

AUTOMATED ANNOUNCES 2018 INTERIM RESULTS

***Net Profit up 185.3% to HK\$51.5 Million – Gross Profit up 55.2% to HK\$232.3 Million
Revenue up 20.2% to HK\$1,120.1 Million***

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Capitalize on Local Support & Global Delivery Edge Seize Global Business Opportunity of Cloud & Digital Transformation

(Hong Kong, 15 August 2018) – **Automated Systems Holdings Limited** (“ASL” or “the Group”) (HKEX stock code: 771), a trustworthy and professional global information technology (“IT”) partner, announced its interim results for the six months ended 30 June 2018 (the “Review Period”). During the Review Period, total revenue of the Group was HK\$1,120.1 million, representing a 20.2% increase from the corresponding period last year.

During the period under review, the Group recorded a profit attributable to the Company’s equity holders of HK\$51.5 million, an increase of 185.3% compared to last period of HK\$18.0 million. The significant increase was mainly resulted from (i) stable growth of core business in Hong Kong, Macau as well as Asia Pacific, (ii) the net profit of Grid Dynamics International, Inc. (“Grid Dynamics”) for the first six months of the year was consolidated into the interim financial statements of the Group, which is higher than that was consolidated for approximately three months for the corresponding period last year, meanwhile, the US Federal Corporate Income Tax Rate decreases, thus the Group's core business in the Europe and the United States recorded growth; and (iii) absence of one-off professional fee incurred for acquisition compared to the corresponding period last year.

Gross profit for the six months ended 30 June 2018 was HK\$232.3 million, an increase of HK\$82.6 million or 55.2% compared with the same period last year. Gross profit margin for the period increased from 16.1% to 20.7%. The increase in gross profit and gross profit margin was mainly attributable to the gross profit contribution from Grid Dynamics. During the Review Period, basic earnings per share and diluted earnings per share were 6.40 HK cents and 5.31 HK cents respectively (2017 Interim (restated): 2.86 HK cents and 2.66 HK cents).

The Group maintained a healthy financial position during the Review Period. As at 30 June 2018, the Group’s cash stood at approximately HK\$294.3 million with a working capital ratio of 1.24:1, the outstanding borrowings amounted to HK\$487.4 million. During the Review Period, orders newly secured by the Group amounted to approximately HK\$1,014.2 million. As at 30 June 2018, the order book balance was approximately HK\$1,016.0 million.

As compared with the corresponding period last year, service revenue increased by 42.0% to HK\$713.6 million while product sales decreased by 5.4% to HK\$406.5 million, contributing 63.7% and 36.3% to total revenue respectively (2017 Interim: 53.9% and 46.1%). Commercial and public sector sales contributed 62.7%

and 37.3% to total revenue respectively (2017 Interim: 52.3% and 47.7%).

The Group's local and overseas core businesses in the first six months of 2018 grew steadily. In respect of the local public sector sales, the Group continued to derive benefit from the government's policy of actively promoting innovation and making use of IT to improve public services. The Group maintains a steady growth in receiving government orders, not only acquiring new-type infrastructure orders, but also achieving an increase in orders for providing solutions and services. In terms of service order, the Government is building a new generation of government Cloud service, which has led to an increase in the Group's business to provide related support services to the Government.

In respect of the local commercial sector sales, considering the situation that the banking industry is facing the new cybersecurity regulations and the prevailing trend of smart banking and mobile banking services, the Group has successfully seized the business opportunity and obtained a large number of orders, which has significantly contributed to sales in local commercial sector. During the period under review, the Group also obtained a number of large-scale infrastructure revamp projects, among which it is noteworthy that the Group has successfully penetrated its innovative and large-scale software-defined network solutions from the aviation industry to the education sector, by receiving related orders from universities. In addition, the Group continued to focus on expanding its one-stop IT managed services and cyber security business, which performed excellently and recorded a significant growth during the period.

With an upward trend for enterprises adopting Cloud and digital transformation, ASL worked closely with Alibaba Cloud, the leading digital transformation expert in the world, and reached a strategic partnership agreement in April 2018. Both parties have cooperated in various aspects covering Cloud security solution, sales and marketing, so as to further develop the Cloud market in Hong Kong and Macau.

As for overseas business, in the first half of 2018, Grid Dynamics opened its 6th research and development center in Serbia, Europe, which provides a highly skilled talent pool and a high-quality communications network, so as to further strengthen the Group's local support and global delivery capabilities to meet different customer needs in various regions.

To meet the market needs of digital transformation, the Group will concentrate its efforts on industry focused and technology-oriented business on the next phase of development. The Group will continue to actively enhance its digital transformation and concentrate the services on the three business areas in which the Group provides to its customers: Innovative Solutions, Intelligent Cybersecurity Services and next generation one-stop IT Integrated Managed Services. Through these services, the value of "EMPOWER", "SECURE" and "MANAGE" will be brought to customers respectively so as to capture the business opportunities driven by Cloud, Internet of Things and digital transformation.

In respect of Innovative Solutions, the Group expects that enterprises will continue to look for suppliers with industry domain knowledge, and to make use of IT to solve industry-specific problems more efficiently. To satisfy the demand, the Group will take advantage of its leading technologies in Cloud, big data, machine learning and artificial intelligence area and to leverage its strengths in DevOps, agile software development

methodologies, automated testing and extensive industry experience, in order to provide clients with more innovative, reliable and industry-specific solutions, facilitate the clients (EMPOWER) to launch higher quality and omni-channels products and services more efficiently, thus to help the clients creating new marketing products and achieving digital transformation.

In respect of Intelligent Cybersecurity Services, the Group will continue to utilize data security solutions and managed security services to capture the business opportunities arising from the security loopholes, ransomware incidents, stricter industry regulations and new security policies. In addition, the Group will also cooperate with vendors with new and leading security technologies such as machine learning, to provide the clients with round-the-clock, comprehensive and real-time security protection through the 7x24 Service Centers and advanced Security Operation Center *Plus* (SOC+) of the Group.

In respect of the next generation one-stop IT Integrated Managed Services, the increasing complexity of IT environment driven by Cloud and digital transformation will force enterprises, which have insufficient IT resources and professional knowledge, to outsource some or all of their IT operations to third parties, that will raise the demand of IT hosting services. As such, the Group is keen on providing in-depth integrated managed services to industries and clients which the Group has advantages. Supporting services are not only covering the traditional IT infrastructure but also extending to Cloud platforms of different environments (such as private Cloud, public Cloud, hybrid Cloud and multiple Cloud – which places Cloud resources on various Cloud platforms operating by different Cloud providers). The Group will also continue to develop traditional IT supporting services and provide a wider range of professional industry-focused consulting services, to support clients' daily key business operations. At the same time, the Group will take advantage of SOC+ to ensure clients' data security and to promote its brand and position as a one-stop leading provider of Information Technology Service Management (ITSM).

In respect of overseas business, the Group expects that Grid Dynamics will continue to benefit from clients' demand in Cloud, big data analytics and other aspects, which would drive the overseas business continues to grow steadily.

Science and technology develop rapidly in the digital era. With huge demands of IT professionals, recruiting a suitable employee is challenging. Having foreseen such circumstances, the Group expanded the talent pool through internal resource integration, training and university graduate trainee programs, so as to enable employees to continue to acquire new professional knowledge and skills and to fulfill clients' needs for innovative and customised services.

Looking forward, the Group will continue to seek for opportunities arising from Hong Kong's policies and China's Belt and Road. We will continue to keep Hong Kong and Macau as its core business areas, as well as to accelerate the globalization of the Group, and strive to provide professional, reliable and innovative IT services to clients around the world.

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About Automated Systems Holdings Limited

Automated Systems Holdings Limited (“ASL” or “The Group”) was listed on the Stock Exchange of Hong Kong Limited in 1997 (Stock Code: 771). The ASL Group's ultimate controlling shareholder is Beijing Teamsun Technology Co., Ltd. (“Teamsun”) whose shares are listed on the Shanghai Stock Exchange (Stock Code: 600410). The ASL Group, consisting of Automated Systems (H.K.) Limited, ELM Computer Technologies Limited, CSA Automated (Macau) Limited, Guangzhou Automated Systems Limited, ASL Automated (Thailand) Limited and Grid Dynamics International, Inc.. In addition, i-Sprint Innovations Pte Ltd is our associate company. The Group’s core business is based in Hong Kong and Macau and covers Asia Pacific, Europe and the United States. It is dedicated to offering professional and trustworthy information technology (“IT”) services to corporate clients around the world.

The Group’s core businesses are Innovative Solutions, Intelligent Cybersecurity and Integrated Managed Services. Innovative Solutions business is offering holistic business solutions to accelerate customers’ digital transformation. Intelligent Cybersecurity business is specialized in digital asset protection & risks prevention. Integrated Managed Services business is to manage clients’ IT infrastructure to cloud platform in entire IT lifecycle with its world-class, industry-specific and end-to-end services.

With ASL's 7 research and development centers worldwide, over a thousand of high-caliber experts, and more than 40 years of experience in providing professional IT services to global users, ASL provides the best practices for customers’ IT management and is definitely customers’ trustworthy and professional global IT partner.

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

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