

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SECOND HALF AND THE FULL YEAR ENDED 31 MARCH 2023**

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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 2023
(Expressed in Hong Kong Dollars)**

	Note	<u>Group</u>					
		2H FY2023 HK\$'000	2H FY2022 HK\$'000	+ / (-) %	FY2023 HK\$'000	FY2022 HK\$'000	+ / (-) %
Revenue	4	136,482	122,223	12	252,908	217,658	16
Cost of revenue	5(a)	(39,101)	(28,841)	36	(70,853)	(60,054)	18
Gross profit		97,381	93,382	4	182,055	157,604	16
Other income	6	277	194	43	1,033	326	217
Other gains/(losses) – net Impairment gains/(losses) of financial assets	6 7	3,400 697	138 (4,093)	2,364 (117)	(7,487) (216)	(765) (4,565)	879 (95)
Expenses							
- Research and development expenses	5(a)	(17,703)	(13,787)	28	(31,299)	(27,589)	13
- Selling and marketing expenses	5(a)	(25,996)	(22,202)	17	(49,906)	(40,062)	25
- Administrative expenses	5(a)	(23,906)	(22,236)	8	(40,086)	(35,564)	13
- Finance cost – lease interest	11(d)	(125)	(142)	(12)	(208)	(370)	(44)
Profit before income tax		34,025	31,254	9	53,886	49,015	10
Income tax expense	5(b)	(3,765)	(299)	1,159	(3,346)	(565)	492
Profit attributable to equity holders of the Company		30,260	30,955	(2)	50,540	48,450	4

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B. Consolidated Statement of Comprehensive Income
for second half (six months) and full year ended 31 March 2023
(Expressed in Hong Kong Dollars)

	2H FY2023	2H FY2022	<u>Group</u>		FY2022	+ / (-)
	HK\$'000	HK\$'000	+ / (-)	FY2023	HK\$'000	%
			%	HK\$'000		
Profit for the year	30,260	30,955	(2)	50,540	48,450	4
Other comprehensive income						
<u>Items that may be reclassified subsequently to profit or loss:</u>						
Currency translation gains/(losses) arising from consolidation	2,318	638	263	(4,233)	(1,229)	244
<u>Items that will not be reclassified subsequently to profit or loss:</u>						
Actuarial (losses)/gains on defined retirement benefits – net of tax	(2,093)	(158)	1,225	(922)	102	(1,004)
Other comprehensive income/(losses), net of tax	225	480	(53)	(5,155)	(1,127)	357
Total comprehensive income attributable to equity holders of the Company	30,485	31,435	(3)	45,385	47,323	(4)

Note: n/m = not meaningful

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C. Consolidated Statements of Financial Position as at 31 March 2023
(Expressed in Hong Kong Dollars)

	Note	<u>Group</u>		<u>Company</u>	
		31 Mar 2023 HK\$'000	31 Mar 2022 HK\$'000	31 Mar 2023 HK\$'000	31 Mar 2022 HK\$'000
Current assets					
Cash and bank deposits		152,785	201,296	628	526
Trade and other receivables		60,618	36,116	87,855	107,765
Inventories		3,654	-	-	-
Contract assets		24,193	11,010	-	-
Current income tax assets		1,568	336	-	-
		242,818	248,758	88,483	108,291
Non-current assets					
Investment in subsidiaries		-	-	53,802	52,991
Property, plant and equipment	10	1,299	898	-	-
Right-of-use assets	11(a)	3,165	3,623	-	-
Intangible assets	12	-	647	-	-
Deferred income tax assets	13	3,299	1,517	-	-
Refundable deposit		3,786	4,094	-	-
		11,549	10,779	53,802	52,991
Total assets		254,367	259,537	142,285	161,282

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C. Consolidated Statements of Financial Position as at 31 March 2023 (Continued)
(Expressed in Hong Kong Dollars)

	Note	<u>Group</u>		<u>Company</u>	
		31 Mar 2023 HK\$'000	31 Mar 2022 HK\$'000	31 Mar 2023 HK\$'000	31 Mar 2022 HK\$'000
Current liabilities					
Trade and other payables		13,799	19,910	1,997	3,048
Contract liabilities		86,155	67,892	-	-
Lease liabilities	11(c)	3,005	3,509	-	-
Current income tax liabilities		2,801	1,338	-	-
		105,760	92,649	1,997	3,048
Non-current liabilities					
Contract liabilities		1,902	1,066	-	-
Lease liabilities	11(c)	157	493	-	-
Provision for defined retirement benefit		13,076	10,642	-	-
		15,135	12,201	-	-
Total liabilities		120,895	104,850	1,997	3,048
Net assets		133,472	154,687	140,288	158,234
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		(1,164)	3,039	-	-
Other reserves		1,774	1,750	-	-
Defined retirement benefits		(7,027)	(6,105)	-	-
Retained profits		36,600	52,714	36,762	54,708
Total Equity		133,472	154,687	140,288	158,234

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D. Consolidated Statement of Changes in Equity
for the full year ended 31 March 2023
(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 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
Balance as at 1 April 2021	46,800	56,489	4,289	1,589	(6,207)	16,104	119,064
Profit for the year	-	-	-	-	-	48,450	48,450
Other comprehensive (loss) / income	-	-	(1,250)	21	102	-	(1,127)
Total comprehensive (loss) / income	-	-	(1,250)	21	102	48,450	47,323
Transfer from retained profits to other reserves	-	-	-	140	-	(140)	-
FY2021 final dividends paid	-	-	-	-	-	(11,700)	(11,700)
Balance as at 31 March 2022	46,800	56,489	3,039	1,750	(6,105)	52,714	154,687

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D. Consolidated Statement of Changes in Equity (Continued)
for the full year ended 31 March 2023
(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 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
Balance as at 1 April 2021	46,800	56,726	12,430	115,956
Total comprehensive income for the year	-	-	53,978	53,978
FY2021 final dividends paid	-	-	(11,700)	(11,700)
Balance as at 31 March 2022	46,800	56,726	54,708	158,234

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

	Note	<u>Group</u>	
		FY2023 HK\$'000	FY2022 HK\$'000
Cash flows from operating activities			
Profit after tax		50,540	48,450
Adjustments for:			
Income tax expense	5(b)	3,346	565
Depreciation of property, plant and equipment	10	683	828
Depreciation of right-of-use assets	11(b)	4,430	4,959
Amortisation of intangible assets	12	647	2,214
Interest income	6	(218)	(24)
Interest expense on lease liabilities	11(d)	208	370
Retirement benefit expense		1,839	2,008
Operating cash flows before changes in working capital		61,475	59,370
Changes in working capital			
Trade and other receivables		(19,999)	1,983
Contract assets		(10,760)	(6,668)
Refundable deposits		251	(1,070)
Inventories		(3,654)	-
Trade and other payables		(3,276)	1,842
Provision for defined retirement benefits		(1,319)	(1,470)
Contract liabilities		19,099	4,455
Cash generated from operations		41,817	58,442
Income tax paid		(6,125)	(395)
Net cash provided by operating activities		35,692	58,047

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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	FY2023 HK\$'000	FY2022 HK\$'000
Cash flows from investing activities			
Purchases of property, plant and equipment	10	(1,120)	(630)
Disposal of property, plant and equipment		-	22
Interest received	6	218	24
Net cash used in investing activities		<u>(902)</u>	<u>(584)</u>
Cash flows from financing activities			
Increase in restricted cash		(46,882)	(622)
Dividends paid to equity holders of the Company		(66,600)	(11,700)
Principal payment of lease liabilities		(4,812)	(5,222)
Payment of interest on lease liabilities	11(d)	(208)	(370)
Net cash used in financing activities		<u>(118,502)</u>	<u>(17,914)</u>
Net (decrease)/increase in cash and cash equivalents		(83,712)	39,549
Cash and cash equivalents, statement of cash flows, beginning balance		198,656	156,266
Effects of currency translation on cash and cash equivalents		(11,681)	2,841
Cash and cash equivalents, Statement of Cash flows ending balance (Note A)		<u>103,263</u>	<u>198,656</u>
Note A:			
Cash and bank deposits		152,785	201,296
Less: Restricted cash		(49,522)	(2,640)
Cash and cash equivalents as disclosed in consolidated statement of cash flows		<u>103,263</u>	<u>198,656</u>

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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 2023 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 2022, 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 2022, which were in accordance with SFRS(I)s.

The adoption of the new and revised SFRS(I) and related interpretations that are mandatory for financial year beginning on or after 1 April 2022 has no significant impact on the financial statements of the Group or the Company in the current financial year.

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 3 major revenue streams under IT Services: Systems implementation and enhancement, sales of hardware and software, and maintenance and support services.

The segment information of the reportable segments are as follows:

	<u>IT Services</u>		<u>Azeus Products</u>		<u>Total</u>	
	<u>2H FY2023</u>	<u>2H FY2022</u>	<u>2H FY2023</u>	<u>2H FY2022</u>	<u>2H FY2023</u>	<u>2H FY2022</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	45,176	48,526	91,306	73,697	136,482	122,223
Segment results	15,750	24,582	38,809	32,934	54,559	57,516
Amortisation of Intangible assets	-	-	(137)	(915)	(137)	(915)
Unallocated income/(expenses)						
Other income and interest income					277	194
Administrative salaries					(6,656)	(6,726)
Technical services and supplies					(951)	(633)
Provision for impairment of VAT receivables					-	(3,885)
Other gains - net					3,400	138
Depreciation of property, plant and equipment					(476)	(372)
Depreciation of right-of-use asset					(2,156)	(2,491)
Defined retirement benefit expense					(1,839)	(2,008)
Directors' compensation					(2,185)	(3,577)
Rental expense on operating lease					(1,575)	(975)
Legal and professional fees					(2,104)	(1,469)
Insurance					(794)	(857)
Utilities					(948)	(713)
Fees on audit services					(2,029)	(1,669)
Recruitment and training					(335)	(260)
Other expenses					(2,026)	(44)
Profit before tax					34,025	31,254
Income tax expense					(3,765)	(299)
Profit for the year					30,260	30,955

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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>FY2023</u>	<u>FY2022</u>	<u>FY2023</u>	<u>FY2022</u>	<u>FY2023</u>	<u>FY2022</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	77,568	78,209	175,340	139,449	252,908	217,658
Segment results	25,187	35,505	76,366	56,662	101,553	92,167
Amortisation of Intangible assets		-	(647)	(2,214)	(647)	(2,214)
Unallocated income/(expenses)						
Other income and interest income					1,033	326
Administrative salaries					(12,493)	(11,246)
Technical services and supplies					(1,840)	(1,425)
Provision for impairment of VAT receivables					-	(3,885)
Other losses - net					(7,487)	(765)
Depreciation of property, plant and equipment					(683)	(828)
Depreciation of right-of-use asset					(4,430)	(4,959)
Defined retirement benefit expense					(1,839)	(2,008)
Directors' compensation					(3,558)	(4,961)
Rental expense on operating lease					(2,769)	(2,053)
Legal and professional fees					(3,204)	(2,501)
Insurance					(1,769)	(1,619)
Utilities					(1,603)	(1,382)
Fees on audit services					(2,064)	(1,696)
Recruitment and training					(1,610)	(595)
Other expenses					(2,704)	(1,341)
Profit before tax					53,886	49,015
Income tax expense					(3,346)	(565)
Profit for the year					50,540	48,450

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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>31 Mar 2023</u>	<u>31 Mar 2022</u>	<u>31 Mar 2023</u>	<u>31 Mar 2022</u>	<u>31 Mar 2023</u>	<u>31 Mar 2022</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>
Assets and liabilities						
Segment assets	26,079	15,091	53,889	29,717	79,968	44,808
Unallocated assets:						
Refundable deposits					3,786	4,094
Property, plant and equipment					1,299	898
Right-of-use assets					3,165	3,623
Deferred income tax assets					3,299	1,517
Cash and cash equivalents					152,785	201,296
Other receivables and deposits					3,564	1,983
Prepayments					4,933	982
Current income tax assets					1,568	336
					174,399	214,729
Total assets					254,367	259,537
Segment liabilities	2,886	1,465	91,917	76,235	94,803	77,700
Unallocated liabilities:						
Trade and other payables					7,053	11,168
Lease liabilities					3,162	4,002
Current income tax liabilities					2,801	1,338
Provision for defined retirement benefits					13,076	10,642
					26,092	27,150
Total liabilities					120,895	104,850

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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:

	2H FY2023	2H FY2022	Group FY2023	FY2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
IT Services	45,176	48,526	77,568	78,209
Azeus Products	91,306	73,697	175,340	139,449
Total	136,482	122,223	252,908	217,658

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F. Notes to the Consolidated Financial Statements (Continued)

4. Segment and revenue information (Continued)

(b) Timing of revenue recognition

	At a point in time HK\$'000	Over time HK\$'000	Total HK\$'000
2H FY2023			
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
2H FY2022			
IT Services			
Systems implementation and enhancement	-	23,874	23,874
Maintenance and support services	-	24,652	24,652
	-	48,526	48,526
Azeus Products			
Product licensing revenue	-	58,223	58,223
Product service revenue	8,916	-	8,916
Systems implementation and enhancement	-	1,639	1,639
Sales of hardware and software	2,100	-	2,100
Maintenance and support services	-	2,819	2,819
	11,016	62,681	73,697
	11,016	111,207	122,223

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F. Notes to the Consolidated Financial Statements (Continued)

4. Segment and revenue information (Continued)

(b) Timing of revenue recognition

	At a point in time HK\$'000	Over time HK\$'000	Total HK\$'000
<u>FY2023</u>			
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
<u>FY2022</u>			
IT Services			
Systems implementation and enhancement	-	30,230	30,230
Sales of hardware and software	63	-	63
Maintenance and support services	-	47,916	47,916
	63	78,146	78,209
Azeus Products			
Product licensing revenue	-	111,467	111,467
Product service revenue	18,559	-	18,559
Systems implementation and enhancement	-	3,820	3,820
Sales of hardware and software	2,100	-	2,100
Maintenance and support services	-	3,503	3,503
	20,659	118,790	139,449
	20,722	196,936	217,658

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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			
	2H FY2023	2H FY2022	FY2023	FY2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong and Asia	72,275	68,504	131,716	116,749
United Kingdom and Europe	22,655	21,022	42,021	39,365
Middle East	15,830	11,088	29,589	20,446
Australia and New Zealand	9,610	9,137	18,802	17,516
Africa	8,946	5,992	17,116	11,581
North America and South America	7,166	6,480	13,664	12,001
Total	136,482	122,223	252,908	217,658

	Non-current assets	
	31 Mar 2023	31 Mar 2022
	HK\$'000	HK\$'000
Philippines	5,510	3,662
Hong Kong	5,388	6,022
Asia (except Hong Kong and Philippines)	516	365
United Kingdom and Europe	82	61
Bermuda and British Virgin Islands	-	647
Others	53	22
Total	11,549	10,779

Non-current assets information presented above consists of property, plant and equipment, right-of-use assets, intangible 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 FY2023	2H FY2022	FY2023	FY2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Directors' remuneration	(2,185)	(3,576)	(3,558)	(4,960)
Employee compensation	(67,987)	(56,154)	(119,758)	(103,588)
Depreciation of property, plant, and equipment (Note 10)	(476)	(372)	(683)	(828)
Depreciation of right-of-use assets (Note 11(b))	(2,156)	(2,491)	(4,430)	(4,959)
Amortisation of intangible assets (Note 12)	(138)	(915)	(647)	(2,214)
Legal and professional fees	(2,104)	(1,469)	(3,204)	(2,501)
Rental expense on operating leases (Note 11(e))	(1,573)	(975)	(2,769)	(2,053)
Third-party hardware and software support cost	(3,380)	(3,721)	(6,692)	(6,804)
Project direct service cost, sub-contracting and consultancy fee	(2,289)	(522)	(4,056)	(2,836)
Third-party research and development expense	(1,010)	(1,064)	(1,838)	(1,112)
Cost of hosting services	(3,795)	(2,830)	(7,269)	(5,819)
Marketing activities expense	(6,258)	(4,380)	(12,826)	(7,775)
Utilities	(948)	(713)	(1,603)	(1,382)
Insurance	(794)	(857)	(1,769)	(1,619)
Reversal of/(provision) of service warranties	-	2,016	-	(246)
Sales consultancy fee	(4,256)	(3,561)	(8,800)	(6,221)
Sales commission	(1,211)	(1,668)	(2,184)	(2,683)
Technical supplies and services	(951)	(633)	(1,840)	(1,425)
Referral fee	(68)	(68)	(217)	(133)
Recruitment and training	(335)	(260)	(1,610)	(595)
Fee on audit services	(2,029)	(1,669)	(2,064)	(1,696)
Bank and transaction charges	(391)	(195)	(877)	(326)
Other expenses	(2,372)	(989)	(3,450)	(1,494)
Total cost of revenue, research, and development, selling and marketing and administrative expenses	(106,706)	(87,066)	(192,144)	(163,269)

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F. Notes to the Consolidated Financial Statements (Continued)

5. Profit and loss information

5(b) Income tax expense

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year.

	2H FY2023	2H FY2022	FY2023	FY2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Tax expense attributable to profit is made up of:				
- Current income tax	4,956	2,190	4,956	2,263
- Deferred income tax credit	(64)	(224)	(64)	(237)
	4,892	1,966	4,892	2,026
Under/(over)provision in prior financial years:				
- Current income tax	1,415	(1,338)	1,415	(513)
- Deferred income tax	-	-	(548)	-
- Withholding tax	(3,017)	(809)	(3,017)	(1,474)
	(1,602)	(2,147)	(2,150)	(1,987)
Withholding tax	475	480	604	526
	3,765	299	3,346	565

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F. Notes to the Consolidated Financial Statements (Continued)

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

	<u>Group</u>			
	2H FY2023	2H FY2022	FY 2023	FY 2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Other income comprises of:				
Interest income from bank deposits	162	19	218	24
Sundry income	115	175	815	302
	277	194	1,033	326
Currency exchange gains/(losses), net	3,400	138	(7,487)	(765)
	3,677	332	(6,454)	(439)

7. Impairment losses of financial assets

	<u>Group</u>			
	2H FY2023	2H FY2022	FY 2023	FY 2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Impairment losses of financial assets comprises of:				
Bad debts	697	(208)	(216)	(680)
Provision for impairment of VAT receivables	-	(3,885)	-	(3,885)
	697	(4,093)	(216)	(4,565)

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F. Notes to the Consolidated Financial Statements (Continued)

8. Earnings per ordinary share

	<u>Group</u> FY2023	FY2022
Profit attributable to equity holders of the Company (HK\$'000)	50,540	48,450
Weighted average number of shares	29,999,993	29,999,993
- Basic earnings per share (HK dollars)	1.68	1.62
- Fully diluted earnings per share (HK dollars)	1.68	1.62

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 2023 and 31 March 2022.

9. Net asset value

	<u>Group</u>		<u>Company</u>	
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
	HK\$	HK\$	HK\$	HK\$
Net asset value per ordinary share based on the existing share capital as at year end	4.45	5.16	4.68	5.27

10. Property, plant and equipment

During the year ended 31 March 2023, the Group acquired assets amounting to HK\$1,120,000 (31 March 2022: HK\$630,000) with no assets disposed during the year (31 March 2022: HK\$18,000). The depreciation expense during the year amounted to HK\$683,000 (31 March 2022: HK\$828,000).

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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	
	FY2023	FY2022
	HK\$'000	HK\$'000
(a) Right of use assets – Carrying amount	3,165	3,623
(b) Depreciation charge during the year (Note 5(a))	4,430	4,959
(c) Lease Liabilities		
<i>Current</i>	3,005	3,509
<i>Non-current</i>	157	493
	3,162	4,002
(d) Interest expense on lease liabilities	208	370
(e) Lease expense not capitalised in lease liabilities		
Lease expense – short-term leases (Note 5(a))	2,769	2,053
(f) Total cash outflow for all the leases in the financial year ended 31 March 2023 was HK\$7,789,000 (2022: HK\$7,645,000).		
(g) The addition of right-of-use assets during the financial year ended 31 March 2023 amounted to HK\$3,972,000 (2022: NIL).		

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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

	<u>Group</u>	
	31 Mar 2023 HK\$'000	31 Mar 2022 HK\$'000
<i>Cost</i>		
Beginning and end of financial year	26,665	26,665
<i>Accumulated amortisation</i>		
Beginning of financial year	26,018	23,804
Amortisation charge (Note 5(a))	647	2,214
End of financial year	26,665	26,018
Net book value	-	647

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

	<u>Group</u>	
	FY2023 HK\$'000	FY2022 HK\$'000
Research and development expenses (Note 5(a))	647	2,214

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:

	<u>Group</u>	
	31 Mar 2023	31 Mar 2022
	HK\$'000	HK\$'000
Deferred income tax assets:		
- to be recovered after one year	<u>3,299</u>	<u>1,517</u>

Movement in deferred income tax account is as follows:

	<u>Group</u>	
	31 Mar 2023	31 Mar 2022
	HK\$'000	HK\$'000
Beginning of financial year	1,517	1,113
Tax credit on defined retirement benefits credited to other comprehensive income	1,199	241
Currency translation differences	(29)	(74)
Tax credited to profit or loss (Note 5(b))	612	237
End of financial year	<u>3,299</u>	<u>1,517</u>

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

	<u>Group and Company</u>	
	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 2023, share capital of the Company comprises 29,999,993 ordinary shares (31 March 2021: 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

One of the subsidiary corporations has entered into a short-term lease agreement with a company which has a common Director in FY2021, based on normal commercial terms and conditions.

As of year ended 31 March 2022, the short-term lease agreement has ended and there is no rental payment made among subsidiaries during the financial year (FY2022:HK\$ 49,000).

A cash advance of 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.

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F. Notes to the Consolidated Financial Statements (Continued)

16. Borrowings

The Group has no bank borrowings or debt securities as at 31 March 2023 and 31 March 2022.

17. Dividends

	Group and Company	
	FY2023	FY2022
	HK'000	HK\$'000
Ordinary dividends		
Tax-exempt one-tier interim dividend paid in respect of the current financial year:		
HK\$0.60 per ordinary share (2022: NIL)	18,100	-
Tax-exempt one-tier final dividend paid in respect of the previous financial year:		
HK\$1.62 per ordinary share (2022: HK\$0.39 per share)	48,500	11,700
	66,600	11,700

At the Annual General Meeting on 31 July 2023, a final dividend of HK\$1.08 per share amounting to a total of HK\$32,400,000 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 2024.

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 2023 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 FY2023	2H FY2022	+ / (-)
	HK\$'000	HK\$'000	%
IT Services			
System implementation and enhancement	19,324	23,874	(19)
Maintenance and Support Services	25,852	24,652	5
	45,176	48,526	(7)
Azeus Products	91,306	73,697	24
Total Revenue	136,482	122,223	12

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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)

	FY2023	FY2022	+ / (-)
	HK\$'000	HK\$'000	%
IT Services			
System implementation and enhancement	29,473	30,230	(2)
Sale of hardware and software	-	63	(100)
Maintenance and Support Services	48,095	47,916	n/m
	77,568	78,209	(1)
Azeus Products	175,340	139,449	26
Total Revenue	252,908	217,658	16

By Business Segment

In the second half of the year, the Group's revenue increased from HK\$122.2 million in 2H FY2022 to HK\$136.5 million or 12% in 2H FY2023. Total Group revenue increased by 16% to HK\$252.9 million in FY2023 from HK\$217.7 million in FY2022.

IT Services accounted for 33% of the Group Revenue in 2H FY2023 (2H FY2022: 40%), and 31% in FY2023 (FY2022: 36%) of total Group revenue. Revenue from IT Services has decreased by 7%, from HK\$48.5 million in 2H FY2022 to HK\$45.2 million in 2H FY2023. The full year revenue from IT Services decreased slightly by HK\$0.6 million, or 1%, to HK\$77.6 million in FY2023, up from HK\$78.2 million in FY2022.

Systems implementation and enhancement accounted for 14% of the total revenue for 2H FY2023 (2H FY2022: 20%) and 12% of the total revenue in FY2023 (FY2022: 14%). Revenue from this segment has decreased by HK\$4.6 million, or 19%, from HK\$23.9 million in 2H FY2022 to HK\$19.3 million in 2H FY2023, and on a full year basis, decreased by HK\$0.7 million, or 2% from HK\$30.2 million in FY2022 to HK\$29.5 million in FY2023. This is mainly due to less projects and enhancements secured in FY2023.

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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 19% (2H FY2022: 20%) of total revenue in 2H FY2023, and 19% (FY2022: 22%) of total revenue in FY2023. Revenue from this segment has remained stable in both FY2022 and FY2023.

Azeus Products accounted for 67% (2H FY2022: 60%) of total Group revenue in 2H FY2023 and accounted for 69% (FY2022:64%) of total Group revenue in FY2023. Revenue from Azeus Products increased by HK\$17.6 million or 24% from HK\$73.7 mil in 2H FY2022 to HK\$91.3 million in 2H FY2023, and on a full year basis, increased by HK\$35.9 million, or 26%, from HK\$139.4 million in FY2022 to HK\$175.3 million in FY2023, mainly attributable to the revenue contribution from the Group's proprietary products including our new product Convene Records and its related implementation services revenue under CERKS contract.

By Geographical

Hong Kong and Asia

The revenue from Hong Kong and Asia has increased from HK\$68.5 million in 2H FY2022, to HK\$ 72.3 million in 2H FY2023, by HK\$3.8 million or 6%. And on a overall, increased by HK\$15.0 million or 13%, from HK\$116.7 million in FY2022 to HK\$131.7 million. The increase is mainly contributed by the recognition of revenue from the CERKS project, which contributed HK\$ 7.1 million revenue in 1H FY2023, and another HK\$10.5 million in 2H FY2023.

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\$10.3 million, or 36% from HK\$28.8 million in 2H FY2022 to HK\$39.1 million in 2H FY2023, and on a full year basis, rose by HK\$10.8 million, or 18%, to HK\$70.9 million in FY2023 from HK\$60.1 million in FY2022. Overall, the Group's gross profit margin decreased by 5.0 percentage points in 2H FY2023 (2H FY2023: 71.4%; 2H FY2022: 76.4%), and 0.4 percentage point on a full year basis to 72% in FY2023 as compared to 72.4% in FY2022.

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 IFRS 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\$17.7 million in 2H FY2023 (2H FY2022: HK\$13.8 million), showing an increase of 28% compared to 2H FY2022, and a rise of HK\$3.7 million from HK\$27.6 million in FY2022, or 13% as compared to FY2023 of HK\$31.3 million. The increase was mainly due to higher research and development engineering team cost, as more manpower was assigned to research and development in FY2023 for developing new products.

d. Selling and marketing expenses

When compared to FY2022, both full year and 2H of FY2023 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.

e. Administrative expenses

Administrative operating expenses include legal and professional fees, Directors' fees, audit fee, rent and rates and other operating expenses. The total expenses were HK\$24.0 million in 2H FY2023 (2H FY2022: HK\$22.2 million), and on a full year basis, expenses came in at HK\$40.1 million (FY2022: HK\$35.6 million). Overall, administrative expense was higher by HK\$4.5 million, or 13% due to increase in Human Resource, Finance, and Management team personnel cost, legal and professional fee, and other operating expenses due to setting up of new offices in new markets.

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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 FY2023 HK\$'000	2H FY2022 HK\$'000	+ / (-) %	FY2023 HK\$'000	FY2022 HK\$'000	+ / (-) %
Other income comprises of:						
Interest income from bank deposits	162	19	753	218	24	808
Sundry income	115	175	(34)	815	302	170
	277	194	43	1,033	326	217
Currency exchange gains/(losses), net	3,400	138	2,364	(7,487)	(765)	879
	3,677	332	1,008	(6,454)	(439)	1,370

The sundry income represented the subsidies and grants introduced by various governments to support businesses. There was an increase by HK\$0.5mil in sundry income as compared to FY2022 due to the approval of the one-off subsidy from the Employment Support Scheme which was paid during the year.

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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 FY2023	2H FY2022	+ / (-)	FY 2023	FY 2022	+ / (-)
	HK\$'000	HK\$'000	%	HK\$'000	HK\$'000	%
Impairment losses of financial assets comprises of:						
Recovery of/ (Provision for) bad debts	697	(208)	435	(216)	(680)	(68)
Provision for impairment of VAT receivables	-	(3,885)	(100)	-	(3,885)	(100)
	697	(4,093)	117	(216)	(4,565)	(95)

In the last financial year FY2022, the Company made a provision for impairment of VAT receivable of HK\$3.9 million. No provision is required for this financial year ended 31 March 2023.

h. Finance cost – lease interest

Finance lease interest arises from the lease of office space. The finance lease interest has decreased by 50% in FY2023 as compared to FY2022, from HK\$0.4 million in FY2022 to HK\$0.2 million in FY2023. In the second half of both FY2023 and FY2022, the finance lease interest has remained similar, at HK\$0.1 million. This is mainly due to an overall lower principal lease liability as compared to FY2022, from the repayment made during the financial year under review.

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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)

i. Net profit after taxation

As a result of the above explained, the Group reported a net profit of HK\$30.3 million in 2H FY2023 and net profit for the financial year of HK\$50.5 million in FY2023, as compared to HK\$31.0 million in 2H FY2022 and net profit for the financial year of HK\$48.5 million in FY2022.

3.2 Review of Statement of Financial Position

a. Trade and other receivables

Trade and other receivables increased by HK\$24.5 million, or 68%, from HK\$36.1 million as at 31 March 2022 to HK\$60.6 million as at 31 March 2023. The increase was mainly contributed by the increase in account receivables by HK\$17.2 mil, from HK\$26.6 mil in FY2022, to HK\$43.8 million in FY2023, 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\$0.2 million in FY2023 (FY 2022: HK\$0.7 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\$13.2 million, or 120%, from HK\$11.0 million as at 31 March 2022 to HK\$24.2 million as more contracts were secured in FY2023 and have not reached the milestone payment yet.

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

3.2 Review of Statement of Financial Position (Continued)

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 decreased by 11% as at 31 March 2023, from HK\$3.6 million as at 31 March 2022 to HK\$3.2 million as at 31 March 2023. This is a netted off impact from the depreciation charged during the year amounting to HK\$4.4 million with the new addition of HK\$4.0 million.

d. Refundable deposits – non-current

The refundable deposits have decreased by HK\$0.3 million, or 7%, from HK\$4.1 million as at 31 March 2022, to HK\$3.8 million as at 31 March 2023. Some deposits were released by customers due to the completion of contracts in FY2023.

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 2023, the current lease liabilities have decreased by HK\$0.5 million, or by 14% as compared to 31 March 2022, from HK\$3.5 million to HK\$3.0 million.

Non-current lease liabilities have decreased by HK\$0.3 million, or by 60%, from HK\$0.5 million on 31 March 2022, to HK\$0.2 million on 31 March 2023.

The overall decrease was due to the repayment of the principal lease liabilities, amounting to HK\$4.8 million, and another HK\$0.2 million was made for the payment of interest on lease liabilities, netted off with the addition during the year of HK\$4.0 million and interest expense of HK\$0.2 million.

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

3.2 Review of Statement of Financial Position (Continued)

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\$19.1 million, or 28%. The amount has increased to HK\$88.1 million as at 31 March 2023 as compared to HK\$69.0 million as at 31 March 2022, increased in-line with our Azeus Product revenue during the year.

g. Current income tax liabilities

Current income tax liabilities has increased by HK\$1.5 million from HK\$1.3 million as at 31 March 2022 to HK\$2.8 million as at 31 March 2023.

h. Share capital and reserves

The Group's shareholders' equity decreased from HK\$154.7 million as of 31 March 2022 to HK\$133.5 million as at 31 March 2023. The change in shareholders' equity was due to the contribution of the FY2023 net profit of HK\$50.5 million. The shareholders' equity amount was set-off with the payment of FY2022 final dividend of HK\$48.5 million and FY2023 interim dividend of HK\$18.1 million.

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

3.3 Review of Statement of Cash Flows

The Group's net cash generated from operating activities was HK\$41.8 million in FY2023 as compared to HK\$58.4 million in FY2022. During the year, the Group paid a total of HK\$66.6 million dividend, including both FY2022 final dividend and FY2023 interim dividend.

Overall, the Group managed to maintain a healthy cash position of HK\$152.8 million as of 31 March 2023 (31 March 2022: HK\$201.3 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 FY2023 results of the Group as compared to the prospect statement disclosed in the announcement of results for the half year ended 30 September 2022 on 14 November 2022.

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 continues to invest and execute our plan to grow the product segment. Led by our flagship product – “Azeus Convene” and the rollout of new product offerings such as - “Convene Records”, we expect to see growth in our product business. Coupled with the expected rollout of the secured service segment projects, barring unforeseen circumstances, the Group is optimistic about our growth and outlook for FY2024.

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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 first interim dividend ever made by the Group. It was paid on 13 January 2023.

Name of dividend	Interim
Dividend type	Cash
Dividend amount per share (HK\$ in cents)	HK\$ 0.60 per ordinary share
Tax rate	Tax-exempt (1-tier)

A final dividend will be recommended at the Annual General Meeting on 31 July 2023 as below:

Name of dividend	Final
Dividend type	Cash
Dividend amount per share (HK\$ in cents)	HK\$ 1.08 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 2022, with total dividend amount of HK\$48.5million. It was paid on 30 October 2022.

Name of dividend	Final dividend
Dividend type	Cash
Dividend amount per share (HK\$ in cents)	HK\$ 1.62 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 FY2023	1H FY2023	FY2022
Name of dividend	Final Dividend	Interim Dividend	Final dividend
Dividend type	Cash	Cash	Cash
Dividend amount per share (HK\$ in cents)	HK\$ 1.08 per ordinary share	HK\$ 0.60 per ordinary share	HK\$ 1.62 per ordinary share
Tax rate	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 FY2023	1H FY2023	FY2022
Name of dividend	Final Dividend	Interim Dividend	Final dividend
Dividend type	Cash	Cash	Cash
Dividend amount per share (HK\$ in cents)	HK\$ 1.08 per ordinary share	HK\$ 0.60 per ordinary share	HK\$ 1.62 per ordinary share
Tax rate	Tax-exempt (1-tier)	Tax-exempt (1-tier)	Tax-exempt (1-tier)

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

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

Not applicable.

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:

	FY2023	Group	Increase/
	HK\$'000	FY2022	(Decrease)
		HK\$'000	%
Revenue reported for first half year	116,426	95,435	22
Operating profit after tax before deducting non-controlling interest reported for first half year	20,280	17,495	16
Revenue reported for second half year	136,482	122,223	12
Operating profit after tax before deducting non-controlling interest reported for second half year	30,260	30,955	(2)

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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**

Not applicable. There was no incorporation of new entities, acquisitions, and realisation of shares during the year.

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

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 2023 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Lee Wan Lik
Executive Chairman

Michael Yap
Chief Executive Officer

BY ORDER OF THE BOARD

Lee Wan Lik
Executive Chairman
30 May 2023

Michael Yap Kiam Siew
Chief Executive Officer