



## NEWS RELEASE

### **AZEUS RETURNS TO PROFITABILITY WITH HK\$2.1 MILLION (EQUIVALENT TO US\$0.3 MILLION) NET PROFIT FOR 1H FY2019**

- ***1H FY2019 revenue surged 53.0% to HK\$63.1 million (approximately US\$8.1 million)***
- ***Azeus' Professional IT Services segment continues to be a strong pillar of support, while Azeus' Products segment recorded 163.6% increase in revenue to HK\$21.2 million (approximately US\$2.7 million)***

**Singapore, November 14, 2018** – Azeus Systems Holdings Ltd. (“Azeus” or the “Group”), a provider of IT consultancy services based in Hong Kong, today announced a 53.0% increase in revenue to HK\$63.1 million for the six-month period ended September 30, 2018 (“**1H FY2019**”), as compared to HK\$41.2 million in the previous corresponding period (“**1H FY2018**”).

For the period under review, Azeus returned to profitability by recording a net profit of HK\$2.1 million from a net loss of HK\$5.9 million in the year ago period.

This achievement was largely bolstered by the marked improvement witnessed in the Azeus' Products business, resulting in a segment revenue that grew by 163.6% to HK\$21.2 million in 1H FY2019, from HK\$8.0 million in 1H FY2018.

Correspondingly, the Group's shareholders' equity increased from HK\$88.1 million at the beginning of the year to HK\$90.3 million as at September 30, 2018. This is mainly due to the net profit of HK\$2.1 million generated from operations in this six-month period.

As at September 30, 2018, the Group solidified its balance sheet with a cash position of HK\$48.7 million, up from HK\$35.7 million in the previous corresponding period. The Group does not have gearing.

## **Review of Business Segments**

The Azeus Products segment saw its revenue increase by 163.6% to HK\$21.2 million in 1H FY2019, contributed by the sale of two proprietary products, Azeus Convene and AzeusCare and their associated professional services. This segment now accounts for 33.6% of the Group's total revenue, compared to 19.5% in the previous corresponding period.

The Professional IT Services segment also saw an improvement, with a 92.0% increase in revenue for the period under review, accounting for HK\$19.5 million or 30.8% of the total Group revenue. The fees from IT Services were higher in 1H FY2019 due to more contracts being implemented in this period.

Meanwhile, revenue from the Maintenance and Support Services segment decreased marginally by 2.6% to HK\$22.5 million in 1H FY2019. This is largely due to a decrease in the number of maintenance and support services contracts. Additionally, a few contracts have reached the end of the support service period.

## **Outlook**

Azeus's Professional IT Services remains sound. The recent series of contract wins from the Hong Kong and the United Kingdom governments has reaffirmed not only the quality and reliability of Azeus' IT solutions and service delivery, but also the Group's ability in continuously meeting customers' expectations and needs.

Most recently in September 2018, the Group signed a contract valued up to £1.42 million (approximately US\$1.83 million) with a local council in the United Kingdom for the supply, support and maintenance of an Adults and Children's Social Care Case Management System with the Group's proprietary product – AzeusCare. This further enhances Azeus' track record and bears strong testament to its quality products and services.

The Group expects to see progressive recognition of revenues from the recent contract wins following their implementation in FY2019 and FY2020.

In addition, Azeus' Products business continues to grow from strength to strength. Revenue from the sale of software products has more than doubled from 1H FY2018, and is now positioned to be the engine of growth for the Group.

Mr. Lee Wan Lik, Managing Director of Azeus, said, "We have achieved remarkable growth this financial period, with higher revenue and profits. We are especially heartened with the good progress in the Azeus' Products business segment."

"Azeus' Products business is now positioned to be the engine of growth for the Group. Alongside this, we will continue to capitalize on our strengths in both the public and private sectors, to win greater market share and explore opportunities in new markets so as to further diversify our future income streams."

Barring unforeseen circumstances, the Group expects to achieve a better set of results for FY2019.

## **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, 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. 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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