



NEWS RELEASE

AZEUS NET PROFIT INCREASES 26% TO HK\$1.1 MILLION FOR 1HFY2012

- ***Higher revenue from Maintenance and Support Services***
- ***Healthy gross margin of 30%***
- ***Strong cash balance of HK\$66.5 million***

Singapore, November 9, 2011 - Azeus Systems Holdings Ltd. ("Azeus" or the "Group"), a provider of IT consultancy services based in Hong Kong, today announced a 26% increase in net profit to HK\$1.1 million on the back of a turnover of HK\$45.5 million for the half year ended 30 September, 2011 ("1HFY2012").

Said Mr Lee Wan Lik, Managing Director of Azeus: "We are pleased to record a steady set of results for 1HFY2012, with strong growth in net profit and a sustained topline. The Group will continue to focus on growing its market share in the Hong Kong public sector by delivering high-value IT systems, leveraging on its extensive track record of public sector projects to provide compelling value propositions to our clients."

Financial Review

Group revenue increased by 3% to HK\$45.5 million, from HK\$44.1 million in the previous corresponding period. The Group's two main business segments, IT services and Maintenance and Support Services, together accounted for 88.4% of total revenue.

Fees from maintenance and support services increased by 69% to HK\$21.6 million in 1HFY2012 as the Group secured more high value maintenance contracts in the current period. Fees from IT services were lower in 1HFY2012 largely attributable to lower third party hardware and software sales. Fees from BPO decreased by 9% to HK\$5.3 million in 1HFY2012 as only one year's Consumer Price Index ("CPI") service rates increment was recognised in FY2012, compared to the previous corresponding period, where both FY2010 and FY2011's CPI service rates adjustments were recognised.

Overall, gross margin remained steady at 30%. While cost of sales increased, this was offset by lower selling and marketing expenses. Cost of sales increased by about HK\$1.0 million from HK\$30.7 million in 1HFY2011 to HK\$31.7 million in 1HFY2012. This was due mainly to an increase in direct salaries as more staff were hired to fulfill the secured pipeline of projects in 1HFY2012. Selling and marketing expenses decreased substantially by 47%, from HK\$4.2 million in 1HFY2011 to HK\$2.2 million in 1HFY2012 due to reduced expenditure on Hong Kong presales projects. Instead, selling and marketing expenses for overseas expansion were increased.

The Group maintains a healthy balance sheet with cash and cash equivalents of HK\$66.5 million as at 30 September 2011.

Outlook

“The near term outlook in the Hong Kong public sector remains positive, with potentially stronger pipeline of tenders to be released. As a leading IT solutions provider to the Hong Kong government, Azeus is well-positioned to capitalise on these new business opportunities. The Group’s extensive track record of successfully completed government projects bears testament to its proven capabilities to deliver large, complex IT systems with quality and timeliness. Our sustained investment in software development continues to deliver results in the form of a growing library of intellectual assets, domain experience and technical expertise in software products. We will continue to invest resources to commercially develop and exploit our intellectual property rights and software products”, said Mr. Lee. To date, the Group has invested approximately 100 man years in developing public sector software products.

The Group will expand its marketing network and continue to bid for public sector projects in the United Kingdom and Europe. The Group has completed its first public sector project in the United Kingdom.

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
daniel.hoo@citigatedrimage.com

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