

AUTOMATED ANNOUNCES 2021 INTERIM RESULTS

Adjusted EBITDA of Core Businesses up 28.5%
Propose a Special Dividend of Approximately HK\$200 Million
Demonstrating the Group's Solid Business Foundation

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Partial Disposal of GDH Shares to Cash Out Approximately US\$68.7 Million
for Asia Pacific Business Development

Investing in Cloud-native as-a-Service New Business,
Offshore Delivery Excellence Center and SOC in the Greater Bay Area Layout

(Hong Kong, 25 August 2021) – **Automated Systems Holdings Limited** (“ASL” or “the Group”) (HKEX stock code: 771), a professional and trustworthy global unified technology services partner, announced its interim results for the six months ended 30th June 2021 (the “Review Period”). The Group’s revenue recorded HK\$1,084.9 million, up 7.3% when compared to the same period last year. In the Review Period, the Group’s loss for the period recorded 92.7 million (2020 Interim: profit for the period of HK\$761.0 million).

The loss for the period was resulted from non-operating factors, which include the exercise of warrants and stock options initiated by Grid Dynamics Holdings, Inc. (GDH) and vesting of shares under GDH’s incentive plan adopted after the listing. The certain book transaction constitutes no impact on the core businesses nor cash flow. The Group expected the relevant impact will be offset by the gain on disposal in the second half of this year.

In view of the capital return from partial disposal of GDH shares, the Board of Directors have resolved to recommend the payment of a special dividend of 24.0 HK cents per share in return for shareholders. In addition, the remaining funds will also be used to support the Group's business growth investment, including plans to invest in the new business mentioned below, the Greater Bay Area, and the search for high-quality investment opportunities within the Asia Pacific region, etc. Therefore, the Board of Directors made this capital arrangement after taking a weighed consideration of both the shareholder returns and continuous investment.

Gross profit for the six months ended 30th June 2021 was HK\$117.3 million, an increase of HK\$13.5 million or 13.0% compared with the same period last year. The increase was mainly attributable to the growth in newly secured orders in Hong Kong, Macau and other Asia Pacific regions, as compared to last year, demonstrating a solid foundation of the Group.

As at 30th June 2021, the Group’s net cash stood at approximately HK\$377.9 million with a working capital ratio of 1.87:1; the outstanding borrowings amounted to HK\$123.5 million and the order book balance was approximately HK\$1,139.0 million. During the period under review, orders newly secured by the Group amounted to approximately HK\$1,204.5 million, with an increase of 23.8% from the corresponding period last year.

The Group remains competitive under the pandemic situation. Its core businesses performed better than that of the same period last year, with orders newly secured, revenue, adjusted EBITDA and adjusted net profit representing an increase of 23.8%, 7.3%, 28.5% and 39.2% respectively, from the corresponding period of last

year. The **three core businesses of the Asia Pacific region** were roughly stable compared with the same period of last year.

In the aspect of **Solutions Business**, it delivered the most outstanding performance when compared to the other two core businesses, with service orders newly secured recording a double-digit growth during the period. Service revenue recorded HK\$172.7 million, with a significant increase of 15.5% compared with the corresponding period of last year. During the period, the Group has continued to provide information technology (“IT”) support to the Hong Kong Government in combatting the pandemic and also assisted the government in building a Smart City. At the same time, the Group flexibly leveraged resources from the Offshore Delivery Excellence Center (ODEC) to provide more flexible services to a government bureau. In addition, the Group continued to assist customers’ digital transformation.

In terms of **Cybersecurity Services Business**, service orders newly secured performed steadily compared with the corresponding period last year with service revenue recorded HK\$61.0 million during the period. During the Review Period, the Group introduced DevSecOps to one of the largest charitable organizations in Hong Kong, ensuring that its new private cloud services have a full lifecycle Container Security Protection. In addition, the Group received a three-year network order from the largest public healthcare institution in Hong Kong. In terms of the Security Operation Center (SOC) services, it successfully expanded its education industry business to the international school market.

Regarding the **Integrated Managed Services Business**, the service orders newly secured was roughly the same as the corresponding period of last year, with service revenue recorded HK\$210.5 million. During the period, a significant increase for ITSM managed services was recorded, dominating the overall performance. As for government projects, the Group continued to provide IT services for backing their anti-epidemic efforts and won a large-scale mobile device management project. Besides, the Group also took a series of measures to enhance service levels, such as expansion of service centers and large-scale personnel training.

In regard to the **new business**, the Group continued to fulfill the market demand for efficient and automated DevSecOps under the new normal, with a focus on adopting cloud computing and new technologies. Meanwhile, it actively cooperated with suppliers in various technology fields to create a synergistic ecosystem, and prepared for the launch of a series of cloud-native as-a-Service in the second half of the year. During the period, the Group optimized Unified Operation Center (UOC) to allow large and medium-sized enterprises enjoy more flexible and affordable services when achieving digital transformation. (UOC is the Group’s one-stop cloud-based platform for managed services that integrates DevSecOps and provides as-a-Service. This platform unifies the Company’s three core businesses and industry advantages).

As for the **business of major associate**, GDH has acquired Tacit Knowledge, a Pitney Bowes (NYSE: PBI) owned company in May this year. Tacit Knowledge is a UK-based global consultancy provider of end-to-end digital commerce solutions. The acquisition has fostered GDH’s capabilities in digital commerce. GDH’s revenue in the first half of the year reached US\$86.8 million, representing a period-over-period growth of 58.3% and its second quarter revenue recorded US\$38.4 million, hitting a record high for GDH.

Looking forward, the volatility of the pandemic, external political situation, economic environment, and the government spending on IT budget cast uncertainties over the outlook for this year. The Group will continue to closely monitor the impacts brought by aforementioned developments on customers’ procurement behaviors, so as to respond promptly with corresponding measures, ensuring normal operation.

In view of the **Asia Pacific business**, to meet the overheated needs for local IT talents, not only will the Group optimize its internal recruitment structure, but also speeds up its pursue of talents from the Greater Bay Area, while augmenting its agile development delivery capabilities. In fact, the increased demand for local and offshore app development talents in the first half of this year, attested to the appropriateness of the said strategy.

The pandemic has driven the heightened enterprises’ demand for and investment in remote centralized IT management system, which stimulated a **new arena for business growth**. In view of this, the Group will harness its DevSecOps integration capabilities and promote one-stop managed services through UOC, with continuous transformation and enhancement, along with emphasis on scientific research. It is

expected that the cloud-native as-a-Service will be launched in the second half of the year, bringing a brand-new multi-cloud management experience to customers. Furthermore, the Group has magnified its investment in cybersecurity business in the Greater Bay Area, and plans to upgrade the current SOC in Hong Kong, as well as deploy the development of cybersecurity managed services in phases, to assist enterprises in the region fulfill regulatory compliance.

Pertaining to the **non-operating items**, on 6th July 2021 (New York time), the Group completed the partial disposal of the shares of GDH and received cash of approximately US\$68.7 million (net of underwriter's commission but before deduction of tax payment and exclusive of other expenses), which is planned to be injected to the Asia Pacific business. In addition, the Group also plans to dispose partial shares in GDH under the disposal mandate of shareholders of the Company, at an appropriate time in the future, to realize the investment for business development.

Overall, while the society hit hard by the outbreaks, the Group has seized opportunities, catalyzed by the pandemic, to leverage customers' ardent demand for IT managed services in launching DevSecOps and other services that manage different environments, enabling the three core businesses to thrive amid crisis.

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**Please refer to the 2021 interim results announcement published on 25 August 2021 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, consists of Automated Systems (H.K.) Limited, ELM Computer Technologies Limited, CSA Automated (Macau) Limited, Guangzhou Automated Systems Limited, 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 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 16 research and development centers worldwide, over a thousand of high-caliber experts, and more than 48 years of experience in providing professional IT services to global users, ASL provides the best practices for customers' IT management and is definitely customers' professional and trustworthy unified technology services partner.

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

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