

AZEUS SYSTEMS HOLDINGS LTD.
(Company Registration No. 35312)
(Incorporated in Bermuda)
("Company")

MINUTES OF THE ANNUAL GENERAL MEETING OF THE COMPANY HELD AT HERCULES & CYGNUS ROOM, NOVOTEL SINGAPORE ON STEVENS, 28 STEVENS ROAD, SINGAPORE 257878 AND BY ELECTRONIC MEANS (VIA LIVE WEBCAST AND LIVE AUDIO STREAM) ON TUESDAY 30 JULY 2024 AT 3:00 P.M.

PRESENT

DIRECTORS

Lee Wan Lik (Executive Chairman)
Michael Yap Kiam Siew (Deputy Chairman and Chief Executive Officer)
Stephen Ho ChiMing (Lead Independent Director)
Chee Yeow Meng (Independent Director)
Chan Ching Chuen (Independent Director)

IN ATTENDANCE BY INVITATION

As per attendance record maintained by the Company.

SHAREHOLDERS

As per attendance record maintained by the Company.

WELCOME ADDRESS BY CHAIRMAN

Mr Lee Wan Lik (the "**Chairman**") the Executive Chairman of the Company, welcomed the shareholders and attendees present at the Annual General Meeting ("**AGM**") both at the physical venue and electronically through live webcast and audio stream via ConveneAGM. The Chairman introduced the Directors, Company Secretary and the Senior Management who were either present at the physical venue or attended the AGM through the live webcast to the shareholders.

QUORUM

The Chairman declared the commencement of the AGM at 3.00 p.m. after the Company Secretary confirmed that a quorum was present.

NOTICE

The Notice dated 8 July 2024 convening the Meeting, having been in the hands of the members for the requisite period was, with the concurrence of the meeting, taken as read.

The Chairman briefed the shareholders on the conduct of the meeting. He informed that all the resolutions would first be read, followed by the Question & Answer ("**Q&A**") session, and thereafter the poll voting process. He further elaborated on the conduct of the Q&A session which the Board and Management would be taking questions from 3 platforms – physical, textual, and video, the poll voting procedures followed by the tabling of the poll voting results. The shareholders were informed that the Company had received some questions from shareholders prior to the AGM and the responses to these questions were released on the SGXNet on 25 July 2024. The Company had also published its responses to the questions on the Company's website.

The Chairman informed that in his capacity as the Chairman of the Meeting, he was appointed by some shareholders as their proxy, and he would vote in accordance with their instructions. The Chairman also informed that shareholders who were present in person (who had not submitted their proxy forms) could cast their votes on the resolutions by using the voting feature available on the ConveneAGM platform, during the course of the Meeting.

The Company had appointed Boardroom Corporate & Advisory Services Pte Ltd as the polling agent and CitadelCorp Services Pte. Ltd. as the scrutineer. The Scrutineer had verified and supervised the counting of the votes of all such valid proxy forms submitted by the shareholders by the submission deadline of 3:00 a.m. on 28 July 2024 and would also verify the votes cast by the shareholders during the Meeting.

The Chairman proceeded with the agenda of the Meeting.

ORDINARY BUSINESS:

RESOLUTION 1 – TO RECEIVE AND ADOPT THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024, TOGETHER WITH THE DIRECTORS’ STATEMENT AND AUDITOR’S REPORT THEREON

The Chairman proposed the following motion:

“That the Audited Financial Statements of the Company for the financial year ended 31 March 2024, together with the Directors’ Statement and Auditors’ Report thereon be received and adopted.”

RESOLUTION 2 - TO DECLARE A FINAL DIVIDEND OF HK\$1.90 PER SHARE FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

The Chairman informed that the Directors had recommended a final dividend of HK\$1.90 per share for the financial year ended 31 March 2024. The proposed dividend if approved by the shareholders at this Meeting, would be paid on a date to be decided by the Board, with the payment date to be announced via the SGXNet in due course.

The Chairman proposed the following motion:

“That a final dividend of HK\$1.90 per ordinary share for the financial year ended 31 March 2024 be and is hereby approved”.

RESOLUTION 3 - TO APPROVE THE PAYMENT OF DIRECTORS’ FEES OF S\$78,000 FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

The Chairman proposed the following motion:

“That the Directors’ fees of S\$78,000.00 for the financial year ended 31 March 2024 be approved.”

RESOLUTION 4 - TO RE-ELECT MR MICHAEL YAP KIAM SIEW AS DIRECTOR OF THE COMPANY

The Chairman informed that Mr Michael Yap Kiam Siew was retiring as a Director at the AGM pursuant to Bye-Law 104 of the Company’s Bye-Laws. Mr Yap being eligible has consented to continue in office.

The Chairman proposed the following motion:

“That Mr Michael Yap Kiam Siew, a Director retiring in accordance with Bye-Law 104 of the Company’s Bye-laws, be re-elected as a Director of the Company.”

RESOLUTION 5 - TO RE-ELECT MR CHEE YEOW MENG AS DIRECTOR OF THE COMPANY

Resolution 5 related to the re-election of Mr Chee Yeow Meng (“**Mr Chee**”), a Director who was retiring pursuant to Bye-Law 107 of the Company’s Bye-Laws. Mr Chee is an Independent Director, Chairman of the Remuneration Committee and member of the Audit Committee. Mr Chee being eligible has consented to continue in office.

The Chairman proposed the following motion:

“That Mr Chee Yeow Meng, a Director retiring in accordance with Bye-Law 107 of the Company’s Bye-laws, be re-elected as a Director of the Company.”

RETIREMENT OF MR CHAN CHING CHUEN AS DIRECTOR OF THE COMPANY

The Chairman updated that in line with the SGX regulation on the 9-year limit for Independent Director to serve on the Board, Mr Chan Ching Chuen (“**Mr Chan**”), an Independent Director of the Company, has decided to step down and not seek for re-election at the AGM. Mr Chan had been with the Company since February 2008 and had provided the Board with valuable advice and guidance during his tenure with the Company.

With the retirement of Mr Chan as an Independent Director of the Company at the conclusion of the AGM, he would also cease to be the Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees.

On behalf of the Board, the Chairman expressed his gratitude to Mr Chan for his invaluable guidance and contributions provided to the Board and on behalf of the Board, extended his best wishes for Mr Chan's future endeavors. A token of appreciation was presented to Mr Chan.

The Chairman further informed that the Board has commenced the process of sourcing for a suitable candidate to fill the membership of the Board and Board Committees, to ensure compliance with the relevant Listing Rule and the Code. Updates on the appointment of a new Independent Director and the composition of the Board and Board Committees will be announced via the SGXNet when there is further material development.

RESOLUTION 6 - TO RE-APPOINT MESSRS PRICEWATERHOUSECOOPERS LLP AS AUDITORS AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION

The Chairman informed that the Auditors, Messrs PricewaterhouseCoopers LLP have confirmed their willingness to continue in office. The Chairman proposed the following motion:

“That PricewaterhouseCoopers LLP be re-appointed as Auditors of the Company and the Directors be authorised to fix their remuneration.”

ANY OTHER ORDINARY BUSINESS

As no notice of any other ordinary business had been received by the Secretary, the Chairman proceeded to deal with the special business of the Meeting.

SPECIAL BUSINESS:

RESOLUTION 7 – AUTHORITY TO ALLOT AND ISSUE SHARES

The Chairman proposed the following motion:

“That pursuant to Rule 806 of the Listing Manual of SGX-ST, authority be and is hereby given to the Directors of the Company to allot and issue whether by way of rights, bonus or otherwise (i) shares in the Company (“**Shares**”); (ii) convertible securities; (iii) additional convertible securities (where an adjustment to the number of convertible securities to which a holder is originally entitled to, is necessary as a result of any rights, bonus or other capitalisation issues by the Company), notwithstanding that such authority may have ceased to be in force at the time such additional convertible securities are issued, provided that the adjustment does not give the holder of the convertible securities a benefit that a shareholder of the Company (“**Shareholder**”) does not receive; and/or (iv) shares arising from the conversion of securities in (ii) and additional convertible securities in (iii) above, notwithstanding that such authority may have ceased to be in force at the time the shares are to be issued, and any such issue may be made at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit,

PROVIDED THAT:-

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- (i) the aggregate number of shares and convertible securities to be issued pursuant to this resolution shall not exceed 50% of the total number of the issued shares (excluding treasury shares and subsidiary holdings) of the Company, of which the aggregate number of shares and convertible securities issued other than on a pro rata basis to existing shareholders of the Company shall not exceed 20% of the total number of the issued shares (excluding treasury shares and subsidiary holdings) of the Company;
- (ii) subject to such manner of calculation as may be prescribed by the SGX-ST, for the purpose of this Resolution, the percentage of the issued share capital shall be based on the Company's total number of the issued shares (excluding treasury shares and subsidiary holdings) at the time this resolution is passed, after adjusting for:
- (a) new shares arising from the conversion or exercise of any convertible securities;
 - (b) new shares arising from exercise of share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and
 - (c) any subsequent bonus issue, consolidation, or subdivision of shares.

Adjustments in accordance to subparagraph (ii)(a) and (ii)(b) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution; and

- (iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Bye-Laws for the time being of the Company; and
- (iv) (Unless revoked or varied by the Company in a general meeting) such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

RESOLUTION 8 – RENEWAL OF SHARE BUY-BACK MANDATE

The Chairman informed that the Company is seeking the shareholders' approval for the proposed renewal of the share buy-back mandate, details as set out in the Circular to shareholders dated 8 July 2024.

The Chairman proposed the following motion:

"That:

- (a) for the purposes of the Bermuda Companies Act and otherwise in accordance with the rules and regulations of the SGX-ST, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company (the "**Shares**") not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:
 - (i) on-market purchases, transacted on the SGX-ST through the ready market on the SGX-ST trading system through one or more duly licensed stockbrokers appointed by the Company for the purpose ("**Market Purchases**"); and/or
 - (ii) off-market purchases pursuant to an equal access scheme in accordance with Section 76C of the Companies Act ("**Off-Market Purchases**")

and otherwise in accordance with all other laws and regulations Singapore and Bermuda and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buy-back Mandate**");

- (b) unless varied or revoked by the Company in general meeting prior to the next annual general meeting, the authority conferred on the Directors pursuant to the Share Buy-Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
- (i) the date on which the next annual general meeting of the Company is held or required by law to be held;
 - (ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buy-back Mandate are carried out to the full extent mandated; or
 - (iii) the date on which the authority conferred by the Share Buy-Back Mandate is revoked or varied by ordinary resolution of the Shareholders in general meeting.
- (c) the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.

In this Resolution:

“Average Closing Price” means:

- (i) in the case of a Market Purchase, the average of the Closing Market Prices (as defined below) of the Shares over the last five (5) Market Days on which transactions in the Shares were recorded on the SGX-ST, immediately preceding the date of the Market Purchase by the Company; or
- (ii) in the case of an Off-Market Purchase, the average of the Closing Market Prices (as defined below) of the Shares over the last five (5) Market Days on which transactions in the Shares were recorded on the SGX-ST, immediately preceding the date of the making of the offer pursuant to the Off-Market Purchase,

and deemed to be adjusted, in accordance with the listing manual of the SGX-ST (as amended or modified from time to time) for any corporate action that occurs during such five (5) Market Day period and the day of the Market Purchase or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase.

“Bermuda Companies Act” means the Companies Act 1981 of Bermuda, as amended or modified from time to time.

“Closing Market Price” means the last dealt price for a Share transacted through the SGX-ST’s trading system as shown in any publication of the SGX-ST or other sources.

“Companies Act” means the Companies Act 1967 of Singapore, as amended or modified from time to time.

“date of the making of the offer” means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

“Market Day” means a day on which the SGX-ST is open for trading in securities.

“Maximum Percentage” means that number of Shares representing not more than 10.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the passing of this Resolution, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Bermuda Companies Act, in which event the total number of Shares of the Company shall be taken to be the total number of issued Shares as altered after such capital reduction. Any Shares which are held as Treasury Shares or subsidiary holdings

will be disregarded for purposes of computing the 10.0% limit.

“**Maximum Price**” means:

- (i) in the case of a Market Purchase, 105.0% of the Average Closing Price of the Shares; and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120.0% of the Average Closing Price of the Shares,

in either case, excluding related expenses of the Market Purchase or Off-Market Purchase (as the case may be).”

QUESTION AND ANSWER SESSION

The Chairman invited shareholders to post their questions if any. A summary of the questions that shareholders raised during the Q&A session and the responses from Directors and Management is annexed hereto and marked as Appendix A.

The Chairman has also informed that Azeus have received in advance from shareholders and the published responses on screen. The responses to these questions were also released on the SGXNet on 25 July 2024.

POLLING

The Chairman invited the shareholders to cast their votes on the resolutions tabled at the Meeting.

RESULTS OF THE POLL

The poll voting results duly certified by the Scrutineer are as follow:

Resolution number and details	Total number of shares represented by votes for and against the relevant resolution	FOR		AGAINST	
		Number of shares	As a percentage of total number of votes cast for and against the resolution (%)	Number of shares	As a percentage of total number of votes cast for and against the resolution (%)
1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 March 2024, together with the Directors' Statement and the Auditor's Report thereon.	8,254,495	8,254,495	100.00	0	0.00
2. To declare a final dividend of HK\$1.90 per share for the financial year ended 31 March 2024.	8,254,495	8,254,495	100.00	0	0.00
3. To approve the payment of Directors' Fees of S\$78,000 for the financial year ended 31 March 2024.	8,254,495	8,254,495	100.00	0	0.00

4.	To re-elect Mr Michael Yap Kiam Siew as Director of the Company.	8,254,495	8,254,495	100.00	0	0.00
5.	To re-elect Mr Chee Yeow Meng as Director of the Company.	8,254,495	8,254,495	100.00	0	0.00
6.	To re-appoint Messrs PricewaterhouseCoopers LLP as Auditors and to authorize the Directors to fix their remuneration.	8,254,495	8,240,691	99.83	13,804	0.17
7.	To grant the Directors the authority to allot and issue shares.	8,254,495	8,253,795	99.99	700	0.01
8.	To approve the renewal of share buy-back mandate.	8,579,695	8,579,695	100.00	0	0.00

Based on the poll voting results, the Chairman declared that all the Resolutions tabled at the Meeting were carried.

CONCLUSION

There being no other business to transact, the Chairman declared the Meeting closed at 4.15 p.m. and thanked all present for their attendance.

Confirmed as a correct record
of the proceeding of the meeting

Lee Wan Lik
Executive Chairman

Appendix A

Question 1: Convene Records seems like a different product from the other Azeus Products. What are the transferable skill sets that you have identified or learnt from Convene Records that you can re-deploy to other convene products?

Response

Our product offerings essentially revolve around managing documents, data and records, which is also the core focus of Convene Records. In developing Convene Records, we have benefitted tremendously from our experience with Convene and were able to leverage on the technical resources and talents we have nurtured. Although the targeted clients of Convene Records are similar to that of Convene i.e. large organisations and the government/public sector, we would need to build up the sales and marketing capabilities given that it serves a different set of users from Convene.

Question 2: For Convene Records and Convene ESG, where do you anticipate the inflection point to occur, and when do you expect it to be reached?

Response

For Convene Records, we are currently in the deployment stage, and over the next couple of years, the actual usage will begin to ramp up. We have established a dedicated business development team to start working out the go-to-market activities.

Regarding Convene ESG, the product has just completed its first year of commercial application, and we are optimistic about its continued growth potential. The product is currently in the investment stage, and we are refining the product offering and at the same time building up its go-to-market capacities.

Question 3: Regarding the HK\$1 billion project with the Hong Kong government, could you clarify how much of that revenue has already been recognised, and when will the remaining portion be recognised?

Additionally, once the revenue from this project is fully recognised, should we anticipate a significant decline in revenue, given that there will be no further one-off revenue from this project after fiscal year 2027?

Response

The HK\$1 billion contract, that is, the CERKS Convene Records contract with the Hong Kong Government, comprises a one-time implementation and customisation service, as well as recurring system maintenance and support service which is for a 10-year contract period.

The implementation and deployment phase is expected to be completed by fiscal year 2027. The license fees revenue component of the project is based on the actual number of users procured by each government department and bureau.

At the current stage, all the customisation work is completed and CERKS is being deployed to the various Hong Kong government departments and bureaus. We are on track with the project work plan.

We are unable to predict the overall revenue growth for fiscal year 2028 after the Convene Records project deployment is completed. However, the contribution of Convene Records to the Company's revenue is expected to be significantly reduced.

Question 4: Have you explored the possibility of incorporating AI into your product offerings?

Response

With the evolving technological landscape, we recognise the growing importance of AI and we are adopting an 'AI-first' approach with our new product developments. We are building up our AI R&D capacities and have started to incorporate AI capabilities in our product offerings.

Question 5: Can you share more colour on how your profits are able to grow exponentially?

Response

Our core business has demonstrated consistent and robust performances over the years. We expect our established products to continue this trend. At the same time, we continue to invest in R&D and new product offerings to seek new revenue streams. Barring any unforeseen circumstances, we are cautiously optimistic about the continued growth of our business in the near future.

Question 6: Regarding Convene ESG, do you have a first-mover advantage over other companies that have already developed similar ESG reporting products? How many of your customers have started to adopt mandatory or voluntary ESG reporting, and what is their feedback on your ESG product?

Response

The ESG reporting process involves both the collection and the reporting of data. Our Convene ESG solution is designed to streamline the reporting workflow.

The ESG business landscape is continuously evolving, with varying standards and regulatory requirements emerging across different countries. We are committed to ensure our ESG product remains compliant with the latest developments in each market we serve.

Our strategy is to initially target countries where ESG reporting is mandated. Our key strength lies in our dedication in supporting our customers, ensuring that our ESG product is consistently updated and aligned with the latest regulatory requirements. It takes time to thoroughly understand the market, keep pace with regulatory changes, and ensure that our product is the best fit for the specific markets we are entering. We are currently on this journey, determining the most suitable target audiences or specialised markets where we can effectively position ourselves and achieve success.

The ESG market is fast evolving with a range of existing and emerging providers. We are among the early providers, and we are investing heavily to emerge as a leading player.

Question 7: Regarding Convene product, all development costs are expensed off annually, resulting in zero value for Convene on the balance sheet. Has the Board considered assigning a value to Convene product? Would it be more appropriate to amortise the development costs rather than expensing them immediately?

Response

To capitalise the development costs, we must adhere to specific accounting standards and meet the recognition criteria. In the past few years, for prudence, we have chosen to write off all such costs and investments.

We are currently developing several new products, and the question of how to recognise them as part of our Intellectual Property (IP) on the balance sheet is being studied and considered.

Question 8: On the ESG front, can you share your sustainability practices on ESG?

Response

Running a growing and sustainable business has been the core mandate of the Board. The Board monitors and reports on the progress of ESG. We are an IP-centric with no production operation. We have strived to improve on our carbon footprint. We operate globally and have a diversified and balanced workforce. Please refer to our Sustainability Report published on SGXNet or Azeus site for more details.

Question 9: Do you have any plans to distribute more dividends, given Azeus' strong cash position and debt-free balance sheet?

Response

While we do not have a fixed dividend policy, our past track record shows we have consistently distributed close to 100% of our profits to reward shareholders.

Question 10: For Convene ESG in your core markets, how many possible companies could adopt this product? What is the average price for the product? How many customers do you already have using ESG?

During the year, the number of employees has increased by approximately 123 people. I believe this is mostly for the deployment of the records product. How will these employees be redeployed after the installation of records?

Convene Records seems like a very sticky and important product as it touches all departments in the Hong Kong government. Is there an opportunity to increase the value of the software to the government which could lead to an increase in revenue over time?

What is the accounting policy for accounting an expense as R&D? How many employees are working on non-revenue products and all-new product development?

And lastly, what is Mr Lee Wan Lik's long-term vision for the company? What is motivating senior management in leading the company?

Response

We are unable to disclose specific details about our Convene ESG product pricing or customer numbers, as they have competitive implications. However, our target market includes companies required to report on ESG matters, as well as those doing so voluntarily.

The increase in employee headcount was not solely due to the Convene Records project, we have also been growing our sales, marketing, ESG product development, and R&D teams to support the expansion of our product offerings and geographic footprints.

Regarding our R&D accounting policy, the capitalisation of expenses would depend on the criteria specified in the relevant accounting standards. For more information on the breakdown of staff, please refer to our Sustainability Report published on SGXNet or Azeus site for more details.

Mr. Lee Wan Lik's long-term vision is for the company to become global leader in the areas we compete by continuing to build on our core strengths while also investing in new growth opportunities.

Our senior management team is motivated by the nurturing culture of the company and the sense of shared goals and mutual support within the organisation. We are pleased to have a stable and harmonious management team that works together with camaraderie, like a close-knit family.

Question 11. We have not seen much growth in the USA and Europe region. What are the reasons and future plans?

Response

We have not been as aggressive in that the US/EU market historically given that we were late in the market, and we had focused on more accessible ones. Last year, we increased our staff strength in the USA, and are now starting to see growth. The EU is a highly competitive market for the board portal business. However, we think there is potential for our ESG offering. We are investing in aligning our product to meet the EU's requirements as well as our go-to-market capacities.