

NEWS RELEASE

AZEUS ACHIEVED 105% INCREASE IN NET PROFIT TO HK\$48.5 MILLION FOR FY2022 (EQUIVALENT TO US\$6.2 MILLION¹) AND PROPOSED 100% OF PROFIT AS DIVIDEND

- *Driven by 22% increase in revenue to HK\$217.7 million (approximately US\$28.3 million¹), underscored by growth in both its pillars – Products and IT Services*
- *Continued growth expected with its flagship product (Azeus Convene) and rollout of the HK1.02 billion Convene Records project.*
- *Proposed final dividend of HK\$1.62 per ordinary share*

GROUP'S FINANCIAL HIGHLIGHTS						
HK\$' Million	2H FY2022	2H FY2021	(%)	FY2022	FY2021	(%)
Revenue	122.2	98.6	24	217.7	178.1	22
Gross Profit	93.4	71.3	31	157.6	122.8	28
GP Margins	76.4	72.3	4.0ppt	72.4	69.0	3.4ppt
Profit Before Income Tax	31.3	18.0	74	49.0	29.3	67
Net profit attributable to equity holders	31.0	12.7	144	48.5	23.7	105
For the year ended 31 March 2022: Earnings per share – Basic (cents): 1.62 Hong Kong dollars (2021: 0.79 Hong Kong dollars)						

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

Singapore, 27 May 2022 – Azeus Systems Holdings Ltd. (“**Azeus**” or the “**Group**”), a leading provider of IT products and services, today announced a 105% increase in net profit to HK\$48.5 million for the financial year ended 31 March 2022 (“**FY2022**”), compared to HK\$23.7 million in the previous corresponding year (“**FY2021**”). For the year under review, Azeus recorded a 22% increase in revenue to HK\$217.7 million, up from HK\$178.1 million over the same corresponding year, driven by strong growth from both its Products and IT Services segments.

For the second half-year ended 2022 (“2H FY2022”), Azeus recorded a 24% increase in revenue to HK\$122.2 million, up from HK\$98.6 million over the same corresponding year, driven by robust growth from the Azeus Products segment.

Mr. Lee Wan Lik, Executive Chairman of Azeus, said, “We are delighted to have achieved strong performance, backed by growth in both our business pillars. Azeus Products, our growth engine, has continued to make good strides globally as we expanded into more territories and added new product features and modules.”

“It is noteworthy that we recently secured our single largest contract of over HK\$1 billion for the implementation and maintenance of the Hong Kong government’s Central Electronic Recordkeeping System with our product, Convene Records, which will further enhance our recurring income stream for resilient growth.”

Review of Business Segments

Overall, Azeus Products accounted for a majority or 64% of total Group revenue in FY2022, while IT Services accounted for 36% over the same corresponding period.

Revenue from Azeus Products increased by HK\$26.3 million, or 23%, to HK\$139.4 million in FY2022 up from HK \$113.2 million in FY2021.

The Company has recently been awarded a HK\$1.02 billion contract based on Azeus' new product "Convene Records", to design the central electronic record-keeping system for the Hong Kong SAR government. This was a show of confidence from the Hong Kong SAR Government's trust in the capability of Azeus in delivering "All-of-Government" large scale projects, and in the software products designed and developed by Azeus. An expected 75% of the total estimated contract value would be for the license and maintenance fees of the Convene Records software. The design and implementation work will commence in May 2022 and hence we expect a majority of the revenue to be contributed from the next financial year until FY2037.

Revenue contribution from IT Services increased by 21% to HK\$78.2 million in FY2022 from HK\$64.9 million in FY2021 as the Group secured more projects in FY2022. It is noted that more than 60% (HK\$47.9 million) of this IT Services revenue was from maintenance and support services of existing systems which are long-term contracts.

The recurring revenue from maintenance and support, which accounted for 22% of the Group's revenue in FY2022, increased by 6% to HK\$47.9 million from HK\$45.3 million in FY2021.

In line with the higher revenue, the Group's cost of sales increased by HK\$4.8 million, or 9%, to HK\$60.1 million in FY2022.

The Group's gross profit margin improved by 3.4 percentage points to 72% in FY2022 as compared to 69% in FY2021.

Overall, the Group reported a net profit of HK\$48.5 million in FY2022 as compared to a net profit of HK\$23.7 million in FY2021.

Correspondingly, the Group's shareholders' equity increased to HK\$154.7 million as at 31 March 2022, from HK\$119.1 million as at 31 March 2021. This was mainly due to the net profit of HK\$48.5 million and growth in revenue generated in FY2022 set off with the payment of FY2021's dividend of HK\$11.7 million.

As at 31 March 2022, the Group strengthened its net cash position to HK\$201.3 million from HK\$158.3 million. The Group has no bank borrowings or debt securities.

Outlook

Mr. Michael Yap, CEO of Azeus, said, "Azeus continues to invest and execute on our plan to grow the product segment. With the growth of our flagship product, Convene, and new product offerings such as Convene Records, we are excited with our growth potential and look forward to expanding our footprints globally."

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, Azeus 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 adding new product offerings. It has recently introduced a hybrid large format meeting solution, "AGM@Convene", 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 private sector in Hong Kong, many of which are contracts from repeat customers.

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