

## **AUTOMATED ANNOUNCES 2021 ANNUAL RESULTS**

***Demonstrating the Group's Solid Business Foundation in Face of Adversity***

***Core Businesses Outperformed Last Year***

***Revenue Up 3.1% to HK\$2,049.6 Million***

***Adjusted EBITDA Up 16.1% to HK\$110.6 Million***

***Orders Newly Secured Up 17.4% to HK\$2,266.2 Million Reaches a New High in the Past 3 Years***

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***DevSecOps and Cloud-native as-a-Service New Business Model Take Off***

***Sets Up Headquarters in the Guangdong-Hong Kong-Macao Greater Bay Area***

***Invests in Offshore Talent Pool and SOC in the Greater Bay Area***

(Hong Kong, 31 March 2022) – **Automated Systems Holdings Limited** (“ASL” or “the Group”) (HKEX stock code: 771), a professional and trustworthy global unified technology services partner, announced its annual results for the year ended 31st December 2021 (the “Review Year”). The revenue of the Group’s core businesses, namely businesses in Hong Kong and the other Asia Pacific regions, was HK\$2,049.6 million, representing a 3.1% increase from last year. Adjusted EBITDA and adjusted net profit recorded HK\$110.6 million and HK\$72.8 million respectively, representing an increase of 16.1% and 20.1% respectively, as compared to last year.

During the Review Year, the Group recorded a profit attributable to the Company’s equity holders of HK\$4.1 million, representing a decrease when compared to last year of HK\$856.3 million. The decrease was mainly due to the one-off gain of approximately HK\$832.4 million recorded last year arising from the disposal and spin-off of Grid Dynamics International, Inc. (“GDH”).

During the year under review, the Group’s basic earnings per share and diluted earnings per share were 0.50 HK Cents and 0.49 HK Cents respectively. In view of the special dividend of 24.0 HK Cents distributed in August 2021, which the Group has paid due to the one-off gain arising from the partial disposal of interest in an associate in July 2021, the board of directors has resolved to recommend a final dividend of 3.0 HK cents per share (2020: final dividend of 3.0 HK Cents and special dividend of 7.3 HK Cents per share). Moreover, the remaining proceeds from the partial disposal of interest in an associate will 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 both the shareholder returns and continuous investment into consideration.

The gross profit for the year ended 31st December 2021 was HK\$230.9 million, an increase of HK\$24.0 million or 11.6% compared to last year (factoring out the government grants for wage subsidies). The increases were primarily attributable to the growth in orders newly secured in Hong Kong and other Asia Pacific regions, as compared to last year, demonstrating the Group’s solid business foundation.

The Group maintained a healthy financial position during the year. As at 31st December 2021, the Group’s net cash stood at approximately HK\$603.9 million with a working capital ratio of 1.85:1; the outstanding borrowings amounted to HK\$101.1 million and the order book balance was approximately HK\$1,214.3 million. During the year under review, orders newly secured by the Group amounted to approximately HK\$2,266.2 million, with an increase of 17.4% from last year.

Under the new normal, the core businesses of the Group outperformed last year. Apart from the three DevSecOps businesses in service provision (see detailed description below), the Group was also involved in system

integration, which has captured prominent growth. The success was found in the Group's capabilities in providing customers with bulk procurement of infrastructure, that has met their long-term service needs.

In terms of the **Innovative Solutions Business (Application Development — Enhance customer experience with innovative applications; Dev)**, it delivered the most outstanding performance during the year as compared to the other two core businesses, with significant growth in service orders newly secured compared to last year. It was mainly due to the increase in orders from professional services and application development. Service revenue was HK\$375.9 million, with a significant increase of 23.8% compared to last year. During the year, the Group has continued to provide IT support to the government's anti-pandemic effort and took part in the construction of the smart city. At the same time, the Group stepped up efforts to utilize and increase its resources of Offshore Delivery Excellence Center (ODEC) and adopted innovative technologies to continuously assist customers in digital transformation.

With regard to **Intelligent Cybersecurity Services Business (Cybersecurity — Protect your assets with intelligent security technology; Sec)**, the service orders newly secured by the Group recorded a double-digit growth compared to last year, with service revenue reaching HK\$124.5 million during the year. The growth momentum was mainly driven by the digital transformation trend, including front-end to back-end cybersecurity solutions, multi-cloud cybersecurity solutions, remote cybersecurity and new managed security services etc., so as to satisfy the demands for DevSecOps. During the year, the Group extended its managed security services to the Asia Pacific region, even as far as European and American cities for the first time, and also successfully opened up new industry markets.

In respect of **Integrated Managed Services Business (Omni-channel Managed Services — Simplify your IT operations to increase efficiency; Ops)**, the service orders newly secured during the year was roughly the same as last year, with service revenue recorded HK\$430.1 million during the year. The key growth engine was driven by Information Technology Service Management (ITSM) and orders benefiting from government policies. In regards to the government sector, the Group has continued to provide IT services to support the fight against the pandemic. Meanwhile, the Group has received multiple orders leveraging Unified Operation Center (UOC) to provide cross-border IT managed services. As managed services are people-oriented, the Group maintained its resolute focus on strengthening the software and facilities of services for its own transformation to improve service quality.

In regard to the **new business**, the Group has strived to drive developments for its DevSecOps integrated IT services, by integrating our unique advantages — application development (Dev), cybersecurity (Sec), and omni-channel managed services (Ops) into "Unified Technology Services", to meet market needs. During the fourth quarter of 2021, the Group launched "ASL Marketplace", an integrated cloud-native online platform, and rolled out to the market in an as-a-Service business model. Besides, the Group continued to optimize UOC to expand its target customer base. (UOC is a delivery system that integrates DevSecOps professional IT services.)

As for the **business of major associates**, GDH, an associate in Europe and the U.S., the performance of its core business has recovered to pre-pandemic levels. During the year, GDH has acquired Tacit Knowledge and successfully completed the second acquisition since its public listing, which holistically improved the overall service capabilities. In addition, it became an outstanding partner of Google Cloud during the year, and the number of new customers increased by 37.0% approximately. The annual total revenue of GDH reached US\$211.3 million, a year-on-year increase of 89.9%. i-Sprint, one of the major associates in Asia Pacific, recorded a revenue of HK\$119.5 million with a double-digit growth, EBIDTA and profits recorded an increase respectively.

**Looking forward**, the Group will continue to closely monitor the pandemic, external political and economic environment, so as to take timely measures to ensure smooth operation. In view of the **core businesses'** development, to cope with the severe local talent shortage, the Group will accelerate efforts to attract talents from the Greater Bay Area as means to enhance the delivery capabilities of its agile development. In order to align with the overall development direction in the Greater Bay Area, the Group has acquired a property in Guangzhou as the headquarters of the Guangdong-Hong Kong-Macao Greater Bay Area in early 2022, in order to accelerate and amplify offshore center resources to address the needs for offshore delivery. The Group also plans to establish a security operation center in the Greater Bay Area to assist local enterprises in regulatory compliance. Recently, the Group obtained the highest accreditation of CMMI at Maturity Level 5, signifying that the Group can provide more

mature and innovative industry solutions, as well as more high-quality and efficient management and development services for onshore/ offshore development centers, to fully meet customers' ardent needs for digital transformation.

Regarding the **development of new business**, digital technology application has become the key to adapting to new landscapes in the post-pandemic era. As the first local IT company in Hong Kong to launch the DevSecOps business model, the Group will continue to assist local or cross-regional customers in achieving digitalization through UOC, a one-stop managed services platform. In the coming five years, the Group is expected to invest more than HK\$100.00 million in technologies and business-related fields. The Group will keep integrating its business resources, technical resources and human resources with an ongoing focus to invest in scientific research, promote its technology services level, and enhance application transformation capabilities. The Group will make continuous updates to the cloud-native ASL Marketplace launched at the end of last year with enriched delivery content for our customers to enjoy a better customer experience from a series of self-branded as-a-Service.

In 2022, the Group will persevere to promote its role transformation from "system integration" to "service integration". In the future, the Group will continue to promote DevSecOps professional services, which is industry-oriented and high-value added, through partner network with its self-branded services as the foundation, and strive to become a trustworthy **unified technology services partner** which provides technology and professional service to customers.

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*\* Please refer to the 2021 annual results announcement published on 30 March 2022 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 49 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>.

### **For Press Enquiries**

#### **Automated Systems Holdings Limited**

Debbie Ng	(852) 2608 3661	<a href="mailto:debng@asl.com.hk">debng@asl.com.hk</a>
Kelly Leung	(852) 2608 3602	<a href="mailto:kelly.kk.leung@asl.com.hk">kelly.kk.leung@asl.com.hk</a>
Fax	(852) 2645 8084	
Website	<a href="http://www.asl.com.hk">www.asl.com.hk</a>	