



NEWS RELEASE

AZEUS ACHIEVES RECORD REVENUE OF HK\$170 MILLION FOR FY2014

- ***Group revenue surges 46% to HK\$170 million, boosted by a 93% jump in contributions from IT services segment***
- ***Reports net profit of HK\$18.6 million***
- ***To deliver high-value complex IT systems and step up marketing efforts to grow customer base for intellectual assets in cloud technology***

Singapore, May 27, 2014 – Azeus Systems Holdings Ltd. (“Azeus” or the “Group”), a provider of IT consultancy services based in Hong Kong, today announced that its revenue rose 46.0% to a record high of HK\$170 million for the financial year ended March 31, 2014 (“FY2014”). Its profit attributable to equity holders (“net profit”) declined 40.0% to HK\$18.6 million in FY2014, due to a compensation award received for an arbitration case in the previous financial year of HK\$40.9 million.

Excluding the one-off arbitration award and its related legal cost recorded in FY2013, the Group would have reported a 104.3% jump in its net profit.

Mr. Lee Wan Lik, Managing Director of Azeus, commented, “We are delighted to have delivered a sterling set of results for FY2014, supported by a strong performance from our IT services business segment. With our high-value IT systems, we continued to strengthen our market position in Hong Kong’s public sector during the year and made good headway in international markets, especially the United Kingdom.”

Financial Review

The Group's IT services segment remained the largest revenue contributor, accounting for approximately 66.2% of total revenue or HK\$112.4 million in FY2014. Revenue from this segment jumped 93.2% as there was more contracts secured and implemented in the year in Hong Kong and the United Kingdom. In addition, the Group recorded third party hardware and software sales of HK\$43.0 million in FY2014, compared to HK\$0.2 million in FY2013.

The Maintenance and Support Services ("MSS") segment saw a 1.7% revenue decline to HK\$44.6 million, contributing 26.2% of total revenue for the review period. Due to lower outsourced income, the Business Process Outsourcing ("BPO") segment saw a 1.8% drop in revenue to HK\$12.9 million, accounting for the remaining 7.6% of full-year revenue.

Despite higher salaries and hardware and software costs, the Group was able to achieve a gross profit margin of 32.4% in FY2014, compared to 34.0% in FY2013.

Selling and marketing expenses declined 18.9% to HK\$4.5 million due to less pre-sales activities in FY2014. In addition, Administrative and other operating expenses declined 25.6% to HK\$27.6 million, mainly due to a decrease in legal and professional fees for the Group's arbitration case in March 2013.

The Group also remains in a healthy net cash position, with no borrowings and strong cash and cash equivalents of HK\$92.7 million as at March 31, 2014.

Outlook

Going forward, Azeus will continue to deliver high value complex IT systems to the Hong Kong public sector.

At the same time, the Group will step up its marketing efforts to grow its customer base for intellectual assets in cloud technology.

Mr. Lee said, “While revenue contribution from this new segment is still small relative to our core IT consultancy services, we hope that this will accelerate the growth of client take-up of our cloud-based offerings.”

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 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 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.

Azeus was listed on the Mainboard of SGX-ST in October 2004.

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