



NEWS RELEASE

AZEUS' NET PROFIT SURGES OVER THREE TIMES TO HK\$10.4 MILLION (US\$1.3 MILLION) FOR FY2012

- ***Group revenue rises 30% to HK\$111.9 million, equivalent to US\$14.3 million***
- ***Healthy gross margin of 37.6%, up 10.1 percentage points***
- ***Strong balance sheet with cash and cash equivalents of HK\$62.5 million, equivalent to US\$8.0 million***
- ***Proposes first and final dividend of 3.48 HK cents per share***

Singapore, May 29, 2012 – Azeus Systems Holdings Ltd. (“Azeus” or the “Group”), a provider of IT consultancy services based in Hong Kong, today announced that the Group’s net profit of HK\$10.4 million for the full year ended March 31, 2012 (“FY2012”) has surged over 3 times as compared to HK\$3.4 million for the full year ended March 31, 2011 (“FY2011”). This was on the back of 30% higher revenue of HK\$111.9 million for FY2012 as compared to HK\$85.9 million for FY2011.

Said Mr Lee Wan Lik, Managing Director of Azeus: “We are pleased to have achieved a positive performance with growth across all our business segments. We are also pleased to have received the Hong Kong ICT Award for one of our products, the AnywherePad, an enterprise-grade mobile paperless solution for document access, meetings and collaboration. This attests to our commitment to harness both technology and industry knowledge to provide innovative solutions for the markets we operate in, Hong Kong and the United Kingdom.”

Financial Review

Group revenue grew by 30% from HK\$85.9 million in FY2011 to HK\$111.9 million in FY2012 on the back of revenue growth in all business segments – IT Services, Maintenance and Support Services (“MSS”), and Business Process Outsourcing (“BPO”).

The IT Services segment remained as the Group’s major revenue contributor, accounting for 48.7% of Group Revenue. With more contracts being secured and implemented in FY2012, the IT Services segment achieved HK\$54.5 million in revenue. Revenue from MSS segment rose 63% to HK\$45.6 million, accounting for 40.8% of Group Revenue, on the back of more high value maintenance contracts being secured in FY2012. Revenue from the BPO segment, which accounted for 10.5% of Group Revenue, grew 6% with the successful renewal of the BDO contract with higher chargeable rates.

Cost of sales increased from HK\$62.3 million to HK\$69.8 million in FY2012 mainly due to the increase in workforce, offset by decreases in cost of the third party hardware and software sales of HK\$11.2 million.

Overall, gross profit margin increased 10.1 percentage points from 27.5% in FY2011 to 37.6% in FY2012.

In line with the rise in revenue and 89% lower share of loss of a joint venture, net profit rose more than 3 times to HK\$10.4 million in FY2012.

The Group has no bank borrowings and debt securities and maintains a strong balance sheet with cash and cash equivalents of HK\$62.5 million as at March 31, 2012.

The Group has declared a first and final dividend of 3.48 HK cents per ordinary share.

Outlook

As a leading IT solutions provider to the Hong Kong government, Azeus is positioned well to capitalise on new tenders coming from the Hong Kong public sector. “Azeus remains committed to developing top-quality software products and delivering high-value IT systems. This enables us to sustain our market share in the Hong Kong public sector,” said Mr Lee.

Since April 2011, the Group has secured contracts worth a cumulative one-off value of approximately HK\$202 million, which are expected to contribute progressively to the Group’s results in the next five years.

“We will also focus on commercially developing and marketing our intellectual property rights and software products. Our assets, domain experience and technical expertise in software products, along with our strong track record in successfully completing many government projects, puts us in a favourable position as we expand into new markets such as the United Kingdom.

“Having been awarded several framework agreements from the United Kingdom’s government, Azeus is able to participate in tenders put out by various local government bodies in the country. This milestone development will pave the way for our expansion into United Kingdom,” added Mr Lee.

Given the above, the Group is optimistic for FY2013.

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.

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059/12/003/ASHL

May 29, 2012