

**Unaudited Full Year Financial Statement And Dividend Announcement
for the year ended 31 March 2009**

**Part 1 – 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.
Group Income Statement for the financial year ended 31 March 2009
(Expressed in Hong Kong Dollars)**

	<u>The Group</u>		
	FY2009	FY2008	+ / (-)
	(Apr-Mar 09)	(Apr-Mar 08)	
	HK\$'000	HK\$'000	%
Sales	76,370	75,390	1
Cost of sales	(43,928)	(42,810)	3
	=====	=====	
Gross profit	32,442	32,580	N/M
Other gains - net	857	4,828	(82)
Selling and marketing expenses	(7,562)	(9,745)	(22)
Administrative and other operating expenses	(23,563)	(18,717)	26
Finance expense	(58)	-	N/M
Share of loss of a joint venture	(458)	(821)	(44)
	=====	=====	
Profit before tax	1,658	8,125	(80)
Income tax expense	(880)	(934)	(6)
	=====	=====	
Net profit	778	7,191	(89)
	=====	=====	
Earnings per share (basic and diluted)	0.26 cents	2.40 cents	
	=====	=====	

Azeus Systems Holdings Ltd.
Group Income Statement for the financial year ended 31 March 2009
(Expressed in Hong Kong Dollars)

Expenses included in cost of sales, selling and marketing expenses and administrative and other operating expenses are analysed as follows:			
Depreciation of property, plant and equipment	(423)	(616)	(31)
Legal and professional fee	(3,148)	(1,175)	168
Rental expense – operating lease	(3,938)	(2,959)	33
Employee benefits (including directors remuneration)	(56,079)	(53,741)	4
Hardware and software	(678)	(1,474)	(54)
Repairs and maintenance	(2,464)	(1,307)	89
Licences	(380)	(947)	(60)
Other expenses	(7,943)	(9,053)	(12)
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Total cost of sales, selling and marketing and administrative expenses	(75,053)	(71,272)	5
	<hr/>	<hr/>	

Income tax			
Current income tax	(474)	(1,551)	(69)
Deferred income tax	(375)	688	(155)
Under provision of tax in prior years	(31)	(71)	(56)
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Income tax expenses	(880)	(934)	

Note: N/M = not meaningful

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 2009

(Expressed in Hong Kong Dollars)

	<u>The Group</u>			<u>The Company</u>		
	31 March 2009	31 March 2008	+ / (-)	31 March 2009	31 March 2008	+ / (-)
	HK\$'000	HK\$'000	%	HK\$'000	HK\$'000	%
Current assets						
Cash and cash equivalents	62,568	62,499	N/M	1,393	408	241
Pledged bank deposits	-	2,037	(100)	-	-	-
Time deposits with original maturity over three months	556	10,543	(95)	-	-	-
Trade and other receivables	6,814	14,760	(54)	51,570	66,014	(22)
Inventories	5,420	-	N/M	-	-	-
Unbilled revenue on service contracts	36,746	24,611	49	-	-	-
Current income tax assets	859	1,567	(45)	-	-	-
Amount due from a joint venture	-	81	(100)	-	-	-
	<u>112,963</u>	<u>116,098</u>		<u>52,963</u>	<u>66,422</u>	
Non-current assets						
Available-for-sale financial assets	3,330	4,648	(28)	-	-	-
Investment in subsidiaries	-	-	-	50,527	45,575	11
Investment in a joint venture	281	739	(62)	281	1,560	(82)
Property, plant and equipment	687	840	(18)	-	-	-
Deferred tax assets	305	688	(56)	-	-	-
Refundable deposit	178	209	(15)	-	-	-
	<u>4,781</u>	<u>7,124</u>		<u>50,808</u>	<u>47,135</u>	
Total assets	117,744	123,222		103,771	113,557	

Azeus Systems Holdings Ltd.
Balance Sheet as at 31 March 2009
(Expressed in Hong Kong Dollars)

	<u>The Group</u>			<u>The Company</u>		
	31 March 2009	31 March 2008	+ / (-)	31 March 2009	31 March 2008	+ / (-)
	HK\$'000	HK\$'000	%	HK\$'000	HK\$'000	%
Current liabilities						
Trade and other payables	9,972	9,060	10	909	2,327	(61)
Current income tax liabilities	26	68	(62)	-	-	-
	=====	=====		=====	=====	
	9,998	9,128		909	2,327	
	=====	=====		=====	=====	
Non-current liability						
Provision for retirement benefit	814	577	(41)	-	-	-
	=====	=====		=====	=====	
	814	577		-	-	
	=====	=====		=====	=====	
Total liabilities	10,812	9,705		909	2,327	
	=====	=====		=====	=====	
Net assets	106,932	113,517		102,862	111,230	
	=====	=====		=====	=====	
REPRESENTED BY:						
Share capital	46,800	46,800	-	46,800	46,800	-
Share premium	56,489	56,489	-	56,726	56,726	-
Foreign currency translation reserve	(46)	102	(145)	-	-	-
Other reserves	1,267	1,291	(2)	-	-	-
Retained earnings	2,422	8,835	(73)	(664)	7,704	(109)
	=====	=====		=====	=====	
	106,932	113,517		102,862	111,230	
	=====	=====		=====	=====	

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 2009 and 31 March 2008.

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

	The Group	
	FY2009	FY2008
	(Apr-Mar 2009)	(Apr-Mar 2008)
Cash flows from operating activities	HK\$'000	HK\$'000
Net profit	778	7,191
Adjustments for:		
Income tax expense	880	934
Depreciation of property, plant and equipment	423	616
Loss on disposal of property, plant and equipment	-	32
Interest income	(712)	(2,584)
Share of loss of a joint venture	458	821
Dividend income from available-for-sale financial assets	(105)	(140)
Net gain on available-for-sale financial assets	(23)	-
Employee share-based compensation costs	-	352
Provision for retirement benefit	859	806
Interest expense	58	-
Exchange differences	(232)	(101)
	=====	=====
Operating cash flow before working capital change	2,384	7,927
Change in working capital		
Trade and other receivables	7,946	6,732
Unbilled revenue on service contracts	(12,135)	(3,334)
Amount due from a joint venture	81	(1,641)
Refundable deposits	31	(209)
Inventories	(5,420)	-
Trade and other payables	897	480
	=====	=====
Cash (used in) / generated from operations	(6,216)	9,955
Income tax refunded / (paid)	163	(1,803)
	=====	=====
Net cash (used in) / provided by operating activities	(6,053)	8,152

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

	The Group	
	FY2009	FY2008
	(Apr-Mar 2009)	(Apr-Mar 2008)
	HK\$'000	HK\$'000
Cash flows from investing activities		
Purchase of available-for-sale financial assets	(780)	-
Proceeds from disposal of available-for-sale financial assets	2,097	-
Purchases of property, plant and equipment	(321)	(228)
Decrease / (increase) in deposits with original maturity over three months	9,987	(10,543)
Decrease / (increase) in pledged bank deposits	2,037	(2,037)
Interest received	712	2,584
Dividend received from available-for-sale financial assets	105	140
Contributions to retirement fund	(524)	(602)
	<hr/>	<hr/>
Net cash provided by / (used in) investing activities	13,313	(10,686)
Cash flows from financing activities		
Dividends paid to shareholders	(7,191)	(10,591)
	<hr/>	<hr/>
Net cash used in financing activities	(7,191)	(10,591)
Net increase / (decrease) in cash and cash equivalents	69	(13,125)
Cash and cash equivalents at the beginning of the financial year	62,499	75,624
	<hr/>	<hr/>
Cash and cash equivalents at the end of the financial year	62,568	62,499
	<hr/>	<hr/>

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	Retained Profits	Total
Group	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance as at 1 April 2008	46,800	56,489	102	1,291	8,835	113,517
Fair value loss on available-for-sale financial assets	-	-	-	(38)	-	(38)
Disposal of available-for-sale financial assets	-	-	-	14	-	14
Currency translation difference	-	-	(148)	-	-	(148)
Net profit for the year	-	-	-	-	778	778
	=====	=====	=====	=====	=====	=====
Total recognised gains	-	-	(148)	(24)	778	606
FY 2008 dividends paid	-	-	-	-	(7,191)	(7,191)
	=====	=====	=====	=====	=====	=====
Balance as at 31 March 2009	46,800	56,489	(46)	1,267	2,422	106,932
	=====	=====	=====	=====	=====	=====
Balance as at 1 April 2007	46,800	56,489	132	482	12,235	116,138
Fair value gain on available-for-sale financial assets	-	-	-	457	-	457
Currency translation difference	-	-	(30)	-	-	(30)
Net profit for the year	-	-	-	-	7,191	7,191
	=====	=====	=====	=====	=====	=====
Total recognised gains	-	-	(30)	457	7,191	7,618
Employee share-based cost (note)	-	-	-	352	-	352
FY 2007 dividends paid	-	-	-	-	(10,591)	(10,591)
	=====	=====	=====	=====	=====	=====
Balance as at 31 March 2008	46,800	56,489	102	1,291	8,835	113,517
	=====	=====	=====	=====	=====	=====

Note: As mentioned in the IPO prospectus dated 13 October 2004, the Managing Director and controlling shareholder, Mr Lee Wan Lik will implement a share grant incentive for certain of their key employees as a reward for their past contribution to the Group and as well as incentive them going forward. Pursuant to the share grant incentive, in FY 2008, Mr Lee Wan Lik transferred 627,132 shares from his personal shareholding to the employees. No share was granted in FY 2009.

	Share Capital	Share Premium	Retained Profits	Total
Company				
Balance as at 1 April 2008	46,800	56,726	7,704	111,230
Total recognised losses - Net loss for the year	-	-	(1,177)	(1,177)
FY 2008 dividends paid	-	-	(7,191)	(7,191)
	=====	=====	=====	=====
Balance as at 31 March 2009	46,800	56,726	(664)	102,862
	=====	=====	=====	=====
Balance as at 1 April 2007	46,800	56,726	11,852	115,378
Total recognised gains - Net profit for the year	-	-	6,443	6,443
FY 2007 dividends paid	-	-	(10,591)	(10,591)
	=====	=====	=====	=====
Balance as at 31 March 2008	46,800	56,726	7,704	111,230
	=====	=====	=====	=====

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

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

On 1 April 2008, the Group adopted the new or revised FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for annual periods commencing after 1 January 2008. 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 following are the new or amended FRS and INT FRS that are relevant to the Group:

INT FRS 114 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction.

The adoption of the above amended INT FRS did not result in any substantial changes to the Group's accounting policies.

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.

Not applicable.

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 dividends

	The Group	
	FY2009	FY2008
Net profit of the Group (HK\$'000)	778	7,191
Weighted average number of shares ('000)	300,000	300,000
- Basic earnings per share (HK cents)	0.26	2.40
- Fully diluted earnings per share (HK cents)	0.26	2.40

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 2009 and 31 March 2008.

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 2009	31 March 2008	31 March 2009	31 March 2008
	HK cents	HK cents	HK cents	HK cents
Net asset value per ordinary share based on the existing share capital as at 31 March 2009 and 31 March 2008 respectively	35.64	37.84	34.29	37.08

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

	FY2009	FY2008	+ / (-)
	(Apr-Mar 09)	(Apr-Mar 08)	
Revenue by business segment	HK\$'000	HK\$'000	%
IT Services, including sales of hardware and software	41,005	41,453	(1)
Maintenance and Support Services	25,658	24,562	4
Business Process Outsourcing (BPO)	9,707	9,375	4
Total	76,370	75,390	1

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

Group revenue increased by 1% to HK\$76.4 million for FY 2009 compared with FY 2008 of HK\$75.4 million.

IT services remained the Group's major revenue contributor, accounting for 54% of total revenue for FY 2009 (FY 2008: 55%). The fees from IT services were slightly lower in FY 2009 because of lower third party hardware sales of HK\$1.1 million in FY 2009 as compared to HK\$1.6 million in FY 2008.

In FY 2008, the Group was able to secure a new IT service contract for the one-off implementation of IT system of HK\$60.7 million. However, a delayed was experienced due to different viewpoints between the customer and the Group with regard to the interpretation of the requirements. The Group has yet to obtain the requisite approval for the system design of the system from the customer. As a result of this delay, the percentage of completion for this year is lower than originally expected. This has dampened the Group's targeted revenue and profit contribution for the full year results ended 31 March 2009.

Fees from Maintenance and Support Services rose by 4% to HK\$25.7 million because of the increase in value of contracts upon yearly renewal.

Fees from BPO increased by 4% to HK\$9.7 million was due to the number of headcount that was outsourced and the chargeable rates in FY 2009 which were higher than that in FY 2008.

b. Cost of Sales and Gross Profit Margin

The Group's cost of sales increased by HK\$1.1 million or 3% to HK\$43.9 million in FY 2009 due mainly to:

- increase in direct salaries of HK\$3.5 million offset by decreases in :
- sale of third party hardware and software with relevant cost of HK\$0.8 million;
- license fee of HK\$0.6 million ; and
- other project expenses of HK\$1.0 million.

The Group's net gross margin decreased by 1 percentage point from 43% to 42%. This was mainly due to higher direct cost incurred during the year.

c. Other gains - net

Other gains comprised:	FY 2009 HK\$'000	FY 2008 HK\$'000	%
Interest income	712	2,584	(72)
Dividend income	105	140	(25)
Net foreign exchange gain	17	2,104	(99)
Financial assets, available-for-sale			
- Gain on disposal	37	-	N/M
- Transfer from equity on disposal of financial assets, available-for-sale	(14)	-	N/M
Total	857	4,828	(83)

The decrease of HK\$4.0 million in other gains for FY 2009 as compared with FY 2008 was mainly due to a drop in the net foreign exchange gain of HK\$2.1 million and interest income of HK\$1.9 million arising from lower interest rates in FY 2009.

d. Administrative and other operating expenses

Administrative and other operating expenses increased substantially by 26% or HK\$4.8 million in FY 2009 due to increase in:

- one-off legal fee of HK\$2.0 million for the handling of the dispute of a service contract;
- office rental of HK\$1.0 million;
- repair and maintenance of HK\$1.2 million and
- provision for long service payment of HK\$1.0 million off set by
- a net decrease of other expenses of HK\$0.4 million.

e. Net profit after taxation

The Group achieved a net profit of HK\$0.8 million for FY 2009. The Group's net profit margin decreased from 9.5% in FY 2008 to 1% in FY 2009.

Balance Sheets

a. Unbilled revenue on service contracts

The increase in unbilled revenue on services contracts of HK\$12.1 million was due to the cost incurred on the new contracts secured in this financial year. As these contracts are still in the implementation stage, the milestone payments for these contracts have not been reached.

b. Trade and other receivables

Balance decreased from HK\$14.8 million to HK\$6.8 million by 54%. Invoices issued in last year were all settled subsequently in this year. The decrease in trade receivables corresponds to the lower sales in March 2009.

c. Inventories

Inventories comprise hardware and software products to be used in IT service implementation projects. Balance represented those items already delivered but not yet installed.

d. Investment in a Joint Venture

Investment in a joint venture decreased due to the Group's share of loss of HK\$0.5 million in FY 2009. More marketing expenses were incurred because the product was newly developed and launched in FY 2009.

e. Share capital and reserves

The Group's shareholders' equity decreased from HK\$113.5 million at the beginning of the year to HK\$106.9 million as at 31 March 2009, mainly due to the payment of FY 2008 final dividend of HK\$7.2 million, offset by the profit generated from operations of HK\$0.8 million in FY 2009.

Cash flow Statement

For the year ended 31 March 2009, the Group's cash outflow for operations was HK\$6.1 million. The cash outflow for operations was mainly due to timing difference, as most payment milestones for projects have not been reached, sales remained unbilled and hence cash was not collected. Cash provided by investing activities of HK\$13.3 million included the proceeds from the disposal of available-for-sale financial asset of HK\$2.1 million and a decrease in bank deposits of HK\$12.0 million. Cash used in financing activities of HK\$7.2 million was primarily for the payment of FY 2008 final dividend in August 2008. Overall, the Group maintained a healthy cash position of HK\$62.6 million as at 31 March 2009 compared to HK\$62.5 million as at 31 March 2008.

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

The Group issued a profit guidance for FY 2009 on 10 March 2009, in which it stated that profits for FY 2009 were expected to be lower than FY 2008. The financial results for the financial year ended 31 March 2009 are consistent with the statements made in the profit guidance announcement.

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 financial turmoil and the resulting recession worldwide called for a cautious and serious review of our business strategy, focus and operations. The Group had taken and will continue to implement measures to control the cost structure of the Group whilst maintaining the efficiency of the business operations.

We continue to invest in our employees through training and building their skills across various technologies and domains. Our continuous investment in capability development, training would make us more competitive. We have tightened our performance management system to create a more focused workforce.

Nonetheless, with our proven technology ever ready to roll out an enlarged range of solutions, the Group will be looking for strategic partnerships with companies who are searching for proven solutions that can be incorporated into new products and services. Within the Group, we have a library of intellectual assets that have been developed over the years. We will be looking for opportunities to generate new revenue streams from these assets. The Board will continue to closely monitor the performance of the Group into the new financial year.

The Group continues to remain focused on sustaining its market share in the Hong Kong public sector and expects contracts from the Hong Kong Government to remain the main growth driver. Although the IT industry is highly competitive, the Group will continue to derive greater operational efficiency as well as leverage on our reinforced staff strength, established track record, as well as CMMI-SW Level 5 (highest) accreditation to secure higher value service contracts.

Barring any unforeseen circumstances, the Group remains cautiously optimistic of the Groups' prospects for the coming financial year.

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	0.26 HK cents per ordinary share
Par value of shares	US\$0.02
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 2008 of 2.40 HK cents. The final dividend amounting to HK\$7.2 million was paid in August 2008.

(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

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

The activities of the Group are substantially in the information technology services industry and therefore, reporting by industry segment is not applicable. As the Group sales are predominantly derived in Hong Kong, there is no geographical segment information presented.

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

	The Group		
	FY2009	FY2008	+ / (-)
	HK\$'000	HK\$'000	%
Sales reported for first half year	35,505	34,522	3
Net profit after tax for first half year	1,631	2,133	(24)
Sales reported for second half year	40,865	40,868	-
Net profit / loss after tax for second half year	(853)	5,058	(117)

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

	The Group		
	FY2009	FY2008	+ / (-)
	HK\$'000	HK\$'000	%
Ordinary	778	7,191	(89)
Preference	-	-	-
Total	778	7,191	(89)

BY ORDER OF THE BOARD

LEE WAN LIK

MANAGING DIRECTOR

28 May, 2009