



AZEUS SYSTEMS HOLDINGS LTD.

AZEUS WINS ABITRATION CASE WITH AN AWARD OF HKD40.9 MILLION

The Board of Directors of Azeus Systems Holdings Ltd and its subsidiaries (“the Group”) wishes to announce that the arbitration against a customer of a previous dispute has been completed and award has been made in the Group’s favour.

As disclosed in our previous announcements, in November 2007, the Group secured an IT service contract for a one-off implementation of an IT system worth HK\$60.7 million. However, the customer and the Group formed different views towards the interpretation of requirements within the contract. As instructed by the customer, the Group subsequently agreed to continue implementing the system with the inclusion of the disputed items while reserving its rights and remedies. The system was delivered and accepted by the customer. The original sum of HK\$60.7 million was fully settled and all the implementation cost of the system together with the disputed items were incurred and recognised.

Both parties agreed to accept the resolution of the dispute by arbitration. The arbitration process had since then commenced and the hearing was conducted between late November to early December 2012. The arbitrator has made an interim award on 21 March 2013, as a result of which, the Group will receive a compensation of HK\$40.9million for the Group’s claims of the disputed items including interest as mentioned above. The award is stated to be payable within 21 days from 21 March 2013. All the associated project costs had been recognised in the prior years and legal fee expense has also been recognised as and when incurred. Legal fee of approximately HK\$15.0 million was incurred in this financial year and was recorded as administrative expenses. The ruling of the responsibilities of the payment of the legal fee is still subject to the final award from the arbitrator.

Overall, the net impact of these matters will have a significant positive impact on the Group results ending 31 March 2013.

BY ORDER OF THE BOARD

**LEE WAN LIK
DIRECTOR
27 MARCH 2013**