



AZEUS SYSTEMS HOLDINGS LTD.
(Company registration no. 35312)

QUERIES TO FIRST HALF YEAR 2006 RESULTS ANNOUNCEMENT

Reference is made to the announcement made by Azeus Systems Holdings Ltd. (the “**Company**”) dated 31 October 2005 on the above. The Company is pleased to provide further information in its response to the second question raised by the Singapore Exchange Securities Trading Limited. For the sake of completeness, the portion of the announcement dated 31 October 2005 relating to the second query is reproduced in full below, with the additional information underlined:

“2. The Company has indicated that there are no significant impacts on the Group's financials arising from the effects of the implementation of the new and revised accounting standards. Please quantify the impact despite it being immaterial.”

Answer:

There are no impacts on the Group's financials arising from the effects of the implementation of the new and revised standards on net profit, net tangible assets and opening retained profits of the Group and the Company. However, we would like to point out that the results for the period ended 30 September have not yet been audited or reviewed by the Company's auditors.”

In accordance with FRS 103 and FRS 36 (revised 2004), the Group ceased amortisation of goodwill from 1 April 2005. Goodwill is thereafter tested at least annually for impairment. Until 31 March 2004, goodwill was amortised on a straight line basis over a period of 3 years with an annual amortisation charge of HK\$327,000.

By order of the Board

Lee Wan Lik
Managing Director
5 November 2005