



[For Immediate Release]

AUTOMATED ANNOUNCES 2019 ANNUAL RESULTS

Revenue up 20.7% to HK\$2,828.8 Million
Gross Profit up 14.5% to HK\$564.1 Million
Total Net Profit up 18.9% to HK\$100.3 Million

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Actively Expands "as-a-Service" Business Model
Supports Global Customers in Advancing Business Transformation

(Hong Kong, 25 March 2020) – Automated Systems Holdings Limited (“ASL” or “the Group”) (HKEX stock code: 771), a trustworthy and professional global Information Technology (“IT”) partner, announced its annual results for the year ended 31 December 2019 (the “Review Year”). During the Review Year, the core business in each region developed well and achieved significant growth. The total revenue of the Group was HK\$2,828.8 million, representing a 20.7% increase compared to last year. The increase in revenue was mainly attributable to approximately 30.0% growth in newly secured orders of the Group’s regular business in Hong Kong, Macau and Asia Pacific as well as Europe and the United States, as compared to last year. Besides, the Group’s gross profit, net profit and adjusted EBITDA were HK\$564.1 million, HK\$100.3 million and HK\$263.0 million, respectively, with a significant year-on-year increase of 14.5%, 18.9% and 18.7% respectively. Among which, sales in Hong Kong, Macau and Asia Pacific were increased by 17.2% to HK\$1,903.2 million and sales in Europe and the United States were increased by 28.5% to HK\$925.6 million. Thanks to its advantages and core competitiveness, the Group as one of the innovative service leaders in the global IT industry has achieved remarkable results, with the performance reaching a new high in recent years, enabling the Group to continue strengthening its position in the market.

During the Review Year, the Company’s profit attributable to equity holders was HK\$93.3 million, representing a 10.6% increase compared to last year. While the basic and diluted earnings per share were 11.55 HK cents and 9.22 HK cents respectively, which saw a growth of 10.2% and 3.2% respectively from last year’s 10.48 HK cents and 8.93 HK cents. The Board of Directors has resolved to recommend the payment of a final dividend of 3.0 HK cents per share and a special dividend of 7.3 HK cents per share.

The Group maintained a healthy financial position during the Review Year. As at 31 December 2019, the Group’s cash stood at approximately HK\$456.1 million with a working capital ratio of 1.19:1 and the outstanding borrowings amounted to HK\$439.8 million. During the year under review, orders newly secured by the Group amounted to approximately HK\$3,077.9 million, an increase of 29.5% from HK\$2,376.3 million of last year. As at 31 December 2019, the order book balance was approximately HK\$1,322.7 million.

The Group’s core business division is a major contributor to the business in Asia Pacific, accounting for 82.4% and 78.3% of the Asia-Pacific business revenue and adjusted EBITDA, while the revenue and adjusted EBITDA recorded HK\$1,568.6 million and HK\$85.0 million respectively. The core business division achieved satisfactory growth, with the orders newly secured amounted to more than HK\$1,757.8 million. The revenue of the core business division recorded a year-on-year increase of 34.3%, scoring many major landmark projects, reflecting the favorable results made by the Group due to its continuous technological upgrades and service transformation. The Group captured the ardent market demand for leading-edge technologies (such as cloud computing and artificial intelligence), by virtue of solid customer relations, it further cultivated advantageous industries. The Group adheres to its core value of providing unified technology services to effectively promote the development of its three core businesses, as follows:

The **Innovative Solutions Business** achieved strong performance during the year, with overall service

orders newly secured enjoying a growth that reaches 60.9%. Service revenue was HK\$242.6 million, with a significant year-on-year increase of 26.4%. The Group has more than 800 professional application development talents and a large agile development team, their skills lie in a variety of innovative technologies such as cloud computing, artificial intelligence, etc. The Group also offers diversified and new delivery models such as agile and DevOps, so as to empower the Group to successfully seize numerous business opportunities. In response to the public's keen demand for electronic government services, the Group has, during the year, undertaken a number of government service projects under the Standing Offer Agreement for Quality Professional Services 4. The Group ranks No.1 in terms of the total dollar amount awarded from application development projects and also the cumulative total dollar amount of all service category contracts, and the Group outperformed far more than its competitors. In the healthcare sector, the Group has successfully received a mobile application project from a healthcare authority, which can benefit Hong Kong's 7 million citizens, thus improving experience in the overall healthcare journey of the citizens.

The **Intelligent Cybersecurity Services Business** performed outstandingly with an increase of 48.1% in the service orders newly secured compared to last year. Service revenue was HK\$126.6 million, with a significant year-on-year increase of 19.7%. This business implements network related solutions and combats various kinds of cyberattacks for customers. As the highest level partner of many leading cybersecurity vendors and being among the top three local security service providers, the Group leverages and integrates the industry advantages that it has accumulated in cybersecurity, to successfully assist customers from all walks of life with technologies to meet their increasingly complex application scenarios, such as being certified in the Society for Worldwide Interbank Financial Telecommunication (SWIFT)'s Customer Security Programme (CSP) which enhances the operational security of the financial industry. In addition, as one of the highest sales revenue contribution partners of Huawei in Hong Kong in 2019, the Group has utilised Huawei's excellent technology to build comprehensive network infrastructure for the world's busiest airport and implement network construction in the next three years. Furthermore, another important initiative of the Group is to launch its own brand. For example, the ASL Threat Intelligence Portal (A-TIP) of the Group was successfully launched in 2019. This platform combines global defense information, big data analytics and the Group's extensive industry experience, and leverages the Security Operation Center *Plus* (SOC+) established by the Group in Hong Kong, to deliver all new security services such as threat prevention and interdiction to customers and obtain favorable feedbacks from them.

During the year, the service orders newly secured of the **Integrated Managed Services Business** performed desirably, with a record of 28.8% growth, and the recorded service revenue was HK\$444.9 million. The business growth is due to the Group's achievements in expanding its IT managed service support capability from frontend to backend, and with advantages in human resources, process (ITSM) and technology. With the increasing demand for mobile experience, the Group has entered into a partnership with Apple Inc. to expand its development potential in product sales, mobile application development, maintenance and Device as a Service. Moreover, in the field of multi-cloud management, the Group has become a partner of Equinix, the world's top data center provider, to provide customers with more comprehensive managed services. During the year, the Group has continued to perform well in the government, healthcare and banking industries, and thus has secured many orders. Amongst which, some of the landmark projects include: to provide IT managed services for a public housing management organization, covering the public housing throughout Hong Kong; and to provide IT operations to more than 20,000 users of a healthcare authority, and to provide IT operations to more than tens of thousands of users from a number of Chinese banks and multinational banks.

With respect to the overseas business in Europe and the United States, Grid Dynamics International, Inc. ("Grid Dynamics") recorded a notable growth during the year, with its revenue and gross profit significantly increased by 28.5% and 21.4% respectively compared with last year. On the whole, the number of orders newly secured increased by more than 36.9%, driving the overall revenue growth of the Group. Grid Dynamics continued to focus on the financial, retail and technology industries and expand the customer base, with encouraging results. In 2019, Grid Dynamics was named by Forrester Research as a Leader among midsize agile software development service providers. The recognition is attributable to the implementation of a new share option scheme, an incentive measure thereby encouraging employee's further contribution to the Group, and also to the R&D investment amounted to US\$7.0 million to continuously promote the technological change of Grid Dynamics. During the year, the Group introduced a new strategic investor in Silicon Valley, and announced that it intended to spin off Grid Dynamics with a valuation of about US\$390.1 million (approximately HK\$3,042.8

million), with a structure of a reverse triangular merger followed immediately by a forward triangular merger through ChaSerg Technology Acquisition Corp. ("ChaSerg"), a NASDAQ listed company, in order to finally achieve listing on NASDAQ.

The Group successfully launched the ASL Solutions Tour in the first half of 2019, in Macau, Taiwan and Hong Kong respectively, so as to promote its diversified and innovative IT services and solutions and to help the customers in Macau, Taiwan and Hong Kong carry out digital transformation. The tour has achieved an unprecedented success.

The outbreak of the Coronavirus Disease ("COVID-19") since early 2020 has posed a tremendous challenge to the overall global economy. The Group has been closely monitoring the impact of the development of the coronavirus on the Group's businesses and services to customers. As of this stage, the Group's business and operations remain broadly normal. There may be adverse effect on the subsequent financial performance, depending on the development of COVID-19 and its impact on the economic conditions. The Group will closely monitor the situation and, to the extent applicable, taking proactive actions to minimize the impact of COVID-19.

The year 2020 marks a new milestone for the Group, Grid Dynamics and ChaSerg's Merger Agreement completed on 5 March 2020 (Pacific Time), the closing price was US\$12.0, with a market value of approximately US\$650.0 million (approximately HK\$5,093 million), with an increase of 17.8% compared with its issue price, marking a successful end to the Grid Dynamics listing plan with a planning period of up to one year. Grid Dynamics was successfully listed on NASDAQ on 6 March 2020 (Pacific Time) (NASDAQ: GDYN), under the name of Grid Dynamics Holdings, Inc. ("Grid Dynamics Holdings", previously known as ChaSerg). The Group has reaped considerable return on investment through Grid Dynamics listing. Pre-investment valuation of Grid Dynamics has more than tripled compared to that in 2017. Upon completion, the Group received cash consideration of approximately US\$93.8 million (equivalent to approximately HK\$731.6 million) and was interested in approximately 38.3% of the issued share capital of Grid Dynamics Holdings as at the date of Completion. This will greatly improve the Group's asset-liability structure and support the development of operating business with sufficient cash flow, so as to cope with the pressure of the current macroeconomic downturn, and further promote and improve the business layout and development in Asia Pacific. As the single largest shareholder of Grid Dynamics Holdings, the Group will continue to work hand in hand with Grid Dynamics Holdings, to carry out in-depth collaborations in three aspects: technical capability improvement, delivery capability complementarity, and customer resources sharing.

In its business in the Asia Pacific, the Group expects to officially and comprehensively launch an omni-channel and cloud based service platform in the first half of 2020, so as to achieve the potential of sustainable development and strengthen the depth of cooperation with customers. Many customers express their welcome to this new generation of managed services.

Meanwhile, the Group will continue with the annual marketing activity "ASL Solution Tour" to promote the Group's Unified Technology Services to customers, while a series of brand-new in-house branded services will be exhibited.

Going forward, the Group's strategy will integrate application development, cybersecurity, and omni-channel managed services into three-in-one professional technical service capabilities in the form of an "as-a-Service" business model. In the fields of cloud computing, big data and more, combined with rich industry experience, the Group will help customers realize the integration of technology into application scenarios, and support customers in advancing business transformation with technological innovation to create value for customers, while bringing satisfactory returns for the investors.

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**Please refer to the 2019 annual results announcement published on 25 March 2020 for more details.*

About Automated Systems Holdings Limited

Automated Systems Holdings Limited (“ASL” or “The Group”) has been listed on the Stock Exchange of Hong Kong Limited since 1997 (Stock Code: 771). ASL, consists of Automated Systems (H.K.) Limited, ELM Computer Technologies Limited, CSA Automated (Macau) Limited, Guangzhou Automated Systems Limited, and ASL Automated (Thailand) Limited. In addition, Grid Dynamics Holdings Inc. and i-Sprint Innovations Pte Ltd are the associates of the Group. 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 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 Services business is specialized in digital asset protection & risks prevention. Integrated Managed Services business is to manage clients’ IT infrastructure and cloud platform in entire IT lifecycle with its world class, industry specific and end to end services.

With ASL's 8 research and development centers worldwide, over a thousand of high caliber experts, and more than 45 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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