



## NEWS RELEASE

### **AZEUS NET PROFIT FOR 1H FY2020 MORE THAN DOUBLES TO HK\$4.9 MILLION (EQUIVALENT TO US\$0.6 MILLION)**

- *1H FY2020 revenue grows 14.3% to HK\$72.1 million (approximately US\$9.2 million)*
- *Strong performance driven by 79.0% increase in sales of Azeus Products to HK\$37.9 million (approximately US\$4.8 million)*
- *Azeus' Professional IT Services segment remains a strong pillar of support*

**Singapore, November 14, 2019** – Azeus Systems Holdings Ltd. (“**Azeus**” or the “**Group**”), a leading provider of IT consultancy services based in Hong Kong, today announced a 137.2% surge in net profit to HK\$4.9 million for the six-month period ended September 30, 2019 (“**1H FY2020**”), compared to HK\$2.1 million in the previous corresponding period (“**1H FY2019**”).

For the period under review, Azeus recorded a 14.3% increase in revenue to HK\$72.1 million, driven by a significant 79.0% growth from the Azeus Products segment to HK\$37.9 million, which more than offset the 18.3% decline in the Professional IT Services segment.

Correspondingly, the Group’s shareholders’ equity increased from HK\$96.8 million at the beginning of the year to HK\$102.9 million as at September 30, 2019. This is mainly due to the net profit of HK\$4.9 million generated from the Group’s businesses in this six-month period.

As at September 30, 2019, the Group’s financial position continues to strengthen with a net cash position of HK\$62.4 million, up from HK\$54.2 million in the previous corresponding period. The Group has no bank borrowings or debt securities.

## **Review of Business Segments**

Azeus made good progress with its efforts to grow the Azeus Products business segment and saw its revenue increase by 79.0% to HK\$37.9 million in 1H FY2020, from the sale of the Group's proprietary products, "Azeus Convene" and "AzeusCare", and their associated professional services. This segment was Azeus' largest revenue contributor in 1H FY2020 and accounted for 52.5% of the Group's total revenue, compared to 33.6% in the previous corresponding period.

IT Services, which includes the sale of third-party hardware and software, declined 38.9% to HK\$11.9 million due to fewer contracts secured and implemented in 1H FY2020. The segment accounted for 16.5% of the Group's total revenue in 1H FY2020, from 30.8% in 1H FY2019.

Meanwhile, the Maintenance and Support Services segment continues to contribute a stream of recurring income for the Group with revenue from the segment largely unchanged at HK\$22.3 million, as compared to HK\$22.5 million in 1H FY2019. The marginal difference was due to a decrease in the number of maintenance and support services contracts from 29 to 28 contracts.

## **Outlook**

The Group has made good progress in the growth of the Azeus Products business segment, particularly the Software as a Service ("SaaS") solution, "Azeus Convene", and expects to continue the upward momentum.

In addition, Azeus' Professional IT Services business segment continues to remain as a stable pillar for the Group.

Mr. Lee Wan Lik, Managing Director of Azeus, said, "We are pleased to announce that our Azeus Products business has achieved exceptional growth during this financial period. Together with the recurring income from our maintenance and support services contracts, over 80% of our revenue is now derived from recurring income sources, reinforcing the Group's financial stability and cashflow visibility."

Going forward, the Group remains cautiously optimistic about the outlook for the next 12 months.

### **About Azeus Systems Holdings Ltd.**

Established in 1991, Azeus is a leading provider of IT consultancy services. Headquartered in Hong Kong, Azeus has presence in the United Kingdom, the Philippines and China. Besides designing as well as implementing a wide range of IT software and systems to fulfil the outsourcing needs of customers, Azeus also provides maintenance and support services. The Group has won the first business processes outsourcing project from the Hong Kong Government, covering IT consulting, IT maintenance and support, as well as office operations and support services.

Azeus is appraised at the highest level of the CMMI-SW model, endorsing its commitment to delivering high quality work. Its emphasis on consistently high quality solutions has enabled the Group to build a solid track record of over 100 projects for many government departments and over 15 projects for the commercial sector in Hong Kong. Azeus has also developed several world class software products and has achieved an international customer base spanning over 70 countries in both the public and commercial sectors. In recent years, the Group has also expanded its operations into the UK, and established a growing track record of public sector projects for UK government bodies.

Azeus was listed on the Main Board of SGX-ST in October 2004.

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