



AZEUS SYSTEMS HOLDINGS LTD.

Unaudited Full Year Financial Statement And Dividend Announcement for the year ended 31 March 2005

Part 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

Introduction

Azeus Systems Holdings Ltd. (the "Company") was incorporated in Bermuda on 10 May 2004 and was listed on the SGX Mainboard on 22 October 2004. The Company and its subsidiaries are referred to as the "Group". The Company's financial year end is 31 March. The Company has undertaken a restructuring exercise in connection with its initial public offer. This restructuring exercise was completed in September 2004. For further details of this restructuring exercise, please refer to the Company's prospectus dated 13 October 2004 (the "Prospectus").

The consolidated financial statements (which include the consolidated Group's income statement, balance sheet, cash flow statement and statement of changes in equity) of the Group for the financial year ended 31 March 2004 have been prepared using the "Pooling of Interest" method, as the entities within the Group are under common control before and after the restructuring exercise. Under the pooling of interest method, the financial statements of the Group for the financial period ended 31 March 2004 have been presented as if the Group has been in existence since the beginning of the periods being reported on and the assets and liabilities have been brought into the consolidated financial statements at their existing carrying amounts.

On 17 February, 2005, the Company acquired 100% of the issued share capital of BIGontheNet Pte Ltd, a company incorporated in Singapore, for a cash consideration of S\$338,000, approximately HK\$1,608,000. The acquisition of BIGontheNet did not have a material impact on the Group's financial performance for the year ended 31 March 2005.

On 20 May 2005, the Company subscribed for an additional 49,346,834 ordinary shares of S\$0.01 each for a total consideration of S\$493,468, in the capital of its wholly-owned subsidiary, BIGontheNet Pte Ltd. The purchase consideration was paid in cash.

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 2005

(Expressed in Hong Kong Dollars)

	The Group		
	FY2005	FY 2004	+ / (-)
	(Apr-Mar 05)	(Apr-Mar 04)	
	HK\$'000	HK\$'000	%
Sales	60,542	71,091	(15%)
Cost of sales	(34,679)	(24,247)	43%
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Gross profit	25,863	46,844	(45%)
Other operating income	2,691	95	2,733%
Selling and marketing expenses	(3,642)	(8,493)	(57%)
Administrative and other operating expenses	(9,116)	(5,940)	53%
Other income	859	-	N/M
	<hr/>	<hr/>	
Profit before tax	16,655	32,506	(49%)
Income tax expense	(2,717)	(5,852)	(54%)
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Net profit	13,938	26,654	(48%)
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Basic and diluted earnings per share	5.40 cents	11.85 cents	
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Note 1 : Profit from operations is derived after crediting/(charging) the following items:-			
	The Group		
	FY2005	FY 2004	+ / (-)
	(Apr-Mar 05)	(Apr-Mar 04)	
	HK\$'000	HK\$'000	%
Depreciation	(932)	(904)	3%
Unrealised loss on other investments	(396)	(43)	821%
Amortisation of goodwill	(41)	-	N/M
Net foreign exchange gain/(loss)	2,112	(14)	N/M
Bank interest received	425	95	347%
Dividend income from other investments	154	-	N/M

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 2005
(Expressed in Hong Kong Dollars)

	<u>The Group</u>			<u>The Company</u>		
	31 March 2005	31 March 2004	+ / (-)	31 March 2005	31 March 2004	+ / (-)
	HK\$'000	HK\$'000	%	HK\$'000	HK\$'000	%
Current assets						
Cash and cash equivalents	83,578	10,788	675%	73,725	-	N/M
Pledge bank deposits	1,500	200	650%	-	-	N/M
Trade and other receivables	2,660	24,395	(89%)	26	-	N/M
Amount due from shareholders	29	-	N/M	29	-	N/M
Amount due from subsidiaries	-	-	-	13,578	-	N/M
Contract work- in- progress	24,570	7,379	233%	-	-	N/M
Inventories	3,306	-	N/M	-	-	N/M
Tax recoverable	1,563	-	N/M	-	-	N/M
Other investments	4,246	2,032	109%	-	-	N/M
	<u>121,452</u>	<u>44,794</u>		<u>87,358</u>	-	
Non-current assets						
Property, plant and equipment	1,492	1,582	(6%)	-	-	N/M
Goodwill	939	-	N/M	-	-	N/M
Subsidiaries	-	-	-	39,183	-	N/M
Deferred tax asset	96	96	-	-	-	N/M
	<u>2,527</u>	<u>1,678</u>		<u>39,183</u>	-	
Total assets	<u>123,979</u>	<u>46,472</u>		<u>126,541</u>	-	

Azeus Systems Holdings Ltd.
Balance Sheet as at 31 March 2005
(Expressed in Hong Kong Dollars)

	<u>The Group</u>			<u>The Company</u>		
	31 March 2005	31 March 2004	+ / (-)	31 March 2005	31 March 2004	+ / (-)
	HK\$'000	HK\$'000	%	HK\$'000	HK\$'000	%
Current liabilities						
Trade and other payables	2,718	3,359	(19%)	564	-	N/M
Amount due to subsidiaries	-	-	-	8,531	-	N/M
Advances from customers	3,676	3,424	(7%)	-	-	N/M
Amounts due to directors	1	1,773	(100%)	-	-	N/M
Current tax liabilities	-	2,543	N/M	-	-	N/M
	<u>6,395</u>	<u>11,099</u>		<u>9,095</u>	<u>-</u>	
Non-current liability						
Deferred tax liabilities	130	130	-	-	-	-
	<u>6,525</u>	<u>11,229</u>		<u>9,095</u>	<u>-</u>	
Total liabilities	6,525	11,229		9,095	-	
	<u>117,454</u>	<u>35,243</u>	233%	<u>117,446</u>	<u>-</u>	N/M
Net assets	117,454	35,243	233%	117,446	-	N/M
	<u>117,454</u>	<u>35,243</u>	233%	<u>117,446</u>	<u>-</u>	N/M
REPRESENTED BY:						
Share capital	46,800	142	N/M	46,800	-	N/M
Share premium	56,489	-	N/M	56,726	-	N/M
Reserves	14,165	35,101	(60%)	13,920	-	N/M
	<u>117,454</u>	<u>35,243</u>	233%	<u>117,446</u>	<u>-</u>	N/M

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 2005 and 31 March 2004.

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	
	FY2005	FY2004
	(Apr-Mar 2005)	(Apr-Mar 2004)
Cash flows from operating activities		
Profit before tax	16,655	32,506
Adjustments for :		
Gain on disposal of property, plant and equipment	-	(283)
Depreciation of property, plant and equipment	932	904
Interest income	(425)	(95)
Dividend income	(154)	-
Amortisation of goodwill	41	-
Unrealised loss on other investments	396	-
Gain on disposal of other investments	-	(58)
Exchange difference	(10)	28
	<hr/>	<hr/>
Operating cash flow before working capital change	17,435	33,002
Change in operating assets and liabilities		
Trade receivables, other receivables, prepayments and deposits	22,230	(11,218)
Amount due from shareholders	(29)	-
Contract work-in-progress	(17,191)	(3,510)
Inventories	(3,306)	-
Trade payables, other payables, and advances from customers	(784)	1,448
Amount due to directors	(1,772)	(842)
	<hr/>	<hr/>
Cash generated from operations	16,583	18,880
Income tax paid	(6,823)	(5,560)
	<hr/>	<hr/>
Net cash inflow from operating activities	9,760	13,320

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	
	FY2005	FY2004
	(Apr-Mar 2005)	(Apr-Mar 2004)
Cash flows from investing activities		
Purchase of property, plant and equipment	(785)	(916)
(Increase)/decrease in pledged bank deposits	(1,300)	2,612
Proceeds from disposal of property, plant and equipment	-	1,252
Interest received	425	95
Dividend received from other investments	154	-
Proceeds from disposal of held to maturity securities	-	957
Purchase of other investments	(2,610)	(2,032)
Acquisition of a subsidiary, net of cash acquired	(1,137)	-
	<hr/>	<hr/>
Net cash (outflow)/inflow from investing activities	(5,253)	1,968
Cash flows from financing activities		
Net proceeds from issue of shares	68,283	-
Dividends paid to shareholders	-	(32,986)
	<hr/>	<hr/>
Net cash inflow/(outflow) from financing activities	68,283	(32,986)
Net increase/(decrease) in cash and cash equivalents	72,790	(17,698)
Cash and cash equivalents at the beginning of the financial year	10,788	28,486
	<hr/>	<hr/>
Cash and cash equivalents at the end of the financial year	83,578	10,788
	<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	Exchange translation Reserve	Statutory Reserve	Retained Profits	Merger Reserve	Total
Group	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance as at 1 April 2004*	142	-	3	112	34,986	-	35,243
Issue of shares	94	-	-	-	-	-	94
Issue of shares pursuant to restructuring exercise in exchange for shares of the subsidiaries	35,006	-	-	-	-	237	35,243
Adjustment arising from restructuring exercise **	(142)	-	-	-	-	(35,101)	(35,243)
Issue of shares pursuant to the initial public offering	11,700	65,066	-	-	-	-	76,766
Transfer from retained earnings to merger reserve	-	-	-	-	(34,864)	34,864	-
Share issue expenses	-	(8,577)	-	-	-	-	(8,577)
Currency translation difference	-	-	(10)	-	-	-	(10)
Net profit for the year	-	-	-	-	13,938	-	13,938
Balance as at 31 March 2005	46,800	56,489	(7)	112	14,060	-	117,454
Balance as at 1 April 2003	142	-	3	112	41,318	-	41,575
Dividend	-	-	-	-	*** (32,986)	-	(32,986)
Net profit for the year	-	-	-	-	26,654	-	26,654
Balance as at 31 March 2004	142	-	3	112	34,986	-	35,243
Company							
Balance as at 10 May 2004 (date of incorporation)	94	-	-	-	-	-	94
Issue of shares pursuant to restructuring exercise in exchange for shares of the subsidiaries	35,006	237	-	-	-	-	35,243
Issue of shares pursuant to the initial public offering	11,700	65,066	-	-	-	-	76,766
Share issue expenses	-	(8,577)	-	-	-	-	(8,577)
Net profit for the period	-	-	-	-	13,920	-	13,920
Balance as at 31 March 2005	46,800	56,726	-	-	13,920	-	117,446

* These balances represent the share capital, exchange reserve, statutory reserve and retained profits of the subsidiaries prior to the restructuring exercise.

** The adjustments arising from the restructuring exercise represents the excess of the nominal value of shares issued by the Company over the nominal value of shares acquired in exchange for those shares, accounted for using the pooling-of-interest method.

*** Dividend of HK\$32.9 million was paid during FY 2004 to the original shareholders of a subsidiary prior to the restructuring exercise.

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

At the date of incorporation on 10 May 2004, the authorised share capital of the Company was US\$12,000 comprising 12,000 ordinary shares of US\$1.00 each, of which these shares were issued nil-paid. On 3 September 2004, the authorized share capital of the Company was increased to US\$8,000,000 comprising 8,000,000 ordinary shares of US\$1.00 each and 4,488,000 ordinary shares of US\$1.00 each were allotted and issued pursuant to the completion of the Restructuring Exercise. On 6 September 2004, the 12,000 nil-paid shares were fully paid-up.

On 14 September 2004, the Company undertook a restructuring of the share capital by way of subdividing every one ordinary share of US\$1.00 each in the authorized and issued and paid-up share capital of the Company into 50 ordinary shares of US\$0.02 each.

Please also refer to the restructuring exercise undertaken by the Group as set out in the Prospectus. On 22 October 2004, the Company successfully completed its listing and the accompanying initial public offering of its shares on the Singapore Exchange Securities Trading Limited, raising approximately S\$14.7 million, equivalent to HK\$65.1million, net of issue expenses of approximately S\$1.8 million, equivalent to HK\$8.6 million.

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

The figures have not been audited nor reviewed.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year with those adopted in the presentation of the proforma group's financial statements presented in the Prospectus.

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	
	FY2005	FY2004
Net profit of the Group (HK\$'000)	13,938	26,654
Weighted average number of shares	258,287,671	225,000,000
- Basic earnings per share (HK cents)	5.40 cents	11.85 cents
- Fully diluted earnings per share (HK cents)	5.40 cents	11.85 cents

Basic earnings per share for FY2004 is calculated by dividing the net profit for the financial year by the pre-invitation number of ordinary shares of 225,000,000. Fully diluted earnings per share is similar to the basic earnings per share as the Group did not have any potential ordinary shares outstanding as at 31 March 2005.

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

	The Group		The Company	
	31 March 2004	31 March 2004*	31 March 2004	31 March 2004
	HK cents	HK cents	HK cents	HK cents
Net asset value per ordinary share based on the existing share capital as at the end of the respective period	39.15 cents	15.86 cents	35.00 cents	Not applicable

*Net asset value per ordinary share for the Group as at 31 March 2004 was calculated based on the pre-invitation share capital of 225,000,000 shares of US\$0.02 each

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

	FY2005	FY2004	+ / (-)
	(Apr-Mar 05)	(Apr- Mar 04)	
Revenue by business segment	HK\$'000	HK\$'000	%
IT Services	46,165	58,799	(21%)
Maintenance and Support Services	9,874	6,452	53%
Business Process Outsourcing (BPO)	4,503	5,840	(23%)
Total	60,542	71,091	(15%)

The Group derives its revenue from 3 main business segments – 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 both size and scope. 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.

Group revenue decreased by 15% to HK\$60.5 million for FY2005 as compared with FY2004 which was mainly due to the decrease in revenue from IT services and BPO. This was partially offset by the increase in revenue generated from the provision of maintenance and support services.

IT services remained as our major revenue contributor, accounting for 76% of total revenue for FY2005 compared to a contribution of 83% in FY2004. As revenue is recognised on a percentage of completion basis, the fees from IT services were lower in FY2005 because the dates of commencement for the newly-secured contracts were delayed. In addition, the value of the contracts that were secured in FY2005 were lower as compared with FY2004 which included revenue recognition from a major IT services project awarded by the Intellectual Property Department of Hong Kong.

Fees from maintenance and support services rose by 53% to HK\$9.9 million. This was due to the increase in both the number of contracts (from 19 contracts in FY2004 to 24 contracts in FY2005) and size of maintenance and support service contracts. Many of

which were renewed or commenced in FY2005 following the expiry of the warranty periods for projects completed in FY2004.

Fees from BPO decreased by 23% to HK\$1.3 million due to the decrease of chargeable hourly rates and the lower headcount that was outsourced to Intellectual Property Department – from 40 persons as at end of FY2004 to 34 persons as at end of FY2005.

b. Cost of Sales and Gross Profit Margin

The Group's cost of sales rose by 43% to HK\$34.7 million in FY2005. This was mainly due to higher salaries from our active recruitment of IT professionals which is part of our strategy to further strengthen the Group's capabilities to increase our share of the IT services market in the Hong Kong Government public sector, pursue opportunities in the commercial sector and penetrate new overseas markets. As an IT consultancy services company, employee costs form the largest component of the Group's cost of sales. In the Philippines, we increased our IT professional headcount by 74% from 65 (as of March 2004) to 113 (as of March 2005). In addition, the number of employees of the Group has increased by 21% from 200 (as of March 2004) to 241 (as of March 2005).

We also purchased additional hardware and software from third party vendors as part of our IT services for our customers. This has eroded our gross margin as the profit margin for providing third party hardware and software is lower than the profit margin of our other IT services.

As a result, the Group's gross profit margin declined by 23.3 percentage points to 42.6% for FY2005, as compared with 65.9% in the corresponding year of FY2004.

c. Other operating income

Other operating income comprised:

	(Apr-Mar 05)	(Apr- Mar 04)	
	HK\$'000	HK\$'000	%
Interest income	425	95	347%
Dividend income	154	-	N/M
Net foreign exchange gain	2,112	-	N/M
Total	2,691	95	2733%

The increase of HK\$2.6 million other operating income for FY2005 as compared with corresponding period in FY2004 was mainly due to increase in interest income arising from higher bank balances from issuance of new shares by way of public offer; dividend received from investments in guaranteed funds of HK\$0.2 million and increase in net foreign exchange gain due to conversion of our IPO proceeds from SGD to HKD.

d. Administrative and Other Operating Expenses

Administrative and other operating expenses increased by 52% or HK\$3.1 million in FY2005 as compared with FY2004. This was due to increase in pre-operating expenses of HK\$0.8 million for the start-up of our new Dalian operations; increase in provision for an unrealised loss on our investment in guaranteed funds of HK\$0.4 million; increase in administrative salaries of HK\$0.7 million due to new appointment of Executive Vice President and Group Financial Controller; increase in directors fees for new directors of HK\$0.6million; and increase in audit fee and listing expenses of HK\$0.6 million.

e. Other income

Other income represented the assignment of loan of HK\$0.8 million by our Managing Director, Mr Lee Wan Lik to Azeus BVI for a consideration of HK\$1.00 on 1 September 2004.

f. Net profit after taxation

Despite the significant increase in our operating expenses as explained above, the Group still managed to achieve a net operating profit after taxation attributable to the shareholders of HK\$13.9 million for FY2005, compared to HK\$ 26.6 million for FY2004.

Balance Sheet

a. Property, plant and equipment

The total net book value mainly comprised leasehold improvements of HK\$0.4 million, computer equipment HK\$0.8 million, and furniture and fixtures HK\$0.3 million.

b. Goodwill arising on acquisition

On 17 February, 2005, the Company acquired 100% shareholdings of BIGontheNet Pte Ltd. (BIGontheNet) at an aggregate consideration of S\$338,000 equivalent of HK\$1.6 million. The purchase method of accounting has been applied to account for the acquisition of BIGontheNet in the Group's consolidated financial statements for the year. Such acquisition resulted in a goodwill of HK\$0.9 million which is amortised over a period of 3 years.

c. Trade and other receivables

The significant decrease in trade receivables was mainly due to the settlement of retention money of HK\$14.6 million in August 2004.

d. Contract work-in-progress

The increase in contract work-in-progress was because of costs incurred on two new contracts secured in this financial year. However, as these contracts are still at implementation stage, the milestone payment for these contracts have not been reached.

e. Trade and other payable

Trade and other payables decreased to HK\$6.3 million as at 31 March 2005 from HK\$6.8 million as at 31 March 2004 as a result of the decrease in provision of long service payment of HK\$0.7 million offset by the increase in advance from customers of HK\$0.3 million.

f. Share capital and reserves

Shareholders' equity of the Group strengthened from HK\$35.2 million at the beginning of

the year to HK\$117.5 million as at 31 March 2005, mainly due to the profit generated from operations in the current year and the issuance of new shares by way of public offer.

Cash flow Statement

In FY 2005, the Group's cash generated from operations was HK\$16.6 million as compared to HK\$18.9 million in FY 2004.

The Group recorded a net cash outflow of HK\$5.3 million in investing activities in FY 2005, mainly attributed to the acquisition of BIGontheNet of HK\$1.1 million and purchase of other investments of HK\$2.6 million.

The Group recorded a net cash inflow of HK\$68.3 million from financing activities in FY2005, which was mainly from the net proceeds generated by the Initial Public Offering (IPO) in October 2004.

Overall the group has a stronger cash position of HK\$83.6 million as at 31 March 2005 as compared to HK\$10.8 million as at 31 March 2004

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

We have issued a profit guidance for FY2005 on 24 December 2004 that the profits for FY2005 is expected to be lower than FY2004. The financial results for the financial year ended 31 March 2005 is 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

Going forward, the Group plans to increase our share of the IT services to the Hong Kong government public sector and to pursue opportunities in the commercial sector and penetrate new overseas markets in South East Asia region. As part of this plan, we have been strengthening our capabilities by actively increasing our manpower resources. While this had an impact on our profit margins in FY2005, we believe these additional resources have placed us in a stronger position to capitalise on new business opportunities in the

coming years.

The recent acquisition of BIGontheNet Pte Ltd is also expected to provide the Group with a local presence in Singapore, which has an attractive market for IT services, both in the public as well as commercial segments.

At present, we are bidding for a number of contracts both in Hong Kong and in Singapore that we are optimistic of securing based on our historical track record and our CMMI-SW Level 5 accreditation, which is well recognised by customers in these markets.

Recently, the Group has secured a large project with Hong Kong Police Force with a total contract value of US\$10.2 million. The project's duration is approximately two years for the implementation of two IT systems followed by a 10- year maintenance and support period. The Group expects this project to have a positive impact on our revenue and earnings for FY2006.

Besides Hong Kong and Singapore, the Group also aims to widen its geographical coverage into new markets that present exciting growth opportunities. As such, we are continuing to scout for suitable acquisitions to accelerate our entry into the Japanese IT outsourcing market, which we believe should offer tremendous potential in the long term.

The Board of Directors believes that the outlook for the IT industry in the Asia Pacific remains healthy. The Group's established business model and strategy to strengthen its capabilities in FY2005 put us in a stronger position to capitalise on the IT outsourcing opportunities in the region.

Barring any unforeseen circumstances, the Group remains cautiously optimistic of the Group's prospects for the current 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	4.60 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?

Not applicable

(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		
	FY2005 HK\$'000	FY2004 HK\$'000	+ / (-) %
Sales reported for first half year	21,795	27,899	(22%)
Net profit after tax for first half year	1,326	8,794	(85%)
Sales reported for second half year	38,747	43,192	(10%)
Net profit after tax for second half year	12,612	17,860	(29%)

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

Not applicable

17. Interested Parties Transactions

Provision of legal fees by Stamford Law Corporation

Our Independent Director, Mr Yap Wai Ming, is a practicing advocate and solicitor in Singapore and a director of Stamford Law Corporation. During FY2005, professional fees amounting in aggregate to approximately HK\$1.4million have been paid to Stamford Law Corporation in relation to the initial public offering exercise of our Company and general legal advice. The Company also engaged Stamford Law Corporation to provide corporate secretarial services beginning September 2004 for an annual fee of S\$14,400 equivalent to approximately HK\$67,500.

BY ORDER OF THE BOARD

LEE WAN LIK
MANAGING DIRECTOR
25 May, 2005