



NEWS RELEASE

AZEUS ACHIEVES RECORD REVENUE OF HK\$181.2 MILLION (APPROXIMATELY US\$23.4 MILLION¹) IN FY2020

- ***Strong performance was driven by 68.1% increase in revenue from Azeus Products to HK\$83.9 million (Approximately US\$10.8 million¹)***
- ***Azeus' Professional IT Services segment remains a strong pillar of support***

Singapore, June 19, 2020 – Azeus Systems Holdings Ltd. (“**Azeus**” or the “**Group**”), a leading provider of IT consultancy services based in Hong Kong, reported a net profit of HK\$12.7 million for the year ended March 31, 2020 (“**FY2020**”), largely unchanged from the previous corresponding period (“**FY2019**”).

For the year under review, Azeus recorded a 22.6% increase in revenue to HK\$181.2 million, driven by a significant 68.1% growth from the Azeus Products segment to HK\$83.9 million, while revenue contribution from the Professional IT Services segment remains largely unchanged.

Correspondingly, the Group’s shareholders’ equity increased from HK\$96.8 million as at March 31, 2019 to HK\$100.9 million as at March 31, 2020. This was lifted by the net profit of HK\$12.7 million generated in FY2020, less the final dividend for FY2019 of HK\$6.3 million paid during the year.

Overall, the Group strengthened its financial position with a higher cash position of HK\$100.0 million as at March 31, 2020, a significant increase from HK\$52.7 million as at March 31, 2019. The Group has no bank borrowings or debt securities.

¹ Based on the conversion rate of 1 HK\$ = 0.13 US\$, rounded up to one decimal place.

Review of Business Segments

The Azeus Products business segment gained momentum as the Group's key growth driver, providing a steady growing stream of recurring income. The segment achieved robust revenue growth of 68.1% to HK\$83.9 million as the Group's proprietary products, "Azeus Convene" and "AzeusCare", and their associated professional services were increasingly adopted and implemented by its customers. This segment has since grown to account for 46.3% of Azeus' total revenue in FY2020, compared to 33.8% in the previous corresponding period.

IT Services, which includes the sale of third-party hardware and software, remained largely unchanged at HK\$97.3 million. The Group recorded a 22.9% decrease in revenue from systems implementation and enhancement, from HK\$47.0 million in FY2019 to HK\$36.2 million in FY2020, as a result of fewer projects and enhancements secured during the year. The decrease was offset by higher sales of third-party hardware and software, which surged 953.3% to HK\$15.8 million in FY2020 from HK\$1.5 million in FY2019, mainly due to the completion and acceptance of an implementation project during the year.

Meanwhile, the Maintenance and Support Services segment continues to contribute a stream of recurring income for the Group. In FY2020, the segment recorded an 8.5% decrease in revenue to HK\$45.3 million, compared to HK\$49.5 million in FY2019. The lower revenue was a result of a decrease in the number of maintenance and support services contracts. Overall, the IT Services business segment accounted for 53.7% of the Group's total revenue in FY2020, compared to 66.2% in FY2019.

Outlook

The Group has consistently made good progress in the growth of the Azeus Products business segment, which will continue to be the growth engine of the Group.

Mr. Lee Wan Lik, Managing Director of Azeus, said, “Our Azeus Products business continues to gain traction among both new and existing customers, providing us with a steadily growing stream of recurring income. Notably, Azeus Convene has expanded to over 100 countries, positioning us as the industry leader for board management software.”

On the other hand, the Group expects some weaknesses for the Azeus IT Services segment which has experienced a number of tender delays due to the political situation in Hong Kong and the COVID-19 pandemic.

Notwithstanding the challenging outlook, the Group will continue to invest in Azeus Products segment. Overall, the group remains cautiously optimistic about the outlook for the upcoming financial year ending March 31, 2021.

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.

ISSUED ON BEHALF OF	:	Azeus Systems Holdings Ltd
BY	:	Citigate Dewe Rogerson Singapore Pte Ltd 105 Cecil Street #09-01 The Octagon Singapore 069534
CONTACT	:	Mr. Winston Choo / Mr. Justin Chan at 6534-5122
EMAIL	:	winston.choo@citigatedewerogerson.com / justin.chan@citigatedewerogerson.com

June 19, 2020