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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. AND EUROPE BUSINESS

IN RELATION TO ACQUISITION OF A EUROPE-BASED SOFTWARE DEVELOPMENT AND TECHNOLOGY CONSULTING COMPANY BY GDH - BUSINESS EXPANSION TO WESTERN EUROPE

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., an associate of the Company, (“**GDH**”) has recently acquired Daxx Web Industries B.V. (“**Daxx**”).

Business of Daxx

Daxx is a Netherlands-registered software development and technology consulting company, headquartered in Amsterdam, the center of innovation in Europe. Daxx brings more than twenty years of experience in delivering highly differentiated software services to clients across a wide range of industry verticals. In addition, Daxx provides consultation in the fields of agile process reengineering, lean development, and DevOps. Daxx serves customers in Netherlands, Germany, UK, and U.S., enjoying long-term relationships with high-growth start-ups and established software companies in the fields of digital media, healthcare, education, and high-tech. Daxx’s revenue and EBITDA compound annual growth rate from 2017 to 2019 both exceeded 30%, and the revenue is expected to reach EUR20 million in 2020.

Daxx has nearly 500 employees, its offshore development team is situated in major tech hubs across Ukraine. Daxx was selected as the top 3 best IT employers in Ukraine, particularly during the global economy is almost shutdown in 2020. Daxx attracted talents with its strong employer brand, and ranked first in recruitment volumes amongst Ukrainian technology companies.

The acquisition had helped GDH in obtaining Amsterdam as a new foothold of business in Europe which eventually bring a better pool of talent resources.

Reasons and Benefits for the Group of Entering the above Transaction by GDH

Rich industry domain knowledge, integration of various technologies or products to fit customer application scenarios which is laid by aforementioned foundation, and regional layout for market expansion together with following the footsteps of customer's business growth constituted the three footholds of the Group and market positioning in the new development stage. Thus, this transaction will also enable the Group's service delivery capabilities to gain a better foothold in Western Europe, and the Group will continue to cooperate with GDH in terms of technology and talent pool resource sharing. The Company will continue to integrate and improve the professional technical service capabilities of application software development, cybersecurity and omni-channel managed services. In the fields of cloud computing and big data, assist customers in business transformation with technological innovation by combining our rich and practical industry experience to help customers achieve the integration of technology with various application scenarios.

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, 15th December 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.