood out at the top IT services provider in terms of the aggregate contract value in providing quality professional services among other industry peers. The Group continued to garner and provide implementation of numerous orders for the government to accommodate different government IT initiatives such as web accessibility, electronic information management and the government human resources management services.

In the commercial sector, the Group grasped opportunities arising from IT infrastructure, solutions and services to meet different market demands. The major orders recorded during the year included provisioning business intelligence solutions to theme parks, revamping storage system for a pan-Asian retail brand, and upgrading enterprise content management for a renowned local bank. The Group also expanded its business in the aviation sector by extending its customer base and securing sizeable contracts.

For the business activities outside Hong Kong, the buoyant gambling industry in Macau stimulated the demand for computing facilities and IT solutions. Of note was a sizeable order received from an integrated gaming resort in Cotai for the provision of core network infrastructure. Across the Taiwan Strait, the Group continued to take advantage of the cross-territories opportunities by supplying IT infrastructure to a Shenzhen subsidiary of one of the world's largest electronic contract manufacturers in Taiwan.

The Group has always been actively looking for inorganic growth opportunities. In February 2014, the Group successfully completed the subscription by bringing a strategic investor, Great Ally Investments Limited (the "Strategic Investor") (a subsidiary of Peregrine Greater China Capital Appreciation Fund, L.P.), to subscribe for 118,973,914 new shares of i-Sprint Innovations Pte Ltd ("i-Sprint") (representing 41.67% of the enlarged issued share capital of i-Sprint) at a consideration of US\$9,850,000 (equivalent to approximately HK\$76,833,000). Following the subscription, i-Sprint ceased to be a subsidiary of the Group, yet the Group remains as the largest single shareholder of i-Sprint by holding 48.22% of i-Sprint's issued share capital. This strategic investment allows the Group to record an unaudited one-off investment gain. The Group believes that we will benefit from the subscription in different aspects. For instance, the Strategic Investor possesses abundant experience and professional knowledge in investment and will bring expertise in planning for the initial public offering of i-Sprint's shares in the near future, thus enabling us to materialise the investment in i-Sprint at the earliest opportunity. In addition, the future collaboration between the Strategic Investor and ASL will bring synergies to the Group.

Apart from looking for inorganic growth opportunities, the Group will continue developing its IT solutions business, value-added services, as well as expanding its regional business. Capitalising on the Group's multi-vendor expertise and strong track records, the Group will in particular concentrate on the businesses of maintenance, networking, security infrastructure, help desk outsourcing and managed services. Meanwhile, the Group will further hone its business model in response to market trends and actively capture any regional opportunities arising from the prevailing IT trends to facilitate the sustainable development of the Group.

Regarding the cross-territories business, the Group will continue to leverage the presence in China and service delivery capability of its ultimate holding company, Beijing Teamsun Technology Co., Ltd., to enhance the service quality and satisfy the diverse business needs of customers.

**Mr. Hui** said, “In response to the challenging business environment over the previous year and in the year ahead, we have undertaken a series of measures, including enhancing our operational model, strengthening major account sales strategy while maintaining stringent cost control policies. In addition, the Group will strive for the development of potential business, including business in Macau and the above-mentioned business areas. We believe that those measures are able to accelerate product time-to-market, enhance business agility and flexibility and raise our service quality.”

“We will also endeavour to attract and retain more talents which are vital for the Group as an IT services provider. These appropriate measures are expected to facilitate the Group to be more responsive to the market changes, improve our operating margins and accelerate our business growth in the long run,” **Mr. Hui** concluded.

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

Automated Systems (HK) Limited, a leading information technology (IT) services provider 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 (HK) Limited, ELM Computer Technologies Limited, CSA Automated (Macau) Limited, Taiwan Automated Systems Limited, Guangzhou Automated Systems Limited, ASL Automated (Thailand) Limited and i-Sprint Innovations Pte Ltd, offers professional information technology services to corporate clients worldwide, particularly in the Greater China and Asia Pacific 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 leading information technology services provider in Asia Pacific.

The Group is dedicated to delivering a comprehensive one-stop service including applications and software development, consultancy, systems integration, maintenance support, help desk, outsourcing and training, security assessment service and managed security service (MSS) to corporate customers across all industries. 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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