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AUTOMATED SYSTEMS HOLDINGS LIMITED

自動系統集團有限公司

(Incorporated in Bermuda with Limited Liability)

(Stock Code : 771)

VOLUNTARY ANNOUNCEMENT

BUSINESS UPDATE ON THE GROUP'S U.S. BUSINESS – GDH IN RELATION TO

- (1) THE LISTING IN THE U.S. EQUITY RUSSELL 2000® INDEX;
AND**
- (2) YEAR-ON-YEAR GROWTH OF 46% ON NON-RETAIL INDUSTRY
REVENUE IN THE SECOND QUARTER**

This announcement is made by Automated Systems Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”), pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited on a voluntary basis.

The board of directors (the “**Board**”) of the Company is pleased to announce that Grid Dynamics Holdings, Inc. (“**GDH**”) (NASDAQ ticker symbol: “**GDYN**”), an associate of the Company with business operating in the United States (“**U.S.**”) and Europe, has been listed in the Russell 2000 Index, one of the three major stock indexes in the U.S., on 29th June 2020. This serves as a recognition of GDH’s technological capabilities and potential for long-term development. This is also expected to further enhance its reputation and expand its shareholder base.

Established in 2006, GDH is a leader in driving enterprise-level digital transformation services for Fortune 1000 corporations, including Apple, Google, Nike, Pepsi, Home Depot, Raymond James, and other large global brand names. GDH focuses on retail, technology and financial services sectors, with leading technology and retail vertical markets. Headquartered in the U.S. Silicon Valley, GDH uses a global delivery model to deliver services mainly to the U.S. market, with Central and Eastern Europe as its engineering delivery centers.

Under the influence of the epidemic, the “new normal” has boosted market demand for cloud technology, thereby driving GDH to achieve outstanding results in customer base expansion during the first half of the year. The revenue of non-retail industry had a year-on-year growth of 46% in the second quarter, amongst which, the IT industry accounted for 54% of revenue in the second quarter, representing a year-on-year growth of 52%. Apple and Google have been gradually becoming as GDH’s top five major customers. Meanwhile, the U.S. market has also shown signs of recovery since May this year; the Group thus believes that the business of GDH will progressively be restored in the second half of this year.

Overall, the Group will focus its business development in the Asia Pacific region as its main business line at the current stage, with the U.S. and Europe business as its auxiliary business line. The complementarity and integration capabilities of the two business lines in terms of technology are critical. As the largest shareholder of GDH, the Group will persistently support its continuous R&D investment to enhance its technical capabilities. Not only has GDH been named as the best agile service provider by Forrester Wave™ (NASDAQ ticker symbol: “FORR”), one of the world’s most influential research and advisory firms; GDH has recently also partnered with one of the world’s leading Enterprise AI platform, Dataiku, to expand enterprise AI service offerings. This has enabled businesses to benefit from the high-end AI functions and the state-of-the-art machine learning technology, so as to accelerate digital transformation.

With respect to the Asia Pacific region, the Group will focus on providing one-stop integrated IT managed services for our industry customer base. We believe that technological innovation and breakthroughs will drive the enhancement of high value-added professional services to meet the transformation needs of our industry customers.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Automated Systems Holdings Limited
Ngan Wai Hing
Company Secretary

Hong Kong, 28th August 2020

As at the date of this announcement, the Board comprises Mr. Wang Weihang and Mr. Wang Yueou being Executive Directors; Mr. Cui Yong being Non-Executive Director; and Mr. Pan Xinrong, Mr. Deng Jianxin and Ms. Or Siu Ching, Rerina being Independent Non-Executive Directors.