

## NEWS RELEASE

### AZEUS' PROFIT BEFORE TAX RISES 10% TO HK\$53.9 MILLION FOR FY2023 (EQUIVALENT TO US\$7.0 MILLION<sup>1</sup>), AND DECLARES ALL OF FY2023 PROFIT OF THE YEAR TO SHAREHOLDERS

- *Backed by 16% increase in revenue to HK\$252.9 million (approximately US\$32.9 million<sup>1</sup>), bolstered by continued growth in the Group's flagship product – Convene*
- *Contributed by the sizeable HK\$1.02 billion Central Electronic Record keeping System ("CERKS") contract as it is moving to deployment stage*
- *Proposed final dividend of HK\$1.08 per ordinary share for 2H FY2023*

GROUP'S FINANCIAL HIGHLIGHTS						
HK\$' MILLION	2H FY2023	2H FY2022	(%)	FY2023	FY2022	(%)
Revenue	136.5	122.2	12	252.9	217.7	16
Gross Profit	97.4	93.4	4	182.1	157.6	16
GP Margins	71.4	76.4	(5.0 ppt)	72.0	72.4	(0.4 ppt)
Profit Before Income Tax	34.0	31.3	9	53.9	49.0	10
Net Profit Attributable to Equity Holders	30.3	31.0	(2)	50.5	48.5	4
For the year ended 31 March 2023: <b>Earnings per share – Basic (cents): 1.68 Hong Kong dollars</b> (2022: 1.62 Hong Kong dollars)						

**Singapore, 30 May 2023** – Azeus Systems Holdings Ltd. ("**Azeus**" or the "**Group**"), a leading provider of IT products and services, today announced a 10% increase in profit before tax to HK\$53.9 million for the financial year ended 31 March 2023 ("**FY2023**"), compared to HK\$49.0 million in the previous corresponding year ("**FY2022**").

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

For FY2023, Azeus recorded a 16% increase in revenue to HK\$252.9 million, up from HK\$217.7 million over the same corresponding year, driven by robust growth mainly from its Products segment.

Mr. Lee Wan Lik, Executive Chairman and Director of Azeus, said, “We have continued to deliver resilient performance backed by our growth pillars – Products segment. Our team is focused on the implementation of the sizeable HK\$1.02 billion Central Electronic Recordkeeping System contract, with revenue visibility until FY2037. 75% of the value of the contract is for the licensing and maintenance of Convene Records which will continue to boost our product revenue.”

“To reward our loyal shareholders, the Board has considered and recommended a final dividend payout of HK\$1.08 per ordinary share. Including an interim dividend paid of HK\$0.60 per ordinary shares, the total dividend of HK\$1.68 per ordinary shares for FY2023, which represents all our net profit for the year. We remain steadfast in delivering high quality IT services for the public sector, and focused on bringing innovative product offerings to new customers worldwide as we expand our business.”

### **Review of Business Segments**

Overall, Azeus Products accounted for approximately 69% of total Group revenue in FY2023, while IT Services accounted for 31% over the same corresponding period. IT Services line remain relatively the same, decreasing by 1%, while Azeus Product line achieved a growth rate of 26%.

Revenue from Azeus Products increased by HK\$35.9 million, or 26%, to HK\$175.3 million in FY2023 up from HK\$139.4 million in FY2022, mainly attributable to the revenue contribution from the Group’s proprietary products including the new product Convene Records and its related implementation services revenue under CERKS contract.

Revenue contribution from IT Services slightly decreased by 1% to HK\$77.6 million in FY2023 from HK\$78.2 million in FY2022.

It is noteworthy to highlight that 62% (HK\$48.1 million) of IT Services revenue was from long-term recurring revenue contracts for maintenance and support services of existing systems. The recurring revenue from maintenance and support, which accounted for 19% of total revenue in FY2023 has remained stable in both FY2022 and FY2023.

### **Financial Overview**

With the higher revenue, the Group's cost of revenue increased by HK\$10.8 million or approximately 18%, to HK\$70.9 million in FY2023 from HK\$60.1 million in FY2022.

As a result, the Group's gross profit margin slightly decreased by 0.4 percentage points to 72.0% in FY2023 as compared to 72.4% in FY2022.

Overall, the Group reported a 16% increase in gross profit to HK\$182.1 million for FY2023, compared to HK\$157.6 million for FY2022. Net profit increased by 4%, at HK\$50.5 million in FY2023 as compared to a net profit of HK\$48.5 million in FY2022. The growth in net profit was impacted by the foreign exchange losses of HK\$7.5 million due to translation of foreign currencies cash balances as of period end.

As of 31 March 2023, the Group's net cash position stood at HK\$152.8 million, a decrease of 24% as compared to the net cash position of HK\$201.3 million as of 31 March 2022. The decrease mainly arose from the dividends paid of HK\$66.6 million to equity holders of the company during the year, including both FY2022 final dividend and FY2023 interim dividend.

The Group's shareholders' equity declined to HK\$133.5 million as of 31 March 2023 from HK\$154.7 million in the previous year, mainly due to the net fall in retained profit as a result of the payment of dividends paid to equity holders of the company.

The Group has no bank borrowings or debt securities as at 31 March 2023.

## **Outlook**

Mr. Michael Yap, CEO of Azeus, said, "Our overall revenue grew by 16%. Our product business has continued its strong growth despite a global tightening of corporate spendings. It grew 26% year-on-year and achieved its operating margin of around 44%.

"As we moved into the deployment phase of the government-wide HK\$1.02 billion CERKS project, it would contribute more significantly to the business in the coming years.

"For growth, we remain steadfast in expanding our geographical reach and investing in R&D, seeking synergistic innovations to strengthen our product offerings. We expect continued growth in the product business."

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

A leading provider of IT products and services, Azeus was listed on the Main Board of the SGX-ST in October 2004, with various offices in Hong Kong, Singapore, the United Kingdom, the Philippines and China. Azeus has been appraised at the highest level (Level 5) of the CMMI-SW model for software development since 2003.

The Group's flagship product, Convene, is a leading paperless meeting solution used by directors and executives in various industries, across more than 100 countries. The Group continues to invest in R&D and add new product offerings. It has recently introduced a hybrid large format meeting solution, "Convene AGM", in response to the shifting trend towards hybrid AGMs as a result of the COVID-19 restrictions. Another new product, Convene Records, has been adopted for a "All-of-Government" deployment.

Under Azeus' IT Services segment, the Group design and implement a broad range of IT software and systems. In all, the Group has a solid track record of completing hundreds of IT services projects for more than 40 government departments, as well as the private sector in Hong Kong, many of which are contracts from repeat customers.

---

ISSUED ON BEHALF OF	:	Azeus Systems Holdings Ltd
BY	:	Citigate Dewe Rogerson Singapore Pte Ltd 158 Cecil Street #05-01 Singapore 069545
CONTACT	:	Ms Dolores Phua / Mr Teo Zheng Long at 6534-5122
EMAIL	:	<a href="mailto:Azeus@citigatedewerogerson.com">Azeus@citigatedewerogerson.com</a>

---