

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

MINUTES OF THE ANNUAL GENERAL MEETING OF THE COMPANY HELD BY WAY OF ELECTRONIC MEANS (VIA LIVE WEBCAST AND LIVE AUDIO STREAM) ON WEDNESDAY, 13 AUGUST 2020 AT 10.00 A.M.

PRESENT

DIRECTORS

Lee Wan Lik (Chairman and Managing Director)
Stephen Ho ChiMing (Lead Independent Director)
Koji Miura (Independent Director)
Chan Ching Chuen (Independent Director)
Yap Kiam Siew Michael (Executive Director)
Lam Pui Wan (Executive Director)

IN ATTENDANCE BY INVITATION

As per attendance record maintained by the Company.

SHAREHOLDERS

As per attendance record maintained by the Company.

QUORUM

As there was a quorum, the Chairman, Mr Lee Wan Lik ("**Mr Lee**" or the "**Chairman**"), declared the Annual General Meeting of the Company (the "**Meeting**") opened at 10.00 a.m.

NOTICE

The Notice convening the Meeting dated 22 July 2020 was taken as read.

INTRODUCTION

The Chairman welcomed all joining the Meeting via the live webcast and live audio stream.

The Chairman informed that in view of the COVID-19 situation and the control measures imposed by the Singapore Government, the Meeting was held by way of electronic means and all Directors of the Company were attending the Meeting virtually via the live webcast. The Chairman introduced the Directors, Group Financial Controller and the Company Secretary to the shareholders.

The Chairman explained that the AGM were conducted virtually using the Company's own designed e-AGM product called AGM@Convene. The AGM@Convene platform enables a real-time two-way interaction and it provided shareholders the option of live voting and interactive video question and answer session with the Board of Directors. With this platform, shareholders could safely exercise all their rights, regardless of their physical locations. Shareholders who had pre-registered were able to follow the AGM proceedings through a live webcast comprising both video (audiovisual) and audio feeds.

OPENING ADDRESS

The Chairman informed that the Company had received questions relating to the AGM from some Shareholders prior to the Meeting and had addressed those questions via publication on the SGXNet on 11 August 2020 and also the Company's website at URL <https://www.azeus.com/category/announcement>.

He further informed that shareholders attending the Meeting may also raise their questions by either submitting their text-based questions or to post their question via the video call feature available on the AGM@Convene platform, during the Meeting.

The Company has made available to shareholders the option of (i) voting via appointing the Chairman of the Meeting as Proxy by submitting the proxy form by the submission deadline of 10.00 a.m. on 11 August 2020; or (ii) live voting by casting the votes in real time for each resolutions to be tabled at the Meeting via the AGM@Convене platform.

The Chairman informed that in his capacity as the Chairman of the Meeting, he had been appointed by numerous Shareholders as proxy and would vote in accordance with their instructions. The Chairman also informed that shareholders present (who had not submitted their proxy forms) may cast their votes on the resolutions to be tabled at the AGM using the voting feature available at the AGM@Convене platform, during the course of the meeting.

In line with the Company's Bye-Laws, all resolutions tabled at the Meeting were voted by way of poll. All resolutions tabled at the Meeting were proposed by the Chairman as a proxy, except for Resolution 4 which was proposed by a shareholder of the Company.

The Company has appointed Boardroom Corporate & Advisory Services Pte Ltd as the polling agent and DrewCorp Services Pte Ltd as the scrutineers for the verification and supervision of the counting of the votes of all such valid proxy forms submitted by the Shareholders by the submission deadline of 10.00 a.m. on 11 August 2020. The Scrutineer will also verify the votes cast by the shareholders during the Meeting. The Chairman informed that the poll voting results will be announced after all the Resolutions have been duly tabled at the Meeting.

The shareholders had during the course of the Meeting raised their questions, which the Directors and Management have responded. The summary of questions and answers is annexed hereto and marked as Appendix 1.

ORDINARY BUSINESS:

RESOLUTION 1 – TO RECEIVE AND ADOPT THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020, TOGETHER WITH THE DIRECTORS' STATEMENT AND AUDITOR'S REPORT THEREON

The Chairman proposed the following motion:

"That the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 March 2020, together with the Auditors' Report thereon be received and adopted."

RESOLUTION 2 - TO DECLARE A FIRST AND FINAL DIVIDEND OF 21.0 HK CENTS PER SHARE FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

The Chairman proposed the following motion:

"That the declaration and payment of a tax-exempt (one-tier) final dividend of 21.0 Hong Kong cents per ordinary share for the financial year ended 31 March 2020 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 2020

The Chairman proposed the following motion:

"That payment of Directors' fees of S\$78,000.00 for the financial year ended 31 March 2020 be approved."

RESOLUTION 4 - TO RE-ELECT MR LEE WAN LIK AS DIRECTOR OF THE COMPANY

A shareholder proposed the following motion:

"That Mr Lee Wan Lik, a Director retiring in accordance with Bye-Law 104 of the Company's Bye-laws, be re-elected as a Director of the Company."

It was noted that Mr Lee Wan Lik would upon re-election remain as the Chairman and Managing Director and a member of the Nominating Committee of the Company.

RESOLUTION 5 - TO RE-ELECT MR KOJI MIURA AS DIRECTOR OF THE COMPANY

The Chairman proposed the following motion:

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

It was noted that Mr Koji Miura would upon re-election remain as the Independent Director, Chairman of the Audit Committee and a member of the Remuneration Committee of the Company.

Mr Koji Miura is considered to be independent for the purpose of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

RESOLUTION 6 - TO RE-ELECT MR STEPHEN HO CHIMING AS DIRECTOR OF THE COMPANY

The Chairman proposed the following motion:

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

It was noted that Mr Stephen Ho ChiMing would upon re-election remain as the Lead Independent Director, Chairman of the Audit Committee and a member of the Remuneration Committee of the Company.

Mr Stephen Ho ChiMing is considered to be independent for the purpose of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

RESOLUTION 7 - TO RE-APPOINT MESSRS PRICEWATERHOUSECOOPERS LLP AS AUDITORS AND TO AUTHORIZE THE DIRECTORS TO FIX THEIR REMUNERATION

The Chairman proposed the following motion:

“That PricewaterhouseCoopers LLP be re-appointed as the Auditors of the Company to hold office until the conclusion of the next annual general meeting and the Directors of the Company 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 8 - TO GRANT THE DIRECTORS THE AUTHORITY TO ALLOT AND ISSUE SHARES

The Chairman proposed the following motion:

“That pursuant to Rule 806 of the Listing Manual of Singapore Exchange Securities Trading Limited (“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; (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 capitalization 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 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:-

- (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.

- (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 9 - TO ADOPT THE AMENDMENTS TO THE COMPANY'S BYE-LAWS

The Chairman explained to shareholders the rationale for the proposed amendment of the Company's Bye-Laws.

The Chairman proposed the following motion:

"That

- (i) the proposed amendments to the bye-laws of the Company in the manner and to the extent set out in the circular to shareholders dated 22 July 2020 ("Circular") be and are hereby approved; and
- (ii) That the Directors and/or any of them be and are/is hereby authorized to complete and do all such acts and things (including executing such documents as may be required, approving and making any subsequent amendment, alteration, or modification to the bye-laws of the Company to comply with the requirements of the Companies Act 1981 of Bermuda and the Companies Act (Chapter 50) of Singapore, and sign and file and/or submit any notices, forms, and documents with or to the relevant authorities) as they and/or he may consider expedient or necessary to give effect to this Special Resolution".

RESULTS OF THE POLL

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

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 2020, together with the Directors' Statement and the Auditor's Report thereon.	22,930,456	22,930,456	100	0	0
2.	To declare a first and final dividend of 21.0 HK cents per share for the financial year ended 31 March 2020.	22,930,456	22,930,456	100	0	0
3.	To approve the payment of Directors' Fees of S\$78,000 for the financial year ended 31 March 2020.	22,925,456	22,925,456	100	0	0
4.	To re-elect Mr Lee Wan Lik as Director of the Company.	22,930,456	22,930,456	100	0	0
5.	To re-elect Mr Koji Miura as Director of the Company.	22,682,219	22,682,219	100	0	0
6.	To re-elect Mr Stephen Ho ChiMing as Director of the Company.	22,828,266	22,828,266	100	0	0
7.	To re-appoint Messrs PricewaterhouseCoopers LLP as Auditors and to authorize the Directors to fix their remuneration.	22,909,509	22,909,509	100	0	0

8.	To grant the Directors the authority to allot and issue shares.	22,912,166	22,810,066	99.55	102,100	0.45
9.	To adopt the amendments to the Company's by-laws.	22,875,926	22,875,926	100	0	0

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 thanked everyone for watching the live webcast or live audio stream and fellow board members, shareholders, stakeholders for their invaluable support. The Chairman declared the Meeting of the Company closed at 11.05 a.m.

CONFIRMED AS TRUE RECORD OF PROCEEDINGS HELD



Lee Wan Lik
Chairman

Appendix A

Question 1: Could the Board provide an indication of the kind of projects or job you're actively putting forth and the status.

Response

We bid for government tenders and some of the tenders have been delayed due to the COVID-19 issue. We constantly looking for projects to build up our order book. As the tender information are commercially sensitive, we are unable to disclose additional information. However we will make the necessary announcement if the Company successfully win any contract which has material impact on the financial results.

Question 2: I would like to understand if your business was affected by the pandemic or the recent riot in Hong Kong.

Response

The COVID-19 pandemic has caused global recessions worldwide which might have adversely impact or affect our business. Having said that, at the same time the crisis has also accelerated digitalization. We have invented and launch our recent new product called e-AGM product and hopefully this could diversify the impacts on our revenue which were affected by the Covid-19

For the IT services, a few tenders have been delayed due to the political situation in Hong Kong and also the COVID-19 impact. If there is any further information and if we are certain of any material impact on the financials result if any, we will make the appropriate profit guidance. At this stage we will try our best to look for biddings and other opportunities to enhance the share value.

Question 3: The revenue of the product segment increased by 68% and financial year 2020 do you expect the same and this financial year?

Response

We are unable to provide any forecast information. We will try our best to look for opportunities and to maintain steady income.

Question 4: Why is the second half profit is lower year on year? Why contract liability is lower in second half compare to first half? Is there a slowdown in sales momentum?

Response

The sales amount and net profit for second half is lower than first half. There is no season or no trend in our business because we have two business model. We have IT services projects and Azeus product. IT services is on project basis and Azeus product consist of Azeus Convene and Azeus Care. Azeus Convene are using SAAS model which the billing is in advance. For Azeus Care and IT services projects, the billings are based on the contract requirements.

The contract liability is lower in second half compare to first half as (i) some of the major Government contracts had been completed and thus the liability reduces; and (ii) our convene product is a SAAS model so throughout the year, we start recognizing the revenue and therefore liability become lesser.

Question 5: The dividend payout is same as last year but the Group has more cash, will the Board consider to increase the dividend?

Response

We currently do not have a fixed dividend policy and the amount of dividend is decided and proposed by the Board after considering the Company's financial performance, cash flow positions, and also the future cash needs and other commitments.

It is important to maintain flexibility of the dividend payout especially under this uncertain macro-economic situation, so that we can preserve the cash for future investments. We believe it is prudent to ensure a strong cash flow position and at the same time to continue investing in our Azeus products and our business, so that we can be ready when opportunities emerge. Having said that, we are committed to enhance the shareholders' value and to maintain the balance between dividend payout and also to retain enough capital amount for future growth.

Question 6: Understand many different companies use Microsoft Teams for board meetings. What is better with Convene vs Microsoft Teams. Do we see competition coming from such large player?

Response

Our Azeus product address the special needs of formal meetings which require a lot of documentation. For example, for this AGM we are using zoom as a video conferencing system but we do have a complete set of software that runs the whole process such as voting, resolution, tracking the minutes and etc. This is the core strength of our Convene product. Our niche is on formal regulated high end meetings, whereas Microsoft Teams is more for informal use. In some ways Convene and Microsoft Teams collaborate and support each other as our software could also use Microsoft Teams to do video conferencing.

Question 7: Is eAGM subscription base? Recurring? Why is the initial sales restricted to Singapore Philippines and Hong Kong only?

Response

We launched the eAGM product in the middle of the COVID-19 situation. We gather our capabilities of development and built the software within two months and in parallel start marketing it. Currently, the business model of eAGM is one off as every year companies will have their AGM. The eAGM is also supplementary our Convene product as Convene is largely use for Board meeting and e-AGM is for shareholders meetings. Even though eAGM is one off but we do see the follow up for example, company having their EGM after the AGM.

As for the market penetration, we launched a very early version and we took the opportunity to do it in Singapore. Soon after our product became ready, we have started expanding oversea and we will continue to do so. For every country that we venture into, we have to understand the companies' constitution's requirement, and it takes some time to understanding the market. We are continuously looking for opportunity in all markets.

Question 8: Why the Company does not have a separate CEO and Chairman and whether Mr Lee Wan Lik has any succession plan?

Response

There is no particular reason why the Company does not have a separate CEO and Chairman. Historically Mr Lee Wan Lik has been the CEO and Chairman as he play a critical role in driving the entire Company. Importantly to note that the Board is structured in compliance with the SGX requirement and we have capable Independent Board members which make sure the Company comply with the SGX rules and regulations.

The Board has always look at succession planning as part of its role and constantly review and monitor the progress.

Question 9 The Question on liquidity has been raised and answered. Is there any consideration for bonus issues or placement to increase free float?

Response

The share price and trading volume are driven by the market segments. Currently, we do not have any plan for bonus issues or placement. If there is any plan, we will make the necessary announcement.

Question 10: Is the board going to appoint more new directors? Most of the directors were appointed more than nine years.

Response

We always look into the issue of appointment of new director and the value which the new Director can bring to the Board. This year, we have appointed a new Independent Director Mr Stephen Ho ChiMing. Mr Ho has vast knowledge and strong background in finance area and would certainly bring to the Board his expertise and knowledge that the Board needed.