

AUTOMATED ANNOUNCES 2019 INTERIM RESULTS

Revenue up 20.8% to HK\$1,353.0 Million
Gross Profit up 16.6% to HK\$270.7 Million
Total Net Profit HK\$43.6 Million

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Actively Expands New Technology Business
Continues to Leverage Edge in Global Delivery

(Hong Kong, 28 August 2019) – **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 2019 (the “Review Period”). During the Review Period, total revenue of the Group was HK\$1,353.0 million, representing a 20.8% increase from the corresponding period last year; Gross profit was HK\$270.7 million, an increase of HK\$38.5 million or 16.6% compared with the same period last year. The increase in gross profit of the Group was attributed to the growth in overseas business and continuous enhancement of operational efficiency of local core businesses.

During the period under review, profit of the Group’s core business grew steadily, with a total net profit of HK\$43.6 million. In light of the rapid development of Cloud Computing, Big Data, and artificial intelligence (“AI”), the Group continues to increase investment in its US subsidiary, Grid Dynamics International, Inc. (“Grid Dynamics”) for research and development, the transformation of commercial application capabilities, as well as the cross-sector and cross-border business expansion, so as to enlarge the Group’s business in the United States. Besides, the Group has also launched a new equity incentive plan for Grid Dynamics, to encourage its employees in striving to enhance the value of Grid Dynamics and to maintain its momentum of sustainable development. The business in United States recorded a significant growth during the Review Period, reflecting that the aforementioned measures deemed suitable and further strengthening the Group’s support in different regions and global delivery capabilities.

In the Review Period, the basic earnings per share and the diluted earnings per share attributable to equity holders of the Company were 5.14 HK cents and 4.42 HK cents respectively (2018 Interim: 6.40 HK cents and 5.31 HK cents).

The Group maintained a healthy financial position during the Review Period. As at 30 June 2019, the Group’s net cash stood at approximately HK\$504.9 million with a working capital ratio of 1.14:1; the outstanding borrowings amounted to HK\$477.3 million. During the period under review, orders newly secured by the Group amounted to approximately HK\$1,367.5 million. As at 30 June 2019, the Group’s order book balance was approximately HK\$1,119.5 million.

As compared with the corresponding period last year, service revenue was increased by 19.3% to HK\$851.3 million, and product sales was increased by 23.4% to HK\$501.7 million. In addition, product sales and service revenue contributed 37.1% and 62.9% to total revenue respectively (2018 Interim: 36.3% and 63.7%); while

commercial and public sector sales contributed 64.0% and 36.0% to total revenue respectively (2018 Interim: 62.7% and 37.3%).

The Group's local and overseas core businesses achieved satisfactory growth in the first half of 2019. The Group's core businesses in Hong Kong, Macau, and Asia Pacific grew steadily with its revenue recorded an increase of 16.4% when compared to the corresponding period last year, and the gross profit margin was continuously improving, reflecting the fruitful results from the Group's ongoing implementation of technological upgrade and service transformation. During the Review Period, the Group's new technology business has expanded rapidly, creating new growth for business and bringing forth significant contributions to revenue and profits.

With respect to the Innovative Solutions business, the overall orders newly secured recorded a remarkable double-digit growth, which accounted for over 50% of the overall orders newly secured of the Group. During the Review Period, the Group captured its first big data project in Asia by cooperating with a global IT vendor in the retail sector, and successfully obtained large-scale Cloud-related landmark projects from two government departments. In addition, the Group actively promoted the new charging model – Software as a Service (SaaS), and successfully migrated the self-developed software product to a Cloud platform. The Group has collaborated with Alibaba Cloud, the digital transformation expert, since May of this year to launch new services to the market.

With respect to the Intelligent Cybersecurity business, the Group has obtained orders newly secured with its growth doubled when compared to the corresponding period last year and recorded a double-digit proportion of the overall orders newly secured of the Group. The Group introduced AI and Cloud security solutions and leveraged its advanced 7x24 Security Operation Center *Plus* (SOC+), thereby obtaining a security managed service project and an SOC+ order. In addition, the Group also launched the A-Tips, an ASL Threat Intelligence Platform to provide customers with better security services.

With respect to the Integrated Managed Services business, this business segment recorded an approximately double-digit growth in its orders newly secured, and accounted for over 30% of the overall orders newly secured of the Group. The Group received an order from an existing real estate services organization for the provision of quality IT support services in Hong Kong and in its Mainland China offices. Besides, the Group has been engaging as a services provider of personal computer support and related services under a 5-year contract for a statutory body, as well as has been obtained a tendering qualification of the long-term large-scale projects from a government organization.

In terms of overseas business, Grid Dynamics showed a robust growth during the Review Period, its revenue and gross profit recorded a remarkable increase of 31.7% and 28.2% respectively when compared to last year. An overall increase of over 50% of orders newly secured led to a significant increase in the overall revenue.

During the first half of 2019, the Group launched the “ASL Solution Tour”, serving as an annual key promotion event of the Group. Through this tour, the Group publicized the message of “Hong Kong Powerhouse, Global Delivery” to promote its one-stop, diversified and innovative IT services and solutions. The tour has achieved an unprecedented success.

Looking forward, the Group expects that the trends of digital transformation, Cloud Computing, Internet of Things and 5G will continue to stimulate strong demand for new technologies. There is thus an increased demand of customers for engaging IT companies that possess IT capabilities in various fields. It is believed that these are

enormous potentials for the Group's development, especially when further expanding its new technology business and facilitating the Group for upgrading and transformation. Meanwhile, the Group plans to invest resources worth tens of millions of Hong Kong dollars in the coming years on the enhancement of service platforms in omni-channel and Cloud services, aiming to increase its potential for sustainable development and to deepen the cooperation with its customers. The relevant plans are underway and are advancing actively. In addition, for overseas business, the Group will continue to inject both internal resources and external investments to facilitate Grid Dynamics in its research and development of cutting-edge technology in areas including AI and machine learning, the transformation of commercial application capabilities, as well as the cross-sector and cross-border expansion of its business.

Lastly, we will adhere to the principle of being proactively cautious, seeking suitable investment opportunities and broadening our market presence. We will persevere and strive to create values for our investors.

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**Please refer to the 2019 interim results announcement published on 27 August 2019 for more details.*

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 Services 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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