

AUTOMATED

A Member of the Teamsun Group

Automated Systems Holdings Limited

自動系統集團有限公司*

(Incorporated in Bermuda with Limited Liability)

Stock Code : 771

**YOUR
TRUSTWORTHY AND
PROFESSIONAL
IT PARTNER**

Hong Kong · Mainland China · Taiwan
Macau · Thailand · Singapore · Malaysia



Interim Report

For the six months ended 30th June 2015

* For identification purpose only



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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

LEUNG Tat Kwong, Simon (*Chief Executive Officer*)
WANG Weihang

NON-EXECUTIVE DIRECTOR

HU Liankui (*Chairman*)

INDEPENDENT NON-EXECUTIVE DIRECTORS

YOUNG Meng Ying
LU Jiaqi
XU Peng

AUDIT COMMITTEE

YOUNG Meng Ying (*Chairman*)
LU Jiaqi
XU Peng

REMUNERATION COMMITTEE

LU Jiaqi (*Chairman*)
HU Liankui
YOUNG Meng Ying

NOMINATION COMMITTEE

XU Peng (*Chairman*)
HU Liankui
YOUNG Meng Ying
LU Jiaqi

MANAGEMENT COMMITTEE

LEUNG Tat Kwong, Simon (*Chairman*)
WANG Weihang
WANG Yueou[#]
CHENG Wai Sze, Catherine[#]
LEE Cheuk Wai, Thomas[#]
SHIH Ho Sang, Dominic[#]

INVESTMENT COMMITTEE

WANG Weihang (*Chairman*)
LEUNG Tat Kwong, Simon
HU Liankui

JOINT COMPANY SECRETARY

WANG Yueou
NGAN Wai Hing

Note:

[#] non-director member of the company

PRINCIPAL BANKER

The Hongkong and Shanghai Banking Corporation Limited

SOLICITORS

Jones Day
Appleby

AUDITOR

Grant Thornton Hong Kong Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Appleby Management (Bermuda) Ltd
Argyle House, 41a Cedar Avenue,
Hamilton HM12, Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited
Level 22, Hopewell Centre,
183 Queen's Road East,
Hong Kong

SHARE LISTING

The Stock Exchange of Hong Kong Limited
Stock Code: 771

REGISTERED OFFICE

Canon's Court,
22 Victoria Street,
Hamilton HM12, Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

15th Floor, Topsail Plaza,
11 On Sum Street,
Shatin, New Territories,
Hong Kong

INDEPENDENT REVIEW REPORT



TO THE BOARD OF DIRECTORS OF AUTOMATED SYSTEMS HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 4 to 22, which comprises the condensed consolidated statement of financial position of Automated Systems Holdings Limited and its subsidiaries as at 30th June 2015 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34.

Grant Thornton Hong Kong Limited

Certified Public Accountants

Level 12

28 Hennessy Road, Wanchai

Hong Kong

26th August 2015

Shaw Chi Kit

Practising Certificate No.: P04834

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30th June 2015

	Notes	Unaudited Six months ended 30th June	
		2015 HK\$'000	2014 HK\$'000
Revenue	6	769,564	694,151
Cost of goods sold		(403,985)	(341,259)
Cost of services rendered		(299,943)	(296,425)
Other income	7	1,898	2,122
Other gain, net	8	5,554	44,237
Selling expenses		(36,757)	(35,535)
Administrative expenses		(20,640)	(25,083)
Finance income	9	371	526
Finance costs		(561)	(995)
Share of results of associates		(3,832)	(6,530)
Profit before income tax	10	11,669	35,209
Income tax expense	11	(3,520)	(1,167)
Profit for the period		8,149	34,042
Attributable to:			
Equity holders of the Company		8,149	34,073
Non-controlling interests		-	(31)
		8,149	34,042
Earnings per share attributable to equity holders of the Company	13	HK cents	HK cents
Basic		2.60	10.94
Diluted		2.58	10.94

The notes on pages 11 to 22 form an integral part of this interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30th June 2015

	Unaudited	
	Six months ended 30th June	
	2015	2014
	HK\$'000	HK\$'000
Profit for the period	8,149	34,042
Other comprehensive income/(loss) that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of overseas operations	(1,908)	1,427
Reclassification adjustment of translation reserve upon deemed disposal of partial interests in associates	52	-
Reclassification adjustment of translation reserve upon deemed disposal of subsidiaries	-	(451)
Share of other comprehensive income/(loss) of associates	113	(132)
Total comprehensive income for the period	6,406	34,886
Attributable to:		
Equity holders of the Company	6,406	34,917
Non-controlling interests	-	(31)
	6,406	34,886

The notes on pages 11 to 22 form an integral part of this interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th June 2015

	Notes	Unaudited 30th June 2015 HK\$'000	Audited 31st December 2014 HK\$'000
Non-current assets			
Property, plant and equipment	14	273,949	278,485
Investment properties	15	50,200	50,200
Intangible assets	16	3,184	4,018
Interests in associates		63,371	63,569
Finance lease receivables		7,500	5,184
Deferred income tax assets		3,007	3,345
		401,211	404,801
Current assets			
Inventories		121,650	125,239
Trade receivables	17	146,926	179,417
Finance lease receivables		6,955	10,015
Other receivables, deposits and prepayments	18	30,057	24,521
Amounts due from customers for contract work		268,905	271,058
Tax recoverable		1,139	6,052
Restricted bank deposits	19	-	781
Cash and cash equivalents		155,131	130,439
		730,763	747,522
Total assets		1,131,974	1,152,323

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Cont'd)

As at 30th June 2015

	Notes	Unaudited 30th June 2015 HK\$'000	Audited 31st December 2014 HK\$'000
Equity attributable to equity holders of the Company			
Share capital	22	31,700	31,186
Share premium		112,067	105,528
Reserves		523,120	526,123
Total equity		666,887	662,837
Non-current liabilities			
Deferred income tax liabilities		43,386	43,228
Current liabilities			
Trade payables	20	204,408	228,632
Other payables and accruals	21	50,457	56,479
Receipts in advance		134,435	118,004
Current income tax liabilities		2,401	1,143
Short-term borrowings		30,000	42,000
		421,701	446,258
Total liabilities		465,087	489,486
Total equity and liabilities		1,131,974	1,152,323
Net current assets		309,062	301,264
Total assets less current liabilities		710,273	706,065

The notes on pages 11 to 22 form an integral part of this interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th June 2015

	Unaudited									
	Attributable to equity holders of the Company									
	Share capital HK\$'000	Share premium HK\$'000	Special reserve (Note (i)) HK\$'000	Property revaluation reserve HK\$'000	Translation reserve HK\$'000	Share-based payment reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000	Non- controlling interests HK\$'000	Total equity HK\$'000
At 1st January 2014	31,140	104,947	34,350	154,174	2,205	3,548	278,283	608,647	-	608,647
Profit for the period	-	-	-	-	-	-	34,073	34,073	(31)	34,042
Other comprehensive income:										
Exchange differences on translation of overseas operations	-	-	-	-	1,427	-	-	1,427	-	1,427
Reclassification adjustment of translation reserve upon deemed disposal of subsidiaries	-	-	-	-	(451)	-	-	(451)	-	(451)
Share of other comprehensive loss of associates	-	-	-	-	(132)	-	-	(132)	-	(132)
Total comprehensive income for the period	-	-	-	-	844	-	34,073	34,917	(31)	34,886
Transaction with owners										
Recognition of equity-settled share-based payments	-	-	-	-	-	1,703	-	1,703	-	1,703
Lapse of share options transferred to retained earnings	-	-	-	-	-	(280)	280	-	-	-
Non-controlling interest arising from share transfer	-	-	-	-	-	-	-	-	9,005	9,005
Deemed disposal of subsidiaries	-	-	-	-	-	(2,686)	(6,319)	(9,005)	(8,974)	(17,979)
Total transaction with owners	-	-	-	-	-	(1,263)	(6,039)	(7,302)	31	(7,271)
At 30th June 2014	31,140	104,947	34,350	154,174	3,049	2,285	306,317	636,262	-	636,262

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Cont'd)

For the six months ended 30th June 2015

	Unaudited									
	Attributable to equity holders of the Company							Total	Non-controlling interests	Total equity
	Share capital	Share premium	Special reserve (Note (i))	Property revaluation reserve	Translation reserve	Share-based payment reserve	Retained earnings			
At 1st January 2015	31,186	105,528	34,350	189,646	(896)	2,259	300,764	662,837	-	662,837
Profit for the period	-	-	-	-	-	-	8,149	8,149	-	8,149
Other comprehensive income:										
Exchange differences on translation of overseas operations	-	-	-	-	(1,908)	-	-	(1,908)	-	(1,908)
Reclassification adjustment of translation reserve upon deemed disposal of partial interests in associates	-	-	-	-	52	-	-	52	-	52
Share of other comprehensive income of associates	-	-	-	-	113	-	-	113	-	113
Total comprehensive income for the period	-	-	-	-	(1,743)	-	8,149	6,406	-	6,406
Transaction with owners										
Forfeiture of unclaimed dividends	-	-	-	-	-	-	2	2	-	2
Final dividend for the year ended 31st December 2014	-	-	-	-	-	-	(7,908)	(7,908)	-	(7,908)
Issue of ordinary shares upon exercise of share options	514	6,539	-	-	-	(1,393)	-	5,660	-	5,660
Recognition of equity-settled share-based payments	-	-	-	-	-	(110)	-	(110)	-	(110)
Lapse of share options transferred to retained earnings	-	-	-	-	-	(33)	33	-	-	-
Total transaction with owners	514	6,539	-	-	-	(1,536)	(7,873)	(2,356)	-	(2,356)
At 30th June 2015	31,700	112,067	34,350	189,646	(2,639)	723	301,040	666,887	-	666,887

Note (i): The special reserve of Automated Systems Holdings Limited (the "Company") and its subsidiaries (together, the "Group") represents the difference between the nominal value of the shares of the acquired subsidiaries and the nominal value of the Company's shares issued for the acquisition at the time of the group reorganisation prior to the listing of the Company's shares in 1997.

The notes on pages 11 to 22 form an integral part of this interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30th June 2015

	Unaudited	
	Six months ended 30th June 2015	2014
	HK\$'000	HK\$'000
Operating activities		
Cash from operations	40,709	45,572
Hong Kong profits tax paid	(810)	(1,735)
Overseas tax refund/(paid)	84	(5)
Tax refund	3,876	10
Net cash from operating activities	43,859	43,842
Investing activities		
Net cash outflow arising from deemed disposal of subsidiaries	-	(12,567)
Purchases of property, plant and equipment	(4,344)	(2,111)
Additions to intangible assets	-	(153)
Proceeds from disposals of property, plant and equipment	19	47
Interest received	24	44
Dividends received from associates	578	582
Other investing activities	-	(14)
Net cash used in investing activities	(3,723)	(14,172)
Financing activities		
Repayment of short-term borrowings	(12,000)	(27,257)
Proceeds from issuing shares	5,660	-
Interest paid	(561)	(995)
Dividends paid	(7,908)	-
Net cash used in financing activities	(14,809)	(28,252)
Net increase in cash and cash equivalents	25,327	1,418
Cash and cash equivalents at the beginning of the period	130,439	126,158
Effect of foreign exchange rate changes	(635)	(68)
Cash and cash equivalents at the end of the period	155,131	127,508

The notes on pages 11 to 22 form an integral part of this interim financial information.

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30th June 2015

1 General Information

The Company was incorporated in Bermuda as an exempted company with limited liability. Its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of its registered office is Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda.

This interim financial information is presented in thousands of units of Hong Kong dollars ("HK\$'000"), unless otherwise stated, which was approved for issue on 26th August 2015.

This interim financial information has not been audited, but has been reviewed by the Company's auditor.

2 Basis of Preparation

This interim financial information for the six months ended 30th June 2015 has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This interim financial information should be read in conjunction with the consolidated financial statements of the Group for the year ended 31st December 2014, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

3 Principal Accounting Policies

The accounting policies applied in this interim financial information are consistent with those described in the financial statements for the year ended 31st December 2014.

The HKICPA has issued certain new and revised HKFRSs. For those which are effective for accounting periods beginning on 1st January 2015, the adoption of these newly effective 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. For those which are not yet effective and have not been early adopted by the Group, the Group is in the process of assessing their impact on the Group's results and financial position.

4 Estimates and Judgements

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements of the Group for the year ended 31st December 2014.

5 Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk, and liquidity risk.

This interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's financial statements for the year ended 31st December 2014.

There have been no changes in the risk management department or risk management policies since the year ended 31st December 2014.

As at 30th June 2015, the Group did not have any financial assets or financial liabilities measured at fair value (31st December 2014: nil).

NOTES TO THE INTERIM FINANCIAL INFORMATION (Cont'd)

For the six months ended 30th June 2015

6 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	
	Six months ended 30th June	
	2015	2014
	HK\$'000	HK\$'000
Sales of goods	454,116	376,499
Revenue from service contracts	315,448	317,652
	769,564	694,151

The Board of Directors (the "Board") has been identified as the chief operating decision maker. 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 (six months ended 30th June 2014: 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 under review are presented below:

Unaudited

Six months ended 30th June 2015

	IT Products	IT Services	Total
	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	454,116	315,448	769,564
Intersegment revenue	13,272	10,311	23,583
Segment revenue	467,388	325,759	793,147
Reportable segment profit	22,040	8,319	30,359
Segment depreciation	398	4,560	4,958
Segment amortisation	–	834	834
Additions to property, plant and equipment	52	2,191	2,243

NOTES TO THE INTERIM FINANCIAL INFORMATION (Cont'd)

For the six months ended 30th June 2015

6 Revenue and Segment Information (Cont'd)

The Group's revenue and results by operating segment for the period under review are presented below (Cont'd):

Unaudited

Six months ended 30th June 2014

	IT Products HK\$'000	IT Services HK\$'000	Total HK\$'000
Revenue from external customers	376,499	317,652	694,151
Intersegment revenue	36,646	11,079	47,725
Segment revenue	413,145	328,731	741,876
Reportable segment profit	8,163	13,273	21,436
Segment depreciation	92	4,572	4,664
Segment amortisation	-	251	251
Additions to property, plant and equipment	168	1,744	1,912
Additions to intangible assets	-	153	153

The Group's assets and liabilities by operating segment for the period under review are presented below:

Unaudited

As at 30th June 2015

	IT Products HK\$'000	IT Services HK\$'000	Total HK\$'000
Reportable segment assets	253,510	330,464	583,974
Reportable segment liabilities	208,300	161,305	369,605

Audited

As at 31st December 2014

	IT Products HK\$'000	IT Services HK\$'000	Total HK\$'000
Reportable segment assets	304,441	316,909	621,350
Reportable segment liabilities	237,243	130,643	367,886

- (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, unallocated other gain, net, unallocated depreciation for property, plant and equipment that are used for all segments, share of results of associates, 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, unallocated restricted bank deposits, unallocated cash and cash equivalents and unallocated corporate assets (mainly include certain property, plant and equipment, investment properties and part of intangible assets that are used by all segments, prepayments, deposits and tax recoverable).

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

Additions to non-current assets comprise additions to property, plant and equipment and intangible assets.

NOTES TO THE INTERIM FINANCIAL INFORMATION (Cont'd)

For the six months ended 30th June 2015

6 Revenue and Segment Information (Cont'd)

- (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, total assets and total liabilities of the Group as follows:

Revenue	Unaudited Six months ended 30th June	
	2015 HK\$'000	2014 HK\$'000
Reportable segment revenue	793,147	741,876
Elimination of intersegment revenue	(23,583)	(47,725)
Revenue per condensed consolidated statement of profit or loss	769,564	694,151

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

Profit or loss	Unaudited Six months ended 30th June	
	2015 HK\$'000	2014 HK\$'000
Reportable segment profit	30,359	21,436
Unallocated amounts:		
Unallocated other income	1,898	2,122
Unallocated other gain, net	5,565	44,259
Unallocated depreciation	(3,874)	(2,675)
Share of results of associates	(3,832)	(6,530)
Finance costs	(561)	(995)
Unallocated corporate expenses	(17,886)	(22,408)
Profit before income tax per condensed consolidated statement of profit or loss	11,669	35,209

Assets	Unaudited 30th June 2015 HK\$'000	Audited 31st December 2014 HK\$'000
	Reportable segment assets	583,974
Unallocated assets:		
Interests in associates	63,371	63,569
Deferred income tax assets	3,007	3,345
Unallocated restricted bank deposits	–	781
Unallocated cash and cash equivalents	155,131	130,439
Unallocated corporate assets	326,491	332,839
Total assets per condensed consolidated statement of financial position	1,131,974	1,152,323

NOTES TO THE INTERIM FINANCIAL INFORMATION (Cont'd)

For the six months ended 30th June 2015

6 Revenue and Segment Information (Cont'd)

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

	Unaudited 30th June 2015 HK\$'000	Audited 31st December 2014 HK\$'000
Liabilities		
Reportable segment liabilities	369,605	367,886
Unallocated liabilities:		
Current income tax liabilities	2,401	1,143
Deferred income tax liabilities	43,386	43,228
Unallocated corporate liabilities	49,695	77,229
Total liabilities per condensed consolidated statement of financial position	465,087	489,486

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, China, Macau, Singapore, Taiwan and Thailand.

Place of domicile	Revenue from external customers		Specified non-current assets	
	Unaudited Six months ended 30th June 2015 HK\$'000	2014 HK\$'000	Unaudited 30th June 2015 HK\$'000	Audited 31st December 2014 HK\$'000
Hong Kong	694,388	623,237	390,046	394,603
China	2,965	9,327	247	418
Macau	40,020	22,139	135	894
Singapore	-	2,550	-	-
Taiwan	18,008	23,527	107	136
Thailand	14,183	13,197	169	221
Others	-	174	-	-
	769,564	694,151	390,704	396,272

7 Other Income

	Unaudited Six months ended 30th June	
	2015 HK\$'000	2014 HK\$'000
Interest on bank deposits	24	44
Rental income from investment properties	1,459	1,297
Sundry income	14	569
Others	401	212
	1,898	2,122

NOTES TO THE INTERIM FINANCIAL INFORMATION (Cont'd)

For the six months ended 30th June 2015

8 Other Gain, Net

	Unaudited Six months ended 30th June	
	2015 HK\$'000	2014 HK\$'000
(Loss)/Gain on disposal of property, plant and equipment	(42)	47
Gain on deemed disposal of partial interests in associates (note 23)	5,281	-
Gain on deemed disposal of subsidiaries	-	44,666
Exchange gain/(loss), net	315	(476)
	5,554	44,237

9 Finance Income

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

10 Profit Before Income Tax

	Unaudited Six months ended 30th June	
	2015 HK\$'000	2014 HK\$'000
Profit before income tax is arrived at after charging/(crediting):		
Depreciation and amortisation:		
Property, plant and equipment	8,832	7,339
Intangible assets (included in cost of services rendered)	834	251
Provision for impairment of amounts due from customers for contract work	-	6,701
Reversal of provision for impairment of trade receivables	(156)	(311)
Staff costs	202,345	218,973

11 Income Tax Expense

	Unaudited Six months ended 30th June	
	2015 HK\$'000	2014 HK\$'000
Current taxation:		
Hong Kong profits tax	2,140	2,178
Overseas taxation	12	23
Under/(Over)-provision in respect of prior period:		
Hong Kong profits tax	872	(79)
Overseas taxation	-	(1)
	3,024	2,121
Deferred taxation:		
Current period	496	(954)
Income tax expense	3,520	1,167

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30th June 2014: 16.5%) on the estimated assessable profits for the period. Taxation on overseas profits has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the countries and regions in which the Group operates.

NOTES TO THE INTERIM FINANCIAL INFORMATION (Cont'd)

For the six months ended 30th June 2015

12 Dividends

	Unaudited Six months ended 30th June	
	2015	2014
	HK\$'000	HK\$'000
Dividend recognised as distribution during the period:		
Final dividend in respect of the year ended 31st December 2014 of 2.5 HK cents per share	7,908	–
The Directors did not recommend the payment of an interim dividend for the six months ended 30th June 2015 (six months ended 30th June 2014: nil).		

13 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 Six months ended 30th June	
	2015	2014
	HK\$'000	HK\$'000
Earnings for the purpose of basic and diluted earnings per share	8,149	34,073
	Number of shares	
	2015	2014
	'000	'000
Weighted average number of ordinary shares for the purpose of basic earnings per share	313,731	311,403
Effect of deemed issue of shares under the Company's share option scheme	2,641	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	316,372	311,403

Diluted earnings per share for the six months ended 30th June 2014 is the same as the basic earnings per share as there is no dilutive effect of potential ordinary shares outstanding.

NOTES TO THE INTERIM FINANCIAL INFORMATION (Cont'd)

For the six months ended 30th June 2015

14 Property, Plant and Equipment

During the six months ended 30th June 2015, the additions of property, plant and equipment, mainly for computers and office equipment, was approximately HK\$4,344,000 (six months ended 30th June 2014: HK\$2,111,000).

During the six months ended 30th June 2015, the Group disposed of certain property, plant and equipment at the carrying amount of HK\$61,000 (six months ended 30th June 2014: HK\$2,000), resulting in a loss on disposal of HK\$42,000 (six months ended 30th June 2014: a gain of HK\$47,000).

The Group's leasehold land and buildings were stated at valuations made at 31st December 2014 less depreciation. The leasehold land and buildings were last revalued by an independent professional valuer at 31st December 2014 on market value basis, which was determined by reference to market evidence of recent transactions for similar properties. As at 30th June 2015, the Directors of the Company considered that the carrying amount of the Group's leasehold land and buildings did not differ significantly from their fair values.

As at 30th June 2015, if the leasehold land and buildings had not been revalued, they would have been included in this interim financial information at historical cost, less accumulated depreciation and amortisation with a carrying amount of approximately HK\$45,215,000 (31st December 2014: HK\$46,004,000).

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

As at 30th June 2015, the Group had pledged leasehold land and buildings with a carrying amount of approximately HK\$255,655,000 (31st December 2014: HK\$259,650,000) to secure banking facilities granted to the Group as disclosed in note 25.

15 Investment Properties

The investment properties of the Group were last revalued at 31st December 2014 by an independent professional valuer on the basis of open market value which was determined by reference to market evidence of recent transactions for similar properties.

As at 30th June 2015, the Directors of the Company considered that the carrying amount of the Group's investment properties which are carried at revalued amounts did not differ significantly from their fair values.

As at 30th June 2015, the Group had pledged investment properties with a carrying amount of approximately HK\$50,200,000 (31st December 2014: HK\$50,200,000) to secure banking facilities granted to the Group as disclosed in note 25.

16 Intangible Assets

Intangible assets of the Group represented deferred development costs. During the six months ended 30th June 2015, the Group had no addition of deferred development costs (six months ended 30th June 2014: HK\$153,000) for clearly-defined projects that will be recovered through future commercial activities.

NOTES TO THE INTERIM FINANCIAL INFORMATION (Cont'd)

For the six months ended 30th June 2015

17 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.

	Unaudited 30th June 2015 HK\$'000	Audited 31st December 2014 HK\$'000
Trade receivables – gross	147,252	179,899
Less: provision for impairment	(326)	(482)
Trade receivables – net	146,926	179,417

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

	Unaudited 30th June 2015 HK\$'000	Audited 31st December 2014 HK\$'000
Current	88,784	104,010
Within 30 days	23,590	34,516
31 – 60 days	11,717	13,777
61 – 90 days	8,526	8,725
Over 90 days	14,635	18,871
	147,252	179,899

18 Other Receivables, Deposits and Prepayments

	Unaudited 30th June 2015 HK\$'000	Audited 31st December 2014 HK\$'000
Other receivables	4,750	4,843
Deposits	5,861	5,658
Prepayments	17,536	13,859
Amount due from the ultimate holding company	201	113
Amount due from the immediate holding company	13	13
Amount due from an associate	1,696	35
	30,057	24,521

19 Restricted Bank Deposits

As at 31st December 2014, restricted bank deposits represented fixed term deposits placed in commercial banks that were pledged against banking facilities and performance bonds granted to the Group.

NOTES TO THE INTERIM FINANCIAL INFORMATION (Cont'd)

For the six months ended 30th June 2015

20 Trade Payables

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

	Unaudited 30th June 2015 HK\$'000	Audited 31st December 2014 HK\$'000
Current	149,423	148,309
Within 30 days	27,402	53,630
31 – 60 days	15,805	17,308
61 – 90 days	4,127	1,909
Over 90 days	7,651	7,476
	204,408	228,632

21 Other Payables and Accruals

	Unaudited 30th June 2015 HK\$'000	Audited 31st December 2014 HK\$'000
Other payables	3,798	4,595
Accruals	41,259	40,512
Amount due to a fellow subsidiary	–	9,230
Amounts due to associates	5,400	2,142
	50,457	56,479

22 Share Capital

	Unaudited 30th June 2015		Audited 31st December 2014	
	Number of shares '000	Amount HK\$'000	Number of shares '000	Amount HK\$'000
Authorised: Ordinary shares of HK\$0.10 each	600,000	60,000	600,000	60,000
Issued and fully paid: At the beginning of the period/year	311,863	31,186	311,403	31,140
Issue of ordinary shares upon exercise of share options	5,136	514	460	46
At the end of the period/year	316,999	31,700	311,863	31,186

NOTES TO THE INTERIM FINANCIAL INFORMATION (Cont'd)

For the six months ended 30th June 2015

23 Deemed Disposal of Partial Interests in Associates

On 9th March 2015, i-Sprint Innovations Pte Ltd ("i-Sprint"), an associate of the Company, and Mr. Hu Liankui ("Mr. Hu"), a Non-Executive Director and the Chairman of the Company entered into a share subscription agreement pursuant to which i-Sprint has agreed to issue and allot and Mr. Hu has agreed to subscribe for 60,392,850 new shares of i-Sprint, representing 17.46% of the enlarged issued share capital of i-Sprint thereafter for a consideration of US\$5,000,000 (equivalent to approximately HK\$38,778,000) (the "Subscription"). The Subscription has been completed on 27th March 2015 (the "Completion").

Upon the Completion, the Group's percentage of shareholding in i-Sprint was diluted from 48.22% to 39.80% and a gain of HK\$5,281,000 was recognised during the period.

24 Contingent Liabilities

As at 30th June 2015, the Group had no bank deposits held as security for banking facilities and performance bonds (31st December 2014: HK\$781,000). As at 30th June 2015, performance bonds of approximately HK\$51,749,000 (31st December 2014: HK\$46,485,000) have been issued by the bank on behalf of the Group to customers as security of contracts.

Corporate guarantee provided by the Company to vendors as security for goods supplied to the Group amounted to approximately HK\$44,499,000 as at 30th June 2015 (31st December 2014: HK\$44,524,000). The amount utilised against goods supplied as at 30th June 2015 which was secured by the corporate guarantee was approximately HK\$483,000 (31st December 2014: HK\$342,000).

25 Pledge of Assets

As at 30th June 2015, the Group's leasehold land and buildings of approximately HK\$255,655,000 (31st December 2014: HK\$259,650,000) and investment properties of approximately HK\$50,200,000 (31st December 2014: HK\$50,200,000) were pledged to secure the banking facilities of the Group.

As at 30th June 2015, the Group had no restricted bank deposits pledged to secure the banking facilities and performance bonds of the Group (31st December 2014: HK\$781,000).

26 Capital Commitments

As at 30th June 2015, the Group had contracted capital commitment of approximately HK\$894,000 (31st December 2014: HK\$1,249,000).

27 Seasonality

Sales of products and the provision of related services are not subject to obvious seasonal factors.

NOTES TO THE INTERIM FINANCIAL INFORMATION (Cont'd)

For the six months ended 30th June 2015

28 Related Party Transactions

As at 30th June 2015, Teamsun Technology (HK) Limited owns 65.87% of the Company's issued shares (31st December 2014: 66.95%). The remaining 34.13% of the Company's issued shares (31st December 2014: 33.05%) were widely held. The ultimate holding company of the Company is Beijing Teamsun Technology Co., Ltd.

- (a) During the period, the Group had the following transactions with related parties:

Nature of transactions	Unaudited Six months ended 30th June	
	2015 HK\$'000	2014 HK\$'000
Ultimate holding company:		
Purchase by the Group	37	1,622
Expenses charged to the Group	164	467
Sales by the Group	112	112
Fellow subsidiaries:		
Purchase by the Group	414	1,104
Sales by the Group	88	-
Immediate holding company:		
Sales by the Group	-	4
The associates:		
Purchases by the Group	5,326	2,781
Other income charged by the Group	138	-
Rental income charged by the Group	162	7

Sales and purchase of the goods and services are transacted at normal commercial terms that are consistently applied to all customers and vendors.

- (b) The remuneration of key management personnel for the six months ended 30th June 2015 amounted to approximately HK\$1,912,000 (six months ended 30th June 2014: HK\$4,588,000).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

For the six months ended 30th June 2015, total revenue of Automated Systems Holdings Limited (the "Company") and its subsidiaries (together, the "Group") was HK\$769.6 million, representing a 10.9% increase from the corresponding period last year, primarily driven by the increase in product sales. As compared with the corresponding period last year, product sales was increased by 20.6% to HK\$454.1 million while service revenue was decreased by 0.7% to HK\$315.4 million. For the six months ended 30th June 2015, product sales and service revenue contributed 59.0% and 41.0% to total revenue respectively, compared to 54.2% and 45.8% for the corresponding period last year.

For the six months ended 30th June 2015, commercial and public sector sales contributed 41.7% and 58.3% to total revenue respectively, compared to 40.7% and 59.3% for the corresponding period last year.

For the six months ended 30th June 2015, upon the implementation of various measures relating to human resources integration, effectiveness of operational efficiency and ongoing marketing promotion, the Group has achieved a positive momentum by an increase in revenue and a fall in overall operating costs, which resulted in significant increase in net profit of the Group's core information technology ("IT") business of 89.3% as compared to the corresponding period last year. The gross profit margin for the first six months was 8.5%, an increase of 0.4% compared to the corresponding period last year. In addition, the share of loss of associates, i-Sprint Innovations Pte Ltd ("i-Sprint"), by the Group was decreased by 34.1% as i-Sprint continued improving in its business development which resulted in an increase in its revenue of 71.7% and a decrease of its net loss of 42.5%.

During the period under review, the Group recorded profit attributable to the Company's equity holders of HK\$8.1 million, a drop of 76.1% compared to the corresponding period last year of HK\$34.1 million. The drop was mainly due to the one-off gain on the deemed disposals of the Group's partial interests in i-Sprint was HK\$5.3 million of the current period, compared to HK\$44.7 million of the corresponding period last year. Details of the deemed disposals in the current period and the corresponding period last year were disclosed in the Company's announcements dated 28th January 2014, 4th February 2014, 12th February 2014 and 31st March 2015.

For the year ended 31st December 2014, a business contract of a wholly-owned subsidiary of the Group had been terminated, details of which were disclosed in the Company's announcements dated 19th March 2014 and 21st May 2014. During the period under review, the Group had adopted a prudent approach and further provision was made in view of the potential financial impact that might incur. The possible impact arising from the termination of the business contract on the Group's results for future financial periods is subject to negotiation.

For the six months ended 30th June 2015, orders newly secured by the Group amounted to approximately HK\$727.5 million. As at 30th June 2015, the order book balance was approximately HK\$775.3 million, a decrease of HK\$127.3 million compared to the corresponding period last year. The Group's net cash stood at approximately HK\$155.1 million with a working capital ratio of 1.73:1. The Group maintained a healthy financial position and outstanding borrowings amounted to HK\$30.0 million as at 30th June 2015.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

Business Review

The Group, since the second half of 2014, endeavours to refine and implement new strategies especially focusing on 5 key solutions and services pillars (i.e. Infrastructure, Security, Data Intelligence, Mobile and Cloud) and a progressive results had been made.

With over 40 years of experience in systems integration, the Group responded to demand in mobile market and successfully obtained projects for deploying large-scale Wi-Fi solutions for educational institutions and security enhancement. In addition, the Group was able to ride on the trend of big data & analytics by winning numerous projects in various industries. During the period under review, the Group entered into high-value and long-term managed services contracts of a strong recurrent nature with organisations in financial services, entertainment, engineering and maintenance sectors for the provision of help desk & deskside support services, onsite support services and data center operation support.

Against the backdrop of a complicated budget bill's approval process of the Hong Kong Government in the period under review, the Group is pleased to record a steady growth in the government sector.

In January 2015, the Group blazed a trail in establishing an Automated Center of Excellence ("ACoE") in providing a unique platform for our partners and customers to see, touch and feel the integrated solutions we offer. During the period under review, there were approximately 100 visits from customers and partners to the ACoE, representing to almost a visit per day, that indicates positive feedbacks from customers and strong support from global IT partners in collaboratively developing integrated IT solutions.

Outlook and Prospects

According to the International Data Corporation (IDC), it is anticipated that Asia-Pacific (excluding Japan) region will remain a most reliable engine for IT spending growth with multinational companies and Asian enterprises alike continuing to relentlessly look to Asia for future opportunities. In view of this, we will continue to invest proactively in enhancing service offerings to better position of the Group in capitalising on the significant growth opportunities, such as big data, security and managed services, we see in the marketplace. Notably, in the beginning of the second half of 2015, the Group continued its success in garnering multi-million dollar data analytics contract from an international airline. And in the same period of time in July, the Group was awarded a Standing Offer Agreement for Quality Professional Services 3 (SOA-QPS3) relating to Review of Government Information Technology Security Related Regulations, Policies and Guidelines for the Office of the Government Chief Information Officer.

According to Frost & Sullivan, an independent market researcher and consultant, the managed security services market in Asia Pacific ("APAC") is predicted to record the fastest growth globally, with a compound annual growth rate of 16.2%, and increase to US\$3.83 billion in 2018. Most customers in APAC prefer managed security services providers with local security operations centers due to the requirements of data sovereignty and other security compliance regulations imposed by governments.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

Outlook and Prospects (Cont'd)

In anticipation of a strong demand for managed security services, the Group has established an advanced Security Operation Center Plus ("SOC+") in July 2015. The SOC+ is the eighth area of the ACoE and is dedicated to provide security services to clients. Supported by over 100 certified security professionals and more than 800 technical professionals with multi-vendor hands-on experience, SOC+ can provide onsite security incident response services across different platforms, which is unique in Hong Kong marketplace. Its establishment represents our continuous commitment in improving our security services and solutions.

Apart from managed security services market, the Group will continue to closely look for business opportunities in the other markets. Hong Kong Monetary Authority is now working with local banking sector for a brand new electronic payment services of which expecting rollout by the end of 2015. Our competence was demonstrated by providing relevant applications to two prominent financial institutions in Hong Kong. The Group expects a similar demand to continue and is committed to actively capture the market.

Looking forward, the Group believes our proactive investment approach in core competences will increase the Group's agility to cater for market demand. Coupled with our strong capability in providing IT solutions and services, the Group remains confident that our current strategies will foster the position as a trustworthy and professional IT partner and strengthen our foundation for long term sustainable growth in the future.

Financial Resources and Liquidity

As at 30th June 2015, the Group's total assets of HK\$1,132.0 million were financed by current liabilities of HK\$421.7 million, non-current liabilities of HK\$43.4 million and shareholders' equity of HK\$666.9 million. The Group had a working capital ratio of approximately 1.73:1.

As at 30th June 2015, the Group had an aggregate composite banking facility from banks of approximately HK\$310.0 million (31st December 2014: HK\$310.8 million). The Group had pledged leasehold land and buildings and investment properties in an aggregate amount of HK\$305.9 million (31st December 2014: HK\$309.9 million) and no restricted bank deposits (31st December 2014: HK\$0.8 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\$51.7 million as at 30th June 2015 (31st December 2014: HK\$46.5 million). The Group's gearing ratio (total borrowings over total equity) was 4.5% as at 30th June 2015 (31st December 2014: 6.3%).

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 short-term borrowings are denominated in HKD.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

Foreign Exchange Exposure

The Group mainly earns revenue and incurs costs in HKD and USD. Foreign exchange exposure to USD of the Group will continue to be minimal as long as the policy of the Government of the Hong Kong Special Administrative Region to link HKD to USD remains in effect. There was no material exposure to fluctuations in exchange rates and therefore no related hedging financial instrument was applied during the six months ended 30th June 2015 (six months ended 30th June 2014: same).

Contingent Liabilities

As at 30th June 2015, the Group had no bank deposits held as security for banking facilities and performance bonds (31st December 2014: HK\$0.8 million). As at 30th June 2015, performance bonds of approximately HK\$51.7 million (31st December 2014: HK\$46.5 million) had been issued by the bank on behalf of the Group to customers as security of contracts.

Corporate guarantee to vendors as security for goods supplied to the Group amounted to approximately HK\$44.5 million as at 30th June 2015 (31st December 2014: HK\$44.5 million). The amount utilised against goods supplied as at 30th June 2015 which was secured by the corporate guarantee was approximately HK\$0.5 million (31st December 2014: HK\$0.3 million).

Capital Commitments

As at 30th June 2015, the Group had contracted capital commitment amounting to approximately HK\$0.9 million (31st December 2014: HK\$1.2 million).

Employee and Remuneration Policies

As at 30th June 2015, the Group, excluding its associates, employed 1,255 permanent and contract staff in Hong Kong, China, Taiwan, Macau, and Thailand. The Group remunerates its employees based on their performance, working experience and the prevailing market conditions. Bonuses are granted on a discretionary basis. Other employee benefits include mandatory provident fund, insurance, medical coverage and share options scheme.

ADDITIONAL INFORMATION

Dividend

The Directors did not recommend the payment of an interim dividend for the six months ended 30th June 2015 (six months ended 30th June 2014: nil).

Directors' Interests in Shares and Underlying Shares

As at 30th June 2015, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which (a) were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were recorded in the register required to be kept by the Company under Section 352 of the SFO; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), to be notified to the Company and the Stock Exchange ("Directors' Interests in Shares and Underlying Shares"), were as follows:

(a) Shares

Name of company	Director	Personal interests	Family interests	Corporate interests	Other	Total	Approximate % of shareholding
Beijing Teamsun Technology Co., Ltd. ("Teamsun")	Hu Liankui	5,824,054	-	-	-	5,824,054	0.91%
	Wang Weihang	62,937,446	-	-	-	62,937,446	9.81%
i-Sprint Innovations Pte Ltd ("i-Sprint")	Hu Liankui	60,392,850 ¹	-	-	-	60,392,850	17.46%

(b) Underlying shares

Name of company	Director	Personal interests	Family interests	Corporate interests	Other	Total
Automated Systems Holdings Limited	Leung Tat Kwong, Simon	1,020,000 ²	-	-	-	1,020,000
i-Sprint	Leung Tat Kwong, Simon	2,239,748 ³	-	-	-	2,239,748

ADDITIONAL INFORMATION (Cont'd)

Directors' Interests in Shares and Underlying Shares (Cont'd)

Notes:

- Such shares were subscribed by Mr. Hu Liankui through a shares subscription agreement with i-Sprint, an associate of the Company, further details of which are set out in a voluntary announcement of the Company dated 31st March 2015.
- Options to acquire ordinary shares of the Company, further details of which are set out in section headed "Share Option Scheme" below.
- Restricted share units confer rights to holders receiving existing ordinary shares of i-Sprint, upon vesting at nil consideration pursuant to an employee share ownership plan adopted by Superguard Global Holdings Limited ("Superguard") on 28th January 2014. Superguard is a special purpose vehicle set up, among other things, to hold the award shares on trust for the benefit of the participants of the aforesaid plan.

Save as mentioned above, as at 30th June 2015, none of the Directors and the chief executives of the Company had any Directors' Interests in Shares and Underlying Shares.

Substantial Shareholders

As at 30th June 2015, so far as was known to the Directors and chief executives of the Company, the interests and short positions of every person (other than Directors or chief executives of the Company) in the shares or underlying shares of the Company which were recorded in the register required to be kept by the Company under Section 336 of the SFO, were as follows:

Name of shareholder	Number of ordinary shares of the company held		Percentage of issued share capital %
	Direct interest	Deemed interest	
Teamsun Technology (HK) Limited ("Hong Kong Teamsun")	208,792,996	–	65.87
Teamsun	–	208,792,996 ¹	65.87

Note:

- Teamsun was interested in the entire issued share capital of Hong Kong Teamsun and was therefore deemed to be interested in the 208,792,996 shares in which Hong Kong Teamsun was interested.

Save as mentioned above, as at 30th June 2015, there was no other person (other than the Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange.

ADDITIONAL INFORMATION (Cont'd)

Share Option Scheme

The Company adopted a share option scheme (the "Scheme") on 8th August 2002 for the purpose of providing incentives and rewards to any employee and/or Director of the Company or any of its subsidiaries. The Scheme expired on 7th August 2012. As a result, the Company can no longer grant any further share options under the Scheme. However, all share options granted prior to 7th August 2012 will remain in full force and effect.

The following table discloses movements in the Company's share options during the period:

Participants	Number of shares to be issued upon exercise of share options					At 30th June 2015	Date of grant	Exercise period	Exercise price HK\$
	At 1st January 2015	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period				
Director									
Leung Tat Kwong,	510,000	-	-	-	-	510,000	19.3.2012	19.3.2013 to 18.3.2022	1.09
Simon	510,000	-	-	-	-	510,000	2.5.2012	2.5.2013 to 1.5.2022	1.12
	1,020,000	-	-	-	-	1,020,000			
Other employees									
	3,710,000	-	(3,170,000)	(180,000)	-	360,000	19.3.2012	19.3.2013 to 18.3.2022	1.09
	3,929,000	-	(1,966,000)	(643,000)	-	1,320,000	2.5.2012	2.5.2013 to 1.5.2022	1.12
	7,639,000	-	(5,136,000)	(823,000)	-	1,680,000			
Total	8,659,000	-	(5,136,000)	(823,000)	-	2,700,000			

Notes:

- All of the above options were vested equally on each of the first, second and third anniversaries of the date of grant, except for the options granted on 2nd May 2012 which were vested immediately in full in the event of a special dividend of the Company being declared.
- The weighted average closing price of the shares of the Company immediately before the date on which the options were exercised was HK\$2.36.

Purchase, Sale or Redemption of Listed Securities

During the six months ended 30th June 2015, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

ADDITIONAL INFORMATION (Cont'd)

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 unaudited interim results.

Update on Directors' Information

Pursuant to Rule 13.51B(1) of the Rules governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), the change in information of a Director of the Company is set out below:

Ms. Xu Peng ceased to be a supervisor of Beijing Information Industry Association.

Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted 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 six months ended 30th June 2015, and they all confirmed that they have fully complied with the required standard set out in the Model Code.

Corporate Governance

The Company has complied with the Corporate Governance Code (the "Code") set out in Appendix 14 to the Listing Rules throughout the accounting period for the six months ended 30th June 2015, except as noted below:

- (a) with respect to Code provision 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;
- (b) with respect to Code provision A.6.7, one Non-Executive Director did not attend the annual general meeting of the Company held on 20th May 2015 (the "2015 AGM") due to other commitments;
- (c) with respect to Code provision D.1.4, the Company did not have formal letters of appointment for all Non-Executive Directors. However, the terms of references have set out the work scope of the Board's committees and delegation made by the Board in respect of the responsibilities of the Non-Executive Directors in such Board's committees; and
- (d) with respect to Code provision E.1.2, Mr. Hu Liankui, the Chairman of the Board, was unable to attend the 2015 AGM due to other commitments.

As at 26th August 2015, the Board comprises Mr. Leung Tat Kwong, Simon and Mr. Wang Weihang being Executive Directors; Mr. Hu Liankui being Non-Executive Director; and Ms. Young Meng Ying, Mr. Lu Jiaqi and Ms. Xu Peng being Independent Non-Executive Directors.