

NEWS RELEASE

AZEUS ACHIEVES RECORD NET PROFIT OF HK\$85.0 MILLION (EQUIVALENT TO US\$11.0 MILLION¹) AND REVENUE OF HK\$328.9 MILLION FOR FY2024

- *Net profit grew by 68% driven by a 30% increase in revenue to HK\$328.9 million (approximately US\$42.2 million¹), boosted by the continued growth of the product business line and an improved net margin of 26%*
- *Contributed by ongoing deployment of the HK\$1.02 billion Central Electronic Record keeping System (“CERKS”) contract*
- *Proposes final dividend of HK\$1.9 per share, totalling HK\$2.8 per share for FY2024, representing a payout ratio of 99%*

HK\$ MILLION	2H FY2024	2H FY2023	+/(-) %	FY2024	FY2023	+/(-) %
Revenue	196.1	136.5	44	328.9	252.9	30
Gross Profit	142.6	97.4	46	233.5	182.1	28
Gross Profit Margin	72.7%	71.4%	1.3 ppt	71.0%	72.0%	(1.0 ppt)
Profit Before Income Tax	63.5	34.0	87	91.6	53.9	70
Net Profit Attributable to Equity Holders	57.7	30.3	91	85.0	50.5	68

For the full year ended 31 March 2024:

Earnings per share – Basic: 2.83 Hong Kong dollars

(FY2023: 1.68 Hong Kong dollars)

Singapore, 30 May 2024 – Azeus Systems Holdings Ltd. (“Azeus” or the “Group”), a leading provider of IT products and services, today announced record performance for the Group’s revenue and net profit. Net profit surged 68% to HK\$85.0 million for the full year ended 31 March (“FY2024”), compared to HK\$50.5 million in the previous corresponding year (“FY2023”).

¹ Based on the conversion rate of HK\$1 = US\$0.13, rounded up to one decimal place.

For FY2024, Azeus recorded a 30% increase in revenue to HK\$328.9 million, up from HK\$252.9 million over the same corresponding year, driven by strong growth from both Azeus Products segment.

For the second half-year ended 2024 (“2H FY2024”), Azeus recorded a 44% increase in revenue to HK\$196.1 million, up from HK\$136.5 million over the same corresponding year, driven by robust growth from the Azeus Products segment.

Mr. Lee Wan Lik, Executive Chairman and Director of Azeus, said, “We are pleased to have achieved a strong set of performance backed by Azeus Products, our growth engine, which has seen increased sales globally as we expanded into more territories and added new product features and modules.

“Our Convene Records project, which manages the Hong Kong government’s Central Electronic Recordkeeping System, is progressively being deployed and expected to contribute to our continued growth.”

Review of Business Segments

Overall, Azeus Products accounted for a majority or approximately 77% of total Group revenue in FY2024, while IT Services accounted for 23% over the same corresponding period. The Azeus product line outpaced the growth of the Group’s IT services line, registering a growth in revenue of 45% over the corresponding period, with IT Services decreasing by 3%.

Revenue from Azeus Products increased by HK\$78.2 million, or 45%, to HK\$253.5 million in FY2024 up from HK\$175.3 million in FY2023, mainly attributable to the continued growth of our flagship products, “Convene” and the new “Convene Records” product.

Revenue contribution from IT Services decreased by 3% to HK\$75.4 million in FY2024 from HK\$77.6 million in FY2023. It is noted that 69% (HK\$52.0 million) of IT Services revenue was from long-term recurring revenue contracts for maintenance and support services of existing systems.

The recurring revenue from maintenance and support, which accounted for 16% of total revenue in FY2024, remained stable at HK\$52.0 million, up 8% from HK\$48.1 million in FY2023.

Financial Overview

The Group's cost of revenue rose by HK\$24.6 million, or approximately 35%, to HK\$95.4 million in FY2024. The Group's gross profit margin declined marginally to 71.0% in FY2024 as compared to 72.0% in FY2023.

Profit before income tax rose 70% to HK\$91.6 million in FY2024 as compared to HK\$53.9 million for FY2023. The growth was mainly boosted by the higher revenue and an improved net margin of 26% compared to 20% in FY2024. Overall, the Group reported a 68% increase in net profit to HK\$85.0 million in FY2024, as compared to a net profit of HK\$50.5 million in FY2023.

As of 31 March 2024, the Group's net cash position stood at HK\$183.5 million, an increase as compared to the net cash position of HK\$152.8 million as of 31 March 2023. The increase arose from the higher cash generated from operating activities.

The Group's shareholders' equity increased to HK\$159.2 million as of 31 March 2024 mainly due to the net profit of HK\$85.0 million and growth in revenue generated in FY2024.

The Group has no bank borrowings or debt securities.

Outlook

Mr. Michael Yap, CEO of Azeus, said, "Our Product segment continued its growth momentum, growing by 45% last year. We will continue to invest in expanding our geographical footprints and in R&D of new product offerings and innovations. Barring unforeseen circumstances, the Group is cautiously optimistic of our outlook for continued growth in FY2025."

About Azeus Systems Holdings Ltd.

A leading provider of IT products and services, Azeus was listed on the Main Board of the SGX-ST in October 2004, with various offices in Hong Kong, Singapore, the United Kingdom, Australia, the Philippines and USA. Azeus has been appraised at the highest level (Level 5) of the CMMI-SW model for software development since 2003.

The Group's flagship product, Convene, is a leading paperless meeting solution used by directors and executives in various industries, across more than 100 countries. The Group continues to invest in R&D and add new product offerings. It has recently introduced a platform to facilitate and enable ESG reporting. Another new product, Convene Records, has been adopted for an "All-of-Government" deployment.

Under Azeus' IT Services segment, the Group design and implement a broad range of IT software and systems. In all, the Group has a track record of completing hundreds of IT services projects for more than 40 government departments, as well as the private sector in Hong Kong.

ISSUED ON BEHALF OF	:	Azeus Systems Holdings Ltd
BY	:	Citigate Dewe Rogerson Singapore Pte Ltd 158 Cecil Street #05-01 Singapore 069545
CONTACT	:	Ms Dolores Phua / Mr Eric Seow at 6534-5122
EMAIL	:	Azeus@citigatedewerogerson.com
