

**AZEUS SYSTEMS HOLDINGS LTD.**

**Unaudited Full Year Financial Statement and Dividend Announcement for the year ended 31 March 2014**

**Part I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS**

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

**Azeus Systems Holdings Ltd.**

1(a)(i) Consolidated Income Statement for the financial year ended 31 March 2014

(Expressed in Hong Kong Dollars)

	<b>The Group</b>		
	<b>FY 2014</b>	<b>FY 2013</b>	<b>+ / ( - )</b>
	<b>(Apr-Mar 2014)</b>	<b>(Apr-Mar 2013) As restated</b>	
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>%</b>
Sales	169,995	116,738	46
Cost of sales	(114,833)	(76,968)	49
Gross profit	55,162	39,770	39
Other income	250	41,191	(99)
Other gains - net	714	40	1,685
Selling and marketing expenses	(4,467)	(5,505)	(19)
Administrative and other operating expenses	(27,563)	(37,025)	(26)
Profit before tax	24,096	38,471	(37)
Income tax expense	(5,470)	(7,315)	(25)
Profit attributable to equity holders of the Company	18,626	31,156	(40)
Earnings per share (basic and diluted)	6.21 cents	10.38 cents	

**1(a)(ii) Statement of Comprehensive Income for the financial year ended 31 March 2014**  
(Expressed in Hong Kong Dollars)

	<b>The Group</b>		
	<b>FY 2014</b>	<b>FY 2013</b>	<b>+ / ( - )</b>
	<b>(Apr-Mar 2014)</b>	<b>(Apr-Mar 2013)</b>	
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>%</b>
Profit for the year	18,626	31,156	(40)
<b><u>Items that may be reclassified subsequently to profit or loss:</u></b>			
Currency translation differences arising from consolidation – gains / (losses)	38	(21)	281
<b><u>Items that will not be reclassified subsequently to profit or loss:</u></b>			
As previously reported	-	-	-
Effect of change in accounting policy:			
Remeasurements of defined retirement benefits	1,650	(7,127)	123
Tax on remeasurements	(165)	713	(123)
	<u>1,485</u>	<u>(6,414)</u>	123
Other comprehensive income / (loss), net of tax	1,523	(6,435)	124
Total comprehensive income attributable to equity holders of the Company	<u>20,149</u>	<u>24,721</u>	(18)

1(a)(iii) Note to Income Statement for the financial year ended 31 March 2014

(Expressed in Hong Kong Dollars)

<b>Expenses included in cost of sales, selling and marketing expenses and administrative and other operating expenses are analysed as follows:</b>			
	<b>FY 2014</b>	<b>FY 2013</b>	<b>+ / ( - )</b>
	<b>(Apr-Mar 2014)</b>	<b>(Apr-Mar 2013) As restated</b>	
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>%</b>
Depreciation of property, plant and equipment	(387)	(375)	3
Legal and professional fee	(2,078)	(16,466)	(87)
Rental expense – operating lease	(5,153)	(4,486)	15
Employee benefits (including directors remuneration)	(81,990)	(75,543)	9
Retirement benefit expense	(998)	(352)	184
Hardware and software	(32,448)	(123)	26,280
Repairs and maintenance	(6,871)	(5,759)	19
Other expenses	(16,938)	(16,394)	3
	<u>                    </u>	<u>                    </u>	
Total cost of sales, selling and marketing and administrative expenses	<b>(146,863)</b>	<b>(119,498)</b>	<b>23</b>
	<u>                    </u>	<u>                    </u>	

<b>Income tax</b>			
Current income tax	(5,530)	(7,317)	(24)
Deferred income tax	29	(9)	422
Over provision of tax in prior years	31	11	182
	<u>                    </u>	<u>                    </u>	
Income tax expenses	<b>(5,470)</b>	<b>(7,315)</b>	<b>(25)</b>

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

**Azeus Systems Holdings Ltd.**  
**Balance Sheet as at 31 March 2014**  
**(Expressed in Hong Kong Dollars)**

	<u>The Group</u>				+ / (-)	<u>The Company</u>		
	31 March 2014	31 March 2013 As restated	31 March 2012 As restated	+ / (-)		31 March 2014	31 March 2013	+ / (-)
	HK\$'000	HK\$'000	HK\$'000	%		HK\$'000	HK\$'000	%
<b>Current assets</b>								
Cash and cash equivalents	85,542	48,626	62,506	76	421	430	(2)	
Pledged bank deposits	7,178	7,154	7,108	-	-	-	-	
Trade and other receivables	12,512	14,712	13,587	(15)	74,455	83,554	(11)	
Inventories	351	29,419	8,028	(99)	-	-	-	
Unbilled revenue on service contracts	36,909	63,233	43,351	(42)	-	-	-	
Other current assets	40	44	42	(9)	-	-	-	
Amount due from joint venture	-	-	126	-	-	-	-	
	<u>142,532</u>	<u>163,188</u>	<u>134,748</u>	(13)	<u>74,876</u>	<u>83,984</u>	(11)	
<b>Non-current assets</b>								
Investment in subsidiaries	-	-	-	-	50,443	50,460	-	
Property, plant and equipment	709	895	515	(21)	-	-	-	
Deferred tax assets	615	819	97	(25)	-	-	-	
Refundable deposit	346	352	293	(2)	-	-	-	
	<u>1,670</u>	<u>2,066</u>	<u>905</u>	(19)	<u>50,443</u>	<u>50,460</u>	-	
<b>Total assets</b>	<u>144,202</u>	<u>165,254</u>	<u>135,653</u>	(13)	<u>125,319</u>	<u>134,444</u>	(7)	

**Azeus Systems Holdings Ltd.**  
**Balance Sheet as at 31 March 2014**  
**(Expressed in Hong Kong Dollars)**  
**(Continued)**

	<u>The Group</u>				<u>The Company</u>		
	31 March 2014	31 March 2013 As restated	31 March 2012 As restated	+ / ( - )	31 March 2014	31 March 2013	+ / ( - )
	HK\$'000	HK\$'000	HK\$'000	%	HK\$'000	HK\$'000	%
<b>Current liabilities</b>							
Trade and other payables	17,181	19,631	15,958	(12)	1,430	1,384	3
Current income tax liabilities	60	5,669	1,324	(99)	-	-	-
	<u>17,241</u>	<u>25,300</u>	<u>17,282</u>	<u>(32)</u>	<u>1,430</u>	<u>1,384</u>	<u>3</u>
<b>Non-current liability</b>							
Provision for defined retirement benefit	6,071	8,073	731	(25)	-	-	-
	<u>6,071</u>	<u>8,073</u>	<u>731</u>	<u>(25)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<b>23,312</b>	<b>33,373</b>	<b>18,013</b>	<b>(30)</b>	<b>1,430</b>	<b>1,384</b>	<b>3</b>
<b>Net assets</b>	<b>120,890</b>	<b>131,881</b>	<b>117,640</b>	<b>(8)</b>	<b>123,889</b>	<b>133,060</b>	<b>(7)</b>
<b>REPRESENTED BY:</b>							
Share capital	46,800	46,800	46,800	-	46,800	46,800	-
Share premium	56,489	56,489	56,489	-	56,726	56,726	-
Foreign currency translation reserve	114	76	97	50	-	-	-
Other reserves	1,328	1,328	1,328	-	-	-	-
Defined retirement benefits	(4,072)	(5,557)	857	27	-	-	-
Retained earnings	20,231	32,745	12,069	(38)	20,363	29,534	(31)
	<u>120,890</u>	<u>131,881</u>	<u>117,640</u>	<u>(8)</u>	<u>123,889</u>	<u>133,060</u>	<u>(7)</u>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities**

The Group had no bank borrowings or debt securities as at 31 March 2014 and 31 March 2013.

**1(c) A cash flow statement (for the group), together with a comparative statement for corresponding period of the immediately preceding financial year**

	<b>The Group</b>	
	<b>FY 2014</b>	<b>FY 2013</b>
<b>Cash flows from operating activities</b>	<b>(Apr-Mar 2014)</b>	<b>(Apr-Mar 2013)</b>
	<b>HK\$'000</b>	<b>As restated HK\$'000</b>
Net profit	18,626	31,156
Adjustments for:		
Income tax expense	5,470	7,315
Depreciation of property, plant and equipment	387	375
Interest income	(141)	(139)
Provision for defined retirement benefit	998	352
Exchange differences	(547)	121
	<hr/>	<hr/>
<b>Operating cash flow before working capital change</b>	<b>24,793</b>	<b>39,180</b>
<b>Change in working capital</b>		
Trade and other receivables	2,200	(1,125)
Unbilled revenue on service contracts	26,324	(19,882)
Amount due from a joint venture	-	126
Refundable deposits	6	(59)
Inventories	29,068	(21,391)
Trade and other payables	(2,450)	3,673
Pledged bank deposits	(24)	(46)
	<hr/>	<hr/>
<b>Cash generated from operations</b>	<b>79,917</b>	<b>476</b>
Contributions to retirement fund	(672)	(313)
Income tax paid	(11,104)	(2,960)
	<hr/>	<hr/>
<b>Net cash generated from / (used in) operating activities</b>	<b>68,141</b>	<b>(2,797)</b>

1(c) A cash flow statement (for the group), together with a comparative statement for corresponding period of the immediately preceding financial year  
(continued)

	<u>The Group</u>	
	FY 2014	FY 2013
	(Apr-Mar 2014)	(Apr-Mar 2013) As restated
	HK\$'000	HK\$'000
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(226)	(742)
Interest received	141	139
	<u>                    </u>	<u>                    </u>
<b>Net cash used in investing activities</b>	<b>(85)</b>	<b>(603)</b>
<b>Cash flows from financing activities</b>		
Dividends paid to shareholders	(31,140)	(10,480)
	<u>                    </u>	<u>                    </u>
<b>Net cash used in financing activities</b>	<b>(31,140)</b>	<b>(10,480)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>36,916</b>	<b>(13,880)</b>
Cash and cash equivalents at the beginning of the financial year	48,626	62,506
	<u>                    </u>	<u>                    </u>
<b>Cash and cash equivalents at the end of the financial year</b>	<b>85,542</b>	<b>48,626</b>
	<u>                    </u>	<u>                    </u>

1(d)(i) A statement (for the issuer and the group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Share Capital	Share Premium	Foreign Currency Translation Reserve	Other Reserves	Defined retirement benefits (Note 5)	Retained Profits	Total
Group	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance as at 1 April 2013 as previously reported	46,800	56,489	156	1,328	-	32,715	137,488
Effect of change in accounting policy	-	-	(80)	-	(5,557)	30	(5,607)
Balance as at 1 April 2013, as restated	46,800	56,489	76	1,328	(5,557)	32,745	131,881
Total comprehensive income	-	-	38	-	1,485	18,626	20,149
FY2013 final dividends paid	-	-	-	-	-	(31,140)	(31,140)
Balance as at 31 March 2014	46,800	56,489	114	1,328	(4,072)	20,231	120,890
Balance as at 1 April 2012 as previously reported	46,800	56,489	97	1,328	-	12,069	116,783
Effect of change in accounting policy	-	-	-	-	857	-	857
Balance as at 1 April 2012, as restated	46,800	56,489	97	1,328	857	12,069	117,640
Total comprehensive income, as previously reported	-	-	59	-	-	31,126	31,185
Effect of change in accounting policy	-	-	(80)	-	(6,414)	30	(6,464)
Total comprehensive income/(loss), as restated	-	-	(21)	-	(6,414)	31,156	24,721
FY2012 final dividends paid	-	-	-	-	-	(10,480)	(10,480)
Balance as at 31 March 2013, as restated	46,800	56,489	76	1,328	(5,557)	32,745	131,881



	Share Capital	Share Premium	Retained Profits	Total
<u>Company</u>	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance as at 1 April 2013	46,800	56,726	29,534	133,060
Total comprehensive income for the year	-	-	21,969	21,969
FY2013 final dividends paid	-	-	(31,140)	(31,140)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Balance as at 31 March 2014	46,800	56,726	20,363	123,889
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Balance as at 1 April 2012	46,800	56,726	5,360	108,886
Total comprehensive income for the year	-	-	34,654	34,654
FY2012 final dividends paid	-	-	(10,480)	(10,480)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Balance as at 31 March 2013	46,800	56,726	29,534	133,060
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, share buy backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Not applicable.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

As at 31 March 2014, share capital of the Company comprised 300,000,000 ordinary shares (FY2013: 300,000,000). There were no treasury shares held by the Company at 31 March 2014 and 2013.

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

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

The figures have not been audited or reviewed by the Company's auditors.

**3. Where the figures have been audited, or reviewed, the auditor's report (including any qualifications or emphasis of matter).**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed under Note 5 below, the Group has applied the same accounting policies and methods of computation in the financial information for the current reporting financial period compared with the financial statements for FY 2013.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change.**

On 1 April 2013, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") 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 FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Group's and Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years except for the following:

**FRS 19 (revised) Employee Benefits**

FRS 19 (revised) amends the accounting for employment benefits. The Group has applied the standard retrospectively in accordance with the provisions of the standard.

Prior to the adoption of FRS 19 (revised), the Group recognised actuarial gains and losses as income or expense when the net cumulative unrecognised gains and losses for each individual plan at the end of the previous period exceeded 10% of the higher of the defined benefit obligation and the fair value of plan assets at that date. These gains or losses were recognised over the expected average remaining lives of the employees participating in the plans.

The effects on adoption are as follows:

	FY 2013			FY 2012		
	As previously reported	Adjustments	As restated	As previously reported	Adjustments	As restated
	HK\$000	HK\$000	HK\$000	HK\$000	HK\$000	HK\$000
		Increase/ (decrease)			Increase/ (decrease)	
<b>Consolidated Balance Sheet</b>						
Deferred income tax assets	196	623	819	192	(95)	97
Provision for defined retirement benefit	1,843	6,230	8,073	1,683	(952)	731
Currency translation reserve	156	(80)	76	97	-	97
Defined retirement benefits	-	(5,557)	(5,557)	-	857	857
Retained earnings	32,715	30	32,745	12,069	-	12,069

	FY 2013		
	As previously reported	Adjustments	As restated
	HK\$000	HK\$000	HK\$000
		Increase/ (decrease)	
<b>Consolidated income statements</b>			
Cost of sales	77,001	(33)	76,968
Income tax expense	7,312	3	7,315
<b>Consolidated statement of comprehensive income</b>			
Remeasurements of defined retirement benefits	-	(6,414)	(6,414)

**Amendment to FRS 1 Presentation of Items of Other Comprehensive Income**

The Group has also adopted the amendment to FRS 1 *Presentation of Items of Other Comprehensive Income* on 1 January 2013. It requires items presented in other comprehensive income to be separated into two groups, based on whether or not they may be recycled to profit or loss in the future.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividend.**

	<u>The Group</u>	
	FY 2014	FY 2013
Net profit of the Group (HK\$'000)	18,626	31,156
Weighted average number of shares ('000)	300,000	300,000
- Basic earnings per share (HK cents)	6.21	10.38
- Fully diluted earnings per share (HK cents)	6.21	10.38

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 2014 and 31 March 2013.

7. **Net asset value (for the issuer and the group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on; and (b) immediately preceding financial year.**

	<u>The Group</u>		<u>The Company</u>	
	31 March 2014	31 March 2013 As restated	31 March 2014	31 March 2013
	HK cents	HK cents	HK cents	HK cents
Net asset value per ordinary share based on the existing share capital as at 31 March 2014 and 31 March 2013 respectively	40.30	43.96	41.30	44.35

The number of ordinary shares outstanding for the computation of net asset value per ordinary share is 300,000,000 (FY 2013: 300,000,000).

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; (b) any material factors that affected the cash flow, working capital, assets or liabilities, of the group during the current financial period reported on.

**Income statement**

**a. Revenue**

	<b>FY 2014</b>	<b>FY 2013</b>	<b>+ / (-)</b>
	<b>(Apr-Mar 2014)</b>	<b>(Apr-Mar 2013)</b>	
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>%</b>
IT Services, including sales of third party hardware and software	<b>112,486</b>	58,214	93
Maintenance and Support Services	<b>44,608</b>	45,384	(2)
Business Process Outsourcing (BPO)	<b>12,901</b>	13,140	(2)
	<hr/>	<hr/>	
<b>Total</b>	<b>169,995</b>	116,738	46

The Group derives its revenue from three core business areas – IT services, maintenance and support services, and business process outsourcing (BPO). The extent of revenue recognised in each financial period is dependent on the stage of completion of the milestones for the development and implementation of the projects in which contracts vary in size and scope.

Group revenue increased by 46.0% to HK\$170.0 million for FY 2014 as compared to HK\$116.7 million in FY 2013.

IT services remained as the Group's major revenue contributor, accounting for 66.2% of total revenue for FY 2014 (FY 2013: 49.9%). Revenue from IT services increased by HK\$54.3 million or 93.2% as there were more contracts secured and implemented in FY 2014 both in Hong Kong and United Kingdom. In addition, there was a higher third party hardware and software sales of HK\$43.0 million in FY 2014 as compared with HK\$0.2 million in FY 2013.

Revenue from maintenance and support services decreased by 1.7% to HK\$44.6 million in FY 2014 from HK\$45.4 million in FY 2013. This business segment accounted for 26.2% (FY 2013: 38.9%) of total revenue in FY 2014.

Revenue from BPO decreased by 1.8% to HK\$12.9 million in FY 2014 due to lower outsourced headcounts in FY 2014. This business segment accounted for 7.6% (FY 2013: 11.2%) of total revenue in FY 2014.

**b. Cost of sales and gross profit margin**

The Group's cost of sales increased by HK\$37.8 million or 49.2% to HK\$114.8 million in FY 2014 in tandem with higher revenue in FY 2014. Overall, gross profit margin decreased by 1.7% as a result of pay rise and higher headcount employed in 2014.

**c. Other income & other gains – net**

	FY 2014	FY 2013	+ / (-)
	(Apr-Mar 2014)	(Apr-Mar 2013)	
	HK\$'000	HK\$'000	%
Other income comprised:			
Arbitration award (Note A)	-	40,909	(100)
Interest income	141	139	1
Sundry income	109	143	(24)
	<u>          </u>	<u>          </u>	
Subtotal	250	41,191	(99)
Other gains - net comprised:			
Net foreign exchange gain	714	40	1,685
	<u>          </u>	<u>          </u>	
Subtotal	714	40	1,685

(Note A) In the last financial year, the Group (claimant) received a compensation of HK\$40.9 million including interest as settlement for a dispute. All the project and legal costs associated to this case were recognized as and when incurred.

During this financial year, the Group received the final ruling on this same case from the arbitrator who concluded that the respondent shall pay Azeus' legal costs on this arbitration on a party to party basis. At the date of this announcement, the Group is in the process of negotiating the extent of legal cost compensation with the respondent and should an agreement not be reached, then a taxation proceeding would commence.

**d. Selling and marketing expenses**

Selling and marketing expenses decreased by 18.9% or HK\$1.0 million to HK\$4.5 million in FY 2014 as compared to HK\$5.5 million in FY 2013. It was due to lesser marketing activities in FY 2014.

**e. Administrative and other operating expenses**

Administrative and other operating expenses decreased by 25.6% or HK\$9 million in FY 2014 mainly due to an decrease in legal and professional fee for arbitration held in FY 2013. The arbitration has been completed and award has been made in the Group's favour.

**f. Net profit after taxation**

The group achieved higher operating profits in FY 2014. More contracts secured and implemented in FY 2014 resulted in higher IT services revenue. However, overall net profit was lower due to the inclusion of a one-off gain from the arbitration award in FY 2013. There is no such gain in FY 2014.

**Balance Sheet**

**a. Unbilled revenue on service contracts**

The decrease in unbilled revenue on service contracts of HK\$26.3 million was due to the completion of two major projects in this current year and milestones payment were reached.

**b. Trade and other receivables**

Balance decreased from HK\$14.7 million to HK\$12.5 million by 15% as bills were settled near 31 March 2014. Two major projects completed in FY 2014 and all their billings were issued and fully settled near year end.

**c. Inventories**

Inventories as at year end comprise of hardware and software products to be used in IT service implementation projects under the specific contract terms. The balance represents items that were delivered but pending customers' acceptance tests. Therefore, the corresponding revenue associated with these hardware and software products has

not been recognised. Inventory decreased from HK\$29.4 million to HK\$0.4 million as the hardware and software held previously were successfully delivered and installed and the projects were completed in FY 2014.

**d. Share capital and reserves**

The Group's shareholders' equity for FY 2014 was lower than in FY 2013 by HK\$11.0 million due to the profit generated from operations of HK\$18.6 million in FY 2014, offset by the payment of FY 2013 final dividend of HK\$31.1 million.

**Cash flow Statement**

For the year ended 31 March 2014, the Group's cash inflow from operations was HK\$68.1 million. The cash inflow from operations improved was due to the completion of two major projects. All relevant billings were issued and well received. Cash used in financing activities was primarily for the payment of FY 2013 final dividend of HK\$31.1 million in December 2013. Overall, the Group managed to maintain a better cash position which increased by 75.9% to HK\$85.5 million in FY 2014.

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

No forecast or a prospect statement has been previously disclosed to shareholders.

**10. 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 period and the next 12 months.**

The Group remains focused on sustaining its market share in the Hong Kong public sector by delivering high-value complex IT systems and we are cautiously optimistic about the growth of our IT Service business.

At the same time, the Group will step up its marketing efforts to grow our customer base for our intellectual assets in cloud technology. While revenue contribution from this segment is still small relative to IT consultancy services, we hope that this will accelerate client take up of our cloud-



based offerings.

Barring unforeseen circumstances, the Group is maintaining a cautious outlook for FY 2015.

**11. Dividend**

**(a) Current Financial Period Reported On**

**Any dividend declared for the current financial period reported on?**

Name of Dividend	First and Final
Dividend Type	Cash
Dividend Rate	6.21 HK cents per ordinary share
Tax Rate	Not applicable (as Company is incorporated in Bermuda)

**(b) Corresponding Period of the Immediately Preceding Financial Year**

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

A final dividend was recommended and approved in respect of financial year ended 31 March 2013 of 10.38 HK cents. The final dividend amounting to HK\$31.14 million was paid in December 2013.

**(c) Date payable**

To be announced later.

**(d) Books closure date**

To be announced later.

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

Not applicable.

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## PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

13. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer’s most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Management has evaluated the operating segments based on the reports reviewed by the Executive Committee (“Exco”) that are used to make strategic decisions and also reviewed by the Executive Committee (“Exco”). The Exco comprises the Chief Executive Officer and the Group Financial Controller.

The Exco considers the Group as a single operating segment which is primarily engaged in the provision of information technology (“IT”) services. The services are similar in nature and these are based on the same backbone infrastructure. The costs are mainly staff costs incurred to provide IT services to customers. There are 3 major revenue streams: “IT services, including sales of hardware and software”, “Maintenance and Support Services” and “Business Process Outsourcing”.

**IT services, including sales of hardware and software:** This includes revenue arising from contract specifically negotiated for the provision of IT services, including sales of hardware and software products as required under the relevant contract terms.

**Maintenance and Support Services:** This includes revenue arising from provision of maintenance and support services to customers.

**Business Process Outsourcing:** This includes revenue arising from outsourcing of headcount for provision of IT support services to customers.

The breakdown of the Group’s revenue by sales is the same as that disclosed in note 8a Revenue.

The reports reviewed by the Exco have been prepared on the same basis as the financial statements, hence there are no reconciling items to be disclosed.

The holding company is domiciled in Bermuda with no revenue arising from the country of domicile. All of the Group's revenues from external customers are attributed to business activities in Hong Kong.

A total of HK\$163.8 million, 96% of total revenue (FY 2013: HK\$114.6 million, 98% of total revenue) from external customers is derived from the provision of IT services to the public sector of Hong Kong Government.

**14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Not applicable.

**15. A breakdown of sales**

	<u>The Group</u>		
	FY 2014	FY 2013 As restated	+ / (-)
	HK\$'000	HK\$'000	%
Sales reported for first half year	73,708	57,171	29
Net profit after tax for first half year	8,888	1,480	501
Sales reported for second half year	96,287	59,567	62
Net profit after tax for second half year	9,738	29,676	(67)

**16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

	<u>The Group</u>		
	FY 2014	FY 2013	+ / (-)
	HK\$'000	HK\$'000	%
Ordinary	18,630	31,140	(40)
Preference	-	-	-
Total	18,630	31,140	(40)

**17. If no IPT mandate has been obtained, a statement to that effect.**

No IPT mandate obtained.

**BY ORDER OF THE BOARD**

**LEE WAN LIK**

**MANAGING DIRECTOR**

**27 May, 2014**