

NEWS RELEASE

AZEUS RECORDS NET PROFIT OF HK\$7.2 MILLION FOR FY2008

- **Strong cash position of HK\$75.1 million (including pledged deposit and deposit with maturity over three months of HK\$2.0 million and HK\$10.5 million respectively)**
- **Declares first and final dividend of 2.40 HK cents per ordinary share**
- **New JV company to provide new business segment and expected to have positive impact on Group's longer term performance**
- **To penetrate new markets and pursue investment opportunities regionally**

Singapore, May 29, 2008 – Azeus Systems Holdings Ltd (“Azeus” or the “Group”), a provider of IT consultancy services based in Hong Kong, today reported a 33% fall in net profit to HK\$7.2 million for the full year ended March 31, 2008 (“FY2008”) from HK\$10.7 million for the previous corresponding period (“FY2007”). This is in line with the profit guidance issued earlier that profits for FY2008 would be lower than that of FY2007.

Mr Lee Wan Lik, Founder and Managing Director of Azeus, said: “We are pleased to sustain our market share in the Hong Kong public sector with two new IT services contracts for the provision of IT services to the Social Welfare Department and Government Logistics Department of the Hong Kong Government secured in FY2008. Going forward, we will continue to harness more opportunities with the Hong Kong Government to further establish our foothold in our area of specialisation as we pursue diversification opportunities into new markets regionally.”

Financial Review

The Group registered a HK\$7.2 million net profit despite an 18% decrease in revenue to HK\$75.4 million in FY2008 from HK\$92.3 million in FY2007.

Accounting for HK\$41.5 million or 55% of total revenue, IT Services remained as the Group's major contributor in FY2008. This segment registered a 41% decrease in revenue due to fewer contracts secured and lower third party hardware sales of HK\$1.6 million in FY2008 compared to HK\$14.3 million in FY2007.

Revenue from the Group's Maintenance & Support Services segment surged 68% to HK\$24.5 million in FY2008 on the back of an increase in the number of contracts (37 contracts in FY2008 as compared to 35 in FY2007) as well as the size of maintenance and support services contracts. Many of these contracts were renewed or commenced during the year following the expiry of the warranty period for projects completed in FY2008. This segment made up 32.6% of total revenue.

Revenue from the Group's Business Process Outsourcing segment rose to HK\$9.4 million in FY2008 from HK\$7.9 million in FY2007 and made up 12.4% of topline contribution. The 19% increase in revenue from this segment was due to a new BPO contract awarded by the Hong Kong government for a total contract sum of US\$10.2 million in December 2006, as the chargeable hourly rates for headcount that were outsourced were higher under this new contract.

The Group's cost of sales decreased 25% to HK\$42.8 million in FY2008 from HK\$56.8 million in FY2007 due to a decrease in the sale of third party hardware and software, as well as a decrease in third party consultancy fee.

Gross margins for the Group increased five percentage points to 43% in FY2008 from 38% in FY2007 due to a decrease in the sale of third party hardware and software, which have lower profit margin as compared to other IT services.

The Group registered a 111% or HK\$2.5 million increase in other gains to HK\$4.8

million in FY2008 from HK\$2.3 million in FY2007 mainly due to a rise in the net foreign exchange gain of HK\$1.5 million and interest income of HK\$1.0 million. Administrative and other operating expenses increased 22% or HK\$3.3 million in FY2008 as a result of the appreciation of the Peso by 21%.

The Group maintained a strong cash position of HK\$75.1 million (including pledged deposit and deposit with maturity over three months of HK\$2.0 million and HK\$10.5 million respectively) as at March 31, 2008.

To reward shareholders for their confidence in, and support for Azeus, the Board of Directors has declared a First and Final dividend of 2.40 HK cents for FY2008.

Outlook and Future Plans

In FY2008, the Group secured two new IT services contracts for the provision of IT systems to the Social Welfare Department and Government Logistics Department of the Hong Kong Government with a one off implementation value of HK\$60.7 million and HK\$26.6 million respectively for approximately two years. These contracts will contribute towards the Group's FY2009 and FY2010 financial performance.

The Group's recent establishment of a new joint venture company is also expected to provide it with a new business segment and a positive impact on the Group's longer-term performance when the initial projects materialise.

Going forward, the Group will remain focused on sustaining its market share in the Hong Kong public sector while looking to diversify its risks by looking to penetrate new markets and pursuing investment opportunities regionally.

Said Mr Lee: "Our ability to handle large and complex systems using our global delivery model provides a compelling value proposition to our customers. We are confident that this will in turn place us in a stronger position to capitalise on new business opportunities for FY2009."

About Azeus Systems Holdings Ltd.

Established in 1991, Azeus is a leading provider of IT consultancy services. Headquartered in Hong Kong, Azeus has established offshore software development centres in the Philippines and China. The Group acquired BIGontheNet, an award-winning provider of eBusiness software solutions based in Singapore, in February 2005.

Besides designing as well as implementing a wide range of IT software and systems to fulfill the outsourcing needs of customers, Azeus also provides maintenance and support services. The Group has won the first and thus far, only business 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 more than 40 government departments and over 15 projects for the commercial sector in Hong Kong.

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

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