

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SECOND HALF AND THE FULL YEAR ENDED 31 MARCH 2024**

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AZEUS SYSTEMS HOLDINGS LTD.
(incorporated in Bermuda on 10 May 2004)
(Registration Number: 35312)

**A. Consolidated Income Statement for the second half (six months) and full year
ended 31 March 2024**

(Expressed in Hong Kong Dollars)

	Note	<u>Group</u>					
		2H FY2024 HK\$'000	2H FY2023 HK\$'000	+ / (-) %	FY2024 HK\$'000	FY2023 HK\$'000	+ / (-) %
Revenue	4	196,132	136,482	44	328,940	252,908	30
Cost of revenue	5(a)	(53,582)	(39,101)	37	(95,428)	(70,853)	35
Gross profit		142,550	97,381	46	233,512	182,055	28
Other income	6	1,168	277	322	1,993	1,033	93
Other (losses)/gains – net Impairment (losses)/gains of financial assets	6 7	(456) (2,397)	3,400 697	(113) (444)	(1,403) (2,762)	(7,487) (216)	(81) 1179
Expenses							
- Research and development expenses	5(a)	(19,515)	(17,703)	10	(34,879)	(31,299)	11
- Selling and marketing expenses	5(a)	(28,644)	(25,996)	10	(54,063)	(49,906)	8
- Administrative expenses	5(a)	(28,717)	(23,906)	20	(49,914)	(40,086)	25
- Finance cost – lease interest	11(d)	(480)	(125)	284	(886)	(208)	326
Profit before income tax		63,509	34,025	87	91,598	53,886	70
Income tax expense	5(b)	(5,861)	(3,765)	56	(6,605)	(3,346)	97
Profit attributable to equity holders of the Company		57,648	30,260	91	84,993	50,540	68

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B. Consolidated Statement of Comprehensive Income
for second half (six months) and full year ended 31 March 2024
(Expressed in Hong Kong Dollars)

	2H FY2024 HK\$'000	2H FY2023 HK\$'000	Group		FY2023 HK\$'000	+ / (-) %
			+ / (-) %	FY2024 HK\$'000		
Profit for the year	57,648	30,260	91	84,993	50,540	68
Other comprehensive income						
<u>Items that may be reclassified subsequently to profit or loss:</u>						
Currency translation (losses)/gains arising from consolidation	389	2,318	(83)	(625)	(4,233)	(85)
<u>Items that will not be reclassified subsequently to profit or loss:</u>						
Actuarial gains/(losses) on defined retirement benefits – net of tax	764	(2,093)	(137)	764	(922)	183
Other comprehensive income/(losses), net of tax	1,153	225	412	139	(5,155)	103
Total comprehensive income attributable to equity holders of the Company	58,801	30,485	93	85,132	45,385	88

Note: n/m = not meaningful

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C. Consolidated Statements of Financial Position as at 31 March 2024
(Expressed in Hong Kong Dollars)

	Note	<u>Group</u>		<u>Company</u>	
		31 Mar 2024	31 Mar 2023	31 Mar 2024	31 Mar 2023
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
Current assets					
Cash and bank deposits		183,378	152,785	731	628
Trade and other receivables		67,125	60,618	87,581	87,855
Inventories		1,165	3,654	-	-
Contract assets		30,313	24,193	-	-
Current income tax assets		1,040	1,568	-	-
		283,021	242,818	88,312	88,483
Non-current assets					
Investment in subsidiaries		-	-	53,802	53,802
Property, plant and equipment	10	6,207	1,299	-	-
Right-of-use assets	11(a)	25,877	3,165	-	-
Intangible assets	12	-	-	-	-
Deferred income tax assets	13	3,069	3,299	-	-
Refundable deposit		5,142	3,786	-	-
		40,295	11,549	53,802	53,802
Total assets		323,316	254,367	142,114	142,285

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C. Consolidated Statements of Financial Position as at 31 March 2024 (Continued)
(Expressed in Hong Kong Dollars)

	Note	<u>Group</u>		<u>Company</u>	
		31 Mar 2024 HK\$'000	31 Mar 2023 HK\$'000	31 Mar 2024 HK\$'000	31 Mar 2023 HK\$'000
Current liabilities					
Trade and other payables		12,904	13,799	1,724	1,997
Contract liabilities		101,686	86,155	-	-
Lease liabilities	11(c)	4,748	3,005	-	-
Current income tax liabilities		5,153	2,801	-	-
		124,491	105,760	1,724	1,997
Non-current liabilities					
Contract liabilities		3,492	1,902	-	-
Lease liabilities	11(c)	20,296	157	-	-
Other non-current liabilities		3,706	-	-	-
Provision for defined retirement benefits		12,127	13,076	-	-
		39,621	15,135	-	-
Total liabilities		164,112	120,895	1,724	1,997
Net assets		159,204	133,472	140,390	140,288
Equity					
Share capital	14	46,800	46,800	46,800	46,800
Share premium		56,489	56,489	56,726	56,726
Foreign currency translation reserve		(1,789)	(1,164)	-	-
Other reserves		1,774	1,774	-	-
Defined retirement benefits		(6,263)	(7,027)	-	-
Retained profits		62,193	36,600	36,864	36,762
Total Equity		159,204	133,472	140,390	140,288

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D. Consolidated Statement of Changes in Equity
for the full year ended 31 March 2024
(Expressed in Hong Kong Dollars)

<u>Group</u>	Share Capital HK\$'000	Share Premium HK\$'000	Foreign Currency Translation Reserve HK\$'000	Other Reserves HK\$'000	Defined Retirement Benefits HK\$'000	Retained Profits HK\$'000	Total Equity HK\$'000
Balance as at 1 April 2023	46,800	56,489	(1,164)	1,774	(7,027)	36,600	133,472
Profit for the year	-	-	-	-	-	84,993	84,993
Other comprehensive loss	-	-	(625)	-	764	-	139
Total comprehensive (loss)/ income	-	-	(625)	-	764	84,993	85,132
Transfer from retained profits to other reserves	-	-	-	-	-	-	-
FY2023 final dividends paid	-	-	-	-	-	(32,400)	(32,400)
FY2024 interim dividends paid	-	-	-	-	-	(27,000)	(27,000)
Balance as at 31 March 2024	46,800	56,489	(1,789)	1,774	(6,263)	62,193	159,204
Balance as at 1 April 2022	46,800	56,489	3,039	1,750	(6,105)	52,714	154,687
Profit for the year	-	-	-	-	-	50,540	50,540
Other comprehensive loss	-	-	(4,203)	(30)	(922)	-	(5,155)
Total comprehensive (loss)/ income	-	-	(4,203)	(30)	(922)	50,540	45,385
Transfer from retained profits to other reserves	-	-	-	54	-	(54)	-
FY2022 final dividends paid	-	-	-	-	-	(48,500)	(48,500)
FY2023 interim dividends paid	-	-	-	-	-	(18,100)	(18,100)
Balance as at 31 March 2023	46,800	56,489	(1,164)	1,774	(7,027)	36,600	133,472

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D. Consolidated Statement of Changes in Equity (Continued)
for the full year ended 31 March 2024
(Expressed in Hong Kong Dollars)

<u>Company</u>	Share Capital HK\$'000	Share Premium HK\$'000	Retained Profits HK\$'000	Total Equity HK\$'000
Balance as at 1 April 2023	46,800	56,726	36,762	140,288
Total comprehensive income for the year	-	-	59,502	59,502
FY2023 final dividends paid	-	-	(32,400)	(32,400)
FY2024 interim dividends paid	-	-	(27,000)	(27,000)
Balance as at 31 March 2024	46,800	56,726	36,864	140,390
Balance as at 1 April 2022	46,800	56,726	54,708	158,234
Total comprehensive income for the year	-	-	48,654	48,654
FY2022 final dividends paid	-	-	(48,500)	(48,500)
FY2023 interim dividends paid	-	-	(18,100)	(18,100)
Balance as at 31 March 2023	46,800	56,726	36,762	140,288

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E. Consolidated Statement of Cash Flow for the full year ended 31 March 2024
(Expressed in Hong Kong Dollars)

	Note	<u>Group</u>	
		FY2024 HK\$'000	FY2023 HK\$'000
Cash flows from operating activities			
Profit after tax		84,993	50,540
Adjustments for:			
Income tax expense	5(b)	6,605	3,346
Depreciation of property, plant and equipment	10	911	683
Depreciation of right-of-use assets	11(b)	7,300	4,430
Amortisation of intangible assets	12	-	647
Interest income	6	(1,614)	(218)
Interest expense on lease liabilities	11(d)	886	208
Defined retirement benefits expense		2,380	1,839
Exchange difference		1,424	-
Operating cash flows before changes in working capital		102,885	61,475
Changes in working capital			
Trade and other receivables		(6,507)	(19,999)
Contract assets		(6,120)	(10,760)
Refundable deposits		(1,356)	251
Inventories		2,489	(3,654)
Trade and other payables		(943)	(3,276)
Provision for defined retirement benefits		(1,562)	(1,319)
Contract liabilities		17,121	19,099
Cash generated from operations		106,007	41,817
Income tax paid		(3,701)	(6,125)
Net cash provided by operating activities		102,306	35,692

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E. Consolidated Statement of Cash Flow for the full year ended 31 March 2023
(Continued)
(Expressed in Hong Kong Dollars)

		<u>Group</u>	
	Note	FY2024 HK\$'000	FY2023 HK\$'000
Cash flows from investing activities			
Purchases of property, plant and equipment	10	(5,831)	(1,120)
Disposal of property, plant and equipment		-	-
Interest received	6	1,614	218
Net cash used in investing activities		(4,217)	(902)
Cash flows from financing activities			
Decrease/(increase) in restricted cash		8,786	(46,882)
Dividends paid to equity holders of the Company		(59,400)	(66,600)
Payment of principal of lease		(5,028)	(4,812)
Payment of lease expense	11(d)	(886)	(208)
Net cash used in financing activities		(56,528)	(118,502)
Net increase/(decrease) in cash and cash equivalents		41,561	(83,712)
Cash and cash equivalents, statement of cash flows, beginning balance		103,263	198,656
Effects of currency translation on cash and cash equivalents		(2,182)	(11,681)
Cash and cash equivalents, Statement of Cash flows ending balance (Note A)		142,642	103,263
Note A:			
Cash and bank deposits		183,378	152,785
Less: Restricted cash		(40,736)	(49,522)
Cash and cash equivalents as disclosed in consolidated statement of cash flows		142,642	103,263

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F. Notes to the Consolidated Financial Statements

1. Corporate Information

Azeus Systems Holdings Ltd. (the “Company”) is incorporated as an exempt company with limited liability under the Companies Act 1981 of Bermuda and is listed on the mainboard of Singapore Exchange Securities Trading Limited (“SGX-ST”) on 22 October 2004. The address of its registered office is Canon’s Court, 22 Victoria Street, Hamilton HM1, Bermuda.

These consolidated financial statements as at and for the year ended 31 March 2024 comprise the Company and its subsidiaries (collectively, the “Group”).

The principal activity of the Company is that of an investment holding company. The principal activities of the Group are the provision of IT services and cloud-based subscription services of its software products.

2. Basis of preparation

On 1 April 2023, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) (“INT SFRS(I)”) that are mandatory for application for the financial year. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group’s accounting policies and had no material effect on the amounts reported for the current or prior financial years.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I), except for the adoption of new and amended standards as set out in Note 2.1 below.

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F. Notes to the Consolidated Financial Statements (Continued)

2. Basis of preparation (Continued)

The financial information contained in this announcement has neither been audited nor reviewed by the Company's auditors.

The latest audited annual financial statements of the Group are not subject to an adverse opinion, qualified opinion or disclaimer of opinion issued by the Company's auditors.

Accounting convention

The condensed consolidated financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

2.1 New and amended standards adopted by the Group

Other than the adoption of the new and amended standards from prior reporting year, there were no changes in accounting policies and methods of computation adopted in the Consolidated Financial Statements as compared to the most recently audited annual consolidated financial statements for the year ended 31 March 2023, which were in accordance with SFRS(I)s.

The following are the amended standards become effective for annual reporting periods commencing on or after 1 April 2023:

- (a) Disclosure of Accounting Policies – Amendments to SFRS(I)-1 and SFRS(1) Practice Statement 2
- (b) Definition of Accounting Estimates – Amendments to SFRS(I)-8
- (c) Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to SFRS(I)-12.

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F. Notes to the Consolidated Financial Statements (Continued)

2. Basis of preparation (Continued)

2.1 New and amended standards adopted by the Group (Continued)

These applicable new and amended standards did not require any significant modification of the measurement methods or the presentation in the financial statements.

The adoption of the new and amended SFRS(I) and related interpretations that are mandatory for financial year beginning on or after 1 April 2023 has no significant impact on the financial statements of the Group or the Company in the current financial year.

2.1.1 New guidance on the accounting implications of the abolition of the MPF-LSP offsetting mechanism

In June 2022, the Hong Kong Government enacted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the “Amendment Ordinance”) which will be effective from 1 May 2025 (the “Transition Date”). Under the Amendment Ordinance, any accrued benefits attributable to the employer’s mandatory contributions under mandatory provident fund scheme (“MPF Benefits”) of an entity would no longer be eligible to offset against its obligations on long service payment (“LSP”) for the portion of the LSP accrued on or after the Transition Date. There is also a change in the calculation basis of last monthly wages for the portion of the LSP accrued before the Transition Date.

F. Notes to the Consolidated Financial Statements (Continued)

2. Basis of preparation (Continued)

2.1.1 New guidance on the accounting implications of the abolition of the MPF-LSP offsetting mechanism (Continued)

Prior to 1 April 2023, the Group applied practical expedient in HKAS 19 paragraph 93(b) (the “practical expedient”) to account for the offsettable MPF Benefits as deemed employee contributions to reduce the current service costs in the period in which the related services were rendered.

In July 2023, the HKICPA published “Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong” (the “Guidance”) which provides clarified and detailed guidance on the accounting considerations relating to the abolition of the offsetting mechanism. The Guidance clarified that following the enactment of the Amendment Ordinance, LSP is no longer a ‘simple type of contributory plans’ to which the practical expedient had been intended to apply.

By following the Guidance, the Group has therefore changed its accounting policy and ceased to apply the practical expedient and reattribute the deemed employee contributions on a straight-line basis from the date when services by employees first lead to their benefits in terms of the LSP legislation in accordance with HKAS 19 paragraph 93(a).

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F. Notes to the Consolidated Financial Statements (Continued)

2. Basis of preparation (Continued)

2.2 Critical judgements, assumptions and estimation uncertainties

In preparing the condensed consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense.

Estimates and underlying assumptions are reviewed on an ongoing basis. However, actual results may differ from these estimates. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected. The nature and the carrying amount of such significant assets and liabilities are disclosed with further details in the relevant Notes to these Consolidated Financial Statements.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited annual consolidated financial statements as at and for the year ended 31 March 2023.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial year.

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F. Notes to the Consolidated Financial Statements (Continued)

4. Segment and revenue information

The Group has 2 operating segments which are the provision of professional IT Services (“IT Services”) and the sale and licensing of its proprietary products (“Azeus Products”). There are 5 major revenue streams under IT Services and Azeus Products: Systems implementation and enhancement, sales of hardware and software, and maintenance and support services, product licensing and product services.

The segment information of the reportable segments are as follows:

	<u>IT Services</u>		<u>Azeus Products</u>		<u>Total</u>	
	<u>2H FY2024</u>	<u>2H FY2023</u>	<u>2H FY2024</u>	<u>2H FY2023</u>	<u>2H FY2024</u>	<u>2H FY2023</u>
	<u>HK\$'000</u>	<u>HK\$'000</u>	<u>HK\$'000</u>	<u>HK\$'000</u>	<u>HK\$'000</u>	<u>HK\$'000</u>
For the year ended 31 March						
Segment revenue	41,853	45,176	154,279	91,306	196,132	136,482
Segment results	16,755	15,750	75,795	38,809	92,550	54,559
Amortisation of Intangible assets	-	-	-	(137)	-	(137)
Unallocated income/(expenses)						
Other income and interest income					1,168	277
Administrative salaries					(9,688)	(6,656)
Technical services and supplies					(428)	(951)
Other gains - net					(456)	3,400
Impairment losses of financial assets					-	697
Depreciation of property, plant and equipment					(611)	(476)
Depreciation of right-of-use asset					(2,378)	(2,156)
Defined retirement benefit expense					(2,380)	(1,839)
Directors' compensation					(1,867)	(2,185)
Rental expense on operating lease					(1,867)	(1,575)
Legal and professional fees					(2,169)	(2,104)
Insurance					(1,010)	(794)
Utilities					(808)	(948)
Fees on audit services					(2,113)	(2,029)
Recruitment and training					(434)	(335)
Other expenses					(4,000)	(2,026)
Profit before tax					63,509	34,025
Income tax expense					(5,861)	(3,765)
Profit for the year					57,648	30,260

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F. Notes to the Consolidated Financial Statements (Continued)

4. Segment and revenue information (Continued)

The segment information of the reportable segments are as follows (Continued):

	<u>IT Services</u>		<u>Azeus Products</u>		<u>Total</u>	
	<u>FY2024</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2023</u>
	<u>HK\$'000</u>	<u>HK\$'000</u>	<u>HK\$'000</u>	<u>HK\$'000</u>	<u>HK\$'000</u>	<u>HK\$'000</u>
For the year ended 31 March						
Segment revenue	75,403	77,568	253,537	175,340	328,940	252,908
Segment results	30,889	25,187	113,577	76,366	144,466	101,553
Amortisation of Intangible assets	-	-	-	(647)	-	(647)
Unallocated income/(expenses)						
Other income and interest income					1,993	1,033
Administrative salaries					(15,763)	(12,493)
Technical services and supplies					(1,290)	(1,840)
Office reinstatement expenses					(1,000)	-
Other losses - net					(1,403)	(7,487)
Impairment losses of financial assets					-	(216)
Depreciation of property, plant and equipment					(911)	(683)
Depreciation of right-of-use asset					(6,073)	(4,430)
Defined retirement benefit expense					(2,380)	(1,839)
Directors' compensation					(3,258)	(3,558)
Rental expense on operating lease					(3,731)	(2,769)
Legal and professional fees					(4,551)	(3,204)
Insurance					(1,791)	(1,769)
Utilities					(1,601)	(1,603)
Fees on audit services					(2,250)	(2,064)
Recruitment and training					(1,184)	(1,610)
Other expenses					(7,675)	(2,488)
Profit before tax					91,598	53,886
Income tax expense					(6,605)	(3,346)
Profit for the year					84,993	50,540

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F. Notes to the Consolidated Financial Statements (Continued)

4. Segment and revenue information (Continued)

The segment information of the reportable segments are as follows (Continued):

	<u>IT Services</u>		<u>Azeus Products</u>		<u>Total</u>	
	31 Mar 2024	31 Mar 2023	31 Mar 2024	31 Mar 2023	31 Mar 2024	31 Mar 2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Assets and liabilities						
Segment assets	16,343	11,752	87,975	68,216	104,318	79,968
Unallocated assets:						
Refundable deposits					1,801	3,786
Property, plant and equipment					3,630	1,299
Right-of-use assets					22,507	3,165
Deferred income tax assets					3,069	3,299
Cash and cash equivalents					183,378	152,785
Other receivables and deposits					2,256	3,564
Prepayments					1,317	4,933
Current income tax assets					1,040	1,568
					218,998	174,399
Total assets					323,316	254,367
Segment liabilities	2,419	2,886	112,759	91,917	115,178	94,803
Unallocated liabilities:						
Trade and other payables					9,468	7,053
Lease liabilities					22,186	3,162
Current income tax liabilities					5,153	2,801
Provision for defined retirement benefits					12,127	13,076
					48,934	26,092
Total liabilities					164,112	120,895

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F. Notes to the Consolidated Financial Statements (Continued)

4. Segment and revenue information (Continued)

The revenue from external parties is measured in a manner consistent with that in the consolidated income statement and other comprehensive income.

The management assesses the performance of the operating segments based on a measure of gross profits less selling and marketing expenses. Assets and liabilities are managed on a group basis and are not allocated to operating segments except for trade receivables, contract assets, intangible assets and contract liabilities, as they cannot be directly attributable to individual segments, and it is impractical to arbitrarily allocate them to the segments.

(a) Revenue from major products and services

Revenue from external customers is derived mainly from the provision of IT Services and Azeus Products. Breakdown of the revenue is as follows:

	<u>Group</u>		FY2023 HK\$'000
	2H FY2024 HK\$'000	2H FY2023 HK\$'000	
IT Services	41,853	45,176	75,403
Azeus Products	154,279	91,306	253,537
Total	196,132	136,482	252,908

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F. Notes to the Consolidated Financial Statements (Continued)

4. Segment and revenue information (Continued)

(b) Timing of revenue recognition

<u>2H FY2024</u>	At a point in time HK\$'000	Over time HK\$'000	Total HK\$'000
IT Services			
Systems implementation and enhancement	-	14,439	14,439
Maintenance and support services	-	27,414	27,414
	-	41,853	41,853
Azeus Products			
Product licensing revenue	41,271	83,741	125,012
Product service revenue	11,663	-	11,663
Sales of Hardware and Software	-	567	567
Systems implementation and enhancement	-	15,257	15,257
Maintenance and support services	-	1,780	1,780
	52,934	101,345	154,279
	52,934	143,198	196,132
<u>2H FY2023</u>	At a point in time HK\$'000	Over time HK\$'000	Total HK\$'000
IT Services			
Systems implementation and enhancement	-	19,324	19,324
Maintenance and support services	-	25,852	25,852
	-	45,176	45,176
Azeus Products			
Product licensing revenue	-	69,374	69,374
Product service revenue	7,073	-	7,073
Systems implementation and enhancement	-	13,219	13,219
Maintenance and support services	-	1,640	1,640
	7,073	84,233	91,306
	7,073	129,409	136,482

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F. Notes to the Consolidated Financial Statements (Continued)

4. Segment and revenue information (Continued)

(b) Timing of revenue recognition

FY2024	At a point in time HK\$'000	Over time HK\$'000	Total HK\$'000
IT Services			
Systems implementation and enhancement	-	23,408	23,408
Maintenance and support services	-	51,995	51,995
	-	75,403	75,403
Azeus Products			
Product licensing revenue	41,271	158,389	199,660
Product service revenue	21,704	-	21,704
Sales of Hardware and Software	-	567	567
Systems implementation and enhancement	-	28,040	28,040
Maintenance and support services	-	3,566	3,566
	62,975	190,562	253,537
	62,975	265,965	328,940
FY2023			
IT Services			
Systems implementation and enhancement	-	29,473	29,473
Maintenance and support services	-	48,095	48,095
	-	77,568	77,568
Azeus Products			
Product licensing revenue	-	133,300	133,300
Product service revenue	17,608	-	17,608
Systems implementation and enhancement	-	20,933	20,933
Maintenance and support services	-	3,499	3,499
	17,608	157,732	175,340
	17,608	235,300	252,908

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F. Notes to the Consolidated Financial Statements (Continued)

4. Segment and revenue information (Continued)

(c) Geographical information

The Group's two business segments operate in the main geographical areas as follows:

	Sales for continuing operations			FY2023 HK\$'000
	2H FY2024 HK\$'000	2H FY2023 HK\$'000	FY2024 HK\$'000	
Hong Kong and Asia	120,724	72,275	187,460	131,716
United Kingdom and Europe	23,892	22,655	46,709	42,021
Middle East	22,180	15,830	37,261	29,589
Australia and New Zealand	10,200	9,610	20,241	18,802
Africa	10,250	8,946	20,056	17,116
North America and South America	8,886	7,166	17,213	13,664
Total	196,132	136,482	328,940	252,908

	Non-current assets	
	31 Mar 2024 HK\$'000	31 Mar 2023 HK\$'000
Philippines	4,106	5,510
Hong Kong	35,680	5,388
Asia (except Hong Kong and Philippines)	413	516
United Kingdom and Europe	64	82
Bermuda and British Virgin Islands	-	-
Others	32	53
Total	40,295	11,549

Non-current assets information presented above consists of property, plant and equipment, right-of-use assets, deferred income tax assets and refundable deposits as presented in the consolidated balance sheet.

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F. Notes to the Consolidated Financial Statements (Continued)

5. Profit and loss information

5(a) Expenses by nature

Expenses included in cost of revenue, research and development, selling and marketing expenses and administrative expenses are analysed as follows:

	2H FY2024	2H FY2023	FY2024	FY2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Directors' remuneration	(1,867)	(2,185)	(3,258)	(3,558)
Employee compensation	(83,353)	(67,987)	(149,257)	(119,758)
Depreciation of property, plant, and equipment (Note 10)	(611)	(476)	(911)	(683)
Depreciation of right-of-use assets (Note 11(b))	(3,605)	(2,156)	(7,300)	(4,430)
Amortisation of intangible assets (Note 12)	-	(138)	-	(647)
Legal and professional fees	(2,169)	(2,104)	(4,551)	(3,204)
Rental expense on operating leases (Note 11(e))	(1,867)	(1,573)	(3,731)	(2,769)
Third-party hardware and software support cost	(3,334)	(3,380)	(6,827)	(6,692)
Project direct service cost, sub-contracting and consultancy fee	(4,728)	(1,764)	(6,835)	(3,501)
Third-party hardware and software cost	(2,025)	(525)	(2,025)	(555)
Third-party research and development expense	(853)	(1,010)	(1,579)	(1,838)
Cost of hosting services	(6,114)	(3,795)	(10,785)	(7,269)
Marketing activities expense	(6,255)	(6,258)	(12,353)	(12,826)
Utilities	(808)	(948)	(1,600)	(1,603)
Insurance	(1,010)	(794)	(1,791)	(1,769)
Sales consultancy fee	(4,146)	(4,256)	(7,775)	(8,800)
Sales commission	(1,465)	(1,211)	(2,147)	(2,184)
Technical supplies and services	(428)	(951)	(1,290)	(1,840)
Referral fee	(60)	(68)	(158)	(217)
Recruitment and training	(434)	(335)	(1,184)	(1,610)
Audit fee paid/payable to auditors of the Group	(1,941)	(1,905)	(2,015)	(1,940)
Non audit fee paid/payable to auditors of the Group	(172)	(120)	(235)	(124)
Bank and transaction charges	(302)	(391)	(913)	(877)
Office reinstatement expense	-	-	(1,000)	-
Other expenses	(2,911)	(2,376)	(4,764)	(3,450)
Total cost of revenue, research, and development, selling and marketing and administrative expenses	(130,458)	(106,706)	(234,284)	(192,144)

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F. Notes to the Consolidated Financial Statements (Continued)

5. Profit and loss information

5(b) Income tax expense

	2H FY2024	2H FY2023	FY2024	FY2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Tax expense attributable to profit is made up of:				
- Current income tax	6,229	4,956	7,249	4,956
- Deferred income tax credit	(245)	(64)	(245)	(64)
	5,984	4,892	7,004	4,892
(Over)/under provision in prior financial years:				
- Current income tax	(124)	1,415	(707)	1,415
- Deferred income tax	-	-	-	(548)
- Withholding tax	-	(3,017)	-	(3,017)
	(124)	(1,602)	(707)	(2,150)
Withholding tax	1	475	308	604
	5,861	3,765	6,605	3,346

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F. Notes to the Consolidated Financial Statements (Continued)

6. Other income and other (losses)/gains – net

	Group			
	2H FY2024	2H FY2023	FY2024	FY2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Other income comprises of:				
Interest income from bank deposits	911	162	1,614	218
Sundry income	257	115	379	815
	1,168	277	1,993	1,033
Currency exchange (losses)/gains, net	(456)	3,400	(1,403)	(7,487)
	712	3,677	590	(6,454)

7. Impairment (losses)/gains of financial assets

	Group			
	2H FY2024	2H FY2023	FY2024	FY2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Impairment losses of financial assets comprises of:				
Loss allowance and expected credit loss on trade receivables	(2,355)	697	(2,720)	(216)
Impairment allowance for contract assets	(42)	-	(42)	-
	(2,397)	697	(2,762)	(216)

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F. Notes to the Consolidated Financial Statements (Continued)

8. Earnings per ordinary share

	FY2024	Group	FY2023
Profit attributable to equity holders of the Company (HK\$'000)	84,993		50,540
Weighted average number of shares	29,999,993		29,999,993
- Basic earnings per share (HK dollars)	2.83		1.68
- Fully diluted earnings per share (HK dollars)	2.83		1.68

Fully diluted earnings per share is similar to the basic earnings per share as the Group did not have any potential dilutive ordinary shares outstanding as at 31 March 2024 and 31 March 2023.

9. Net asset value

	Group		Company	
	31 Mar 2024	31 Mar 2023	31 Mar 2024	31 Mar 2023
	HK\$	HK\$	HK\$	HK\$
Net asset value per ordinary share based on the existing share capital as at year end	5.31	4.45	4.68	4.68

10. Property, plant and equipment

During the year ended 31 March 2024, the Group acquired assets amounting to HK\$5,831,000 (31 March 2023: HK\$1,120,000) with no assets disposed during the year. The depreciation expense during the year amounted to HK\$911,000 (31 March 2023: HK\$683,000).

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F. Notes to the Consolidated Financial Statements (Continued)

11. Leases – Right-of-use assets and Lease Liabilities

The Group leases office space for the purpose of office operations. There is no externally imposed covenant on these lease arrangements.

	Group	
	FY2024	FY2023
	HK\$'000	HK\$'000
(a) Right of use assets – Carrying amount	25,877	3,165
(b) Depreciation charge during the year (Note 5(a))	7,300	4,430
(c) Lease Liabilities		
<i>Current</i>	4,748	3,005
<i>Non-current</i>	20,296	157
	25,044	3,162
(d) Interest expense on lease liabilities	886	208
(e) Lease expense not capitalised in lease liabilities Lease expense – short-term leases (Note 5(a))	3,731	2,769
(f) Total cash outflow for all the leases in the financial year ended 31 March 2024 was HK\$9,645,000 (2023: HK\$7,789,000).		
(g) The addition of right-of-use assets during the financial year ended 31 March 2024 amounted to HK\$30,012,000 (2023: HK\$3,972,000).		

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F. Notes to the Consolidated Financial Statements (Continued)

11. Leases – Right-of-use assets and Lease Liabilities (Continued)

(h) Future cash outflow which are not capitalised in lease liabilities

(i) *Extension options*

The leases for certain office space contain extension periods, for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise these extension option. The Group negotiates extension options to optimise operational flexibility in terms of managing the assets used in the Group's operations. The majority of the extension options are exercisable by the Group and not by the lessor.

12. Intangible assets

Azeus Products

	Group	
	31 Mar 2024	31 Mar 2023
	HK\$'000	HK\$'000
<i>Cost</i>		
Beginning and end of financial year	26,665	26,665
<i>Accumulated amortisation</i>		
Beginning of financial year	26,665	26,018
Amortisation charge (Note 5(a))	-	647
End of financial year	26,665	26,665
Net book value	-	-

Amortisation expense included in the consolidated income statement and comprehensive income is analysed as follows:

	Group	
	FY2024	FY2023
	HK\$'000	HK\$'000
Research and development expenses (Note 5(a))	-	647

Intangible asset relates to the development costs for the proprietary products of the Group.

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F. Notes to the Consolidated Financial Statements (Continued)

13. Deferred income taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The amounts, determined after appropriate offsetting, are shown on the balance sheets as follows:

	Group	
	31 Mar 2024	31 Mar 2023
	HK\$'000	HK\$'000
Deferred income tax assets:		
- to be recovered after one year	3,069	3,299

Movement in deferred income tax account is as follows:

	Group	
	31 Mar 2024	31 Mar 2023
	HK\$'000	HK\$'000
Beginning of financial year	3,299	1,517
Tax credit on defined retirement benefits credited to other comprehensive income	(323)	1,199
Currency translation differences	(152)	(29)
Tax credited to profit or loss (Note 5(b))	245	612
End of financial year	3,069	3,299

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable.

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F. Notes to the Consolidated Financial Statements (Continued)

14. Share Capital

	Group and Company	
	Number of issued shares '000	Share capital amount HK\$'000
Balance as at year end	30,000	46,800

All ordinary shares are fully paid. The par value is US\$0.20 per share. As at 31 March 2024, share capital of the Company comprises 29,999,993 ordinary shares (31 March 2023: 29,999,993).

There were no outstanding convertibles, subsidiary holdings or treasury shares as at the end of the current financial year and as at the end of the corresponding year of the immediate preceding financial year.

15. Significant related party transactions

A cash advance of HK\$0.8 million (FY2023:HK\$1.35 million) was made to one of our Executive Director as at year end for the settlement of the hosting cost through his credit card for the cash rebate benefit for the overall hosting cost savings.

16. Borrowings

The Group has no bank borrowings or debt securities as at 31 March 2024 and 31 March 2023.

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F. Notes to the Consolidated Financial Statements (Continued)

17. Dividends

	Group and Company	
	FY2024	FY2023
	HK'000	HK'000
<i>Ordinary dividends</i>		
<i>Tax-exempt one-tier interim dividend paid in respect of the current financial year:</i>		
HK\$0.90 per ordinary share (2023: HK\$0.60)	27,000	18,100
<i>Tax-exempt one-tier final dividend paid in respect of the previous financial year:</i>		
HK\$1.08 per ordinary share (2023: HK\$1.62)	32,400	48,500
	59,400	66,600

At the Annual General Meeting on 30 July 2024, a final dividend of HK\$1.90 per share amounting to a total of HK\$57.0 million will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 March 2025.

18. Subsequent events

There are no known subsequent events which have led to adjustments to this set of financial statements.

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G. Other Information Required by Listing Rule Appendix 7.2

1. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The consolidated statements of financial position of Azeus Systems Holdings Limited and its subsidiaries as at 31 March 2024 and the related consolidated income statement, consolidated statement of comprehensive income, the statements of changes in equity and consolidated statement of cash flows for the year then ended and certain explanatory notes have not been audited or reviewed.

2. Where the figures have been audited or reviewed, the auditor's report (including any modifications or emphasis of a matter).

Not applicable.

3. Review of performance of the Group

3.1 Review of Statement of Profit or Loss

a. Revenue

	2H FY2024	2H FY2023	+ / (-)
	HK\$'000	HK\$'000	%
IT Services			
System implementation and enhancement	14,439	19,324	(25)
Maintenance and Support Services	27,414	25,852	6
	41,853	45,176	(7)
Azeus Products	154,279	91,306	69
Total Revenue	196,132	136,482	44

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G. Other Information Required by Listing Rule Appendix 7.2 (Continued)

3.1 Review of Statement of Profit or Loss (Continued)

a. Revenue (Continued)

	FY2024	FY2023	+ / (-)
	HK\$'000	HK\$'000	%
IT Services			
System implementation and enhancement	23,408	29,473	(21)
Maintenance and Support Services	51,995	48,095	8
	75,403	77,568	(3)
Azeus Products	253,537	175,340	45
Total Revenue	328,940	252,908	30

By Business Segment

In the second half of the year, the Group's revenue increased from HK\$136.5 million in 2H FY2023 to HK\$196.1 million or 44% in 2H FY2024. Total Group revenue increased by 30% to HK\$328.9 million in FY2024 from HK\$252.9 million in FY2023.

IT Services accounted for 21% of the Group Revenue in 2H FY2024 (2H FY2023: 33%), and 23% in FY2024 (FY2023: 31%) of total Group revenue. Revenue from IT Services has decreased by 7%, from HK\$45.2 million in 2H FY2023 to HK\$41.9 million in 2H FY2024. The full year revenue from IT Services decreased slightly by HK\$2.2 million, or 3%, to HK\$75.4 million in FY2024, from HK\$77.6 million in FY2023.

Systems implementation and enhancement accounted for 7% of the total revenue for 2H FY2024 (2H FY2023: 14%) and 7% of the total revenue in FY2024 (FY2023: 12%). Revenue from this segment has decreased by HK\$4.9 million, or 25%, from HK\$19.3 million in 2H FY2023 to HK\$14.4 million in 2H FY2024, and on a full year basis, decreased by HK\$6.1 million, or 21% from HK\$29.5 million in FY2023 to HK\$23.4 million in FY2024. This is mainly due to less projects and enhancements secured in FY2024.

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G. Other Information Required by Listing Rule Appendix 7.2 (Continued)

3.1 Review of Statement of Profit or Loss (Continued)

a. Revenue (Continued)

Revenue from the recurring Maintenance and Support Services segment accounted for 14% (2H FY2023: 19%) of total revenue in 2H FY2024, and 16% (FY2023: 19%) of total revenue in FY2024. Revenue from this segment has remained stable in both FY2023 and FY2024.

Azeus Products accounted for 79% (2H FY2023: 67%) of total Group revenue in 2H FY2024 and accounted for 77% (FY2023: 69%) of total Group revenue in FY2024. Revenue from Azeus Products increased by HK\$63.0 million or 69% from HK\$91.3 million in 2H FY2023 to HK\$154.3 million in 2H FY2024, and on a full year basis, increased by HK\$78.2 million, or 45%, from HK\$175.3 million in FY2023 to HK\$253.5 million in FY2024, mainly attributable to the revenue contribution from the Group's proprietary products Convene and the new product Convene Records and its related implementation services revenue under CERKS contract. Both products achieved a higher revenue in this financial year.

By Geographical

Hong Kong and Asia

The revenue from Hong Kong and Asia has increased from HK\$ 72.3 million in 2H FY2023, to HK\$ 120.7 million in 2H FY2024, by HK\$48.4 million or 67%. And on a overall, increased by HK\$55.8 million or 42%, from HK\$131.7 million in FY2023 to HK\$187.5 million. The increase is mainly contributed by the recognition of revenue from the CERKS project, which contributed HK\$11.8 million revenue in 1H FY2024, and another HK\$58.0 million in 2H FY2024.

All other geographical regions

For the other regions such as Middle East, Africa and the North and South America, the increase in revenue is mainly contributed by other Azeus Product revenue, which is in-line with management's direction of growing the product business globally and exploring markets beyond Hong Kong.

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G. Other Information Required by Listing Rule Appendix 7.2 (Continued)

3.1 Review of Statement of Profit or Loss (Continued)

b. Cost of revenue and gross profit margin

Cost of revenue mainly consists of direct expenses related to direct employee salaries for the delivery of service and provision of support services, cost of third-party hardware and software products used in IT services system implementation and maintenance projects, cost subcontracting and consultancy services and hosting the Group's cloud-based application.

The Group's cost of revenue has increased by HK\$14.5 million, or 37% from HK\$39.1 million in 2H FY2023 to HK\$53.6 million in 2H FY2024, and on a full year basis, rose by HK\$24.6 million, or 35%, to HK\$95.4 million in FY2024 from HK\$70.9 million in FY2023. The Group managed to maintain a stable gross profit margin. Overall, the Group's gross profit margin increased by 1.3 percentage points in 2H FY2024 (2H FY2024: 72.3%; 2H FY2023: 71.4%), and decreased 1.0 percentage point on a full year basis to 71.0% in FY2024 as compared to 72.0% in FY2023.

c. Research and development expenses

Research and development expenses consist primarily of personnel and related expenses (including salaries, benefits and bonuses) directly associated with product design and development teams.

The proportion of product design and development expenses that creates a benefit in future years and meets certain requirements under SFRS(I) is capitalisable as an intangible asset and is then amortised over the estimated life of the asset created. The amount amortised relating to the Azeus product is included as a research and development expense.

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G. Other Information Required by Listing Rule Appendix 7.2 (Continued)

3.1 Review of Statement of Profit or Loss (Continued)

c. Research and development expenses (continued)

Total research and development costs were HK\$19.5 million in 2H FY2024 (2H FY2023: HK\$17.7 million), showing an increase of 10% compared to 2H FY2023, and a rise of HK\$3.6 million from HK\$31.3 million in FY2023, or 12% as compared to FY2024 of HK\$34.9 million. The increase was mainly due to higher research and development engineering team cost, as more manpower was assigned to research and development in FY2024 for developing new products.

d. Selling and marketing expenses

When compared to FY2023, both full year and 2H of FY2024 experienced a rise in selling and marketing expenses. This is due to an increase in sales representative personnel cost, along with the growth in sales and marketing team headcount. The increase is in line with the Group's strategy to expand its sales team to pursue subscriber growth.

Total selling and marketing costs were HK\$28.6 million in 2H FY2024 (2H FY2023: HK\$26.0 million), showing an increase of 10% compared to 2H FY2023, and a rise of HK\$4.2 million from HK\$49.9 million in FY2023, or 8% as compared to FY2024 of HK\$54.1 million. The increase is in line with the Group's strategy to expand its sales team to pursue subscriber growth.

e. Administrative expenses

The total expenses were HK\$28.7 million in 2H FY2024 (2H FY2023: HK\$23.9 million), and on a full year basis, expenses came in at HK\$49.9 million (FY2023: HK\$40.1 million). Overall, administrative expense was higher by HK\$9.8 million, or 24% mainly due to increase in Human Resource, Finance, and Management team personnel cost by HK\$4.7 million, legal and professional fee of HK\$1.3 million, and depreciation of right of use assets and reinstatement of office expense by HK\$2.6 million. This in line with the increase in Right of Use Assets.

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G. Other Information Required by Listing Rule Appendix 7.2 (Continued)

3.1 Review of Statement of Profit or Loss (Continued)

f. Other income and other gains/(losses) – net

	2H FY2024 HK\$'000	2H FY2023 HK\$'000	+ / (-) %	FY2024 HK\$'000	FY2023 HK\$'000	+ / (-) %
Other income comprises of:						
Interest income from bank deposits	911	162	462	1,614	218	640
Sundry income	257	115	(124)	379	815	(53)
	1,168	277	322	1,993	1,033	93
Currency exchange (losses)/gains, net	(456)	3,400	(113)	(1,403)	(7,487)	(81)
	712	3,677	(81)	590	(6,454)	(109)

Interest income increased by HK\$1.4 million or 640% was due to higher cash balance. The Group managed to maintain a higher surplus cash and arrange a higher term deposit with higher interest rates. The sundry income represented the subsidies and grants introduced by various governments to support businesses during the COVID-19 pandemic period. The decrease was due to lesser grants offered in FY2024.

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G. Other Information Required by Listing Rule Appendix 7.2 (Continued)

3.1 Review of Statement of Profit or Loss (Continued)

g. Impairment losses of financial assets

	2H FY2024	2H FY2023	+ / (-)	FY 2024	FY 2023	+ / (-)
	HK\$'000	HK\$'000	%	HK\$'000	HK\$'000	%
Impairment losses of financial assets comprises of:						
Recovery of/ loss allowance and expected credit loss on trade receivables	(2,355)	697	(444)	(2,720)	(216)	(1,179)
Impairment allowance for contract assets	(42)	-	-	(42)	-	-
	(2,397)	697	(444)	(2,762)	(216)	(1,179)

h. Finance cost – lease interest

Finance lease interest arises from the lease of office space. The finance lease interest has increased by more than 100% in FY2024 as compared to FY2023, from HK\$0.2 million in FY2023 to HK\$0.9 million in FY2024. In the second half of both FY2024 and FY2023, the finance lease interest has increased by HK\$0.4 million in FY2024 as compared to FY2023, from HK\$0.1 million in 2H FY2023 to HK\$0.5 million in 2H FY2024.

i. Net profit after taxation

As a result of the above explained, the Group reported a net profit of HK\$57.6 million in 2H FY2024 and net profit of HK\$85.0 million in FY2024, as compared to HK\$30.3 million in 2H FY2023 and net profit of HK\$50.5 million in FY2023.

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G. Other Information Required by Listing Rule Appendix 7.2 (Continued)

3.2 Review of Statement of Financial Position

a. Trade and other receivables

Trade and other receivables increased by HK\$6.5 million, or 13%, from HK\$60.6 million as at 31 March 2023 to HK\$67.1 million as at 31 March 2024. The increase was mainly contributed by the increase in account receivables by HK\$9.3 million, from HK\$44.1 million in FY2023, to HK\$53.4 million in FY2024, in-line with the increase in revenue.

The Group closely managed the recoverability of the receivables and recorded an impairment loss of financial assets of HK\$2.7 million in FY2024 (FY 2023: HK\$0.2 million).

b. Contract assets

The Group's customers pay the fixed amount based on an agreed contractual payment schedule. Contract assets are recognised if the services rendered by the Group exceed the payment. Contract assets increased by HK\$6.1 million, or 25%, from HK\$24.2 million as at 31 March 2023 to HK\$30.3 million as more contracts were secured in FY2024 and have not reached the milestone payment yet.

c. Right-of-use assets

The right-of-use assets arises from office space lease arrangement that was entered by its subsidiaries for operational purposes. The right-of-use assets has increased by 718% as at 31 March 2024, from HK\$3.2 million as at 31 March 2023 to HK\$25.9 million as at 31 March 2024. This is a netted off impact from the depreciation charged during the year amounting to HK\$7.3 million with the new addition of HK\$30.0 million.

d. Refundable deposits – non-current

The refundable deposits have increased by HK\$1.3 million, or 1%, from HK\$3.8 million as at 31 March 2023, to HK\$5.1 million as at 31 March 2024. Some deposits were released by customers due to the completion of contracts in FY2024.

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G. Other Information Required by Listing Rule Appendix 7.2 (Continued)

3.2 Review of Statement of Financial Position

e. Lease liabilities – current and non-current

Similar to the right-of-use assets, lease liabilities arise from office space lease arrangement that was entered by the subsidiaries for operational purposes. As of 31 March 2024, the current lease liabilities have increased by HK\$1.7 million, or by 58% as compared to 31 March 2023, from HK\$3.0 million to HK\$4.7 million.

Non-current lease liabilities have increased by HK\$20.1 million, or by more than 100%, from HK\$0.2 million on 31 March 2023, to HK\$20.3 million on 31 March 2024.

The overall increase was due to the addition during the year of HK\$30.0 million and interest expense of HK\$0.9 million.

f. Contract liabilities

Contract liabilities primarily consists of billings due, or payments received in advance of revenue recognition from subscription services and IT Services maintenance and support services respectively. Contract liabilities that will be recognised during the succeeding twelve months period are recorded as current contract liabilities while liabilities that are more than twelve months are recorded as non-current. Total contract liabilities have increased by HK\$17.1 million, or 19%. The amount has increased to HK\$105.2 million as at 31 March 2024 as compared to HK\$88.1 million as at 31 March 2023, increased in-line with our Azeus Product revenue during the year.

g. Current income tax liabilities

Current income tax liabilities increased by HK\$2.3 million from HK\$2.8 million as at 31 March 2023 to HK\$5.1 million as at 31 March 2024 increased in-line with the higher profit achieved in FY2024.

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G. Other Information Required by Listing Rule Appendix 7.2 (Continued)

3.2 Review of Statement of Financial Position

h. Share capital and reserves

The Group's shareholders' equity increased from HK\$133.5 million as at 31 March 2023 to HK\$159.2 million as at 31 March 2024. The change in shareholders' equity was due to the contribution of the FY2024 net profit of HK\$85.0 million. The shareholders' equity amount was set-off with the payment of dividends of HK\$59.4 million in FY2024.

3.3 Review of Statement of Cash Flows

The Group's net cash generated from operating activities was HK\$106.0 million in FY2024 as compared to HK\$41.8 million in FY2023. During the year, the Group paid a total of HK\$59.4 million dividend, including both FY2023 final dividend and FY2024 interim dividend.

Overall, the Group managed to maintain a healthy cash position of HK\$183.4 million as of 31 March 2024 (31 March 2023: HK\$152.8 million).

4. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

There has been no significant variance in the FY2024 results of the Group as compared to the prospect statement disclosed in the announcement of results for the half year ended 30 September 2023 on 14 November 2023.

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G. Other Information Required by Listing Rule Appendix 7.2 (Continued)

- 5. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting year.**

Azeus remains committed to invest and grow the product segment such as our new offerings – “Convene Records”, supported by our flagship products “Convene”. The “Convene Records” project will continue to contribute in the coming years subject to customers’ deployment schedule.

Barring unforeseen circumstances, the Group is cautiously optimistic of its outlook for continued growth in FY2025.

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G. Other Information Required by Listing Rule Appendix 7.2 (Continued)

6. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes, the Board has declared and approved the interim dividend of the financial year ended 31 March 2024. It was paid on 28 February 2024.

Name of dividend	Interim
Dividend type	Cash
Dividend amount per share (HK\$ in cents)	HK\$ 0.90 per ordinary share
Tax rate	Tax-exempt (1-tier)

A final dividend will be recommended at the Annual General Meeting on 30 July 2024 as below:

Name of dividend	Final
Dividend type	Cash
Dividend amount per share (HK\$ in cents)	HK\$ 1.90 per ordinary share
Tax rate	Tax-exempt (1-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding year of the immediately preceding financial year?

Yes, a final dividend was declared in respect of the financial year ended 31 March 2023, with total dividend amount of HK\$32.4million. It was paid on 10 November 2023.

Name of dividend	Final dividend
Dividend type	Cash
Dividend amount per share (HK\$ in cents)	HK\$ 1.08 cent per ordinary share
Tax rate	Tax-exempt (1-tier)

(c) Date payable

Subject to Shareholder's approval at the forthcoming annual general meeting of the Company, the payment date of the Final Dividend is to be advised.

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G. Other Information Required by Listing Rule Appendix 7.2 (Continued)

6. Dividend (Continued)

(d) Books closure date

Notice of book closure date will be announced later.

(e) Breakdown of the total annual dividend for the latest full year and previous full year are as follows: -

(i) Ordinary

	2H FY2024	2H FY2023	1H FY2024	1H FY2023
Name of dividend	Final Dividend	Final Dividend	Interim Dividend	Interim Dividend
Dividend type	Cash	Cash	Cash	Cash
Dividend amount per share (HK\$ in cents)	HK\$ 1.90 per ordinary share	HK\$ 1.08 per ordinary share	HK\$ 0.90 per ordinary share	HK\$ 0.60 per ordinary share
Tax rate	Tax-exempt (1-tier)	Tax-exempt (1-tier)	Tax-exempt (1-tier)	Tax-exempt (1-tier)

(ii) Preference

There is no preference share issued by the Company.

(iii) Total

	2H FY2024	2H FY2023	1H FY2024	1H FY2023
Name of dividend	Final Dividend	Final Dividend	Interim Dividend	Interim Dividend
Dividend type	Cash	Cash	Cash	Cash
Dividend amount per share (HK\$ in cents)	HK\$ 1.90 per ordinary share	HK\$ 1.08 per ordinary share	HK\$ 0.90 per ordinary share	HK\$ 0.60 per ordinary share
Tax rate	Tax-exempt (1-tier)	Tax-exempt (1-tier)	Tax-exempt (1-tier)	Tax-exempt (1-tier)

7. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

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G. Other Information Required by Listing Rule Appendix 7.2 (Continued)

8. Interested person transactions

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

9. A breakdown of revenue:

	FY2024	Group	Increase/
	HK\$'000	FY2023	(Decrease)
		HK\$'000	%
Revenue reported for first half year	132,808	116,426	14
Operating profit after tax before deducting non-controlling interest reported for first half year	27,345	20,280	35
Revenue reported for second half year	196,132	136,482	44
Operating profit after tax before deducting non-controlling interest reported for second half year	57,648	30,260	91

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G. Other Information Required by Listing Rule Appendix 7.2 (Continued)

- 10. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, Azeus Systems Holdings Ltd. (the "Company") confirms that, to the best of its knowledge, there is no person occupying a managerial position in the Company or in any of its principal subsidiaries, who is a relative of a Director or Chief Executive Officer or Substantial Shareholder of the Company.

- 11. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

- 12. Additional information required pursuant to Rule 706A**

- a. Incorporation of an indirect wholly owned subsidiary

The Company wholly owned subsidiary Azeus Systems Limited has on 17 August 2023, incorporated a wholly owned subsidiary in Saudi Arabia, known as Azeus System Information Technology LLC ("ASIT"). The issued and paid-up capital of ASIT is SAR 10 comprising of 5,000 shares. The principal activity of ASIT is that of provision of cloud-based subscription services of the Group's products. The incorporation of ASIT was funded through internal resources.

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G. Other Information Required by Listing Rule Appendix 7.2 (Continued)

12. Additional information required pursuant to Rule 706A (continued)

- b. Members voluntary liquidation of an indirect wholly owned subsidiary

The Company indirect wholly owned dormant subsidiary Convene DWC LLC, which was incorporated in Dubai, was dissolved pursuant to members voluntary liquidation on 4 October 2023.

The incorporation and dissolution of the above indirect wholly owned subsidiaries have no material impact on the net tangible assets and earnings per share of the Group for the financial year ended 31 March 2024.

13. Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the year ended 31 March 2024 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Lee Wan Lik
Executive Chairman

Yap Kiam Siew Michael
Chief Executive Officer

30 May 2024