

Response to SGX-ST Queries on Full Year Financial Statement And Dividend Announcement for the year ended 31 March 2005

Azeus Systems Holdings Ltd. (the "Company") refers to the Singapore Exchange Securities Trading Limited's queries dated 27 May 2005. Unless otherwise defined in this announcement, capitalised terms shall bear the same meanings given to them in the Company's announcement dated 25 May 2005.

The Company's responses are as follows:

Query 1: *"We note on page 10 of the announcement that the fees from IT services were lower in FY2005 because the dates of commencement for the newly-secured contracts were delayed. Please provide more information on this and explain why the dates of commencement for the newly-secured contracts were delayed."*

Response: The Company derives a substantial portion of its sales from fees generated by services provided to various departments of the Hong Kong Government (the "Customer") on a project-by-project basis. The Company tenders and secures such projects through open tenders. The duration of the evaluation process for the bids for such projects may vary, ranging from one month to more than half a year. The decision to award tenders lies with the Customer. Contracts can only commence after the acceptance letter has been granted to the Company and agreed upon by the Customer. After securing these projects, the Company has to ensure that they are completed in a timely fashion, as well as to ensure that the solutions provided by the Company function according to the requirements and specifications of the Customer. However, there is no assurance that the Company is able to control the timing of the above process. Should the Customer materially change its decision-making process and timing in the award of any such projects, the Company's financial performance may be materially and adversely affected. As the evaluation process for the newly secured contracts took longer than expected, the commencement dates of these contracts, which account for a significant portion of the Company's sales was delayed, and hence adversely affected the Company's results.

Query 2: *"We note on page 12 of the announcement that other income represented the assignment of loan of HK\$0.8 million by the Company's Managing Director, Mr Lee Wan Lik to Azeus BVI for a consideration of HK\$1.00 on 1 September 2004. What is the reason for extending this loan and why was it not disclosed in the prospectus?"*

Response: The loan and its transfer were disclosed on page 106 of the prospectus of the Company under the section "Interested Person Transactions and Conflicts of Interests – Past Interested Person Transactions", which states that the assignment by Mr Lee Wan Lik ("Mr Lee") to Azeus BVI of an outstanding advance extended by Mr Lee to Azeus Philippines, amounting to approximately Php6.0 million, was for a consideration of HK\$1.00 on 1 September 2004. The amount of Php6.0 million translates to approximately HK\$0.8 million.

Query 3: *"We also note that in paragraph 3 of the profit guidance announcement issued by the Company on 24 December 2004, the Company was at the final stage of price negotiations for a major project in Hong Kong. Please update the status of this project."*

Response: Further to the profit guidance announcement issued on 24 December 2004, the Company had announced on 23 March 2005, that it received a letter from the Hong Kong Government in respect of its acceptance of the Company's tender for the Replacement of Criminal Intelligence Computer System and the Enhanced Police Operational Nominal Index Computer System, with a total contract value of US\$10.2 million.

BY ORDER OF THE BOARD
LEE WAN LIK
MANAGING DIRECTOR
30 May, 2005