



## NEWS RELEASE

### **AZEUS ACHIEVES NET PROFIT OF HK\$3.4 MILLION (US\$0.4 MILLION) FOR FY2011**

- ***Higher revenue from Maintenance and Support Services***
- ***Strong cash balance of HK\$97.0 million (US\$16.0 million)***

**Singapore, May 26, 2011** - Azeus Systems Holdings Ltd. ("Azeus" or the "Group"), a provider of IT consultancy services based in Hong Kong, today announced a net profit of HK\$3.4 million on the back of an 8.0% dip in turnover to HK\$85.9 million for the full year ended 31 Mar, 2011 ("FY2011").

Said Mr Lee Wan Lik, Managing Director of Azeus: "We are pleased to see higher revenue from two of our three business segments, namely the Maintenance and Support Services, as well as the Business Process Outsourcing segments. The growth will complement our IT Services segment, which continues to be the main growth driver for the company, accounting for about approximately 54.5% of Group revenue. We will continue to anchor our business on our strong track record of Hong Kong government projects, growing our market share in this sector while expanding our businesses to new markets."

## **Financial Review**

Group revenue decreased by 8% to HK\$85.9 million, from HK\$93.5 million in the previous corresponding period. This was mainly attributable to fewer IT services contracts secured during the year, resulting in a 20% drop in the segment's revenue to HK\$46.9 million. IT services remains the Group's main revenue contributor, accounting for about 54.5% of Group revenue. Maintenance and Support Services revenue increased by 12% due to the increase in the number and value of the contracts that were renewed during the year. In line with increments in the Consumer Price Index, higher chargeable rates for Business Process Outsourcing projects resulted in an 11% rise in revenue for the segment.

Cost of sales increased by about HK\$3.6 million from HK\$58.7 million in FY2010 to HK\$62.3 million in FY2011. This was due mainly to a higher proportion of revenue from sale of third party hardware and software, which have lower gross profit margins than IT services projects. In addition, the Group has invested more resources to develop and enhance its intellectual property rights and software products. These research and development costs were wholly written off as direct costs in FY2011. Consequently, gross profit margin decreased 10 percentage points from 37% in FY2010 to 27% in FY2011.

The Group maintains a strong balance sheet with cash and cash equivalents of HK\$92.8 million as at 31 March 2011, a substantial improvement compared to HK\$36.5 million as at 31 March 2010.

For FY2011, the Group generated operating cashflow of HK\$66.9 million, compared to FY2010 where net cash used in operating activities was HK\$27.8 million. This was due to timing differences as most of the payment milestones for projects were achieved, therefore customers were billed and subsequently cash collections were made.

The Group has declared a first and final dividend of 1.14 HK cents (0.19 Singapore cents) per ordinary share.

## **Outlook**

“The company has successfully completed many government projects and we will build on this to win more projects. We will also commercially exploit our intellectual property rights and software products”, said Mr. Lee. In FY2011, the Group invested approximately 40 man years in developing public sector software products.

Since the beginning of 2011, the Group has secured five contracts worth a cumulative one-off value of approximately HK\$136 million. “The Group has got off to a strong start, with the five contracts worth approximately HK\$136 million secured this year. These contracts further strengthen our position as a leading IT services provider to the Hong Kong government”, Mr Lee remarked.

## **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 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.

---

ISSUED ON BEHALF OF : Azeus Systems Holdings Ltd  
BY : Citigate Dewe Rogerson, i.MAGE Pte Ltd  
1 Raffles Place  
#26-02 One Raffles Place  
SINGAPORE 048616  
CONTACT : Ms Dolores Phua / Mr Daniel Hoo  
at telephone  
DURING OFFICE HOURS : 6534-5122 (Office)  
AFTER OFFICE HOURS : 9750-8237 / 9827-5226 (Handphone)  
EMAIL : [dolores.phua@citigatedrimage.com](mailto:dolores.phua@citigatedrimage.com)  
[daniel.hoo@citigatedrimage.com](mailto:daniel.hoo@citigatedrimage.com)

---

055/11/002/ASHL

May 26, 2011