



## NEWS RELEASE

### **AZEUS REPORTS NET PROFIT OF HK\$3.7 (equivalent to US\$0.5) MILLION ON THE BACK OF HK\$125.0 (equivalent to US\$16.0) MILLION IN REVENUE FOR FY2015**

- ***Recommends first and final dividend of 1.23 HK cents per share***

**Singapore, May 27, 2015** – Azeus Systems Holdings Ltd. (“Azeus” or the “Group”), a provider of IT consultancy services based in Hong Kong, today announced Group revenue of HK\$125.0 million for the year ended March 31, 2015 (“FY2015”). This was 26.5% lower when compared to HK\$170.0 million in revenue in the preceding year, which was largely attributable to third party hardware and software sales that amounted to HK\$43.0 million in FY2014. Third party hardware and software sales for FY2015 was significantly lower at HK\$2.5 million.

Correspondingly, Group profit attributable to equity holders (“net profit”) for the latest financial year decreased to HK\$3.7 million, compared to HK\$18.6 million a year ago.

Despite the overall decrease in revenue, the Group was able to record a higher gross profit margin of 36.2% in FY2015 as compared to 32.4% in FY2014 due to a significantly lower cost of sales. Azeus registered cost of sales of HK\$79.8 million in FY2015, compared with HK\$114.8 million in FY2014.

Selling and marketing expenses increased by 45.6% to HK\$6.5 million as the Group expanded its global sales team and increased sales and marketing efforts for lead generation.

Administrative and other operating expenses increased by 7.7% to HK\$29.7 million in FY2015 due to an increase in net exchange losses and rental expense.

As at March 31, 2015, the Group maintained a healthy balance sheet, with a cash position of HK\$63.4 million, inclusive of HK\$3.8 million in pledged deposits.

The Group has recommended a first and final dividend of 1.23 HK cents per share.

### **Review of Business Segments**

The Group's largest revenue contributor, the IT Services segment, which accounts for HK\$54.2 million or approximately 43.4% of the total Group revenue for FY2015, saw a 51.4% decline from HK\$111.5 million a year ago, largely due to a decrease in the number of contracts secured and implemented, as well as lower third party hardware and software sales.

The Maintenance and Support Services ("MSS") segment, the Group's second largest revenue contributor, accounted for HK\$54.5 million of total Group revenue for FY2015, an increase of 22.2% from HK\$44.6 million in FY2014.

The Business Process Outsourcing ("BPO") segment also saw a 32.9% decline in revenue, from HK\$12.9 million in FY2014 to HK\$8.7 million in FY2015 due to the expiration of the Group's service contract in November 2014.

The Group's Azeus Product Sales segment saw a 638.9% increase in revenue, from HK\$1.0 million in FY2014 to HK\$7.6 million in FY2015, due to an increase in orders for the Group's proprietary software products, Azeus Convene and AzeusCare. The Group made further headway in the UK IT services market with the latest contract win of GBP1.4 million (approximately HK\$16.8 million) for the provision of social care ICT solutions for ten years.

## **Outlook**

The Group's core business fundamentals ensure that the Group will continue to deliver and maintain high value complex IT systems for existing customers. Additionally, the Group's product sales, Azeus Convene and AzeusCare have achieved a worldwide customer base.

Mr. Lee Wan Lik, Managing Director of Azeus, commented, "To leverage our enterprise software engineering skills, we will continue to make further investments in sales and marketing and product development in order to bring future growth to the Group."

## **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 and, thus far, only 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. 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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