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**EXPERT  
EXPERT SYSTEMS HOLDINGS LIMITED**

**思博系統控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 8319)**

**ANNUAL RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED 31 MARCH 2023**

**CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*This announcement, for which the directors (the “**Directors**”) of Expert Systems Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk), the GEM website at [www.hkgem.com](http://www.hkgem.com) on the “Latest Listed Company Announcements” page for at least seven days from the date of its posting. This announcement will also be published and remains on the Company’s website at [www.expertsystems.com.hk](http://www.expertsystems.com.hk).*

## HIGHLIGHTS

- Revenue for the year ended 31 March 2023 (the “**Reporting Year**” or “**FY2023**”) increased by approximately 30.0% from that for the year ended 31 March 2022 (the “**Corresponding Year**” or “**FY2022**”) to approximately HK\$886.5 million.
- Gross profit for the Reporting Year increased by approximately 32.8% from the Corresponding Year to approximately HK\$139.3 million.
- Profit for the year attributable to owners of the Company for the Reporting Year increased by approximately 29.1% to approximately HK\$19.7 million as compared to the Corresponding Year.
- Basic earnings per share increased by approximately 28.9% from approximately HK1.90 cents for the Corresponding Year to approximately HK2.45 cents for the Reporting Year.

## ANNUAL RESULTS

The board of Directors (the “**Board**”) of Expert Systems Holdings Limited is pleased to announce the consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 March 2023, together with comparative audited figures for the preceding financial year, as follows:

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the year ended 31 March 2023*

	<i>Notes</i>	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Revenue	5	<b>886,538</b>	682,189
Cost of sales		<b>(747,202)</b>	(577,241)
Gross profit		<b>139,336</b>	104,948
Other income and gains	5	<b>8,551</b>	2,580
Selling expenses		<b>(45,307)</b>	(40,407)
Administrative expenses		<b>(68,262)</b>	(42,260)
Provision for expected credit loss on financial assets		<b>(22)</b>	(83)
Finance costs		<b>(6,259)</b>	(2,966)
Profit before income tax expense	6	<b>28,037</b>	21,812
Income tax expense	7	<b>(5,350)</b>	(4,949)
Profit for the year		<b>22,687</b>	16,863
Other comprehensive income for the year Item that may be reclassified subsequently to profit or loss:			
— Exchange difference arising from translation of foreign operations		<b>(2,153)</b>	815
Total comprehensive income for the year		<b>20,534</b>	17,678

	<i>Notes</i>	<b>2023</b> <b>HK\$'000</b>	2022 HK\$'000
Profit for the year attributable to:			
Owners of the Company		<b>19,652</b>	15,217
Non-controlling interests		<b>3,035</b>	1,646
		<u><b>22,687</b></u>	<u>16,863</u>
Total comprehensive income for the year attributable to:			
Owner of the Company		<b>18,145</b>	15,787
Non-controlling interests		<b>2,389</b>	1,891
		<u><b>20,534</b></u>	<u>17,678</u>
Earnings per share			
— Basic	9	<u><b>HK2.45 cents</b></u>	<u>HK1.90 cents</u>
— Diluted		<u><b>HK2.00 cents</b></u>	<u>HK1.74 cents</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 31 March 2023*

	<i>Notes</i>	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		17,355	12,530
Intangible assets		13,556	17,299
Goodwill		100,078	100,078
Finance lease receivables		3	73
Restricted bank deposits		1,483	2,021
Other deposits	<i>11</i>	6,116	4,310
		<b>138,591</b>	136,311
<b>Current assets</b>			
Inventories		7,190	11,952
Trade receivables	<i>10</i>	110,974	145,812
Prepayments, deposits and other receivables	<i>11</i>	38,960	44,157
Finance lease receivables		70	171
Bank deposits		602	42,900
Restricted bank deposits		2,021	–
Cash and cash equivalents		196,795	158,459
		<b>356,612</b>	403,451
<b>Current liabilities</b>			
Trade payables	<i>12</i>	117,579	132,171
Accruals, deposits received and other payables	<i>13</i>	111,941	118,212
Consideration payable		–	43,148
Lease liabilities		6,294	3,277
Tax payables		1,371	3,624
		<b>237,185</b>	300,432
<b>Net current assets</b>		<b>119,427</b>	103,019
<b>Total assets less current liabilities</b>		<b>258,018</b>	239,330

	<i>Notes</i>	<b>2023</b> <b>HK\$'000</b>	2022 <i>HK\$'000</i>
<b>Non-current liabilities</b>			
Other payables	<i>13</i>	<b>1,972</b>	1,988
Lease liabilities		<b>8,442</b>	7,163
Convertible bonds		<b>60,067</b>	56,494
Deferred tax liabilities		<b>2,184</b>	2,808
		<u><b>72,665</b></u>	<u>68,453</u>
<b>Net assets</b>		<u><b>185,353</b></u>	<u>170,877</u>
<b>EQUITY</b>			
Share capital	<i>14</i>	<b>8,033</b>	8,033
Reserves		<b>155,928</b>	143,844
		<u><b>163,961</b></u>	<u>151,877</u>
<b>Equity attributable to owners of the Company</b>		<u><b>163,961</b></u>	<u>151,877</u>
Non-controlling interests		<b>21,392</b>	19,000
		<u><b>185,353</b></u>	<u>170,877</u>
<b>Total equity</b>		<u><b>185,353</b></u>	<u>170,877</u>

## NOTES

### 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (2004 revision) Chapter 22 of the Cayman Islands on 18 September 2015. Its shares are listed on the GEM of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 12 April 2016 (the “**Listing Date**”). The address of the Company’s registered office is Third Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands and its principal place of business in Hong Kong is 22/F., Yen Sheng Centre, 64 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in the provision of information technology (“**IT**”) infrastructure solutions, IT infrastructure management service and artificial intelligent (“**AI**”) business for corporate and institutional customers in China (including Mainland China, Hong Kong, Macau and Taiwan) and other parts of the Asia-Pacific region (including but not limited to Singapore, Malaysia, Japan, Korea and Australia).

### 2. BASIS OF PREPARATION

#### (a) Statement of compliance

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”), Hong Kong Accounting Standards (“**HKASs**”) issued by the Hong Kong Institute of Certified Public Accountants and Interpretations (hereinafter collectively referred to as the “**HKFRSs**”) and the disclosure requirements of the Hong Kong Companies Ordinance. During the year, management has identified misclassification of certain figures in the notes to consolidated financial statements for the year ended 31 March 2022. Accordingly, certain comparative figures in the respective notes have been restated to correct such misclassification. In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange.

#### (b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis.

#### (c) Functional and presentation currency

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company, and all values are rounded to the nearest thousands, except when otherwise indicated.

### 3. ADOPTION OF HKFRSs

#### (a) Adoption of new/revised HKFRSs — effective 1 April 2022

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract
Amendments to HKFRS 1, HKFRS 9, HKFRS 16 and HKAS 41	Annual Improvements to HKFRSs 2018–2020

The application of the amendments to HKFRSs in the current year has no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in this financial statements. The Group has not early applied any new or amended HKFRSs that is not yet effective for the current accounting year.

**(b) New/revised HKFRSs that have been issued but are not yet effective**

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosures of Accounting Policies <sup>1</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>1</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>1</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (Revised) <sup>2</sup>
Amendments to HKAS 1	Non-current Liabilities with Covenants <sup>2</sup>
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback (amendments) <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2024

<sup>3</sup> The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined

***Amendments to HKAS 1 and HKFRS Practice Statement 2, Disclosure of Accounting Policies***

The amendments to Disclosure of Accounting Policies were issued following feedback that more guidance was needed to help companies decide what accounting policy information should be disclosure. The amendments to HKAS 1 require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendments to HKFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The Directors are currently assessing the impact that the application of the amendments will have on the Group's consolidated financial statements.

***Amendments to HKAS 8, Definition of Accounting Estimates***

The amendments to HKAS 8 clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

The Directors are currently assessing the impact that the application of the amendments will have on the Group's consolidated financial statements.

***Amendments to HKAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction***

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying HKFRS 16 at the commencement date of a lease.

Following the amendments to HKAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in HKAS 12.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
  - Right-of-use assets and lease liabilities
  - Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset
- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

The Directors are currently assessing the impact that the application of the amendments will have on the Group's consolidated financial statements.

***Amendments to HKAS 1, Classification of liabilities as Current or Non-current, Non-current Liabilities with Covenants and related amendments to Hong Kong Interpretation 5 (Revised)***

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.

In addition, Hong Kong Interpretation 5 was revised as a consequence of the Amendments to HKAS 1 to align the corresponding wordings with no change in conclusion.

The amendments also deal with the classification of long-term loan arrangements with covenants by specifying that covenants to be complied with after the reporting date do not affect the classification of loan arrangements as current or non-current at the reporting date. Instead, companies are required to disclose information about these covenants in the notes to the financial statements.

The Directors are currently assessing the impact of the application of the amendments on the Group's consolidated financial statements.

#### ***Amendments to HKFRS 16, Lease Liabilities in a Sale and Leaseback***

The amendments add subsequent measurement requirements for a sale and leaseback transaction, where the transfer of the asset satisfies the requirements in HKFRS 15 Revenue from Contracts with Customers to be accounted for as a sale.

The Directors are currently assessing the impact of the application of the amendments on the Group's consolidated financial statements.

#### ***Amendments to HKFRS 10 and HKAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture***

The amendments address an acknowledged inconsistency between the requirements in HKFRS 10 and those in HKAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

The Directors anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transaction arise.

## **4. SEGMENT INFORMATION**

The chief operating decision maker is identified as executive directors of the Company. The Group has identified its operating segments based on the regular internal financial information reported to the Company's executive directors for their decisions about resources allocation and review of performance.

The Group's consolidated revenue and results are primarily attributable to the markets in Mainland China, Hong Kong and Singapore and the Group's consolidated assets and liabilities are primarily either located in Mainland China, Hong Kong or Singapore.

The following are the Group's reportable segments under HKFRS 8 "Operating Segments":

- Provision of IT infrastructure solutions services ("**IT infrastructure solutions**") include trading of IT hardware and software, IT hardware and software installation and configuration services;
- Provision of IT infrastructure management services ("**IT infrastructure management services**") include IT hardware maintenance, helpdesk, IT outsourcing and workflow automation services; and
- Provision of AI business includes develop and provide products, solutions and services to enable customers the use of AI.

The following is an analysis of the Group's revenue, results, assets and liabilities by reportable segments from continuing operations.

**For the year ended 31 March 2023**

	IT infrastructure solutions <i>HK\$'000</i>	IT infrastructure management services <i>HK\$'000</i>	AI business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue	576,639	315,018	–	891,657
Inter segment revenue	(2,429)	(2,690)	–	(5,119)
Total segment revenue from external customers	574,210	312,328	–	886,538
Segment results	25,117	15,011	(3,571)	36,557
Unallocated expenses				(8,520)
Profit before income tax expense				28,037
<b>Segment assets</b>				
IT infrastructure solutions				214,476
IT infrastructure management services				276,339
AI business				3,099
Unallocated assets				
— Cash and cash equivalents				1,174
— Others				115
Total assets				495,203
<b>Segment liabilities</b>				
IT infrastructure solutions				146,280
IT infrastructure management services				101,641
AI business				1,131
Unallocated liabilities				
— Convertible bonds				60,067
— Others				731
Total liabilities				309,850
<b>Other segment information</b>				
Interest income	377	834	–	1,211
Interest expenses	(224)	(553)	(19)	(796)
Depreciation of property, plant and equipment	(1,942)	(5,362)	(376)	(7,680)
Amortisation of intangible assets	–	(4,068)	–	(4,068)
Provision for expected credit losses on financial assets	(22)	–	–	(22)
Income tax expenses	(3,106)	(2,244)	–	(5,350)
Addition to property, plant and equipment	164	3,267	2,427	5,858
Addition to intangible assets	–	332	–	332

For the year ended 31 March 2022

	IT infrastructure solutions <i>HK\$'000</i>	IT infrastructure management services <i>HK\$'000</i>	AI business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue	527,801	155,795	–	683,596
Inter segment revenue	(467)	(940)	–	(1,407)
Total segment revenue from external customers	527,334	154,855	–	682,189
Segment results	23,633	6,632	–	30,265
Unallocated expenses				(8,453)
Profit before income tax expense				21,812
<b>Segment assets</b>				
IT infrastructure solutions				251,095
IT infrastructure management services				266,325
AI business				–
Unallocated assets				
— Cash and cash equivalents				22,192
— Others				150
Total assets				539,762
<b>Segment liabilities</b>				
IT infrastructure solutions				165,636
IT infrastructure management services				103,051
AI business				–
Unallocated liabilities				
— Consideration payable				43,148
— Convertible bonds				56,494
— Others				556
Total liabilities				368,885
<b>Other segment information</b>				
Interest income	171	35	–	206
Interest expenses	(266)	(150)	–	(416)
Depreciation of property, plant and equipment	(2,149)	(2,444)	–	(4,593)
Amortisation of intangible assets	–	(2,022)	–	(2,022)
Provision for expected credit losses on financial assets	(83)	–	–	(83)
Income tax expenses	(3,329)	(1,620)	–	(4,949)
Addition to property, plant and equipment	825	527	–	1,352
Addition to intangible assets	–	11	–	11

## Geographical information

The following is an analysis of the Group's revenue by the geographical locations of customers:

	<b>2023</b>	2022
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Hong Kong	<b>729,041</b>	585,411
Mainland China	<b>120,007</b>	85,909
Macau	<b>7,789</b>	4,091
Others	<b>29,701</b>	6,778
	<b><u>886,538</u></b>	<u>682,189</u>

Information about the Group's non-current assets by geographical location of the assets (except for financial assets) are presented below:

	<b>2023</b>	2022
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Hong Kong	<b>123,424</b>	128,184
Mainland China	<b>5,656</b>	1,533
Macau	<b>320</b>	190
Others	<b>1,589</b>	–
	<b><u>130,989</u></b>	<u>129,907</u>

## Information about major customers

There is no single external customer who contributed 10% or more of the Group's revenue for the year ended 31 March 2023 (2022: Nil).

## 5. REVENUE AND OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Revenue from contracts with customers:		
Provision of IT infrastructure solutions	574,146	527,256
Provision of IT infrastructure management services	<u>312,328</u>	<u>154,855</u>
	886,474	682,111
Revenue from other sources:		
Finance leases income	<u>64</u>	<u>78</u>
Total	<u><u>886,538</u></u>	<u><u>682,189</u></u>
Disaggregation of revenue from contracts with customers:		
At a point in time	622,207	553,110
Overtime	<u>264,267</u>	<u>129,001</u>
Total	<u><u>886,474</u></u>	<u><u>682,111</u></u>

An analysis of other income and gains is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Other income and gains:		
Interest income	1,234	206
Write back of other payables	135	930
Government subsidy ( <i>note (a)</i> )	5,712	322
Management fee income	488	166
Rent concessions ( <i>note (b)</i> )	–	1
Reversal of write-down of inventories to net realisable value	–	1
Gain on lease modification	–	654
Sundry income	<u>982</u>	<u>300</u>
Total	<u><u>8,551</u></u>	<u><u>2,580</u></u>

- (a) During the year ended 31 March 2023, COVID-19 related government grants from the Government of the People's Republic of China, Hong Kong Government and Macau Government amounting to HK\$5,712,000 was received by the Group.
- (b) The rent concessions related to COVID-19 pandemic of HK\$1,000 has been credited to profit or loss during the year ended 31 March 2022.

The following table provides information about trade receivables, contract assets and contract liabilities from contracts with customers:

	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
		(Restated)
Trade receivables ( <i>note 10</i> )	<b>110,974</b>	145,812
Contract assets	<b>23,279</b>	19,025
Contract liabilities ( <i>note 13(a)</i> )	<b>(73,900)</b>	(84,802)

The contract liabilities mainly relate to the advance consideration received from customers. Contract liabilities as of 1 April 2022 of HK\$84,802,000 (1 April 2021: HK\$18,718,000) have been recognised as revenue for the year ended 31 March 2023 from performance obligations satisfied in the year due to the delivery of goods and services accepted by customers.

#### **Transaction price allocated to remaining performance obligations**

The aggregate amount of the transaction price of IT infrastructure management services allocated to performance obligations that are unsatisfied (or partially unsatisfied) were approximately HK\$36,403,000 as at 31 March 2023 (2022: HK\$49,291,000). Management of the Group expects the majority of the transaction price allocated to the unsatisfied contracts as of the 31 March 2023 will be recognised within 1 to 4 years.

The Group has applied the practical expedient to its contracts for the provision of IT infrastructure solutions and therefore the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for the provision of IT infrastructure solutions that had an original expected duration of one year or less.

## 6. PROFIT BEFORE INCOME TAX EXPENSE

The Group's profit before income tax expense is arrived at after charging/(crediting):

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i> (Restated)
Costs of inventories recognised as expenses	491,586	482,418
Auditor's remuneration	1,065	975
Depreciation of property, plant and equipment	7,680	4,593
Amortisation of intangible assets	4,068	2,022
Written off of property, plant and equipment	–	12
Exchange losses, net	148	55
Short-term lease with application of recognition exemption	259	474
Write-down/(reversal of write-down) inventories to net realisable value	25	(1)
Staff costs (including directors' remuneration)		
— Wages, salaries and other benefits	179,383	102,606
— Contribution to defined contribution pension plans	25,656	13,963
— Equity-settled share-based payment expenses	124	213
	<u>205,163</u>	<u>116,782</u>

## 7. INCOME TAX EXPENSE

The income tax expense in the consolidated statement of comprehensive income represents:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Current tax		
— Hong Kong profits tax	4,669	5,110
— PRC Enterprise income tax	145	–
— Others	1,114	173
	<u>5,928</u>	<u>5,283</u>
Under/(over) provision in respect of prior year	46	(22)
	<u>5,974</u>	<u>5,261</u>
Deferred tax	(624)	(312)
Total income tax expense	<u>5,350</u>	<u>4,949</u>

According to the Inland Revenue (Amendment) (No. 3) Ordinance 2018 enacted on 29 March 2018, the two-tiered profits tax regime (the “**Regime**”) is effective from the year of assessment 2018/19. Profits tax rate for the first HK\$2 million of assessable profits of corporations is lowered to 8.25% with the excess assessable profits continue to be taxed at 16.5%. The Hong Kong profits tax for the year ended 31 March 2023 and 2022 is provided based on the Regime.

Under the Law of Mainland China on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the standard EIT rate of Mainland China subsidiaries is 25%.

Pursuant to the rules and regulations of Cayman Islands, the Group is not subject to any taxation under the jurisdictions of Cayman Islands during the year ended 31 March 2023 and 2022.

Macau Complementary Tax is calculated at the rate of 12% (2022: 12%) on the estimated assessable profits for the year ended 31 March 2023 and 2022.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

## 8. DIVIDENDS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Dividends for ordinary shareholders of the Company recognised as distribution during the year		
2022 final of HK0.77 cent per share was declared and paid	6,185	–
2021 final of HK0.90 cent per share was declared and paid	–	7,230
	<u>6,185</u>	<u>7,230</u>

A final dividend in respect of the year ended 31 March 2023 of HK1.00 cent per ordinary share (tax exclusive) amounting to HK\$8,033,000 was proposed pursuant to a resolution passed by the Board of Directors on 20 June 2023 and subject to the approval by the shareholders at the annual general meeting of the Company to be held on 15 September 2023 or any adjournment thereof. This proposed dividend is not reflected as dividend payable in the consolidated financial statements.

## 9. EARNINGS PER SHARE

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

	2023	2022
<b>Earnings</b>		
Profit for the purposes of basic earnings per share ( <i>HK\$'000</i> )	<b>19,652</b>	15,217
Effect of dilutive potential ordinary shares:		
— Interest on convertible bonds, net of income tax ( <i>HK\$'000</i> )	<u>5,463</u>	<u>2,550</u>
Profit for the purposes of diluted earnings per share ( <i>HK\$'000</i> )	<u><b>25,115</b></u>	<u>17,767</u>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purposes of basic earnings per share	<b>803,280,000</b>	801,828,352
Effect of dilutive potential ordinary shares:		
— Convertible bonds	<b>450,000,000</b>	215,753,425
— Share options	<u>—</u>	<u>2,269,494</u>
Weighted average number of ordinary shares for the purposes of diluted earnings per share	<u><b>1,253,280,000</b></u>	<u>1,019,851,271</u>
Basic earnings per share	<u><b>HK2.45 cents</b></u>	<u>HK1.90 cents</u>
Diluted earnings per share	<u><b>HK2.00 cents</b></u>	<u>HK1.74 cents</u>

## 10. TRADE RECEIVABLES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade receivables, gross	111,229	146,045
Less: Provision for impairment	<u>(255)</u>	<u>(233)</u>
	<u><b>110,974</b></u>	<u><b>145,812</b></u>

The credit period is generally 7 to 60 days.

An ageing analysis of the Group's trade receivables, net of impairment and based on invoice date, is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Within 1 month	50,743	55,197
More than 1 month but not more than 3 months	37,097	58,539
More than 3 months but not more than 6 months	17,409	24,614
More than 6 months but not more than a year	3,280	5,779
More than a year	<u>2,445</u>	<u>1,683</u>
	<u><b>110,974</b></u>	<u><b>145,812</b></u>

At the end of each reporting period, the management performs impairment analysis by using a provision matrix to measure expected credit losses. Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly. The movement in the allowance for impairment of trade receivables during each reporting period is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
At the beginning of the year	233	150
Provision for expected credit loss for the year	<u>22</u>	<u>83</u>
At the end of the year	<u><b>255</b></u>	<u><b>233</b></u>

At 31 March 2023, the management had determined that the provision for expected credit losses of trade receivables was approximately HK\$255,000 (2022: HK\$233,000), and there was a provision for expected credit loss of approximately HK\$22,000 provided for year ended 31 March 2023 (2022: HK\$83,000).

The Group did not hold any collateral or other credit enhancements over the impaired trade receivables.

## 11. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Other deposits	7,667	13,382
Other receivables	610	4,242
Contract assets	23,279	19,025
Prepayments	<u>13,520</u>	<u>11,818</u>
	45,076	48,467
Less: non-current portion of other deposits	<u>(6,116)</u>	<u>(4,310)</u>
	<u><u>38,960</u></u>	<u><u>44,157</u></u>

## 12. TRADE PAYABLES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade payables	<u><u>117,579</u></u>	<u><u>132,171</u></u>

The credit period ranges from approximately 30 to 90 days.

An ageing analysis of the Group's trade payables, based on invoice date, is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Within 1 month	64,660	76,504
More than 1 month but not more than 3 months	46,482	46,101
More than 3 months but not more than 6 months	4,298	6,847
More than 6 months but not more than a year	1,334	1,696
More than a year	<u>805</u>	<u>1,023</u>
	<u><u>117,579</u></u>	<u><u>132,171</u></u>

### 13. ACCRUALS, DEPOSITS RECEIVED AND OTHER PAYABLES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i> (Restated)
Other payables and accrued expenses	31,828	29,291
Staff commission	7,331	6,107
Other tax payable	854	–
Contract liabilities ( <i>note (a)</i> )	<u>73,900</u>	<u>84,802</u>
	<b>113,913</b>	120,200
Less: Non-current portion other payables	<u>(1,972)</u>	<u>(1,988)</u>
	<u><b>111,941</b></u>	<u>118,212</u>

*Note:*

#### (a) Contract liabilities

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i> (Restated)
<i>Contract liabilities arising from:</i>		
— Provision of IT infrastructure solutions	25,368	28,495
— Provision of IT infrastructure management services	<u>48,532</u>	<u>56,307</u>
	<u><b>73,900</b></u>	<u>84,802</u>

Contract liabilities represent deposits received from customers in relation to their contracts placed with the Group.

Changes in contract liabilities primarily relate to the Group's performance of services under the contracts. Revenue of the Group of HK\$84,802,000 recognised for the year ended 31 March 2023 (2022: HK\$18,718,000) were included in the contract liabilities at the beginning of the year.

#### 14. SHARE CAPITAL

	<b>Number</b>	<b>Amount</b> <i>HK\$'000</i>
<b>Authorised:</b>		
Ordinary shares of HK\$0.01 each		
At 1 April 2021, 31 March 2022, 1 April 2022 and 31 March 2023	<u>10,000,000,000</u>	<u>100,000</u>
<b>Issued and fully paid:</b>		
Ordinary shares of HK\$0.01 each		
At 1 April 2021	800,000,000	8,000
Shares issued upon exercise of share options	<u>3,280,000</u>	<u>33</u>
At 31 March 2022, 1 April 2022 and 31 March 2023	<u>803,280,000</u>	<u>8,033</u>

#### 15. EVENTS AFTER REPORTING DATE

There is no significant event after the reporting date of the Group.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

The Group is principally engaged in the provision of IT infrastructure solutions and IT infrastructure management services for corporate and institutional customers in the Asia-Pacific region. During the Reporting Year, the Group established a joint venture with Dr. Keith Chan to develop and provide AI products, solutions and services for corporate and institutional customers.

On 8 October 2021, the Group completed the acquisition (the “**Acquisition**”) of 70% of the issued share capital of ServiceOne International Holdings Limited (“**S1IHL**”) which is principally engaged in the provision of IT infrastructure management services and it has become an indirect non-wholly-owned subsidiary of the Company. The financial results, assets and liabilities of S1IHL have been consolidated into the financial statements of the Company since 8 October 2021. Details of the Acquisition are set out in the Company’s announcements dated 9 July 2021 and 8 October 2021 and the circular of the Company dated 17 September 2021.

## **BUSINESS REVIEW**

For the Reporting Year as compared to the Corresponding Year, the Group’s revenue increased by approximately 30.0% and our gross profit increased by approximately 32.8%.

## **OUTLOOK**

Our Group considers that the current business environment for the short-to-medium term consists of mixed business sentiment, which will likely affect the Group’s performance. While the economy of many countries is recovering gradually from the coronavirus epidemic, other factors such as the uncertain global economy due to the continuing US-China tensions, the increasing inflation and interest rates, the increasing probability of a recession in the United States, and the talent shortage in many countries, might have a negative impact on our business volume, delay our products and services delivery, and exert pressure on our pricing terms and hence on our profit margin and profitability. Given the level of uncertainty on the economic crisis and the shape of recovery, there is a wide range of possible outcomes for the year.

Our Group dynamically adjusts our business prioritisation plans for the short-to-medium term to reflect the shift in current customer demand and capture new business opportunities that help our customers navigate their challenges.

Regarding our IT infrastructure solutions business, we believe that enterprises and institutions will continue to adopt digital transformation to enhance operational efficiency, make better use of their data for business analytic and decision making, and create digital business models by digitalising or doing business online. Therefore, we continue to strengthen our product portfolio and support resources to provide our customers with the best-valued solutions and services. We remain focused on our long-term plan to drive strategic development and growth in three key business opportunities, namely:

- (i) Hybrid Cloud, Multi-Cloud & “as-a-Service”
- (ii) Cyber Security
- (iii) Data & Application Solutions

These technologies enable us to provide higher value and more comprehensive total solutions and services to our customers through their digital transformation journey.

To capitalise on the opportunities mentioned above, we continue to strengthen our strategic relationship with our suppliers while enhancing our specialised technical expertise and domain know-how on the latest and proven infrastructure solutions to deliver larger-scale projects. We also strive to develop a more diversified customer base across private and public sectors.

Regarding our AI business, we continue to develop and provide products, solutions and services to enable our customers the use of AI in multiple business sectors and enterprises. Given the strong demand in AI in the market, our AI offerings will enhance the Group’s overall solutions portfolio and offerings, which aligns with the growth strategy of the Group.

Regarding our IT infrastructure management services business, we believe enterprises and institutions will continue to demand high-quality services across the growing Asia-Pacific region, including IT outsourcing, helpdesk, workflow automation services and IT hardware maintenance. Our recent expansion in Kuala Lumpur, Malaysia, improves our resources’ geographical distribution, providing resiliency to serve our customers in the uncertain global economy.

Therefore we continue to explore business opportunities to:

- (i) Expand our customer base to cover new industries across the Asia-Pacific region.
- (ii) Create additional values for our customers by expanding our services portfolio to include consulting services and vertical retail solutions.

These initiatives enable us to provide higher value and more comprehensive services to more customers across more industries.

Further to the successful completion of the Acquisition, we will continue to explore any appropriate merger and acquisition opportunities to enhance our enterprise value. This will only be carried out in a cautious manner and has to be for the benefit of our Group and in the shareholders' best interest.

In view of the new normal business environment, the Group will continue to be cautious in managing the business risk; be well prepared to tackle the challenges in such an ever-changing economic and business environment; and monitor and execute the Group's strategy carefully to drive sustainable business growth. Furthermore, throughout the past three years' epidemic situation, we have taken prudent and decisive steps on cost optimization in line with the revenue model. We have further strengthened the Group to become a more resilient organization in dealing with the changing business environment as the local and global economy gradually recovers.

To conclude, we will continue to focus on our core businesses in providing innovative and integrated IT infrastructure solutions, IT infrastructure management services, and AI products, solutions and services in both private and public sectors in the Asia-Pacific region in order to enable our customers to extract the maximum value from their IT investment and engagement.

## **FINANCIAL REVIEW**

### **Revenue**

The Group's revenue increased by approximately 30.0% from approximately HK\$682.2 million for the Corresponding Period to approximately HK\$886.5 million for the Reporting Year, which was primarily attributable to the net effect of the increase in demand from our customers and the additional contribution from the IT infrastructure management services during the Reporting Year as compared to the Corresponding Year.

### **Gross profit and gross profit margin**

For the Reporting Year, our gross profit amounted to approximately HK\$139.3 million, representing an increase of approximately HK\$34.4 million, or approximately 32.8%, as compared to that of the Corresponding Year of approximately HK\$104.9 million.

The Group's gross profit margin for the Reporting Year was approximately 15.7%, which was close to that of the Corresponding Year.

## **Other income and gains**

Other income and gains increased by approximately HK\$6.0 million, or approximately 231.4%, from approximately HK\$2.6 million for the Corresponding Year to approximately HK\$8.6 million for the Reporting Year. The increase was mainly due to the net effect of (i) the COVID-19 government subsidies of approximately HK\$5.7 million received from various governments during the Reporting Year (Corresponding Year: HK\$0.3 million); (ii) increase in interest income by HK\$1.0 million; (iii) increase in management fee income by HK\$0.3 million; (iv) increase in sundry income by HK\$0.7 million; and (v) decrease in gain on lease modification and write back of other payables totalling HK\$1.4 million.

## **Selling expenses**

For the Reporting Year, the Group's selling expenses amounted to approximately HK\$45.3 million, representing an increase of approximately HK\$4.9 million (or approximately 12.1%) as compared to Corresponding Year of approximately HK\$40.4 million. Such increase was mainly attributed to the increase in our staff costs.

## **Administrative expenses**

The Group's administrative expenses for the Reporting Year were approximately HK\$68.3 million, representing an increase of approximately HK\$26.0 million (or approximately 61.5%) from approximately HK\$42.3 million for the Corresponding Year. Such increase was mainly attributed to the net effect of (i) one-off professional fees of approximately HK\$3.1 million in relation to the Acquisition recorded in the Corresponding Year; (ii) increase in amortisation cost of intangible assets related to the Acquisition by HK\$1.9 million; (iii) increase in administrative expenses incurred by IT infrastructure management services approximately HK\$26.4 million which represented the full year effect for such expenses for the Reporting Year, against the six months' effect in the Corresponding Year and (iv) increase in administrative expenses incurred by AI business approximately HK\$0.9 million.

## **Expected credit losses on financial assets**

The Group has applied the simplified approach to financial assets to provide for expected credit losses prescribed by HKFRS 9 Financial Instruments. As a result, an impairment loss of less than HK\$0.1 million was charged for the Reporting Year and the Corresponding Year respectively.

## **Finance costs**

The Group's finance costs for the Reporting Year were approximately HK\$6.3 million, representing an increase of approximately HK\$3.3 million (or approximately 111.0%) from approximately HK\$3.0 million for the Corresponding Year.

Such increase was mainly due to the full 12-month effect in the Reporting Year against 6-month effect in the Corresponding Year in relation to the recognition of interest expenses on convertible bonds (the “**Convertible Bonds**”) issued on 8 October 2021, for the purpose of the partial settlement of the Acquisition.

### **Income tax expense**

The Group’s income tax expense for the Reporting Year was approximately HK\$5.4 million, representing an increase of approximately 8.1% from approximately HK\$4.9 million for the Corresponding Year. After excluding (i) the non-deductible interest expenses on the Convertible Bonds of HK\$5.5 million (2022: HK\$2.6 million), (ii) the non-assessable government subsidy of HK\$5.7 million (2022: HK\$0.3 million) and (iii) the non-deductible professional fees of HK\$3.1 million incurred for the Acquisition, the effective tax rate for the Reporting Year was 19.3% (2022: 18.2%).

### **Profit attributable to owners of the Company**

The profit attributable to owners of the Company increased by approximately 29.1% from approximately HK\$15.2 million for the Corresponding Year to approximately HK\$19.7 million for the Reporting Year, which was primarily attributable to the above mentioned effects.

Basic earnings per share for profit attributable to owners of the Company for the Reporting Year amounted to HK2.45 cents, as compared to HK1.90 cents in the Corresponding Year.

## **LIQUIDITY, FINANCIAL RESOURCES AND FUNDING**

We financed our operations primarily through cash generated from our operating activities. As at 31 March 2022 and 2023, we had cash and cash equivalents of approximately HK\$158.5 million and HK\$196.8 million, respectively, which were cash at banks and in hand. As at 31 March 2023, HK\$3.5 million was pledged for government project (2022: HK\$2.0 million).

The banking facility granted to the Group as at 31 March 2023 amounted to HK\$10.0 million (31 March 2022: HK\$10.0 million), of which HK\$3.5 million was utilised (31 March 2022: HK\$2.0 million).

During the Reporting Year, we did not have any bank borrowings and the Company issued the Convertible Bonds on 8 October 2021. The Convertible Bonds shall mature on the fifth anniversary of the date of the issue and subject to interest of 2.5% per annum, payable annually in arrears.

As at 31 March 2023, the gearing ratio of the Group was 0.46 (31 March 2022: 0.44), which was calculated based on total debts including the Convertible Bonds and lease liabilities divided by equity attributable to owners of the Company.

## **CAPITAL STRUCTURE**

As at 31 March 2023, the capital structure of our Company comprised issued share capital and reserves.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

The Group did not have other plans for material investments and capital assets.

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES**

The Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies during Reporting Year.

## **SIGNIFICANT INVESTMENTS**

As at 31 March 2023, the Group did not hold any significant investments (31 March 2022: nil).

## **CONTINGENT LIABILITIES**

The Group had no material contingent liabilities as at 31 March 2023 (31 March 2022: nil).

## **EXPOSURE TO EXCHANGE RATE FLUCTUATION**

Our Group operates mainly in Hong Kong and Mainland China and conducts our business primarily in Hong Kong dollars and RMB. We are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to RMB. The Group will continue to take proactive measures and monitor closely of its exposure to such currency movement.

## **CHARGE ON GROUP'S ASSETS**

As at 31 March 2023, an amount of HK\$3.5 million (31 March 2022: HK\$2.0 million) was pledged for government project. Save as disclosed above, there was no charge on the Group's assets as at 31 March 2023.

## **INFORMATION ON EMPLOYEES**

As at 31 March 2023, the Group had 984 employees (31 March 2022: 903) working in Mainland China, Hong Kong, Macau, Singapore and Malaysia. Employees are remunerated according to their performance and work experience. On top of basic salary, variable income, discretionary bonus and share option may be granted to eligible staff by reference to the Group's performance as well as individual's performance. The total staff cost (including directors' remuneration) for the Reporting Year amounted to approximately HK\$205.2 million (2022: HK\$116.8 million). The dedication and hard work of the Group's staff during Reporting Year are generally appreciated and recognised.

## **CORPORATE GOVERNANCE PRACTICE**

The Board recognises the importance of good corporate governance in management and internal control procedures so as to achieve accountability. Therefore, the Company is committed to establish and maintain good corporate governance practices and procedures. The Company has adopted the code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 15 to the GEM Listing Rules and, in the opinion of the Board, the Company has complied with the CG Code for Reporting Year, save for the deviation from such code disclosed below.

Pursuant to code provision C.6.1 of the CG Code, the company secretary of the Company should be an employee of the Company and have day-to-day knowledge of the Company's affairs. Mr. Lau Siu Ki, being the Company's company secretary, is not an employee of the Company. The Company has assigned Ms. Wong Yuk Lam, the general manager, finance of the Group, as the contact person with Mr. Lau Siu Ki. Taking into account that Mr. Lau Siu Ki has substantial experience in the corporate secretarial field, providing professional corporate services to Hong Kong listed companies and it is more cost effective to engage an external service provider, the Directors consider that it is beneficial to appoint Mr. Lau Siu Ki as the company secretary of the Company.

The Directors believe that good corporate governance provides a framework that is essential for effective management, successful business growth and a healthy corporate culture which would benefit the Company's stakeholders as a whole. The Directors will continue to review its corporate governance practices in order to enhance its corporate governance standard, to comply with the increasingly tightened regulatory requirements from time to time, and to meet the rising expectation of the shareholders and other stakeholders of the Company.

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had also made specific enquiry of all the Directors and the Company was not aware of any non-compliance with the required standard of dealings regarding securities transactions by the Directors for the Reporting Year.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Reporting Year.

## **DIRECTORS' INTEREST IN COMPETING BUSINESS**

None of the Directors and directors of the Company's subsidiaries, or any of their respective associates, as defined in the GEM Listing Rules, had interest in any business that competes or may compete, either directly or indirectly, with the businesses of the Group or has any other conflict of interests with the group (other than being a director of the Company and/or its subsidiaries and their respective associates) during Reporting Year.

## **DIVIDEND**

The Board has resolved to recommend the payment of a final dividend of HK1.00 cent per ordinary share (2022: HK0.77 cent) for the Reporting Year subject to the approval of the shareholders at the forthcoming annual general meeting (the "AGM"). The final dividend will be paid on or about Tuesday, 10 October 2023 to shareholders whose names appear on the register of members of the Company at the close of business on Tuesday, 26 September 2023.

## **CLOSURE OF THE REGISTER OF MEMBERS**

The AGM is scheduled to be held on Friday, 15 September 2023. For determining the entitlement to attend and vote at the AGM, the transfer books and the register of members of the Company will be closed from Monday, 11 September 2023 to Friday, 15 September 2023, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to establish the right to attend and vote at the AGM, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, located at 17 Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Friday, 8 September 2023.

The proposed final dividend is subject to the approval of the shareholders at the AGM. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed on Friday, 22 September 2023 to Tuesday, 26 September 2023, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, for registration not later than 4:30 p.m. on Thursday, 21 September 2023.

## **SCOPE OF WORK OF BDO LIMITED**

The figures in respect of the Group's consolidated statement of comprehensive income, consolidated statement of financial position, and the related notes thereto for the Reporting Year as set out in the preliminary announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by BDO Limited 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 BDO Limited on the preliminary announcement.

## **AUDIT COMMITTEE**

The chairman of the Audit Committee is Mr. Au Yu Chiu Steven, an independent non-executive Director, and other members include Mr. Ko Man Fu and Mr. Mak Wai Sing, each being an independent non-executive Director. Mr. Chung Fuk Wing Danny also served as a member of the Audit Committee until he retired as an independent non-executive Director on 16 September 2022. The written terms of reference of the Audit Committee as suggested under the CG Code are posted on the GEM website and on the Company's website.

The Group's financial statements for the Reporting Year have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the financial statements of the Group for the Reporting Year comply with the applicable accounting standards and the GEM Listing Rules.

## **APPRECIATION**

On behalf of the Board, I would like to thank all our employees for their contribution and commitments. I also wish to extend my sincere gratitude to our shareholders, customers, suppliers and business partners for their long-term supports and dedication in the reporting period.

By order of the Board  
**Expert Systems Holdings Limited**  
**Wong Chu Kee Daniel**  
*Chairman and non-executive Director*

Hong Kong, 20 June 2023

*As at the date of this announcement, the Board composition is as follows:*

*Chairman and non-executive Director:*

Mr. Wong Chu Kee Daniel

*Chief executive officer and executive Director:*

Mr. Lau Wai Kwok

*Executive Directors:*

Mr. Chan Kin Mei Stanley

Ms. Lau Tsz Yan

Mr. So Cheuk Wah Benton

*Non-executive Director:*

Mr. Chu Siu Sum Alex

*Independent non-executive Directors:*

Mr. Au Yu Chiu Steven

Mr. Ko Man Fu

Mr. Mak Wai Sing