



## NEWS RELEASE

### **AZEUS REPORTS 60% INCREASE IN NET PROFIT TO HK\$17.5 MILLION FOR 1H FY2022 (EQUIVALENT TO US\$2.24 MILLION<sup>1</sup>)**

- ***Revenue increases 20% to HK\$95.4 million (approximately US\$12.3 million<sup>1</sup>)***
- ***Azeus Products continues to drive growth, recording a 27% increase in revenue contribution to HK\$65.8 million in 1H FY2022***

**Singapore, 12 November 2021** – Azeus Systems Holdings Ltd. (“**Azeus**” or the “**Group**”), a leading provider of IT consultancy services based in Hong Kong, today announced a 59.1% increase in net profit to HK\$17.5 million for the financial period ended 30 September 2021 (“**1H FY2022**”), compared to HK\$11.0 million in the previous corresponding period (“**1H FY2021**”). For the period under review, Azeus recorded a 20.2% increase in revenue to HK\$95.4 million, up from HK\$79.4 million over the same corresponding period, driven by sustained growth from the Azeus Products segment.

Correspondingly, the Group’s shareholders’ equity increased to HK\$135.0 million as at 30 September 2021, from HK\$119.1 million as at 31 March 2021. This was mainly due to the net profit of HK\$17.5 million and growth in revenue generated in 1H FY2022.

As at 30 September 2021, the Group strengthened its net cash position to HK\$170.1 million from HK\$158.3 million as at 31 March 2021. The Group has no bank borrowings or debt securities.

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

## **Review of Business Segments**

Overall, Azeus Products accounted for 68.9% of total Group revenue, up from 65.2% in 1H FY2021, while IT Services accounted for 31.1%, compared with 34.8% in 1H FY2021.

Revenue from Azeus Products increased by HK\$13.9 million, or 27.0%, to HK\$65.8 million in 1H FY2022 up from HK \$51.8 million in 1H FY2021. The increase in revenue was driven by the sale of the Group's proprietary products – “Azeus Convene”, “Convene@AGM”, and “AzeusCare” and their associated professional services.

On April 2021, Azeus hosted the first hybrid meeting with live voting and Q&A in Singapore for an SGX-listed company, iFAST Corporation Ltd through ConveneAGM.

On 20 September 2021, the Group launched a major upgrade to its ConveneAGM product which now seamlessly powers general meetings across all formats – physical, virtual and hybrid. It incorporates the global best practices for fully interactive hybrid meetings.

Revenue contribution from IT Services, which includes three core business areas, system implementation and enhancement, sales of third-party hardware and software and maintenance and support services, increased by 7.6% to HK\$29.7 million in 1H FY2022 from HK\$27.6 million in 1H FY2021 as the Group secured more projects in 1H FY2022. Additionally, the Group continues to undertake project implementation and maintenance works.

Revenue from systems implementation and enhancement increased by HK\$1.9 million, or 42.2%, to HK\$6.4 million in 1H FY2022, from HK\$4.5 million in 1H FY2021, as more projects and enhancements were secured.

On 29 July 2021, Azeus announced that it has been appointed by the Hong Kong Special Administrative Region to design and implement a Pilot e-Tendering System

for the Office of the Government Chief Information Officer valued at approximately HK\$10.0 million (US\$1.3 million<sup>1</sup>).

Meanwhile, revenue from Maintenance and Support Services, which accounted for 24.4% of the Group's revenue in 1H FY2022, increased marginally by 2.6% to HK\$23.3 million from HK\$22.7 million in 1H FY2021. The increase in revenue was mainly attributable to an increase in chargeable rates price of a few maintenance projects.

In line with the higher revenue, the Group's cost of sales increased by HK\$3.2 million, or 11.4%, to HK\$31.2 million in 1H FY2022.

The Group's gross profit margin improved by 2.5 percentage points to 67.3% in 1H FY2022 as compared to 64.8% in 1H FY2021.

Overall, the Group reported a net profit of HK\$17.5 million in 1H FY2022 as compared to a net profit of HK\$11.0 million in 1H FY2021.

### **Outlook**

Mr. Lee Wan Lik, Managing Director of Azeus, said, "The company remain very focused on executing our business plan of growing our product segment."

The Group will update shareholders on any material developments as and when appropriate.

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

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

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 has also introduced a virtual AGM solution, AGM@Convene, in response to the shifting trend towards e-AGMs as a result of the COVID-19 restrictions. AzeusCare, the Group's proprietary social care system which supports requirements of the UK Care Act 2014, has also been adopted by various local councils in the United Kingdom.

Under Azeus' IT Services segment, the Group design and implement a broad range of IT software and systems, as well as develop and integrate various software programmes of IT systems for its customers. The Group also provide after-sales services and support by offering a spectrum of maintenance and support services.

In all, the Group has a solid track record of completing over 100 IT services projects for more than 40 government departments, as well as over 20 projects for the private sector in Hong Kong, many of which are contracts from repeat customers.

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