

The Board of Directors of Azeus Systems Holdings Ltd. (the “**Company**”) refers to queries raised by Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) in its email dated 16 July 2012 to provide the following information in relation to the Company’s annual report for the financial year ended 31 March 2012.

SGX-ST’S QUERY

For the purpose of complying with Listing Rule 1207(10), please note that:-

- a) “Absence of evidence to the contrary” disclaimer is not allowed in the opinion;
- b) The Board and the Audit Committee must opine whether the internal controls are adequate to address all 3 areas of risks (i.e. financial, operational and compliance risks). “In its current business environment”, “business operations” without mention of all the 3 risks areas are not acceptable; and
- c) Both the Board and the AC must provide the opinion; “The Board and the AC believes” is not acceptable.

We note that the confirmation provided in your annual report is not consistent with some of the guidelines stated above. Hence, please announce a clean opinion that is in compliance with Listing Rule 1207(10).

COMPANY’S RESPONSE

The Board and the audit committee are of the opinion that the Company is in compliance with Listing Rule 1207(10): there are adequate internal controls to address financial, operational and compliance risk for the type and volume of business conducted.

SGX-ST’S QUERY

Please disclose the aggregate amount of fees paid to auditors, broken down into audit and non-audit services as required pursuant to Listing Rule 1207(6)(a). If there are no audit or non-audit fees paid, to make an appropriate statement.

COMPANY’S RESPONSE

Pursuant to Listing Rule 1207(6)(a), the Board wishes to provide the following breakdown:

	HK\$000
Audit fee	1,238
Non-audit fees paid/payable to other auditors	<u>26</u>
	<u>1,264</u>

BY ORDER OF THE BOARD

**SAM PUI CHEE PEGGY
GROUP FINANCIAL CONTROLLER
16 JULY 2012**