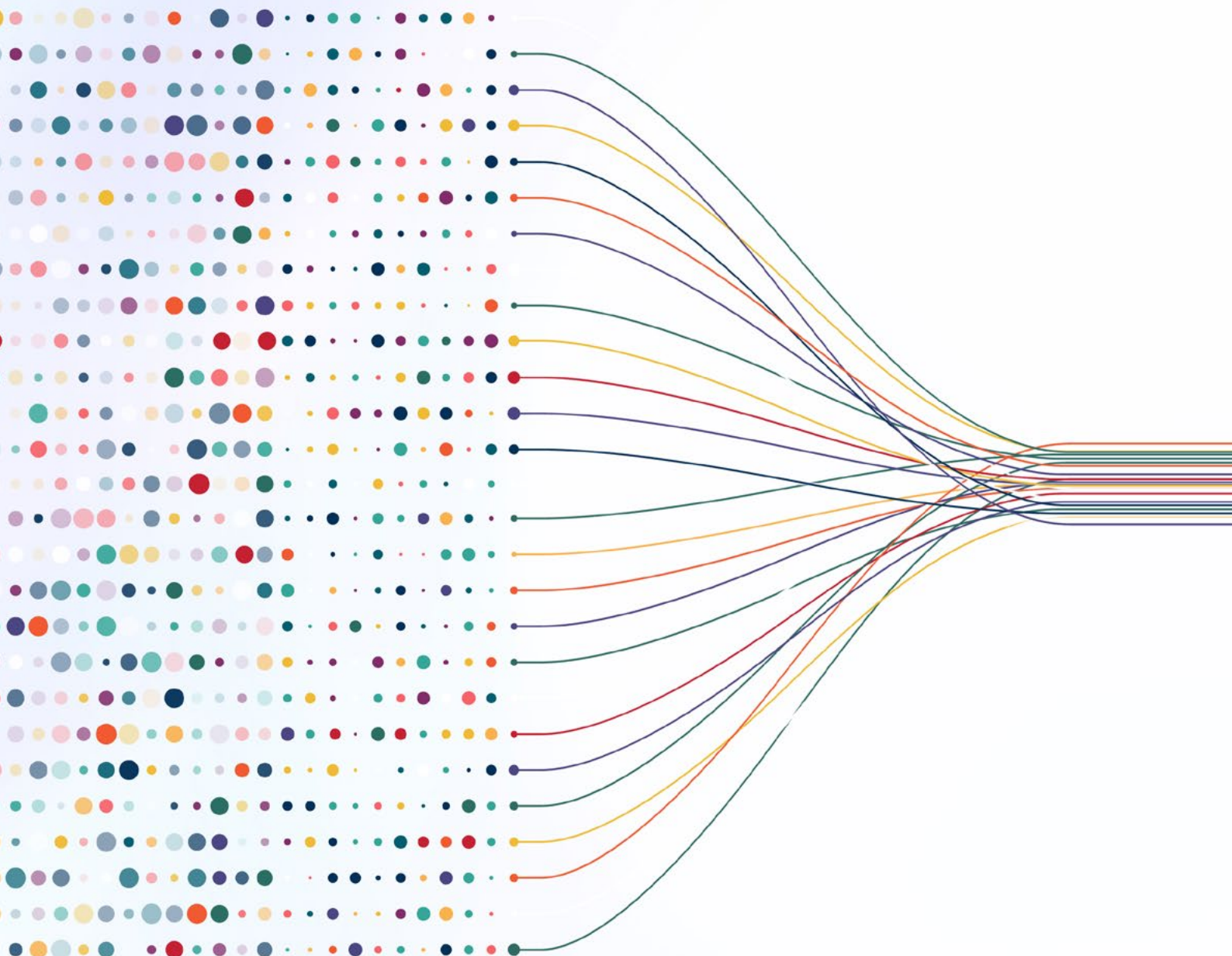


Enhancing Success
**Developing
Collaboration**

ANNUAL REPORT 2025



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Corporate Information

BOARD OF DIRECTORS

Mr Lee Wan Lik

Executive Chairman and Director

Mr Michael Yap Kiam Siew

Chief Executive Officer and Deputy Chairman

Mr Stephen Ho ChiMing

Lead Independent Director

Professor Chee Yeow Meng

Independent Director

Mr Pan Kit Kuan (KK)

Independent Director

SENIOR MANAGEMENT

Mr Albert Chiang

Vice President

Ms Eleanor Jim

Vice President

Mr Jerry Chua

Director of Azeus Philippines

Ms Peggy Sam

Group Financial Controller

Mr Rene Toling Lindio

Chief Technology Officer

Mr Stephen Ma

Vice President

AUDIT COMMITTEE

Mr Stephen Ho ChiMing (Chairman)

Professor Chee Yeow Meng

Mr Pan Kit Kuan (KK)

REMUNERATION COMMITTEE

Professor Chee Yeow Meng (Chairman)

Mr Stephen Ho ChiMing

Mr Pan Kit Kuan (KK)

NOMINATING COMMITTEE

Mr Pan Kit Kuan (KK) (Chairman)

Mr Lee Wan Lik

Mr Stephen Ho ChiMing

COMPANY SECRETARY

Mr Yap Wai Ming

REGISTERED OFFICE

Victoria Place 5th Floor

31 Victoria Street

Hamilton HM10

Bermuda

Tel: 441 295 1443

Fax: 441 295 9216

PRINCIPAL OFFICE

33/F Cambridge House,

Taikoo Place, 979 King's Road,

Quarry Bay, Hong Kong

BERMUDA SHARE REGISTRAR AND SHARE TRANSFER AGENT

Ocorian Services (Bermuda) Limited

Victoria Place 5th Floor

31 Victoria Street

Hamilton HM10

Bermuda

SINGAPORE SHARE TRANSFER AGENT

Boardroom Corporate & Advisory Services Pte Ltd

1 Harbourfront Avenue

Keppel Bay Tower

#14-07

Singapore 098632

AUDITORS

PricewaterhouseCoopers LLP

Public Accountants and Chartered Accountants

7 Straits View

Marine One, East Tower, Level 12

Singapore 018936

Magdelene Chua

Partner-in-charge since financial year ended 31 March 2024

PRINCIPAL BANKERS

Hang Seng Bank Limited

83 Des Voeux Road Central

Central, Hong Kong

Bank of China (Hong Kong) Limited

Bank of China Tower

1 Garden Road

Central, Hong Kong

PRINCIPAL LEGAL ADVISER

Harry Elias Partnership LLP

SGX Centre 2, #17-01

4 Shenton Way

Singapore 068807

Tel: (65) 6535 0550

Fax: (65) 6438 0550

INVESTOR RELATIONS CONTACT

Citigate Dewe Rogerson Singapore Pte Ltd

158 Cecil Street

#05-01

Singapore 069545

Tel: (65) 6534 5122

Fax: (65) 6534 4171

Corporate Profile

A GLOBAL PRODUCT BUSINESS WITH OVER 30 YEARS OF EXPERIENCE IN DELIVERING IT PRODUCTS AND SERVICES IN OVER 100 COUNTRIES.

Azeus is a global software and IT services company dedicated to helping organizations lead with making decisions that matter, achieving their business objectives, enhancing productivity and governance with high confidence. For over 30 years, we've built powerful digital solutions that support the work of boards, executives, and administrators across both public and private sectors—in over 100 countries.

Publicly listed on the Singapore Exchange Mainboard since 2004, Azeus combines the discipline of enterprise-grade engineering with the agility of a modern tech innovator.

We have achieved Level 5 (the highest level) appraisal under the Capability Maturity Model Integration (CMMI) — a global benchmark for software quality and maturity. We have maintained this highest rating for more than 20 years. That same commitment to excellence continues to define how we build, serve, and grow.

OUR FLAGSHIP PRODUCT: CONVENE

At the centre of our product suite is **Convene**, an award-winning governance platform built to simplify board meetings and leadership collaboration—whether you are in the boardroom or working across borders. From listed companies and regulators to universities, banks, and NGOs, Convene is trusted not just for its capabilities, but for the confidence and security it offers.

Convene is more than a board portal. It's a digital workspace where strategy becomes action, decisions are made with clarity, and leaders stay connected—anytime, anywhere.

INNOVATION THAT REFLECTS RESPONSIBILITY

We continue to invest in R&D to meet the evolving challenges of leadership in a digital age. Our AI capabilities are developed with care: designed to empower—not replace—human judgment. Whether through smart summaries, insight detection, or our AI-powered companion that supports directors through meetings, decisions, and follow-ups, we bring intelligence to governance—without compromising its integrity.

EXPANDING OUR IMPACT

Our expanding ecosystem addresses key moments of accountability and transformation:

Convene in Teams

Integrates seamlessly with Microsoft Teams to bring board-ready features to daily workflows

Convene ESG

Simplifies sustainability reporting with built-in compliance, consistency, and AI-powered insight

ConveneAGM

Enables secure, inclusive hybrid and virtual AGMs

Convene Records

A next-generation records management solution adopted at an "All-of-Government" scale

AzeusCare

A purpose-built social care case management platform supporting UK local councils in managing and delivering social care services and in meeting the Care Act 2014

Under Azeus' IT services segment, the Group designs and implements a broad range of IT software and systems, as well as develops and integrates various software programmes of IT systems to fulfill the outsourcing needs of its customers. The Group also provides after-sales services and support by offering a vast spectrum of maintenance and support services.

A GLOBAL TEAM WITH CUSTOMERS WORLDWIDE

With Asian and European head offices in Singapore, London, and Madrid, and sales offices spanning Asia, the US, Canada, Australia, Africa, the Middle East, and South America, Azeus delivers innovative IT solutions to prominent organizations and government agencies in more than 100 countries.

We are proud to support institutions that drive economies, protect communities, educate the next generation, and champion responsible leadership. Whether it's a regulatory body in Asia, a healthcare provider in Europe, or a public company in North America, we are in it for the long haul—with every client, every challenge, every decision.

THE FUTURE IS DIGITAL. GOVERNANCE SHOULD BE TOO.

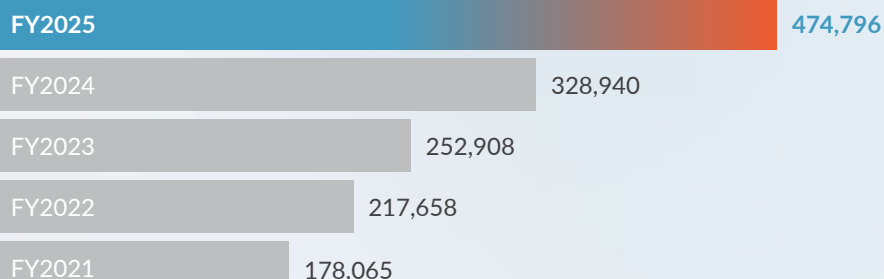
As technology reshapes the way the world leads, Azeus is building the foundation for better leadership—secure, intelligent, and future-ready.

Financial Highlights

FY: FINANCIAL YEAR ENDED 31 MARCH

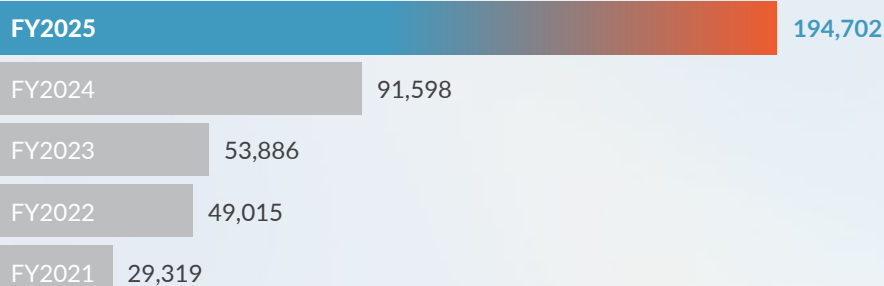
REVENUE
(HK \$'000)

474,796



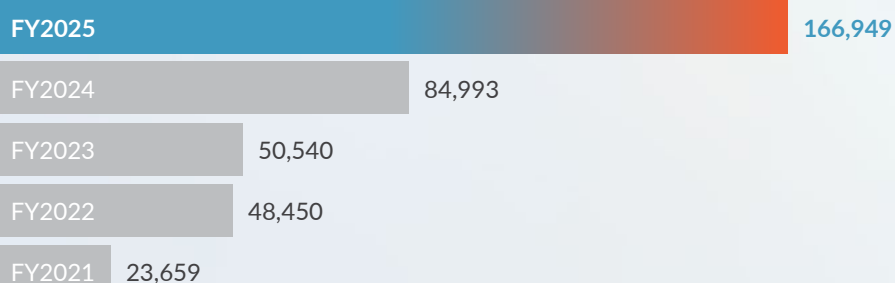
PROFIT BEFORE TAX
(HK \$'000)

194,702



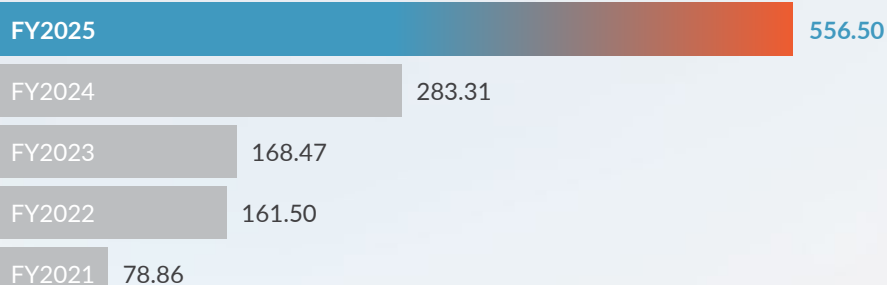
NET PROFIT
(HK \$'000)

166,949



EARNINGS PER SHARE
(HK CENTS)

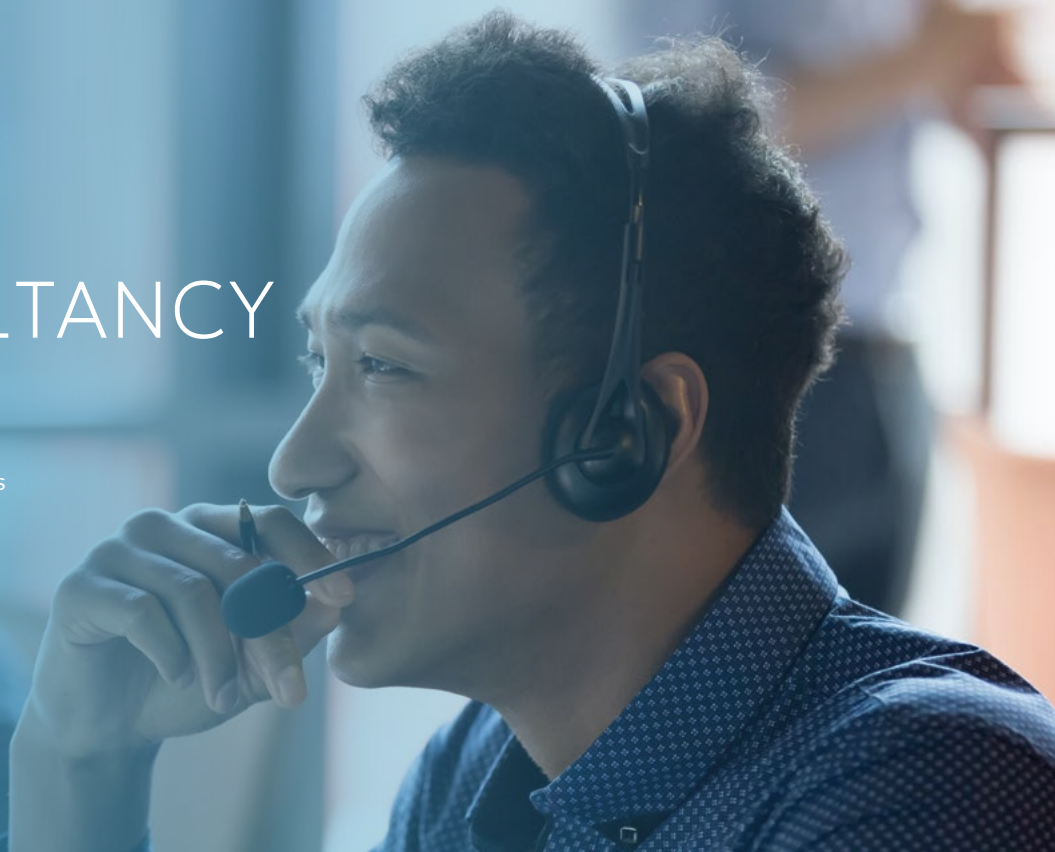
556.50



Our Services and Products

IT CONSULTANCY SERVICES

Azeus offers clients consultancy services in developing comprehensive business and technology strategies to ensure long-term business growth and success.



MAINTENANCE & SUPPORT SERVICES

Our extensive scope of maintenance and support services includes software upgrades, problems resolution and bug fixing, disaster recovery planning, disaster recovery drills, and system technical support.

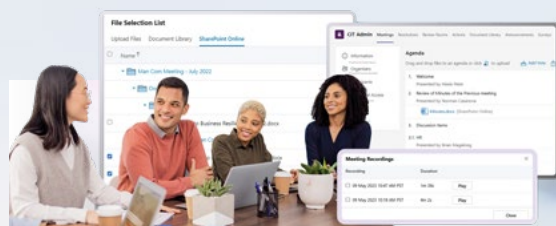
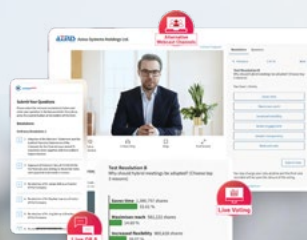


Our Services and Products

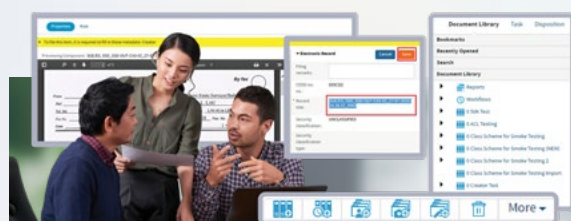
OUR BUSINESS SOLUTIONS DESIGNED TO STREAMLINE HEALTHCARE MANAGEMENT, ENHANCE BUSINESS MEETINGS, ENSURE REGULATORY COMPLIANCE, AND IMPROVE STAKEHOLDER ENGAGEMENT.



azeuscare



convene in teams



convene records

Chairman and CEO's Message



MR LEE WAN LIK
Executive Chairman and Director

DEAR SHAREHOLDERS,

On behalf of the Board of Azeus Systems Holdings Ltd. ("Azeus" or the "Group"), it is our pleasure to present our Annual Report for the financial year ended 31 March 2025 ("FY2025").

We are pleased to have delivered a sterling performance, with record revenue and net profit performance for FY2025. Azeus reported a strong 96.4% surge in net profit to HK\$166.9 million in FY2025 from HK\$85.0 million in the previous corresponding year ("FY2024"). For the year under review, Azeus achieved a 44.4% increase in revenue to HK\$474.8 million in FY2025, up from HK\$328.9 million in FY2024, driven by robust growth from our Azeus Products segment. With our focus and investments in research and development to drive innovation, as well as strategic marketing initiatives, Azeus Products will continue to see positive growth as we expand in both existing and new markets and grow our product offering.

FY2025 Financial Review

In line with the strong revenue growth in FY2025, the Group's cost of revenue rose by HK\$15.5 million, or approximately 16.2%, to HK\$110.9 million in FY2025 from HK\$95.4 million in FY2024. The Group's gross profit margin increased 6 percentage points to 77.0% in FY2025 as compared to 71.0% in FY2024.

Profit before income tax rose 112.6% to HK\$194.7 million in FY2025 as compared to HK\$91.6 million for FY2024. The growth was mainly boosted by higher margins from the Azeus Products business line. Overall, the Group reported a strong 96.4% increase in net profit to HK\$166.9 million in FY2025, as compared to a net profit of HK\$85.0 million in FY2024.

The Group's shareholders' equity increased to HK\$224.1 million as at 31 March 2025, from HK\$159.2 million as at 31 March 2024. This was mainly due to the net profit of HK\$166.9 million and growth in revenue generated in FY2025.

As at 31 March 2025, the Group saw a rise in its net cash position to HK\$270.3 million, from HK\$183.4 million as at 31 March 2024. The increase was due to the higher revenue and resulting cash collection during the year. The Group has no bank borrowings or debt securities.

We are pleased that our single largest contract in our corporate history, the HK\$1.02 billion Central Electronic Record Keeping System ("CERKS") project over a 53-month period, which entered its deployment phase in the previous fiscal year, has contributed positively to our topline, and is on track to continue its rollout through the remainder of the project period, extending to FY2027 as planned.

Review of Business Segments

For FY2025, the Azeus Products business segment maintained its position as our Group's key growth driver, providing a steady stream of recurring income.

Azeus Products accounted for a majority 82.5% of the total Group's revenue in FY2025. Revenue from Azeus Products increased by HK\$138.3 million or 54.6% to HK\$391.8 million in FY2025, up from HK\$253.5 million in FY2024, mainly attributable to continued growth from the Group's proprietary products Convene and Convene Records, as well as implementation revenue under the CERKS contract.

Chairman and CEO's Message



MR MICHAEL YAP KIAM SIEW
Chief Executive Officer and Deputy Chairman

Revenue contribution from IT Services, which include two main core business areas, system implementation and enhancement, and maintenance and support services, rose 10.0% to HK\$83.0 million in FY2025 from HK\$75.4 million in FY2024. Of note, 63.9% or HK\$53.0 million of IT Services revenue was from long-term recurring revenue contracts for maintenance and support services of existing systems. The recurring revenue from maintenance and support increased by HK\$1.0 million to HK\$53.0 million in FY2025 from HK\$52.0 million in FY2024.

Outlook

Looking ahead, we believe our strong performance has provided us with a solid foundation for future growth. We plan to broaden our geographical reach and continue investing in our Products segment, which includes the development of our new ESG reporting platform.

With the rollout of new product offerings such as "Convene Records", and supported by our flagship product, "Convene", we foresee continued growth within our Product business. The CERKS Project has successfully entered its deployment phase, progressing on schedule and receiving positive feedback. The system is currently being deployed across various government departments and bureaus. The remaining revenue from licensing and deployment services will be recognised over FY2026 and FY2027, in line with the projected project's deployment timeline. The final number of deployed users is expected to fluctuate as the deployment continues. Barring unforeseen circumstances, we remain optimistic about our business outlook in the coming year.

Proposed Dividend

To reward our loyal shareholders for their continuous support, the Board is pleased to recommend a final dividend of HK\$3.90 per ordinary share for FY2025. Including the interim dividend payout of HK\$1.60 per ordinary share, a total dividend of HK\$5.50 per ordinary share for FY2025, this represents a payout ratio of 99.0%.

Words of Appreciation

Our sincere thanks go to all Board members for their wise counsel and perceptive insights through the years. To all stakeholders, we appreciate your steadfast and unwavering support. We would also like to express our gratitude to the senior management team for their devotion and commitment to the company.

To our valued customers, business partners, and stakeholders, we look forward to your continued support. Our strong technical expertise and dedication to delivering innovative technologies and solutions position us well to move forward and seize new opportunities together.

Yours sincerely,

Lee Wan Lik
Executive Chairman

Michael Yap
Chief Executive Office and Deputy Chairman

Board of Directors



MR LEE WAN LIK
Executive Chairman and Director

Mr Lee is the Executive Chairman and Director of the Company and is actively involved with the Group's research and development to develop innovative technology solutions and adds capabilities to fuel the growth of the Group. As part of his responsibility as the Executive Chairman of the Group, Mr Lee provides leadership and direction to the Board, ensuring the Board's effectiveness in all aspects of its role, including the good governance of the Company, and the effectiveness of its committee. This includes working with the Board and the Company's CEO to develop strategy for the Company's future growth and identify

opportunities for value-enhancing strategic initiatives.

Mr Lee holds a Bachelor of Science in Computer Science and Engineering and a Bachelor of Science in Mathematics from the Massachusetts Institute of Technology (MIT). He also has a Master of Science in Computer Science from the University of Texas. Mr Lee is a fellow member of the Hong Kong Institution of Engineers and past Chairman of its IT division. He is also a Fellow of the British Computer Society and the Institution of Engineering and Technology.

Mr Michael Yap Kiam Siew was appointed as an Independent Director of Azeus in September 2004. He was designated as Executive Director and Deputy Chairman of the Board in April 2020. He took on the role of CEO in March 2022.

Michael held senior leadership roles in several Singapore government agencies, including serving as Deputy CEO of the Media Development Authority (MDA). He was also the CEO of the National Computer Board (NCB), the national body overseeing Singapore's IT policies and implementations.

Michael was the founder and CEO of various software companies and venture investment firms. He was also Singapore's Managing Director of a world leading enterprise software company. Michael has been on the board of directors of various public-listed and private companies, as well as public organisations such as the Singapore Institute of Technology (SIT) and the Singapore Science Center

Mr Yap holds a Bachelor of Science and a Master of Science from the University of Maryland, College Park, United States. He has also completed the Stanford Executive Program at Stanford University. Mr Yap was named BusinessWeek's 50 Stars of Asia and by the World Economic Forum as one of the Top 100 Future Global Leaders.



MR MICHAEL YAP KIAM SIEW
Chief Executive Officer and
Deputy Chairman



MR STEPHEN HO CHIMING
Lead Independent Director

Stephen Ho ChiMing served as a senior advisor to the Institutional Banking Group ("IBG") of DBS Bank Ltd ("DBS"), Taiwan, a role he held between 2018 and 2023. He has over 30 years of investment banking experience that spans M&A advisory, equity, and debt capital markets and project/leveraged finance, with a specialization in the Telecom, Media, and Technology sector between 1991 and 2011. His banking career began in 1989 at the Mergers and Acquisitions Group of Chase Manhattan Bank New York (later JP Morgan Chase).

In 2001, he joined DBS as a managing director in the Institutional Banking Group of DBS Bank in Singapore and was appointed the CEO of DBS Asia Capital, Hong Kong, from 2011 to 2013. Mr Ho holds a Bachelor of Science in Construction Engineering from Iowa State University, a Master of Science Civil Engineering from Massachusetts Institute of Technology, and a Master of Business Administration (Finance) from the Wharton School, University of Pennsylvania. Currently, he also serves as an Independent Director of Valuetronics Holdings Limited and Asian Pay Television Trust (both listed on SGX) and CeEntek Pte Ltd.

Board of Directors

Professor Chee Yeow Meng joined SUTD on 2 April 2025 as Provost and Chief Academic & Innovation Officer (CAIO).

As Provost/CAIO, Prof Chee supervises and oversees curricular, instructional, and research affairs. In his concurrent roles, he will also look into aligning education to Design AI, ensuring that the Office of Provost works seamlessly with the Office of Innovation and Enterprise.

Professor Chee brings with him 28 years of experience in both industry and academia – a rare combination amongst academics. Prior to joining SUTD, he was Vice President (Innovation and Enterprise), Professor at the Department of Industrial Systems Engineering and Management and the Director of the NUS Enterprise Academy at the National University of Singapore (NUS). He has held senior academic positions in both NUS and the Nanyang Technological University (NTU), as well as top posts in public service including Head of Security (Information Infrastructure) and Assistant Director (Internationalisation)

at the National Computer Board, Deputy Director (Strategic Programmes) at the Infocomm Development Authority, and Programme Director (Interactive Digital Media R&D) at the Media Development Authority. He has also participated in national level committees and represented Singapore in various international forums and councils.

With extensive experience in the field of innovation and enterprise, Professor Chee has founded several start-ups and remains actively involved in the ecosystem. He also has a number of co-patents and technology disclosures.

Currently, Professor Chee serves as an associate editor of the IEEE Transactions on Information Theory and an editorial board member of the Journal of Combinatorial Theory, Series A. He is also a Fellow of the Institute of Combinatorics and its Applications. His research interest lies in the interplay between combinatorics and computer science, especially coding theory, extremal set systems, and their applications.



PROFESSOR CHEE YEOW MENG

Independent Director



MR PAN KIT KUAN (KK)

Independent Director

Mr. KK Pan officially joined the Azeus Board as an Independent Director in September 2024. He holds a Bachelor's Degree in Applied Science and brings extensive management experience across the Asia Pacific, Japan, and Greater China regions. He has lived and worked in major cities including Beijing, Shanghai, Hong Kong, Seattle, and Stuttgart.

With over 34 years of experience in Information Technology, Mr. Pan has spent 15 years specializing in Cloud

and SaaS applications. He has played a key role in numerous ventures and organizational transformations, particularly in transitioning from traditional software licensing models to Cloud and SaaS platforms. A pioneer in China's enterprise solutions since the 1990s, he was instrumental in establishing operations in Beijing and Shanghai, managing across Greater China. Since 2012, he has led Oracle's enterprise applications transformation to the Cloud.

Senior Management



MR ALBERT CHIANG

Vice President

Mr Albert Chiang joined Azeus Hong Kong in September 1994 as a Junior Associate. He holds a Bachelor of Engineering in Computer Engineering from the University of Hong Kong.

Mr Chiang currently assists in the general management of the Group's operation in Hong Kong. Mr Chiang also manages various IT services projects for Azeus in Hong Kong.



MS ELEANOR JIM

Vice President

Miss Eleanor Jim joined Azeus Hong Kong in May 2005. She currently assists in the general management of the Group's overseas operation as well as management of contracts and agreements. She holds a Bachelor of Engineering in Electrical and Electronic Engineering from the University of Hong Kong and a Master of Science in Information Engineering from the Chinese University of Hong Kong. She also holds a Bachelor of Laws (LLB) from the University of London.



MR JERRY CHUA

Director of Azeus Philippines

Mr Jerry Chua joined Azeus Philippines in March 1995. He currently assists in the general management of the Group's Philippines operation. Mr Chua holds a Bachelor of Science in Computer Science from Ateneo de Manila University and a Master of Business Administration from University of the Philippines.



MS PEGGY SAM

Group Financial Controller

Ms Peggy Sam has been with our Group since 15 March 2004. She is responsible for all the financial activities of Azeus. Between 1994 and 2003, Ms Sam was with PricewaterhouseCoopers, including a two year secondment to PricewaterhouseCoopers, Toronto, Canada. Her last position, prior to joining Azeus, was as Senior Manager of the assurance and business advisory service. Ms Sam holds a Bachelor of Arts in Accountancy from the City University of Hong Kong. She is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. Ms Sam is also a member of Chartered Professional Accountant of Canada since 2009.



MR RENE TOLING LINDIO

Chief Technology Officer

Mr Rene Toling Lindio is responsible for providing strategic direction for the Group on matters related to technology, technical consultation on technical issues and technical project management for various projects. Mr Lindio joined Azeus Philippines as a Junior Associate in April 1994 and was promoted to Chief Technology Officer in 2004. He holds a Bachelor of Science in Mathematics from the University of the Philippines – Los Baños.



MR STEPHEN MA

Vice President

Mr Stephen Ma joined Azeus Hong Kong in June 1993 as a Junior Associate. He holds a Bachelor of Science in Computer Science from the University of Hong Kong. Mr Ma is responsible for the management of professional services in the Group's Hong Kong operation. He has been involved in programme management for the information technology professional services of the Office of Government Chief Information Officer of Hong Kong since 2007.

Corporate Governance Report

The Directors and the Management of the Company are committed to maintaining a high standard of corporate governance and transparency in order to protect the interests of the shareholders of the Company. Processes and procedures have been instituted and are being constantly reviewed and revised to ensure effective corporate governance.

Rule 710 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") requires an issuer to describe its corporate governance practices with specific reference to the principles of the Code of Corporate Governance 2018 (as last amended on 11 January 2023) (the "**Code**") in its annual report. An issuer is required to disclose any deviations from any provisions of the Code together with an appropriate explanation for such deviation in the annual report.

This report outlines the Company's corporate governance processes and activities during the financial year ended 31 March 2025 ("**FY2025**") with specific reference made to the principles of the Code. The Company strives to comply with the provisions set out in the Code and where it has deviated from the provisions, appropriate explanations have been provided.

BOARD MATTERS

The Board's Conduct of its Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Directors' duties and responsibilities

All Directors objectively discharge their duties and responsibilities as fiduciaries and always take decisions in the best interests of the Group. The Board puts in place a code of conduct and ethics, sets the desired organisational culture and ensures proper accountability within the Group. The Board has clear policies and procedures for dealing with conflicts of interest. Where the Director faces a conflict of interest, he or she will recuse himself or herself from discussions and decisions involving the issues of conflict.

The Board is entrusted to lead and oversee the Company. In addition to its statutory duties, the Board supervises the management of the business and the affairs of the Company and the Group. Apart from its fiduciary duties and statutory responsibilities, it also focuses on formulating the strategic direction and policies of the Company and the Group, paying particular attention to the growth of the Group and its financial performance. It has delegated the formulation of business policies and day-to-day management to the Executive Directors.

The principal functions of the Board are to:

- (a) provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the company to meet its objectives;
- (b) establish a framework of prudent and effective controls which enables risks such as financial, operational, information technology and compliance to be assessed and managed, including safeguarding of shareholders' interests and the company's assets;
- (c) review management performance;
- (d) identify the key stakeholder groups and recognise that their perceptions affect the Company's reputation;
- (e) set the Company's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met; and
- (f) consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation.

To assist the Board in fulfilling its responsibilities, Management will provide the Board with management reports containing complete, adequate and timely information prior to Board meetings and as and when the need arises. Papers containing relevant background or explanatory information required to support the decision-making process are prepared for each Board meeting and are normally circulated in advance of the meeting.

Corporate Governance Report

To assist in the efficient implementation and execution of its responsibilities, the Board has established an Audit Committee ("AC"), a Nominating Committee ("NC") and a Remuneration Committee ("RC"). Specific responsibilities, which are outlined in the respective Terms of Reference, have been delegated to each of the committees. Each Board Committee will report to the Board and make its recommendations to the Board on matters under its purview. The Board accepts that while these Committees have the authority to examine particular issues and will report to the Board their decisions and recommendations, the ultimate responsibility for the final decision on all matters lies with the entire Board.

During FY2025, Directors are provided with briefings and updates on (i) the developments in financial reporting and governance standards; (ii) changes in the relevant laws and regulations pertaining to the Group's business and changing commercial risks and business conditions of the Group by the Management during the Board Committee meetings; and (iii) changes to the Listing Manual of the SGX-ST by the Company Secretary, so as to enable them to make well-informed decisions and to properly discharge their duties as Board or Board Committee members.

Director Competencies

The NC ensures that only individuals of exceptional caliber, knowledge, and experience are recruited as Directors, capable of fulfilling their duties effectively. Newly appointed directors will be briefed on the Group's business activities and governance practices and provided with information regarding their duties and obligations as Directors of the Company. A formal letter of appointment setting the Director's duties and obligations will be provided to the new Directors upon their appointments.

For newly appointed Director who does not have prior experience as a director of a public listed company in Singapore, he or she will attend relevant training courses organised by the Singapore Institute of Directors as required under Rule 210(5)(a) of the Listing Manual and in accordance with Practice Note 2.3 prescribed by the SGX-ST. The Director are encourage to attend other courses relating to accounting, legal and industry-specific knowledge, where appropriate, organised by other training institutions, in connection with his or her duties, and such training will be funded by the Company.

Mr Pan Kit Kuan, an Independent Director, was appointed to the Board on 20 September 2024 and he had completed the Listed Entity Director Programme conducted by the Singapore Institute of Directors, within one year from his date of appointment.

Apart from Mr Pan Kit Kuan, there was no other new Director appointed during FY2025.

The Company has no Alternate Directors as at the date of this Annual Report.

Regular training, particularly on risk management, corporate governance and key changes in the relevant regulatory requirements and financial reporting standards, will be arranged and funded by the Company for all Directors, from time to time.

Corporate Governance Report

Board and Board Committees meeting

The Board meets at least twice a year to review and deliberate on the key activities and business strategies of the Group, including reviewing and approving acquisitions and financial performance, and to endorse the release of the interim and annual results. The Board is free to seek clarification and information from the Management on all matters within their purview. Ad hoc meetings are held as and when circumstances require, such as to address significant transactions or issues. Where physical meetings are not possible, timely communication with members of the Board and Board Committees can be achieved through electronic means and circulation of written resolutions for approval by the Board or relevant Board Committees. The Company's Bye-Laws allow the Directors to participate in the Board meetings by means of teleconference, video-conferencing and visual equipment.

During FY2025 the number of meetings held by the Board and its committees, and the details of the attendances are as follows:

	Board of Directors	Audit Committee	Remuneration Committee	Nominating Committee
Number of Meetings held	2	2	1	1
Name	Number of Meetings attended			
Mr Lee Wan Lik (Executive Chairman and Executive Director)	2	2*	1*	1
Mr Michael Yap Kiam Siew (Chief Executive Officer and Deputy Chairman)	2	2*	1*	1*
Professor Chan Ching Chuen (Independent Director) (retired on 30 July 2024)	2	2	1	1
Mr Stephen Ho ChiMing (Lead Independent Director)	2	2	1	1
Professor Chee Yeow Meng (Independent Director)	2	2	1	1
Mr Pan Kit Kuan (Independent Director) (appointed on 20 September 2024)	1	1	N.A.	N.A.

Notes: * - by invitation

N.A. - not applicable as the Director was not the committee member at the time of meeting

Key matters that are specifically reserved for the Board's consideration and decision include, but are not limited to, corporate planning, material acquisitions and disposals of assets, corporate or financial restructuring, share issuances, formulation of any dividend policy or the change of such dividend policy, declaration of dividends and determining the remuneration policy for the Directors.

All Directors have separate and independent access to senior management and to the Company Secretary. The Company Secretary or his representatives administer, attend, and prepare minutes of the Board meetings, and assist the Chairman in ensuring that the Board procedures are followed and reviewed so that the Board functions effectively. The Company Secretary or his representatives also advise the Board on governance matters, and assist the Board on compliance with the Company's Bye-Laws and relevant rules and regulations, including requirements of the Listing Manual of the SGX-ST.

The appointment and the removal of the Company Secretary is a matter for consideration for the Board as a whole.

The Board, in the furtherance of their duties, may either individually or as a group, take independent professional advice at the expense of the Company.

Corporate Governance Report

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Board Composition

As at FY2025 the Board is comprised of two (2) Executive Directors and three (3) Independent Directors.

Provision 2.2 of the Code recommends that Independent Directors to make up a majority of the Board where the Chairman is not independent. In the case of the Company, the Chairman is not independent as he is an Executive Director. The Company complies with Provision 2.2. of the Code as a majority of the Board members are Independent Directors. Both the AC and RC are composed entirely of Independent Directors, while the NC comprises a majority of Independent Directors. There are sufficient safeguards and checks to ensure that the process of decision-making by the Board is independent and based on collective decisions without any individual or small group of individuals exercising any considerable concentration of power or influence.

Provision 2.3 of the Code recommends that Non-Executive Directors should form a majority of the Board. The Company complies with Provision 2.3 of the Code as the Non-Executive Directors, who are also Independent Directors, chair the Board committees, are independent and provide appropriate levels of independence and diversity of thought and background and make decisions in the best interests of the Company. The Board has always engaged in robust discussions on important issues and consistently reached consensus without relying on majority votes or allowing any individual or small group of individuals to dominate the Board's decision-making process.

A brief profile of each Director is presented in the profile of Board of Directors section of this Annual Report and their shareholdings in the Company and its subsidiaries as of 31 March 2025 are disclosed in the Directors' Statement of the Audited Financial Statements for the FY2025.

Director Independence

In determining the independence of the Independent Directors, the Board takes into account the existence of relationships or circumstances, including those identified by the Code and the Listing Manual of the SGX-ST that are relevant in its determination as to whether a Director is independent. The NC has reviewed and confirmed the independence of the Independent Directors in accordance with the Code and the Listing Manual of the SGX-ST.

The Board assesses the independence of each Director in accordance with the guidance provided in Code as well as Rule 210(5)(d) of the Listing Rules. An Independent Director is one who is independent in conduct, character and judgement and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement in the best interests of the Company.

On an annual basis, each Independent Director is required to complete a "Confirmation of Independence" form to confirm his independence. The said form was drawn up based on the definitions and guidelines set forth in the Code. The Directors are required to disclose to the Board any such relationship as and when it arises and the Board will state the reasons if it determines that a director is independent notwithstanding the existence of a relationship or circumstances which may appear relevant to the Board's determination.

The NC will also examine the different relationships identified by Code that might impair each Independent Director's independence and objectivity and conclude that all the Independent Directors are able to exercise independent business judgement in the best interests of the Company and its shareholders.

The Independent Directors have confirmed their independence in accordance with the Code and Rule 210(5)(d) of the Listing Rules.

Corporate Governance Report

As at the date of this Report, the NC has reviewed the independence status of the Independent Directors namely Mr Stephen Ho ChiMing, Professor Chee Yeow Meng and Mr Pan Kit Kuan. These Directors have consistently demonstrated strong independence in character and judgement in discharging their duties and responsibilities, engaging in rigorous debate and contribute actively by sharing their views. They do not have any relationships with the other Directors, the Company, its related corporations, the substantial shareholders and officers of the Company. The NC is satisfied that the said Directors are independent in accordance with the Provision 2.1 of the Code and Rule 210(5)(d) of the Listing Rules.

The Independent Directors will meet up when necessary to discuss concerns or matters such as the effectiveness of management, without the presence of Management. During FY2025, the Independent Directors met once in the absence of key management personnel.

As of FY2025 and the date of this Report, none of the Independent Directors have served on the Board for more than nine years.

Board Diversity Policy

The Company recognises the importance and benefits of diversity in all ways, including gender, age, background and other distinguishing factors or qualities.

The Company has in place a Board Diversity Policy (the “**policy**”) that addresses diversity in terms of experience, skills, gender, age, tenure, and qualities, as well as any other relevant aspects of diversity. The Policy also sets out the approach which the Company takes towards diversity on its Board. The Company believes in diversity and values the benefits diversity can bring to the Board in its deliberations and the Board's effectiveness – in particular, it believes that a balance and mix of skills, experiences and individual attributes of Board members which shape the composition and promote the effectiveness of the Board as a whole and that of the Board committees, will support the Company's achievement of strategic objectives and long-term sustainable development and success.

The Board observes and applies the Policy to ensure that the Board has an appropriate level of diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company. While it is important to promote boardroom diversity in terms of gender, ethnicity and age, the Board believes that the normal selection criteria based on independence, skills, knowledge and experience should remain a priority.

The Board currently consists of Directors with diverse skills, knowledge, expertise and experience as detailed in the “Board of Directors” sections of this Annual Report. Even though the Board currently has no female representation on the Board, the Board believe that diversity is not merely limited to gender or any other personal attributes. The benefits of Board diversity are harnessed when the directors adopt an independent mindset when carrying out their responsibilities. To leverage diverse perspectives, the Board strives to cultivate an inclusive environment where all directors can speak and participate in decision making. Each director is appointed based on his calibre, experience and stature and is expected to bring a valuable range of experience and expertise to contribute to the development of the Group's strategies and the performance of its business. Having said so, the Board endeavors to achieve one (1) female representative on the board with the right skill sets, experience and/or industry knowledge, while maintaining an appropriate mix of Board members. The Company will leverage the Directors' professional contacts and social networks, and if necessary, engage external search firms, to identify suitable candidates when the need arises.

The NC, having conducted its reviews, was satisfied that the current Board members consist of a group with diverse professional expertise and possess the relevant core competencies in areas such as accounting, banking and finance, strategic planning, investment, business management and administration, engineering technology and economics, industry knowledge or experience. In particular, the Executive Directors of the Company possess strong industry knowledge while the Independent Directors, who are professionals in their respective fields, provide a broader perspective on the Group's activities, contribute valuable experiences, and offer independent judgment during Board deliberations. The Board, taking into account the view of the NC, believes that the current composition of the Board and Board Committees reflects a balanced mix of skills, experiences and individual attributes. This composition enhances the effectiveness of both the Board and its committees. The Board considers its current size appropriate to lead and govern the Company effectively, given the scope and nature of its operations. The Board met its objectives in ensuring diverse skills and experience given that the existing Board members comprise of Directors with a mix of expertise and knowledge and diverse background.

Corporate Governance Report

The Board does not propose setting specific diversity targets or concrete timelines for achieving board diversity targets. Instead, the Company takes the approach that maintaining a satisfactory level of diversity is an ongoing process which may need to be updated as the business of the Group develops. The NC will review the Policy as and when appropriate to ensure its effectiveness and will discuss any revisions that may be required and recommend such revisions to the Board for consideration and approval.

Chairman and Chief Executive Officer ("CEO")

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Mr Lee Wan Lik ("Mr Lee") is the Group's Executive Chairman and Mr Michael Yap Kiam Siew ("Mr Yap") is the CEO of the Company. Mr Lee and Mr Yap are not related to each other. There is a clear division of responsibilities between the Executive Chairman and the CEO to ensure that there is an appropriate balance of power, accountability and sufficient capacity of the Board for independent decision-making. Mr Lee being the Executive Chairman, is responsible for the workings of the Board, ensuring the integrity and effectiveness of its governance process. He leads the Board discussion and ensures that Board meetings are convened when necessary and sets the meeting agenda in consultation with the CEO. The Executive Chairman, with the assistance of the CEO, Group Financial Controller and Company Secretary, ensures that Board members are provided with adequate and timely information.

Mr Yap, the CEO is responsible for the business and operational decisions of the Group. He is assisted by the Executive Director and a group of Executive Officers in carrying out his executive duties and responsibility in the operation and businesses of the Group.

The Board is satisfied that there is sufficient transparency and accountability in view of the distinction of responsibilities.

Mr Stephen Ho ChiMing is the Lead Independent Director ("Lead ID") of the Company. Mr Stephen Ho ChiMing is available to shareholders that have concerns where contact through the normal channels of the Chairman, CEO or Group Financial Controller failed to resolve or where such contact is inappropriate. He will also facilitate periodic meetings with the other Independent Directors in board matters, when necessary, and provides feedback to the Executive Chairman after such meeting.

His other specific roles as Lead ID are as follows:

- (a) act as liaison between the Independent Directors and the Executive Chairman and CEO and lead the Independent Directors to provide non-executive perspectives in circumstances where it would be inappropriate for the Executive Chairman to serve in such capacity and to contribute a balanced viewpoint to the Board;
- (b) advise the Executive Chairman of the Board as to the quality, quantity and timeliness of the information submitted by Management that is necessary or appropriate for the Independent Directors to effectively and responsibly perform their duties; and
- (c) assist the Board and Company officers in better ensuring compliance with and implementation of corporate governance.

Corporate Governance Report

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

NC composition and role

The Board has established the NC who has been tasked with the authority and responsibility to devise an appropriate process to review and evaluate the performance of the Board as a whole and each of the Board Committees.

As at the date of this Annual Report, the members of the NC are as follows:

Mr Pan Kit Kuan - Chairman
Mr Stephen Ho ChiMing – Member
Mr Lee Wan Lik – Member

Majority of the members of the NC including its chairman are independent. The NC is guided by the key terms of reference as follows:

- (a) to review the structure, size and composition of the Board and the Board committees;
- (b) to review the succession plans for the Chairman, CEO and key management personnel of the Company;
- (c) to evaluate the performance of the Board, the Board Committees and of each individual;
- (d) to review training and professional development programs for the Board; and
- (e) to make recommendations to the Board on the appointment and re-appointment of directors (including alternate directors, if applicable) including making recommendations on the composition of the Board and the balance between Executive and Non-Executive Directors appointed to the Board;
- (f) to review and assess the independence of each Director; and
- (g) deciding whether a Director is able to and has been adequately carrying out his duties as a Director of the Company, particularly when he has multiple board representations and/or a conflict of interest.

Selection, Appointment and Re-appointment Process

Subject to the Board's approval, the NC will also decide on how the Board's performance is to be evaluated and propose objective performance criteria which are dependent on how the Board has enhanced long-term shareholder value. Appointments to the Board are made on merit and against objective performance criteria.

To help build a culture of performance and stewardship amongst its Board members, the Group ensures that all the Directors step down and offer themselves for re-election at regular intervals of at least once every three (3) years. The Company's Bye-Laws provide that at least one-third of the directors for the time being (or if their number is not three or a multiple of three, then the number nearest to but not less than one third) shall retire from office by rotation.

For the forthcoming Annual General Meeting ("2025 AGM"), the Directors who are subject to retirement by rotation and eligible for re-election are Mr Lee Wan Lik, Mr Stephen Ho ChiMing and Mr Pan Kit Kuan.

All the three Directors have consented to stand for re-election and the NC has recommended that they be nominated for re-election at the 2025 AGM. In making the recommendation, the NC had considered their overall contributions and performance and competencies in fulfilling his responsibility as Director to the Board. The Board has accepted the NC's recommendation. Please refer to the Notice of AGM for the resolutions put forth in relation to the re-elections and details of the retiring Directors including the information required under Rule 720(6) of the Listing Manual, as disclosed in the section on Disclosure of Information on Director's Seeking Re-election in this corporate governance report.

Corporate Governance Report

In the selection and nomination for new directors, the NC identifies the key attributes that required of an incoming director, taking into account the existing Board composition, the requirements of the Group and the salient factors outlined in the Board Diversity Policy. After endorsement of these key attributes by the Board, the NC taps on the personal networks of the Directors to source potential candidates. The potential candidates will go through a short-listing process. Interviews are then arranged with the shortlisted candidates, to enable the NC to assess their suitability before a decision is made.

A newly appointed Director will have to submit himself for retirement and election at an AGM immediately following his appointment and thereafter, be subjected to retirement by rotation.

Each member of the NC has abstained from voting on any resolution with respect to the assessment of his own performance for re-nomination as Director.

Multiple Directorships

The Board has set the maximum number of 10 listed company board representations that any Director of the Company may hold at any one time. All Directors have complied with this requirement. A Director holding multiple board representations is expected to ensure that sufficient time and attention is given to the affairs of the Company. The NC is of the view that the number of directorships a Director can hold and his principal commitments should not be prescriptive as the time commitment for each board membership varies.

The NC, having considered the confirmations received from the Independent Directors, is of the view that their other board representations and principal commitments of the Independent Directors do not hinder them from carrying out their duties to the Company. The NC is satisfied that sufficient time and attention have been accorded by these Independent Directors to the affairs of the Company. The Board concurred with the NC's views.

Please refer to the Profile of Board of Directors as set out on page 8 and 9 of the Annual Report for key information on the Directors.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The NC assess the effectiveness of the Board and its board committees as a whole.

The NC, in considering the re-appointment of a Director, will evaluate the performance of the Director's contributions such as his attendance record at meetings of the Board and Board committees, active participation during these meetings and the quality of his contributions. The NC has initiated the assessment of the effectiveness of the Board as a whole on an annual basis. The evaluation of the Board's performance is conducted through questionnaires, with the findings subsequently collated, analysed and discussed. The results of the Board's performance assessment are reviewed and circulated to the Board for consideration. Recommendations to further enhance the effectiveness of the Board are implemented as appropriate.

The Board has allocated budgets for Directors to attend training and will make recommendations to the Board on the training and professional development programmes for the Board members.

Corporate Governance Report

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

RC composition and role

The RC is established for the purposes of ensuring that there is a formal and transparent process for fixing the remuneration packages of individual Directors and key executives and makes recommendations to the Board on all remuneration matters.

As at the date of this Annual Report, the members of the RC are as follows:

Professor Chee Yeow Meng – Chairman

Mr Stephen Ho ChiMing – Member

Mr Pan Kit Kuan - Member

All the RC members including its chairman are Independent Directors. The RC has a formal set of terms of reference approved by the Board. A summary of the RC's key responsibilities includes:

- (a) review and recommending to the Board a remuneration policy framework and guidelines for remuneration of the Directors and key management personnel;
- (b) periodic review and recommending to the Board the specific remuneration packages for each individual Director and Key Management Personnel to maintain attractiveness, retain and motivate Directors and Key Management Personnel to manage the Company with the alignment of the level and structure of remuneration with the long-term interest and risk policies of the Company;
- (c) considering all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits-in-kind; and
- (d) reviewing the Company's obligations arising in the event of termination of the Executive Directors' and Key Management Personnel's contracts of services to ensure that such contracts contain fair and reasonable termination clauses which are not overly generous, with a view to being fair and avoiding the reward of poor performance.

The RC may seek external expert advice on executive compensation matters as and when required. Such expenses are to be borne by the Company.

The Board has not engaged any external remuneration consultant to advise on the remuneration matters in FY2025.

Recommendations of the RC are submitted to the Board for endorsement. None of the RC members or Directors are involved in deliberations in respect of any remuneration, compensation or any form of benefit to be granted to him or someone related to him. Each member of the RC will abstain from voting on any resolution in respect of his own remuneration package.

Corporate Governance Report

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Remuneration of Executive Directors

The Company advocates a performance-based remuneration system for Executive Directors and key management personnel that is flexible and responsive to the market. The remuneration of the Executive Directors and the key management personnel comprises a basic salary component (including the termination, retirement and post employment benefits) and a variable component which is the annual bonus, based on the performance of the Group as a whole and the individual performance, designed to align their interests with those of shareholders.

The RC considers the Executive Directors' and key management personnel's responsibilities, skills, expertise and contribution to the Group's performance when designing their respective remuneration packages. An appropriate proportion of their remuneration is linked to individual and corporate performance and is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the Company.

The CEO, Mr Michael Yap Kiam Siew and the Executive Director, Mr Lee Wan Lik have each entered into a service agreement (the "**Service Agreement**") with the Company. The Service Agreement is valid for a term of one year and thereafter continues from year to year unless terminated in accordance with the provisions of the Service Agreement. The Service Agreement can be terminated by either party giving not less than three months' notice provided that the Company shall have the option to pay three months' salary in lieu of any required period of notice. Except for such payment in lieu of notice as provided for under the Service Agreement, no compensation or damages are payable by the Company to Mr Lee Wan Lik and Mr Michael Yap Kiam Siew respectively, in respect of their termination in accordance with the terms of the Service Agreement.

Remuneration of Non-Executive Directors

The RC adopted a framework which consists of a base fee to remunerate Independent Directors and Non-Executive Directors based on their appointments and roles in the respective Board Committees, taking into account the level of contribution and factors such as effort, time spent and responsibilities, and the fees paid by comparable companies. Directors' fees to be paid to the Independent Non-Executive Directors will be tabled at the Company's AGM for shareholders' approval. The Directors' fees are reviewed annually to ensure that the Independent Directors are not overcompensated to the extent that their independence may be compromised. Other than Directors' fees, the Independent Directors do not receive any other form of remuneration from the Company. The RC has recommended the payment of the Directors' fees of S\$78,000 for FY2025. This recommendation has been endorsed by the Board and will be tabled at the Company's AGM for shareholders' approval.

The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Director and key management personnel in exceptional circumstances of misstatement of financial statements, or of misconduct resulting in financial loss to the Company. The company should be able to avail itself of remedies against the Executive Director and key management personnel in the event such breach of fiduciary duties.

The Company does not have any long-term incentive schemes in place.

Corporate Governance Report

Disclosure on Remuneration

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Directors' remuneration

A breakdown, showing the level and mix of each individual director's remuneration in FY2025 is as follows:

Name of Director	Salary (HK\$)	Bonus (HK\$)	Director's fee (HK\$)	Termination, retirement, and post- employment benefits (HK\$)	Total (HK\$)
Mr Lee Wan Lik	600,000	–	–	18,000	618,000
Mr Michael Yap Kiam Siew	2,152,543	780,000	–	57,242	2,989,785
Mr Stephen Ho ChiMing (S\$28,000)	–	–	162,932	–	162,932
Professor Chan Ching Chuen (S\$25,000) ⁽¹⁾	–	–	48,492	–	48,492
Professor Chee Yew Meng (S\$25,000)	–	–	145,475	–	145,475
Mr Pan Kit Kuan (S\$25,000) ⁽²⁾	–	–	77,183	–	77,183

Note:

- (1) Professor Chan Ching Chuen retired as the Independent Director, Chairman of the NC and member of the AC and RC of the Company on 30 July 2024. His remuneration set out above was calculated on a pro-rated basis.
- (2) Mr Pan Kit Kuan was appointed as an Independent Director, Chairman of the NC and a member of the AC and RC on 20 September 2024 and his director's fee set out above was calculated on a pro-rated basis.

Corporate Governance Report

Key Management Personnel's remuneration

The Company has six (6) key management personnel and the disclosure of their remuneration in band of S\$250,000 for the FY2025 is as follows:

Remuneration band and name of key management personnel	Salary	Bonus	Termination, retirement and post-employment benefits	Total
Individual remuneration is below S\$250,000 (approximately HK\$1,500,000)				
Mr Stephen Ma	85%	14%	1%	100%
Mr Albert Chiang	91%	7%	2%	100%
Mr Jerry Chua	73%	-	27%	100%
Mr Rene Toling Lindio	72%	-	28%	100%
Ms Peggy Sam	75%	25%	-	100%
Ms Eleanor Jim	75%	24%	1%	100%
Total remuneration paid in FY2025 to the key management personnel	HK\$4,878,005	HK\$900,600	HK\$345,507	HK\$6,124,112

The Company believes that it should not disclose the remuneration paid to the key management personnel in absolute amount due to the highly competitive market and the interest in maintaining good morale and building teamwork within the Group.

There were no employees who are substantial shareholders of the Company, or immediate family members of any Director, the CEO or substantial shareholder of the Company, and whose remuneration exceeded S\$100,000 in FY2025.

There were no termination of any Directors and Key Management Personnel during FY2025.

Corporate Governance Report

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Board is responsible for ensuring that there is a system of internal financial controls, operational and compliance controls and information technology controls, and risk management policies in place and for reviewing their adequacy and effectiveness. The Management is responsible for internal control and for ensuring compliance therewith. The AC assists the Board in discharging its internal control review responsibilities. The Board makes continuous efforts to embed internal controls into the operations of the businesses and to deal with areas of improvement which come to the attention of Management and the Board.

The Company does not have a Risk Management Committee. However, Management regularly reviews the Group's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. The Management reviews all significant control policies and procedures and highlights all significant matters to the Board and the AC. The Group's financial risk management is disclosed under Note 27 of the Notes to the Financial Statements on pages 88 to 98 of this Annual Report.

The Management, internal auditor and the external auditor of the Company conduct reviews and audits on a regular basis that involve testing the adequacy and effectiveness of material internal controls on key risks. Any material non-compliance or lapses in internal controls and its corresponding mitigating actions will be reported to the AC. At least annually, the Board, with the assistance from the AC, will review the adequacy and effectiveness of the Company's Risk Management and internal control systems, including financial, operational, compliance and information technology risks.

The Board notes that these internal control systems are designed to manage rather than to eliminate the risk of failure to achieve business objectives. In addition, these systems can only provide reasonable but not absolute assurance against material misstatement or loss.

For FY2025, the Board has received written assurances from the CEO and the Group Financial Controller (a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and (b) that the risk management and internal control systems of the Company is adequate and effective to deal with major risks relating to financial, operational, information technology and compliance aspects.

Based on the systems of risk management and internal controls established and maintained by the Group, work performed and reports by the internal and external auditors and the above written assurances, the Board, with the concurrence of the AC, is of the opinion that the Group's risk management and internal controls systems, addressing the financial, operational, compliance and information technology risks, are effective and also adequate.

Corporate Governance Report

AUDIT COMMITTEE

Principle 10: The Board has an Audit Committee which discharges its duties objectively

AC composition and roles

As at the date of this Annual Report, the members of the AC are as follows:

Mr Stephen Ho ChiMing – Chairman
Professor Chee Yeow Meng – Member
Mr Pan Kit Kuan – Member

All the members of the AC including its chairman are independent.

None of the AC members were previously partners or directors of the Company's external audit firm within a period of two (2) years commencing on the date of him ceasing to be a partner or director of the external audit firm or hold any financial interest in the external audit firm.

The Board is of the view that the AC members are appropriately qualified and have the recent and relevant accounting and/or related financial management expertise or experience as the Board interprets such qualifications to discharge their responsibilities. The AC has adopted a set of terms of reference. The AC's principal responsibilities include, amongst others, the followings:

- (a) review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;
- (b) review with the internal auditor their audit plan and report to the Board at least annually the adequacy of the internal audit procedures and their evaluation of the effectiveness of the Company's overall internal controls and risk management, including financial, operational, compliance and information technology controls;
- (c) review interested person transactions, if any, to ensure that the internal control and review procedures are adhered to;
- (d) review the adequacy, effectiveness, scope and results of the external audit, and the independence and objectivity of the external auditors;
- (e) make recommendations to the Board on the appointment, re- appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;
- (f) establish and review, on an ongoing basis, the whistleblowing policies, processes and reporting procedures of the Company;
- (g) review the assurance from the Chief Executive Officer and Group Financial Controller on the financial records and financial statements; and
- (h) undertake generally such other functions and duties as may be required by law or the Listing Rules.

Apart from the above functions, the AC will also commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, failure of internal controls, or infringement of any law, rule or regulation which has or is likely to have a material impact on our Company's operating results or financial position. Each member of the AC will abstain from voting in respect of matters in which he is interested.

Corporate Governance Report

The AC is empowered to investigate any matter relating to the group's accounting, auditing, internal controls and/or financial practices brought to its attention, with full access to records, resources and personnel, to enable it to discharge its functions properly.

The AC has kept the recent and relevant accounting or related financial management expertise or experience up to date by attending the training provided by the relevant regulatory parties.

In addition, the Company's auditor provides update on recent developments to accounting standards to AC members annually, to ensure all AC members and management keep abreast of the changes to accountings standards and issues which have a direct impact on financial statements.

External and internal auditors

PricewaterhouseCoopers LLP ("**PwC**") is the appointed external auditors of the Company and its Singapore-incorporated subsidiary. Other than the overseas subsidiaries which were exempted from audit requirement under their respective laws of the country of incorporation, the overseas subsidiaries of the Group are either audited by a member firm of PwC or by the suitable auditing firms in their respective countries of incorporation, which are reputable local audit firms with qualified local Chartered Accountants with local accreditations.

The AC and the Board are satisfied that the appointment of different auditing firms for its overseas subsidiaries would not compromise the standard and effectiveness of the audit of the Company. The AC confirmed that the Company has complied with Rules 712, 715 and 716 of the Listing Manual of the SGX-ST.

The AC assesses the independence of the external auditors, PricewaterhouseCoopers LLP ("**PwC**"), annually. The fee paid/ payable to PwC for FY2025 for audit services were HK\$1,420,000. There was no non-audit services performed by PwC in FY2025. The audit and non-audit fee paid/payable to other PwC network firms were HK\$651,000 and HK\$199,000 respectively. The AC, having reviewed the volume of non-audit services provided by the external auditors to the Group, is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors.

In reviewing the nomination of PwC for re-appointment as external auditors, the AC had considered the adequacy of resources and experience of PwC, the audit engagement partner and audit team assigned to the Company and Group's audit and the Audit Quality Indicators of PwC for FY2025.

Based on its review, the AC is satisfied that PwC is a suitable auditing firm that is able to meet the Company's audit obligations and needs and has recommended the re-appointment of PwC as external auditors of the Company at the 2025 AGM, which was accepted by the Board and will be tabled at the 2025 AGM for shareholders' approval. Accordingly, the Company has complied with Rule 712 of the Listing Manual of the SGX-ST.

The Company has outsourced its internal audit function to an independent and qualified firm of auditors, Moore Advisory Services Limited ("**Moore Advisory**"), as its internal auditor, to review the effectiveness of the Company's key internal controls.

The AC is responsible for the hiring, removal, evaluation and approving the remuneration and terms of engagement of the internal auditor. The AC reviews and approves the internal audit plan to ensure the adequacy of the scope of audit.

During FY2025, Moore Advisory reviewed key internal controls in selected areas as advised by the AC and reported its findings together with recommendation on areas for improvement to the AC for review. The resulting report is reviewed in detail by the AC in conjunction with Management. The AC considers the effectiveness of responses/actions taken by Management on the audit recommendations and observations. Moore Advisory has unfettered access to all the Company's documents, records, properties and personnel, including to the AC, and it has adequate resources and suitably qualified engagement staff with relevant experience to conduct the internal audit, and perform internal audit functions effectively.

The AC is satisfied that Moore Advisory has been able to discharge its duties effectively as the Internal Auditor, and the internal audit function is independent, effective and adequately resourced.

In line with the Code, a private session between the AC with the external and the internal auditors is held annually to discuss any matter concerning the Company without the presence of the Management. For FY2025, the AC met with the internal and external auditors once without the presence of the Management.

Corporate Governance Report

Whistleblowing policy

The Company has put in place a whistleblowing policy which sets out the procedures for a whistleblower to make a report on misconduct or wrongdoing relating to the Company and its officers. The policy protects the identification of the whistleblower and ensures that the identity of the whistleblower is kept confidential to ensure the protection of the whistleblower against any detrimental and unfair treatment. The policy had been circulated to all employees for implementation. It has been put in place to encourage and provide a channel to employees and any other persons to report, in good faith and in confidence, concerns about possible fraud, improprieties, fraudulent activities or malpractices or other matters within the Group in a responsible and effective manner. The objective of such an arrangement is to ensure independent investigation of such matters and for appropriate follow-up action.

The AC has reviewed the whistleblowing policy that the Group has established and is responsible for the oversight and monitoring of whistleblowing.

The Company has arrangements and processes to facilitate independent investigation of such concerns and for appropriate follow-up action. Concerns may be raised either verbally or in writing, to Azeus Global HR Manager and the Chairperson of the AC. Contact details of whom are set out in the whistleblowing policy. The AC upon receipt of complaints or allegations determines if an investigation is necessary.

All whistleblowing reports will be handled confidentially, except as necessary or appropriate to conduct investigation and to take remedial action, in accordance with the applicable law and regulations. The identity of the whistleblower making the allegation will be kept confidential and confined to disclosures on a need-to-know basis to the AC, the investigating team, the Board of Directors of the Company; and any party to whom the identity of the whistleblower is required to be disclosed by law.

For FY2025, there were no complaints, concerns or issues received by the AC.

SHAREHOLDERS' RIGHT AND RESPONSIBILITIES

Shareholder Rights and Conduct of General Meetings

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Dividend policy

While the Company has no official policy on the payment of dividends, it has consistently paid out the bulk of its profits as dividends since its listing in 2004. The amount of dividends paid each year will depend on factors that include the Group's profit level, cash position and future cash needs.

On top of its first interim dividend paid out of HK\$1.60 per ordinary shares in 1HFY2025, subject to shareholders' approval at the forthcoming AGM, the Board has recommended a final dividend of HK\$3.90 per share for the financial year ended FY2025. The total dividend paid out for FY2025 will be HK\$5.50 per ordinary share, representing all of its profit for the year.

Shareholders' participation at general meetings

The Company respects and upholds shareholders' rights and tenders its communication with shareholders with care. The Board recognises and exercises its overall responsibility to shareholders by ensuring accurate financial reporting for the Company's overall internal control framework, including financial, operational, information technology and compliance controls, risk management policies and through systems needed to safeguard the shareholders' investments and assets of the Company. The Company's Bye-laws allow attendance by nominees of shareholders at general meetings. The Company encourages and facilitates shareholder engagement and participation through its meetings and briefings.

Corporate Governance Report

The Company has adopted a hybrid format for its Annual General Meetings (AGMs), enabling shareholders to attend either in person ("**physical AGM**") or online ("**virtual AGM**"). These hybrid meetings have been conducted using the Convene@AGM platform, which allows virtual participants to engage in real-time two-way communication with Management and the Board of Directors. Shareholders attending virtually also have access to live voting and interactive video Q&A sessions, in addition to submitting written questions. This hybrid format ensures that all shareholders, whether attending physically or virtually, can effectively interact with the Board and Senior Management.

The Company will continue with this approach of holding its general meetings and the 2025 AGM will be held physically in Singapore and concurrently via electronic means. Please refer to the Notice of 2025 AGM for further details.

The AGMs and other general meetings of the Company represent the principal forum for dialogue and interaction with all shareholders. At each AGM and other general meetings, the Board welcomes questions from shareholders who have an opportunity to raise questions or share their views regarding the proposed resolutions and the Company's business and affairs, either informally or formally before or at the meeting.

For the AGMs, shareholders were given the opportunity to submit questions concerning the Group's business and operations and resolutions to be proposed at the AGM, in advance of the meeting (as per the cut-off date as indicated in the Notice of general meeting) or at the AGM. The Company will address relevant and substantial questions via publication of its responses to the questions on the SGXNet and the Company's website prior to the meeting. For any subsequent clarifications sought, or substantial and relevant follow-up questions received after the stipulated cut-off date, those will be addressed at the AGM itself. Alternatively, shareholders may raise their question during the AGM.

The Company has not amended its Bye-Laws to provide for absentia voting method. As the authentication of Shareholder identity information and other related security issues remains a concern, the Company has decided, for the time being, not implement voting in absentia by mail, e-mail, or fax.

The Chairman of the Board Committees, Directors, senior management, and external auditors will be present and available at the general meeting to attend to the queries/questions from shareholders.

Resolutions

All resolutions tabled at the AGM and other general meetings are voted on by way of a poll, conducted in the presence of independent scrutineers. Poll voting procedures are explained to shareholders at the AGM and other general meetings, where appropriate. All votes cast, for or against or abstain, and the respective percentages, in respect of each resolution are tallied and disclosed at the meeting and an announcement with the detailed results showing the numbers of votes cast for and against for each resolution and the respective percentage are published via SGXNet on the same day as the meeting. Each distinct issue is proposed as a separate resolution at general meetings.

Minutes of AGMs and other general meetings are prepared and will be made available to shareholders upon receipt of their written request. Minutes of AGM, which include a summary of substantial and relevant comments or queries received from shareholders and responses from the Board and Management, will be published on SGXNet and the Company's corporate website within one (1) month after the meeting.

Corporate Governance Report

Engagement with Shareholders and Stakeholders

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Company engages in regular, effective and fair communication with shareholders. The Board is mindful of the obligations to provide timely information and full disclosure of material information to shareholders in accordance with the statutory requirement and the listing manual of the SGX-ST. Information is communicated to shareholders on a timely basis. All material information and financial results are released through SGXNet.

The Company may also conduct media interviews during the AGM as and when appropriate to give shareholders and the public with deeper insights into the Group's business and strategies. Furthermore, the Company may release press releases or organise media/analyst briefings, where appropriate, to keep shareholders informed of its corporate development.

Notice of the AGM or the Special General Meeting ("SGM"), if any, along with Annual Reports and Circulars (if any), are issued to all shareholders of the Company. The Notice of AGM or SGM is also advertised in newspapers and announced via SGXNet. Information on the Company's major new initiatives of the Company is also disseminated via SGXNet, news release, and made available on the Company's website.

In line with the Company's corporate social responsibility initiatives and environmental sustainability efforts and as permitted under the Company's Bye-Laws, Annual Report and Circular to Shareholders will be published on the Company's corporate website and on SGXNet, and will be available for viewing or downloading by shareholders. Printed copies will only be mailed to shareholders upon their request via the completion of the Request Form.

Shareholders of the Company will receive the Notice of AGM, Proxy Form and Request Form (to request a printed copy of Annual Report and Circular) by mail. These documents are also accessible on the Company's corporate website and on SGXNet.

Regular meetings are held with investors, analysts, fund managers and the press. The Group also has a corporate website (www.azeus.com) where shareholders and members of the public can access up-to-date corporate information, announcements, new events related to the Group, as well as the Company's Annual Report and Sustainability Report.

The Board considers the Company's obligations to its shareholders and the interests of its material stakeholders as the relationships with material stakeholders may have an impact on the Company's long-term sustainability. Stakeholders are parties who may be affected by the Company's activities or whose actions can affect the ability of the Company to conduct its activities. The Board has identified its stakeholders as customers, employees, suppliers, landlords, investors, media, government institutions and the communities. The Company takes a strategic and pragmatic approach in managing stakeholders' expectations to support its long-term strategy. The Company maintains its Company's website to communicate and engage with the stakeholders.

The Company also issues Sustainability Report to keep stakeholders informed on the commitment made by the Company in fostering the creation of long-term value for the stakeholders and sustainable development of the global economy. The Sustainability Report is available on the Company's corporate website.

Corporate Governance Report

Code of Business Conduct

The Directors, officers and employees are required to observe and maintain high standards of integrity, and to comply with applicable laws, regulations and the Company's policies.

Dealings in Securities

The Company has adopted an internal code of practice for securities transactions by all Directors, officers and employees of the Group in compliance with Rule 1207(19) of the Listing Manual of SGX-ST.

In compliance with the above-mentioned Rule, Directors, officers and employees of the Group have been advised not to trade in the listed securities of the Company when in possession of unpublished price-sensitive information or on short-term considerations. Directors, Officers and employees are also advised not to trade in the Company's securities during the period commencing one month before the announcement of the Company's half year and full year financial results and ending on the day of the announcement of the relevant results. All directors, officers and managers are required to file with the Company regular reports on all their dealings in the listed securities of the Group during the financial year.

Material Contracts

There were no material contracts (including loans) of the Company or its subsidiaries involving the interests of the CEO, directors or controlling shareholders, which subsisted at the end of the financial year or have been entered into since the end of the previous financial year.

Interested Person Transactions

The Group has adopted an internal policy regarding transactions with interested persons and has established procedures for the review and approval of such transactions.

An interested persons transactions will be properly documented and submitted to the AC for half-yearly review to ensure that they are carried out on an arm's length basis, on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

The Group has not obtained a general mandate from shareholders for IPT. There were no interested person transactions of S\$100,000 and above during FY2025.

Update on Sustainability Report

The Group recognises the importance of sustainability that creates long-term value to our stakeholders by embracing opportunities and managing risks derived from the environment, social developments and governance. The Group is committed towards implementing sustainable practices in order to achieve the right balance between the needs of the wider community and the requirements of stakeholders and business growth. The Group's sustainability report will be prepared in accordance with the Global Reporting Initiative Standards, Core Option and in line with the requirements of the SGX Listing Rules on sustainability reporting. The report will highlight the economic, environmental and social factors such as economic performance, environmental compliance, employment and training and education. The Company's Sustainability Report for FY2025 will be released by end of July 2025.

The Sustainability Report will be publicly accessible through the Company's website as well as on SGXNet.

Disclosure of Information on Directors Seeking Re-Election

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the information relating to the Directors nominated for re-election at the forthcoming AGM is set out below:

	Mr Lee Wan Lik	Mr Stephen Ho ChiMing	Mr Pan Kit Kuan
Date of Appointment	12 May 2004	20 April 2020	20 September 2024
Date of last re-appointment	31 July 2023	15 July 2022	-
Age	63	65	59
Country of principal residence	Hong Kong	Taiwan	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Lee Wan Lik as the Executive Director of the Company was recommended by the Nominating Committee and accepted by the Board, after taking into consideration his expertise, performance, overall contributions, and competencies in fulfilling his responsibilities as an Executive Director and Chairman of the Board.	The re-election of Mr Stephen Ho ChiMing as the Independent Director of the Company was recommended by the Nominating Committee and accepted by the Board, after taking into consideration his expertise, performance, overall contributions, and competencies in fulfilling his responsibilities.	The re-election of Mr Pan Kit Kuan as the Independent Director of the Company was recommended by the Nominating Committee and accepted by the Board, after taking into consideration his expertise, performance, overall contributions, and competencies in fulfilling his responsibilities since his appointment.
Whether appointment is executive, and if so, the area of responsibility	Executive. Mr. Lee's areas of focus include: (i) providing leadership and direction to the Board; (ii) ensuring the Board's effectiveness in all aspects of its role, including the good governance of the Company, and the effectiveness of its committees. (iii) working with the Board and the Company CEO to develop strategy for the Groups' future growth and identify opportunities for value-enhancing strategic initiatives.	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member , etc)	Executive Chairman, Executive Director and member of the Nominating Committee.	Lead Independent Director, Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees.	Independent Director, Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees.

Disclosure of Information on Directors Seeking Re-Election

	Mr Lee Wan Lik	Mr Stephen Ho ChiMing	Mr Pan Kit Kuan
Professional qualifications	Master of Science in Computer Sciences; Bachelor of Science in Computer Science and Engineering; Bachelor of Science in Mathematics	Master of Business Administration, major in Finance; Master of Science, Civil Engineering; Bachelor of Science, Construction Engineering	Bachelor's Degree, Applied Science
Working experience and occupation(s) during the past 10 years	Azeus Systems Holdings Ltd (i) Executive Chairman and Executive Director (15 March 2022 to present) (ii) Executive Chairman, Chief Executive Officer and Managing Director (12 May 2004 to 15 March 2022)	DBS Bank Ltd., Institutional Banking Group, Taiwan (i) Senior Advisor (July 2018 to Dec 2023) (ii) Managing Director (March 2014 to June 2018) APTT Management Pte. Limited, the Trustee-Manager of Asian Pay Television Trust (i) Lead Independent Director Valuetronics Holdings Limited (i) Independent Director CeEntek Pte. Ltd. (i) Lead Independent Director	Sport Singapore (i) Board Member (Oct 2023 to Present) Singapore Institute of Directors (i) Board Services Committee (Feb 2023 to Mar 2024) Pracbiz Pte Ltd (i) Advisors & Board member (Dec 2016 to Present) Alpha Ladder InnovX (i) Co-Chairman/CEO (Dec 2024 to Present) MVGX Tech (i) CEO (June 2024 to Dec 2024) (ii) Co-Chairman (Dec 2024 to Present) Oracle NetSuite (in Asia Pacific and Japan) (i) Vice President & General Manager (June 2019 to March 2024) Oracle (i) Vice President, Cloud / SaaS / Applications (May 2011 to June 2019)
Shareholding interest in the listed issuer and its subsidiaries	8,032,132 ordinary shares in the Company (direct interest) 16,700,000 ordinary shares in the Company (deemed interest)	No	No

Disclosure of Information on Directors Seeking Re-Election

	Mr Lee Wan Lik	Mr Stephen Ho ChiMing	Mr Pan Kit Kuan
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Mr Lee Wan Lik is the sole Administrator of The Estate of Lam Pui Wan, deceased (the “Estate”). The Estate is a substantial shareholder of the Company. Mr Lee Wan Lik is a Director and shareholder holding 10% equity interest in Mu Xia Ltd. Mu Xia Ltd is a substantial shareholder holding 51% shareholding in the capital of the Company.	No	No
Conflict of Interests (including any competing business)	No	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Other Principal Commitments* Including Directorships*			
Past (for the last 5 years)	Azeus Systems Holdings Ltd (i) Chief Executive Officer and Managing Director (12 May 2004 to 15 March 2022)	Institutional Banking Group of DBS Bank Ltd., Taiwan (i) Senior Advisor (July 2018 to Dec 2023)	Singapore Institute of Directors (i) Board Services Committee (February 2023 to March 2024) Oracle NetSuite (in Asia Pacific and Japan) (i) Vice President & General Manager (June 2019 to March 2024) MVGX Tech (i) Chief Executive Officer (June 2024 to December 2024)
Present	Current Director of: (i) Azeus Systems Limited (ii) Azeus Systems Manila (BVI) Ltd (iii) Convene SG Pte. Ltd (iv) Azeus UK Ltd (v) Convene Pty Ltd. (vi) Azeus Convene (BVI) Limited (vii) Convene, Inc. (viii) Convene India Private Limited	APTT Management Pte. Limited, the Trustee-Manager of Asian Pay Television Trust (i) Lead Independent Director Valuetronics Holdings Limited (i) Independent Director CeEntek Pte. Ltd. (i) Lead Independent Director	Sport Singapore (i) Board Member Pracbiz Pte Ltd (i) Advisor and Board member MVGX Tech (i) Co-Chairman Alpha Ladder InnovX (i) Co-Chairman / CEO

Disclosure of Information on Directors Seeking Re-Election

	Mr Lee Wan Lik	Mr Stephen Ho ChiMing	Mr Pan Kit Kuan
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.			
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No

Disclosure of Information on Directors Seeking Re-Election

	Mr Lee Wan Lik	Mr Stephen Ho ChiMing	Mr Pan Kit Kuan
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No

Disclosure of Information on Directors Seeking Re-Election

	Mr Lee Wan Lik	Mr Stephen Ho ChiMing	Mr Pan Kit Kuan
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-	No	No	No
i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;			
or			
ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;			
or			
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or			
iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere			
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?			

Disclosure of Information on Directors Seeking Re-Election

	Mr Lee Wan Lik	Mr Stephen Ho ChiMing	Mr Pan Kit Kuan
k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No
Disclosure applicable to the appointment of Director only			
Any prior experience as a director of a listed company?	Not Applicable as this is for re-election of a director.	Not Applicable as this is for re-election of a director.	Not Applicable as this is for re-election of a director.
If yes, please provide details of prior experience.			
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.			
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).			

Directors' Statements

For the financial year ended 31 March 2025

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 March 2025 and the balance sheet of the Company as at 31 March 2025.

In the opinion of the directors,

- (a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 44 to 103 are drawn up so as to present fairly, in all material aspects, the financial position of the Company and of the Group as at 31 March 2025 and the profit and loss and other comprehensive income, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The directors of the Company in office at the date of this statement are as follows:

Mr Lee Wan Lik
Mr Michael Yap Kiam Siew
Mr Stephen Ho ChiMing
Professor Chee Yeow Meng
Mr Pan Kit Kuan (appointed on 20th September 2024)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' Statements

For the financial year ended 31 March 2025

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

- (a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director		Holdings in which director is deemed to have an interest	
	At 31.3.2025	At 1.4.2024	At 31.3.2025	At 1.4.2024
Azeus Systems Holdings Ltd.				
(No. of ordinary shares)				
Mr Lee Wan Lik ⁽¹⁾	8,032,132	8,032,132	16,700,000	15,300,000
Professor Chee Yeow Meng	83,500	83,500	–	–
Ultimate Holding Corporation - Mu Xia Ltd				
(No. of ordinary shares)				
Mr Lee Wan Lik ⁽²⁾	1,200	1,200	10,800	10,800

- (1) Mr Lee Wan Lik is deemed to be interested in 16,700,000 Shares by virtue of: (a) 15,300,000 Shares held in the name of Mu Xia Ltd.; and (b) 1,400,000 Shares held in the name of the Estate of Lam Pui Wan, in which Mr Lee Wan Lik acts as an administrator.
- (2) Mr Lee Wan Lik is deemed to be interested in 10,800 shares in Mu Xia Ltd. by virtue of the shareholding interests held in the name of the Estate of Lam Pui Wan, in which Mr Lee Wan Lik acts as an administrator

- (b) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had interests in the options to subscribe for ordinary shares of the Company granted pursuant to the Azeus Employee Share Option Scheme.
- (c) The directors' interests in the ordinary shares of the Company as at 21 April 2025 were the same as those as at 31 March 2025.

INDEPENDENT AUDITOR

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

Lee Wan Lik
Director

Michael Yap Kiam Siew
Director

26 June 2025

Independent Auditor's Report

To the Members of Azeus Systems Holdings Ltd.

OUR OPINION

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Azeus Systems Holdings Ltd. (the "Company") and its subsidiaries (the "Group") and the financial position of the Company as at 31 March 2025, and the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year then ended in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s").

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated statement of profit and loss and other comprehensive income of the Group for the financial year ended 31 March 2025;
- the balance sheets of the Group and of the Company as at 31 March 2025;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the consolidated financial statements, including material accounting policy information.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Independent Auditor's Report

To the Members of Azeus Systems Holdings Ltd.

Our Audit Approach (continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year ended 31 March 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
<i>Revenue recognition - measurement of percentage of completion (Refer to Notes 3(a) and 4 to the financial statements)</i> There are 5 main revenue streams under provision of IT services and Azeus Products: - Systems implementation and enhancement (FY2025: HK\$42.6 mil, FY2024: HK\$51.4 mil); - Sales of hardware and software (FY2025: HK\$NIL, FY2024: HK\$0.6 mil); - Maintenance and support services (FY2025: HK\$57.5 mil, FY2024: HK\$55.6 mil). - Product licensing revenue (FY2025: HK\$334.2 mil, FY2024: HK\$199.6 mil) - Product service revenue (FY2025: HK\$40.5 mil, FY2024: HK\$21.7 mil) For the financial year ended 31 March 2025, revenue from the provision of systems implementation and enhancement services represented 9.0% of the Group's revenue (FY2024: 15.6%). The Group recognises revenue from systems implementation and enhancement by reference to the Group's progress towards completing the implementation and enhancement of the IT systems. The measure of progress is determined based on the percentage of actual time costs incurred to date to the estimated total time costs. Significant management judgement is involved in estimating the cost to complete.	We have performed the audit procedures which include the following: - Obtained an understanding of and evaluating the internal controls and validating key controls in place of revenue recognition; - Assessed the appropriateness of the Group's recognition policy; and - Reviewed, on a sampling basis, the underlying contractual agreements to assess management's evaluation of significant terms. In relation to actual contract costs incurred, we: - Tested, on sampling basis, the accuracy of time costs captured that reflects the progress of the projects; and - Assessed the reasonableness of cost incurred against our understanding of the projects and through discussion with project managers. In relation to estimated total contract costs, we: - Discussed with the project managers to assess and review the reasonableness of estimated total contract costs; - Traced, on sampling basis, the cost to complete for selected systems implementation and enhancement projects by substantiating costs that have been committed to contracts entered; and - Performed, on a sampling basis, budget versus actual cost assessment. We also recomputed the cumulative contract revenue and the contract revenue for the current financial year, as well as provision for onerous contracts (where relevant). No material differences were identified. We found the judgements and estimates used in the recognition of revenue to be supported by the available evidence and the disclosures in the financial statements to be adequate.

Independent Auditor's Report

To the Members of Azeus Systems Holdings Ltd.

Other Information

Management is responsible for the other information. The other information comprises the following sections of the annual report, but does not include the consolidated financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report:

- Corporate Information
- Corporate Profile
- Financial Highlights
- Our Services and Products
- Chairman and CEO's Message
- Board of Directors
- Senior Management
- Corporate Governance Report
- Disclosure of Information on Directors Seeking Re-Election
- Directors' Statement
- Statistics of Shareholdings
- Notice of Annual General Meeting

Sustainability Report and the other sections of the annual report ("the Other Sections") are expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we have obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Other Sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Independent Auditor's Report

To the Members of Azeus Systems Holdings Ltd.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with SFRS(I)s and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report

To the Members of Azeus Systems Holdings Ltd.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Magdelene Chua.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 26 June 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the financial year ended 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	4	474,796	328,940
Cost of revenue	5	(110,949)	(95,428)
Gross profit		363,847	233,512
Other income	7	3,605	1,993
Other losses - net	8	(5,951)	(1,403)
Impairment losses of financial assets	27(b)	(2,874)	(2,762)
Expenses			
- Research and development	5	(39,659)	(34,879)
- Selling and marketing	5	(68,035)	(54,063)
- Administrative	5	(55,219)	(49,914)
- Finance cost – lease interest	18(d)	(1,012)	(886)
Profit before tax		194,702	91,598
Tax expenses	9(a)	(27,753)	(6,605)
Total profit		166,949	84,993
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation gains/(losses) arising from consolidation		5,754	(625)
Items that will not be reclassified subsequently to profit or loss:			
Actuarial (losses)/gains on defined retirement benefits	21	(3,795)	1,291
Tax credit/(expense) on actuarial losses	19	953	(527)
		(2,842)	764
Other comprehensive income, net of tax		2,912	139
Total comprehensive income		169,861	85,132
Profit attributable to:			
Equity holders of the Company		166,949	84,993
Total comprehensive income attributable to:			
Equity holders of the Company		169,861	85,132
Earnings per share for profit attributable to equity holders of the Company (HK\$ per share)			
- Basic	10	5.56	2.83
- Diluted	10	5.56	2.83

The accompanying notes form an integral part of these financial statements.

Balance Sheets

As at 31 March 2025

	Notes	Group		Company	
		31 March	31 March	31 March	31 March
		2025	2024	2025	2024
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
ASSETS					
Current assets					
Cash and bank deposits	11	270,299	183,378	972	731
Trade and other receivables	12	87,275	67,125	188,499	87,791
Inventories	14	134	1,165	-	-
Contract assets	15	40,577	30,313	-	-
Current income tax assets	9(b)	509	1,040	-	-
		398,794	283,021	189,471	88,522
Non-current assets					
Investments in subsidiaries	16	-	-	53,802	53,802
Property, plant and equipment	17	8,501	6,207	-	-
Right-of-use assets	18(a)	25,042	25,877	-	-
Deferred income tax assets	19	4,177	3,069	-	-
Refundable deposits		4,973	5,142	-	-
		42,693	40,295	53,802	53,802
Total assets		441,487	323,316	243,273	142,324
LIABILITIES					
Current liabilities					
Trade and other payables	20	30,365	12,904	3,247	1,934
Contract liabilities	15	116,355	101,686	-	-
Lease liabilities	18(c)	5,598	4,748	-	-
Current income tax liabilities	9(c)	20,300	5,153	-	-
		172,618	124,491	3,247	1,934
Non-current liabilities					
Contract liabilities	15	4,599	3,492	-	-
Lease liabilities	18(c)	19,365	20,296	-	-
Other non-current liabilities		3,792	3,706	-	-
Deferred income tax liabilities	19	188	-	-	-
Provision for defined retirement benefits	21	16,860	12,127	-	-
		44,804	39,621	-	-
Total liabilities		217,422	164,112	3,247	1,934
NET ASSETS		224,065	159,204	240,026	140,390
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	22	46,800	46,800	46,800	46,800
Share premium	23	56,489	56,489	56,726	56,726
Foreign currency translation reserve		3,965	(1,789)	-	-
Other reserves	23	1,798	1,774	-	-
Defined retirement benefits		(9,105)	(6,263)	-	-
Retained profit	24	124,118	62,193	136,500	36,864
Total equity		224,065	159,204	240,026	140,390

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the financial year ended 31 March 2025

		Attributable to equity holders of the Company						
Notes		Share capital	Share premium	Foreign currency translation reserve	Other reserves	Defined retirement benefits	Retained profits	Total equity
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
2025								
	Beginning of financial year	46,800	56,489	(1,789)	1,774	(6,263)	62,193	159,204
	Profit for the year	-	-	-	-	-	166,949	166,949
	Other comprehensive income/(loss) for the year	-	-	5,754	-	(2,842)	-	2,912
	Total comprehensive income/(loss) for the year	-	-	5,754	-	(2,842)	166,949	169,861
	Transfer from retained profits to other reserves	-	-	-	24	-	(24)	-
25	FY2024 final dividends paid	-	-	-	-	-	(57,000)	(57,000)
25	FY2025 interim dividends paid	-	-	-	-	-	(48,000)	(48,000)
	End of financial year	46,800	56,489	3,965	1,798	(9,105)	124,118	224,065
2024								
	Beginning of financial year	46,800	56,489	(1,164)	1,774	(7,027)	36,600	133,472
	Profit for the year	-	-	-	-	-	84,993	84,993
	Other comprehensive (loss)/income for the year	-	-	(625)	-	764	-	139
	Total comprehensive (loss)/income for the year	-	-	(625)	-	764	84,993	85,132
	Transfer from retained profits to other reserves	-	-	-	-	-	-	-
25	FY2023 final dividends paid	-	-	-	-	-	(32,400)	(32,400)
25	FY2024 interim dividends paid	-	-	-	-	-	(27,000)	(27,000)
	End of financial year	46,800	56,489	(1,789)	1,774	(6,263)	62,193	159,204

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2025

	Note	Group	
		2025 HK\$'000	2024 HK\$'000
Cash flows from operating activities			
Total profit		166,949	84,993
Adjustments for:			
- Tax expense		27,753	6,605
- Depreciation of property, plant and equipment		1,190	911
- Write-off of property, plant and equipment		61	-
- Amortisation of right-of-use assets		6,130	7,300
- Interest income		(3,323)	(1,614)
- Finance cost - lease interest		1,012	886
- Defined retirement benefits expense		2,350	2,380
- Unrealised currency translation (gains)/losses		(552)	1,424
Operating cash flows before changes in working capital		201,570	102,885
Change in working capital:			
- Trade and other receivables		(20,952)	(6,507)
- Contract assets		(10,264)	(6,120)
- Refundable deposits		169	(1,356)
- Inventories		1,031	2,489
- Trade and other payables		24,215	(943)
- Provision for defined retirement benefits		(1,372)	(1,562)
- Contract liabilities		15,776	17,121
Cash generated from operations		210,173	106,007
Income tax paid, net		(12,266)	(3,701)
Net cash provided by operating activities		197,907	102,306
Cash flows from investing activities			
Additions to property, plant and equipment		(3,526)	(5,831)
Interest received		3,323	1,614
Net cash used in investing activities		(203)	(4,217)
Cash flows from financing activities			
Increase in restricted cash		653	8,786
Dividends paid to equity holders of the Company		(105,000)	(59,400)
Principal payment of lease liabilities		(5,233)	(5,028)
Payment of interest on lease liabilities		(1,012)	(886)
Net cash used in financing activities		(110,592)	(56,528)
Net increase in cash and cash equivalents		87,112	41,561
Cash and cash equivalents			
Beginning of financial year		142,642	103,263
Effects of currency translation on cash and cash equivalents		462	(2,182)
End of financial year	11	230,216	142,642

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2025

Reconciliation of liabilities from financing activities

	← Non-cash changes →					31 March 2025 HK\$'000
	1 April 2024	Principal and interest payment	Additions	Interest expense	Foreign exchange movement	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
2025						
Lease liabilities	25,044	(6,245)	5,112	1,012	40	24,963

	← Non-cash changes →					31 March 2024 HK\$'000
	1 April 2023	Principal and interest payment	Additions	Interest expense	Foreign exchange movement	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
2024						
Lease liabilities	3,162	(5,914)	26,966	886	(56)	25,044

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

For the financial year ended 31 March 2025

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

Azeus Systems Holdings Ltd. (the "Company") is incorporated as an exempt company with limited liability under the Companies Act 1981 of Bermuda and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). The address of its registered office is Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM10, Bermuda. The principal place of business of the Company is 33/F Cambridge House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong.

The principal activity of the Company is that of an investment holding company. The principal activities of the Group are the provision of IT services and cloud-based subscription services of its software products. The principal activities of the subsidiaries are set out in Note 16.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I)s requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

The financial statements are presented in Hong Kong Dollar ("HK\$") and all values are rounded to the nearest thousand (HK\$'000), except where otherwise indicated.

Interpretations and amendments to published standards effective in 2024

On 1 April 2024, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

Notes to the Financial Statements

For the financial year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Impact of SFRS(I) Accounting Standards issued but not yet applied by the entity

The following are the new or amended Standards and Interpretations (issued by the ASC up to 31 October 2024) that are not yet applicable but may be early adopted for the current financial year. For more recent information subsequent to 31 October 2024, please refer to ACRA website.

Annual periods commencing on	Description
1 January 2025	Amendments to SFRS(I) 1-21: Lack of Exchangeability
1 January 2026	Amendments to SFRS(I) 9 and SFRS(I) 7: Amendments to the Classification and Measurement of Financial Instruments Annual Improvements to SFRS(I)s - Volume 11
1 January 2027	SFRS(I) 18: Presentation and Disclosure in Financial Statements SFRS(I) 19: Subsidiaries without Public Accountability: Disclosures

The new or amended accounting Standards and Interpretations listed above are not mandatory for 31 March 2025 reporting periods and have not been early adopted by the Group. These are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

2.3 Revenue

(a) Revenue from IT services and Azeus Products contracts

A service contract is a contract specifically negotiated for the provision of IT services and Azeus products as required under the relevant contract terms and the contract prices are fixed.

There are five main revenue streams under provision of IT services and Azeus Products:

- i) Systems implementation and enhancement
- ii) Sales of hardware and software
- iii) Maintenance and support services
- iv) Product licensing revenue
- v) Product service revenue

The transaction price is allocated to the respective revenue stream based on a relative stand-alone selling price. Management estimates the stand-alone selling price at contract inception based on prices of the type of hardware likely to be provided and the services rendered in similar circumstances to similar customers.

Billings to the customers are based on the payment schedule in the contract. A contract asset is recognised when the Group has performed under the contract but is not yet entitled to bill the customer. Conversely, a contract liability is recognised when the payments received from the customer exceed revenue recognised to date. No significant element of financing is deemed present as the credit terms are generally less than one year.

Notes to the Financial Statements

For the financial year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Revenue (continued)

(a) Revenue from IT services and Azeus Products contracts (continued)

i) Systems implementation and enhancement

The IT services and Azeus products relating to systems implementation and enhancement have no alternative use for the Group due to contractual restriction, and the Group has enforceable rights to payment for performance completed to date arising from the contractual terms. For these contracts, revenue is recognised over time by reference to the Group's progress towards completing the systems implementation and enhancement projects.

The measure of progress is determined based on the percentage of actual time costs incurred to date to the estimated total time costs. Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress and instead are expensed as incurred.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by management.

ii) Sales of hardware and software

Revenue from the sale of hardware and software items is recognised at a point in time when control of the goods has transferred to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied performance obligation.

iii) Maintenance and support services

Revenue from a contract to provide maintenance and system technical support services is recognised over time based on the duration of the contract term. Payments received relating to future periods are treated as contracts liabilities in the balance sheet.

iv) Product licensing revenue

Product licensing revenue are revenue recorded in relation to Azeus Software Licenses. For subscription fees, revenue recognised over time from the commencement date of the contract. For arrangements where the service is made available to customers for the right to use intellectual property, revenue is recognised at the point in time when the licence is granted.

On general terms, payment of the transaction price is due within 30 days when the billings is issued. No significant element of financing is deemed present as the sales are made with a credit term of 30 days, which is consistent with market practice.

Notes to the Financial Statements

For the financial year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Revenue (continued)

(a) Revenue from IT services and Azeus Products contracts (continued)

v) Product service revenue

Product service revenue is recognised at a point in time when customer has acknowledged the completion of the services and when the performance obligation is met.

On general terms, payment of the transaction price is due within 30 days when the billings is issued. No significant element of financing is deemed present as the sales are made with a credit term of 30 days, which is consistent with market practice.

(b) Interest income

Interest income is recognised using the effective interest method.

(c) Dividend income

Dividend income is recognised when the right to receive payment is established.

2.4 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the consolidated financial statements, intercompany transactions and balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The consolidated financial statements incorporate the financial statements of the combining entities or businesses in which the common control combination occurs as if they had been combined from beginning of the financial year.

The net assets of the combining entities or business are combined using the existing book values from the controlling parties' perspective. No amount is recognised in consideration for goodwill or excess of acquires' interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated income statement includes the results of each of the combining entities or business from the earliest date presented or since the date when the combining entities or business first came under the common control, where there is a shorter period, regardless of the date of the common control combination

Notes to the Financial Statements

For the financial year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Group accounting (continued)

(a) *Subsidiaries (continued)*

(ii) *Acquisitions*

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill.

(iii) *Disposals*

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to Note 2.6 "Investments in subsidiaries" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

Notes to the Financial Statements

For the financial year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.5 Property, plant and equipment

(a) Measurement

(i) Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The projected cost of dismantlement, removal or restoration is also recognised as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of either acquiring the asset or using the asset for purpose other than to produce inventories.

(b) Depreciation

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	<u>Useful lives</u>
Leasehold improvements	3 - 5 year
Furniture and fixtures	3 - 5 years
Office equipment	2 - 5 years
Computer equipment	3 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

Notes to the Financial Statements

For the financial year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.6 Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.7 Impairment of non-financial assets

Property, plant and equipment

Investments in subsidiaries

Intangible assets

Right-of-use assets

Property, plant and equipment, investments in subsidiaries, intangible assets and right-of-use-assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset is reversed if, and only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss.

Notes to the Financial Statements

For the financial year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.8 Financial assets

(a) *Classification and measurement*

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVPL).

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

(i) *Debt instruments*

Debt instruments mainly comprise of cash and cash equivalents and trade and other receivables.

There are three subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

- **Amortised cost:** Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.
- **FVOCI:** Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income (OCI) and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "other gains and losses". Interest income from these financial assets is recognised using the effective interest rate method and presented in "interest income".
- **FVPL:** Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "other gains and losses".

Notes to the Financial Statements

For the financial year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.8 Financial assets (continued)

(a) *Classification and measurement (continued)*

At subsequent measurement (continued)

(ii) *Equity investments*

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other gains and losses", except for those equity securities which are not held for trading. The Group has elected to recognise changes in fair value of equity securities not held for trading in other comprehensive income as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "fair value gains / losses" in Other Comprehensive Income. Dividends from equity investments are recognised in profit or loss as "dividend income".

(b) *Impairment*

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 27 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, lease receivables and contract assets, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(c) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

Trade receivables that are factored out to banks and other financial institutions with recourse to the Group are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

Notes to the Financial Statements

For the financial year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.9 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.10 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

2.11 Leases

When the Group is the lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use assets

The Group recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

- Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees
- The exercise price of a purchase option if it is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Notes to the Financial Statements

For the financial year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.11 Leases (continued)

- Lease liabilities (continued)

For contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a changes in the Group's assessment of whether it will exercise an extension option; or
- There are modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

- Short term and low value leases

The Group has elected to not recognised right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

2.12 Inventories

Inventories comprise third party hardware and software products to be used in IT projects under the relevant contract terms and are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. Net realisable value is the estimated selling price in the ordinary course of business.

2.13 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Notes to the Financial Statements

For the financial year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.13 Income taxes (continued)

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.14 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Other provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the statement of profit and loss and other comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.15 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements, if any. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

Notes to the Financial Statements

For the financial year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.16 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) *Employee leave entitlements*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

(b) *Pension benefits*

The Group operates both defined contribution retirement benefits and a non-contributory defined benefit plan.

Defined contribution retirement benefits

The Group operates a defined contribution retirement scheme under the Mandatory Provident Fund Scheme (the “MPF Scheme”) in Hong Kong. The scheme is funded through payments to trustee administered funds. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The Group has a defined contribution scheme (“other scheme”) in accordance with the local conditions and practices in the province of the People’s Republic of China in which they operate. The defined contribution scheme is a pension scheme under which the Group pays fixed contributions into a separate fund and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods. The Group’s contributions to the other scheme are expensed as incurred.

Non-contributory defined benefit plan

The Group has a non-contributory defined retirement benefits plan for the employees of its subsidiary in accordance with the local conditions and practices in the Philippines. The plan is generally funded through payments to trustee-administered funds governed by local regulations and practices and approved by the local management. A defined retirement benefits plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation.

The liability recognised in the balance sheet in respect of a defined benefits pension plan is the present value of the defined benefits obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognised past service costs. The defined benefits obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefits obligation is determined by discounting the estimated future cash outflows using the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and have terms to maturity approximating to the terms of the related retirement obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period when they arise.

Past service costs are recognised immediately in profit or loss.

Notes to the Financial Statements

For the financial year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.16 Employee compensation (continued)

(c) *Share grant*

A controlling shareholder has implemented a share grant incentive scheme for certain key employees. Under this incentive, the controlling shareholder will transfer ordinary shares from his personal shareholding to such employees from time to time. The number of shares to be transferred and the terms of such transfers will be in his absolute discretion, and entitled employees will be providing no, nominal, or discounted consideration for such transfers.

The fair value of the employee services received in exchange for the grant of the shares from the controlling shareholder is recognised as an expense in profit or loss with a corresponding increase in the reserve on the date of grant. The fair value of the employee services received is determined from the quoted market value of the shares granted in consideration of the services performed at the date of the grant. The shares vest immediately upon being granted.

(d) *Long service payments*

The Group's employees have to complete a required number of years of service to the Group in order to be eligible for long service payments under the Hong Kong Employment Ordinance in the event of the termination of their employment. The Group is liable to make such payments in the event that such termination of employment meets the circumstances specified in the Hong Kong Employment Ordinance.

A provision is recognised in respect of the probable future long service payments expected to be made. The provision is based on the best estimate of the probable future payments which have been earned by the employees from their service to the Group to the balance sheet date.

(e) *Bonus plans*

The expected cost of bonus payments are recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Liabilities for bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

(f) *Termination benefits*

Termination benefits are those benefits which are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognises costs for a restructuring that is within the scope of SFRS(I) 1-37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

Notes to the Financial Statements

For the financial year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.17 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Hong Kong Dollar, which is the functional currency of the Company.

(b) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. Monetary items included primarily financial assets (other than equity investments), contract assets and financial liabilities.

Foreign exchange gains and losses impacting profit or loss are presented in the statement of profit and loss and other comprehensive income within "other gains/(losses)". Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) *Translation of Group entities' financial statements*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities are translated at the closing exchange rates at reporting date;
- (ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

2.19 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, and deposits with financial institutions which are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

Notes to the Financial Statements

For the financial year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.20 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.21 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payments.

2.22 Government grants

Grants from the government are recognised as receivable at their fair value when there is reasonable assurance that the grant will be received, and the Group will comply with all the attached conditions.

Government grants receivable is recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Estimation of total contract costs

The Group has significant ongoing contracts pertaining to systems implementation and enhancement. For these contracts, revenue is recognised over time by reference to the Group's progress towards completing the implementation or enhancement of the IT systems. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs ("input method").

Management has to estimate the total contract costs to complete, which are used in the input method to determine the Group's recognition of revenue from the provision of systems implementation and enhancement services. When it is probable that the total contract costs will exceed the total revenue from the provision of such services, a provision for onerous contract is recognised immediately.

Significant judgement is used to estimate these total contracts costs to complete. In making these estimates, management has relied on past experience of completed projects and the work of specialists.

As at 31 March 2025, HK\$5.8 million of the Group's contract assets are subjected to the estimation of progress towards completion using the input method.

If the estimated total contract costs for the on-going contracts to be incurred had been higher/lower by 5% from management's estimates, the Group's revenue and contract assets would have been lower/higher by approximately HK\$0.6 million and HK\$0.7 million respectively.

Notes to the Financial Statements

For the financial year ended 31 March 2025

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

(b) Defined retirement benefits

The determination of the Group's pension benefit obligation and retirement benefits are dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include among others, discount rates, expected return on plan assets and rate of compensation increase.

The liability recognised in the Group's balance sheet in respect of a defined benefit pension plan is the present value of the defined benefit obligation at reporting date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using a selection of assumptions. Those assumptions include among others, discount rates, expected return on plan assets and rate of compensation increase as described in Note 21.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period when they arise. The experience adjustments are not to be reclassified to profit or loss in a subsequent period.

Past service costs are recognised immediately in profit or loss.

While it is believed that the Group's assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions may materially affect the Group's retirement benefit cost and obligation.

The possible effects of sensitivities surrounding actuarial assumptions at the financial reporting date are presented in Note 21. Other key assumptions for retirement benefit obligation are based on current market conditions.

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

(a) Disaggregation of revenue from contracts with customers

	At a point in time HK\$'000	Over time HK\$'000	Total HK\$'000
2025			
IT Services			
Systems implementation and enhancement	–	30,031	30,031
Maintenance and support services	–	52,926	52,926
	–	82,957	82,957
Azeus Products			
Product licensing revenue	141,455	192,741	334,196
Product service revenue	40,518	–	40,518
Systems implementation and enhancement	–	12,607	12,607
Maintenance and support services	–	4,518	4,518
	181,973	209,866	391,839
	181,973	292,823	474,796

Notes to the Financial Statements

For the financial year ended 31 March 2025

4. REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

(a) Disaggregation of revenue from contracts with customers (continued)

	At a point in time HK\$'000	Over time HK\$'000	Total HK\$'000
2024			
IT Services			
Systems implementation and enhancement	-	23,408	23,408
Maintenance and support services	-	51,995	51,995
	-	75,403	75,403
Azeus Products			
Product licensing revenue	41,271	158,389	199,660
Product service revenue	21,704	-	21,704
Sales of Hardware and Software	-	567	567
Systems implementation and enhancement	-	28,040	28,040
Maintenance and support services	-	3,566	3,566
	62,975	190,562	253,537
	62,975	265,965	328,940

(b) Trade receivables from contracts with customers

		Group		
	Note	31 March 2025 HK\$'000	31 March 2024 HK\$'000	1 April 2023 HK\$'000
Current assets				
Trade receivables from contracts with customers	12	73,663	53,408	44,065
Less: Loss allowance	12	(3,662)	(2,582)	(228)
		70,001	50,826	43,837

Contract assets and liabilities for IT Services and Azeus Products contracts are disclosed in Note 15. The breakdown of the Group's revenue by geographical regions are disclosed in Note 30.

Notes to the Financial Statements

For the financial year ended 31 March 2025

5. EXPENSES BY NATURE

	2025 HK\$'000	2024 HK\$'000
Consultancy fee - administrative	1,716	1,183
Directors' remuneration	4,515	3,258
Employee compensation (Note 6)	169,922	149,257
Depreciation of property, plant, and equipment (Note 17)	1,190	911
Amortisation of right-of-use assets (Note 18)	6,130	7,300
Legal and professional fees	4,439	3,531
Rental expenses on short-term leases (Note 18)	4,723	3,731
Third-party hardware and software support cost	7,052	6,827
Project direct service cost, sub-contracting and consultancy fee	12,247	6,825
Third-party hardware and software cost	723	2,025
Third-party research and development expense	2,699	1,579
Cost of hosting services	13,429	10,785
Marketing activities expense	15,725	12,353
Utilities	1,508	1,600
Insurance	1,444	1,791
Sales consultancy fee	9,119	7,775
Sales commission	5,513	2,147
Technical supplies and services	1,142	1,290
Transportation and travelling	1,700	935
Referral fee	75	158
Recruitment and training	731	1,184
Audit fee paid/payable to auditors of the Group	2,071	1,902
Non-audit fee paid/payable to auditors of the Group	199	850
Other auditors	177	137
Bank and transaction charges	980	913
Office reinstatement expense	–	1,000
Other expenses	4,693	3,037
Total cost of revenue, research, and development, selling and marketing and administrative expenses	273,862	234,284

Notes to the Financial Statements

For the financial year ended 31 March 2025

6. EMPLOYEE COMPENSATION

	Group	
	2025	2024
	HK\$'000	HK\$'000
Wages and salaries	159,565	139,708
Employer's contribution to defined contribution plans	8,007	7,168
Defined retirement benefits expenses (Note 21)	2,350	2,381
	169,922	149,257

7. OTHER INCOME

	Group	
	2025	2024
	HK\$'000	HK\$'000
Other income comprises of:		
Interest income from bank deposits	3,323	1,614
Sundry income	282	379
	3,605	1,993

8. OTHER LOSSES - NET

	Group	
	2025	2024
	HK\$'000	HK\$'000
Currency exchange losses - net	5,951	1,403

Notes to the Financial Statements

For the financial year ended 31 March 2025

9. INCOME TAXES

(a) Tax expenses

	Group	
	2025 HK\$'000	2024 HK\$'000
Tax expense attributable to profit is made up of:		
- Current income tax	26,932	7,249
- Deferred income tax expense/(credit) (Note 19)	24	(245)
	26,956	7,004
Under/(over) provision in prior financial years:		
- Current income tax	1,059	(707)
- Deferred income tax expense (Note 19)	(32)	-
	1,027	(707)
Withholding tax (credit)/expense	(230)	308
	27,753	6,605

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profit or loss of the consolidated companies is as explained below:

	Group	
	2025 HK\$'000	2024 HK\$'000
Profit before tax	194,702	91,598
Tax calculated at domestic tax rates applicable to profit and loss in the respective countries	31,002	10,164
Effects of:		
- tax concession	(2)	(6)
- expenses not deductible for tax purposes	1,974	1,263
- income not subject to tax	(6,240)	(3,999)
- utilisation of previously unrecognised capital allowance	-	(314)
- withholding tax (credit)/expense	(230)	308
- under/(over) provision of tax in prior financial years	1,059	(707)
- overprovision of deferred tax assets in prior financial years	(32)	-
- others	222	(104)
Tax charge	27,753	6,605

Tax for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions at the balance sheet date.

Notes to the Financial Statements

For the financial year ended 31 March 2025

9. INCOME TAXES (CONTINUED)

(b) Movements in current income tax assets

	Group	
	31 March 2025	31 March 2024
	HK\$'000	HK\$'000
Beginning of financial year	1,040	1,568
Currency translation difference	9	(72)
Income tax paid/(refunded)	446	(571)
Tax (expense)/credit	(106)	115
Under provision in prior financial years	(880)	-
End of financial year	509	1,040

(c) Movements in current income tax liabilities

	Group	
	31 March 2025	31 March 2024
	HK\$'000	HK\$'000
Beginning of financial year	(5,153)	(2,801)
Currency translation difference	38	33
Income tax paid	11,820	4,272
Tax expense	(26,826)	(7,364)
(Under)/over provision in prior financial years	(179)	707
End of financial year	(20,300)	(5,153)

Notes to the Financial Statements

For the financial year ended 31 March 2025

10. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2025	2024
Net profit attributable to equity holders of the Company (HK\$'000)	166,949	84,993
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	30,000	30,000
Basic earnings per share (HK dollars per share)	5.56	2.83
Diluted earnings per share (HK dollars per share)	5.56	2.83

Diluted earnings per share is the same as basic earnings per share as there are no dilutive potential ordinary shares as at 31 March 2025 and 31 March 2024.

11. CASH AND BANK DEPOSITS

	Group		Company	
	31 March 2025 HK\$'000	31 March 2024 HK\$'000	31 March 2025 HK\$'000	31 March 2024 HK\$'000
Cash at bank and on hand	196,234	131,643	972	731
Short-term bank deposits	74,065	51,735	-	-
	270,299	183,378	972	731

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group		Company	
	31 March 2025 HK\$'000	31 March 2024 HK\$'000	31 March 2025 HK\$'000	31 March 2024 HK\$'000
Cash and bank deposits	270,299	183,378	972	731
Less: Restricted cash	(40,083)	(40,736)	-	-
Cash and cash equivalents per consolidated statement of cash flows	230,216	142,642	972	731

As at 31 March 2025, included in cash and bank deposits were bank deposits amounting to HK\$40,083,000 (2024: HK\$40,736,000) which were not freely available for use by the Group as they have been pledged as securities for the performance bonds and the bank guarantees issued by the banks on behalf of the Group.

Notes to the Financial Statements

For the financial year ended 31 March 2025

11. CASH AND BANK DEPOSITS (CONTINUED)

Short-term bank deposits at the balance sheet have the following weighted average effective interest rates per annum:

	Group	
	31 March 2025	31 March 2024
	%	%
Hong Kong Dollar	1.7	2.7
United States Dollar	1.0	1.0
Australian Dollar	3.2	1.3
Malaysian Ringgit	3.1	3.1
South African Rand	7.5	-
Indian Rupee	6.4	4.0

12. TRADE AND OTHER RECEIVABLES

	Group		Company	
	31 March 2025 HK\$'000	31 March 2024 HK\$'000	31 March 2025 HK\$'000	31 March 2024 HK\$'000
Trade receivables				
- Non-related parties	73,663	53,408	-	-
Less: Loss allowance	(3,662)	(2,582)	-	-
	70,001	50,826	-	-
Amount due from subsidiaries				
- Non-trade (Note 13)	-	-	188,127	87,471
Prepayments	14,105	14,043	372	320
Other receivables and deposits (non-related parties)	3,169	2,256	-	-
	87,275	67,125	188,499	87,791

13. AMOUNTS DUE FROM/TO SUBSIDIARIES

The non-trade amounts due from/to subsidiaries are unsecured, interest-free and repayable on demand.

Notes to the Financial Statements

For the financial year ended 31 March 2025

14. INVENTORIES

	Group	
	31 March 2025 HK\$'000	31 March 2024 HK\$'000
<u>At cost</u>		
Third-party hardware and software products	134	1,165

The cost of inventories recognised as an expense and included in “cost of revenue” amounted to HK\$1,795,000 (2024: HK\$4,643,000).

15. CONTRACT ASSETS AND LIABILITIES

	Group		
	31 March 2025 HK\$'000	31 March 2024 HK\$'000	1 April 2023 HK\$'000
<u>Contract assets</u>			
IT Services			
Systems implementation and enhancement	5,656	4,304	5,455
Maintenance and support services	4,853	4,969	3,978
	10,509	9,273	9,433
Less: Loss allowance	(69)	(41)	–
	10,440	9,232	9,433
Azeus Products			
Systems implementation and enhancement	28,087	20,682	14,082
Product licensing revenue	–	399	678
Product service revenue	2,050	–	–
	30,137	21,081	14,760
Total contract assets	40,577	30,313	24,193

Notes to the Financial Statements

For the financial year ended 31 March 2025

15. CONTRACT ASSETS AND LIABILITIES (CONTINUED)

	Group		
	31 March 2025	31 March 2024	1 April 2022
	HK\$'000	HK\$'000	HK\$'000
Contract liabilities			
<i>Current</i>			
IT Services			
Maintenance and support services	2,076	1,355	1,914
Azeus Products			
Product licensing	114,279	100,331	84,241
	116,355	101,686	86,155
<i>Non-current</i>			
Azeus Products			
Product licensing	4,599	3,492	1,902
Total contract liabilities	120,954	105,178	88,057

Contract assets are recognised when the services rendered by the Group exceeds the payment received. Customers pay the service amount on an agreed contractual payment schedules. The contract assets balance increased as the Group provided more services ahead of the agreed payment schedules.

Contract liabilities primarily consist of payments received in advance for the Azeus Product subscription fees and IT service maintenance and support services respectively. The contract liabilities balance increased due to higher prepayments and an increase in overall contract activities.

Notes to the Financial Statements

For the financial year ended 31 March 2025

15. CONTRACT ASSETS AND LIABILITIES (CONTINUED)

(i) Revenue recognised in relation to contract liabilities

	Group	
	2025 HK\$'000	2024 HK\$'000
Revenue recognised in current period that was included in the contract liability balance at the beginning of the period		
IT Services		
Maintenance and support services	1,355	1,914
Azeus Products		
Product licensing	100,331	84,241
Revenue recognised in current period from performance obligations satisfied in previous periods	–	–

(ii) Unsatisfied performance obligations

	Group	
	31 March 2025 HK\$'000	31 March 2024 HK\$'000
Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied as at 31 March		
IT Services		
Systems implementation and enhancement	8,442	13,840
Azeus Products		
Product licensing revenue	116,884	106,054
Maintenance and support services	1,400	2,816
Systems implementation and enhancement	1,969	7,225
	128,695	129,935

Notes to the Financial Statements

For the financial year ended 31 March 2025

15. CONTRACT ASSETS AND LIABILITIES (CONTINUED)

(ii) Unsatisfied performance obligations (continued)

Management expects that the transaction price allocated to unsatisfied performance obligations as at 31 March 2025 and 2024 may be recognised as revenue in the next reporting periods as follows:

	Within 1 year HK\$'000	Between 1 and 2 years HK\$'000	Over 2 years HK\$'000	Total HK\$'000
Partial and fully unsatisfied performance obligations as at:				
31 March 2025	119,472	8,254	969	128,695
31 March 2024	122,297	5,565	2,073	129,935

The amount disclosed above does not include variable consideration which is subject to significant risk of reversal.

As permitted under the SFRS(I) 15, the aggregated transaction price allocated to unsatisfied contracts of periods one year or less, or are billed based on time incurred, is not disclosed.

16. INVESTMENTS IN SUBSIDIARIES

	Company	
	31 March 2025 HK\$'000	31 March 2024 HK\$'000
<i>Equity investments at cost</i>		
Beginning of financial year	58,131	58,131
Additions	-	-
	58,131	58,131
<i>Allowance for impairment</i>		
Beginning of financial year	(4,329)	(4,329)
Allowance made	-	-
	(4,329)	(4,329)
End of financial year	53,802	53,802

Notes to the Financial Statements

For the financial year ended 31 March 2025

16. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The Group had the following subsidiaries as at 31 March 2025 and 31 March 2024:

Name of subsidiaries	Country of business/ incorporation	Principal activities	Equity holding	
			31 March 2025	31 March 2024
			%	%
<u>Held by the Company</u>				
Azeus Systems Limited ^(a)	Hong Kong	Provision of IT services, selling software and cloud-based subscription services	100	100
Azeus Systems Manila BVI Ltd ^(b)	British Virgin Islands	Investment holding	100	100
Azeus UK Limited ^(c)	United Kingdom	Provision of IT services, selling software and cloud-based subscription services	100	100
Convene SG Pte Ltd ^(d)	Singapore	Selling software and cloud-based subscription services	100	100
Convene Pty Ltd ^(b)	Australia	Selling software and cloud-based subscription services	100	100
Convene Malaysia Sdn Bhd ^(e)	Malaysia	Selling software and cloud-based subscription services	100	100
Azeus Convene (BVI) Limited ^(b)	British Virgin Islands	Investment holding	100	100
Convene, Inc ^(b)	United States of America	Selling software and cloud-based subscription services	100	100
Convene Brazil Ltda ^(b)	Brazil	Selling software and cloud-based subscription services	100	100
Convene Africa (Pty) Ltd ⁽ⁱ⁾	South Africa	Selling software and cloud-based subscription services	100	100

Notes to the Financial Statements

For the financial year ended 31 March 2025

16. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The Group had the following subsidiaries as at 31 March 2025 and 31 March 2024 (continued):

Name of subsidiaries	Country of business/ incorporation	Principal activities	Equity holding	
			31 March 2025	31 March 2024
			%	%
<u>Held by the subsidiaries</u>				
Azeus Systems Philippines Limited ^(f)	Philippines	Software development	100	100
Azeus Systems (Dalian) Co., Ltd ^(g)	People's Republic of China	Software development	100	100
Convene UK Limited ^(b)	United Kingdom	Dormant	100	100
Convene Hong Kong Limited ^(b)	Hong Kong	Dormant	100	100
Convene India Private Limited ^(h)	India	Selling software and cloud-based subscription services	100	100
Convene (SAAS) Ireland ^(b)	Ireland	Dormant	100	100
Convene Sociedad Limitada ^(b)	Spain	Selling software and cloud-based subscription services	100	100
AzeusConvene Sdn Bhd ^(b)	Malaysia	Software development	100	100
Azeus Systems Information Technology LLC ^(j)	Saudi Arabia	Selling software and cloud-based subscription services	100	100
Azeus Convene Software LLC ^(k)	The United Arab Emirates	Selling software and cloud-based subscription services	100	–

(a) Audited by PricewaterhouseCoopers, Hong Kong.

(b) Not required to be audited under the laws of the country of incorporation.

(c) Audited by Wellden Turnbull LLP, United Kingdom.

(d) Audited by PricewaterhouseCoopers LLP.

(e) Audited by YYC & CO PLT, Malaysia.

(f) Azeus Systems Philippines Limited is a branch of Azeus Systems Manila BVI Ltd., registered in the Philippines, and is audited by Isla Lipana & Co., the Philippine member firm of PricewaterhouseCoopers International Limited.

(g) Financial year ends on 31 December and audited by Dalian Mingyike Certified Public Accountants Co., Ltd, an audit firm in the People's Republic of China ("PRC"). There were no significant transactions or events occurring during the period 1 January 2025 to 31 March 2025.

(h) Audited by MAAG & Associates Chartered Accountants.

(i) Independent review by ZHR Accountants And Auditors.

(j) Audited by Hashem Bin Radhi Bin Hassan Al Hashem Accountants and Certified Public Auditors.

(k) Audited by Accuvatt Management Consultancy.

Notes to the Financial Statements

For the financial year ended 31 March 2025

17. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK\$'000	Furniture and fixtures HK\$'000	Office equipment HK\$'000	Computer equipment HK\$'000	Total HK\$'000
Group					
2025					
<i>Cost</i>					
Beginning of the financial year	5,270	1,216	574	4,430	11,490
Additions	2,497	138	105	786	3,526
Write-off	–	–	–	(466)	(466)
Currency translation differences	(9)	(11)	(13)	(18)	(51)
End of financial year	7,758	1,343	666	4,732	14,499
<i>Accumulated depreciation</i>					
Beginning of financial year	1,174	632	571	2,906	5,283
Depreciation charge (Note 5)	176	136	4	874	1,190
Write-off	–	–	–	(405)	(405)
Currency translation differences	(24)	(15)	(14)	(17)	(70)
End of financial year	1,326	753	561	3,358	5,998
Net book value end of financial year	6,432	590	105	1,374	8,501
	Leasehold improvements HK\$'000	Furniture and fixtures HK\$'000	Office equipment HK\$'000	Computer equipment HK\$'000	Total HK\$'000
Group					
2024					
<i>Cost</i>					
Beginning of financial year	1,132	607	596	3,521	5,856
Additions	4,178	632	–	1,021	5,831
Write-off	–	–	–	(64)	(64)
Currency translation differences	(40)	(23)	(22)	(48)	(133)
End of financial year	5,270	1,216	574	4,430	11,490
<i>Accumulated depreciation</i>					
Beginning of financial year	1,102	562	589	2,304	4,557
Depreciation charge (Note 5)	117	91	4	699	911
Write-off	–	–	–	(64)	(64)
Currency translation differences	(45)	(21)	(22)	(33)	(121)
End of financial year	1,174	632	571	2,906	5,283
Net book value end of financial year	4,096	584	3	1,524	6,207

Notes to the Financial Statements

For the financial year ended 31 March 2025

18. LEASES – THE GROUP AS A LESSEE

The Group leases office space for the purpose of office operations. There are no externally imposed covenant on these lease arrangements.

	Group	
	2025 HK\$'000	2024 HK\$'000
(a) Right of use assets – Carrying amount	25,042	25,877
(b) Amortisation charge during the year (Note 5)	6,130	7,300
(c) Lease Liabilities		
Current	5,598	4,748
Non-current	19,365	20,296
	24,963	25,044
(d) Interest expense on lease liabilities	1,012	886
(e) Lease expense not capitalised in lease liabilities		
Lease expense – short-term leases (Note 5)	4,723	3,731
(f) Total cash outflow for all the leases in the financial year ended 31 March 2025 was HK\$10,968,000 (2024: HK\$9,645,000).		
(g) The addition of right-of-use assets during the financial year ended 31 March 2025 amounted to HK\$5,256,000 (2024: HK\$30,012,000).		
(h) Future cash outflow which are not capitalised in lease liabilities		
(i) Extension options		

The leases for certain office space contain extension periods, for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise these extension options. The Group negotiates extension options to optimise operational flexibility in terms of managing the assets used in the Group's operations. The majority of the extension options are exercisable by the Group and not by the lessor.

Notes to the Financial Statements

For the financial year ended 31 March 2025

19. DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheets as follows:

	Group	
	2025	2024
	HK\$'000	HK\$'000
Deferred income tax assets	4,177	3,069
Deferred income tax liabilities	(188)	-
Net deferred tax assets	3,989	3,069

Movement in the net deferred income tax account is as follows:

	Group	
	2025	2024
	HK\$'000	HK\$'000
Beginning of financial year	3,069	3,299
Currency translation differences	(41)	52
Credited/(charged) to		
- profit or loss (Note 9(a))	8	245
- other comprehensive income	953	(527)
End of financial year	3,989	3,069

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised trading tax losses of HK\$12,392,000 (2024: HK\$11,404,000) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses in their respective countries of incorporation. The tax losses have no expiry date. In the prior financial year, the Group has fully utilised the previously unrecognised capital allowances of HK\$314,000.

Notes to the Financial Statements

For the financial year ended 31 March 2025

19. DEFERRED INCOME TAX (CONTINUED)

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

Group

Deferred income tax assets

	Retirement benefits HK\$'000	Other HK\$'000	Total HK\$'000
2025			
Beginning of financial year	3,032	37	3,069
Currency translation differences	(53)	12	(41)
Credited/(charged) to			
- profit or loss (Note 9(a))	219	(23)	196
- other comprehensive income	953	-	953
End of financial year	4,151	26	4,177
2024			
Beginning of financial year	3,270	29	3,299
Currency translation differences	84	(32)	52
Credited/(charged) to			
- profit or loss (Note 9(a))	205	40	245
- other comprehensive income	(527)	-	(527)
End of financial year	3,032	37	3,069

Deferred income tax liabilities

	Accelerated tax depreciation HK\$'000	Total HK\$'000
2025		
Beginning of financial year	-	-
Currency translation differences	-	-
Credited/(charged) to		
- profit or loss (Note 9(a))	(188)	(188)
End of financial year	(188)	(188)

Notes to the Financial Statements

For the financial year ended 31 March 2025

20. TRADE AND OTHER PAYABLES

	Group		Company	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<i>Current</i>				
Trade payables - non-related parties	8,863	3,549	-	-
Amount due to subsidiaries - non-trade (Note 13)	-	-	104	210
Other tax payables	6,846	3,830	-	-
Other accruals for operating expenses	14,656	5,525	3,143	1,724
	30,365	12,904	3,247	1,934

21. PROVISION FOR DEFINED RETIREMENT BENEFITS

The Group maintains the Employee Retirement Benefit Plan (the "Plan") which is a non-contributory retirement benefit plan covering substantially all its qualified employees. The fund is administered by a trustee bank, governed by local regulations and practices and approved by the management. Under the Plan, normal retirement age is 60 years. The Plan is intended to provide benefit payments to members with at least three (3) years of credited service. The Plan provides for a retirement benefit ranging from 175% to 225% of plan salary for every year of credited service. The defined retirement benefits will be funded by the plan assets and the Group.

The Group's obligations under defined benefit plan may significantly vary depending on a number of market, economic and demographic conditions, such as yields on government debt, employee turnover and mortality rates.

The computation for the Current Service Cost of the retirement plan is based on actuarial valuation conducted by third-party Actuarial Consultant annually.

These risk factors may affect the Group's future cash outflows to fund its obligations, amounts of periodic benefit costs used in calculating net profit and remeasurement charges.

The amounts recognised in the balance sheets are determined as follows:

	Group	
	31 March 2025	31 March 2024
	HK\$'000	HK\$'000
Present value of funded benefit obligations	32,598	25,998
Fair value of plan assets	(15,738)	(13,871)
Retirement benefit obligation	16,860	12,127

Notes to the Financial Statements

For the financial year ended 31 March 2025

21. PROVISION FOR DEFINED RETIREMENT BENEFITS (CONTINUED)

The movements in the retirement benefit obligation are as follows:

	Group	
	2025 HK\$'000	2024 HK\$'000
Beginning of financial year	12,127	13,076
Currency translation differences	(273)	(478)
Charged to profit or loss (Note 6)	2,350	2,381
Remeasurements		
- Losses from return on plan assets	100	171
- Changes in demographic assumptions	495	(1,068)
- Changes in financial assumptions	1,741	277
- Experience losses	1,459	(671)
Actuarial losses/(gains) to other comprehensive income	3,795	(1,291)
Contributions paid	(1,139)	(1,561)
End of financial year	16,860	12,127

The movements in the present value of retirement benefit obligation are as follows:

	Group	
	2025 HK\$'000	2024 HK\$'000
Beginning of financial year	25,998	26,295
Currency translation differences	(195)	(966)
Interest cost	1,596	1,678
Current service cost	1,641	1,561
- Changes in financial assumptions	1,741	277
- Changes in demographic assumptions	495	(1,068)
- Experience losses	1,459	(671)
Actuarial (gains)/losses	3,695	(1,462)
Benefits paid from plan assets	(137)	(1,108)
End of financial year	32,598	25,998

Notes to the Financial Statements

For the financial year ended 31 March 2025

21. PROVISION FOR DEFINED RETIREMENT BENEFITS (CONTINUED)

The movements in the fair value of plan assets are as follows:

	Group	
	2025	2024
	HK\$'000	HK\$'000
Beginning of financial year	13,871	13,219
Currency translation differences	78	(488)
Interest income	887	858
Contributions paid	1,139	1,561
Benefits paid from plan assets	(137)	(1,108)
Actuarial losses on return on plan assets	(100)	(171)
End of financial year	15,738	13,871

The Group's retirement plan assets consist of:

	Group	
	31 March	31 March
	2025	2024
Debt securities	99%	99%
Cash and cash equivalents	*	*
Others	1%	1%
End of financial year	100%	100%

* Less than 1%

Investment in debt securities consists of investment in corporate bonds, retail treasury bonds issued by the Philippine government through the Bureau of Treasury, unsecured subordinated debts and long-term notes on time deposits.

The amounts recognised in profit or loss are as follows:

	Group	
	2025	2024
	HK\$'000	HK\$'000
Current service cost	1,641	1,561
Interest cost	1,596	1,678
Interest income	(887)	(858)
Included in "Employee compensation" (Note 6)	2,350	2,381

Notes to the Financial Statements

For the financial year ended 31 March 2025

21. PROVISION FOR DEFINED RETIREMENT BENEFITS (CONTINUED)

The principal actuarial assumptions used were as follows:

	Group	
	31 March 2025	31 March 2024
Discount rate	6.3%	6.3%
Future salary increases	7.6%	7.1%
Average remaining working life in years	25.5	26.5
Average years of past service	12.0	10.7

The rate used to discount retirement benefit obligations is based on the government securities reference curve and extrapolated for the average remaining working life of the employees.

The sensitivity of the defined benefit obligation to changes in the principal assumptions is:

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	Decrease by HK\$3.8m	Increase by HK\$4.5m
Weighted salary growth rate	1%	Increase by HK\$4.4m	Decrease by HK\$3.8m

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method has been applied as when calculating the retirement benefit obligation recognised within the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

22. SHARE CAPITAL

	No. of ordinary shares Issued share capital		Amount Share capital	
	2025 '000	2024 '000	2025 HK\$'000	2024 HK\$'000
Group and Company				
Beginning and end of financial year	30,000	30,000	46,800	46,800

All issued ordinary shares are fully paid. The par value is US\$0.20 per share.

Notes to the Financial Statements

For the financial year ended 31 March 2025

23. SHARE PREMIUM AND OTHER RESERVES

	Group		Company	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Share premium	56,489	56,489	56,726	56,726
<i>Other reserves</i>				
Employee share-based payment reserve	1,328	1,328	–	–
Statutory reserve	470	446	–	–
	1,798	1,774	–	–

Share premium pertains to the premium paid by shareholders which is above the par value. Lower share premium at the Group level due to the adjustments arising from the restructuring exercise during the financial year ended 31 March 2005.

Employee share-based payment reserve relates to the Azeus Employee Share Option Scheme (the “Scheme”), which was approved by the shareholders of the Company.

Statutory reserve represents the appropriations made in accordance with the PRC laws for PRC subsidiary. This reserve is made out of profit after tax as recorded in the statutory financial statements. The appropriation to the reserve shall be no less than 10% of net profit and appropriation may cease when the fund reaches 50% of the registered capital.

24. RETAINED PROFITS

Movement in retained profits for the Company is as follows:

	Company	
	2025	2024
	HK\$'000	HK\$'000
Beginning of financial year	36,864	36,762
Net profit	204,636	59,502
Dividends paid (Note 25)	(105,000)	(59,400)
End of financial year	136,500	36,864

Notes to the Financial Statements

For the financial year ended 31 March 2025

25. DIVIDENDS

	Group	
	2025 HK\$'000	2024 HK\$'000
Ordinary dividends		
Tax-exempt one-tier interim dividend paid in respect of the current financial year:		
HK\$1.60 per ordinary share (2024: HK\$0.90 per ordinary share)	48,000	27,000
Tax-exempt one-tier final dividend paid in respect of the previous financial year:		
HK\$1.90 per ordinary share (2024: HK\$1.08 per ordinary share)	57,000	32,400
	105,000	59,400

At the Annual General Meeting on 30 July 2025, a final dividend of HK\$3.90 per share amounting to a total of HK\$117,000,000 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 March 2026.

26. CONTINGENT LIABILITIES

At 31 March 2025, there were contingent liabilities in respect of performance bonds amounting to HK\$37,412,000 (2024: HK\$36,698,000) issued by the banks on behalf of the Group.

27. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk since the previous financial year.

Notes to the Financial Statements

For the financial year ended 31 March 2025

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

The Group's exposures to financial risks are set out below.

(a) Market risk

(i) Currency risk

The Group operates in multiple countries with dominant operations in Hong Kong and the United Kingdom. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies").

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as United States Dollar ("USD"), Malaysian Ringgit ("MYR"), Australian Dollar ("AUD") and Great Britain Pound ("GBP"). In addition, the Group is exposed to currency translation risk on the net assets/liabilities in foreign operations.

The Group manages currency risk by matching assets and liabilities in the same currency denomination and supplemented with appropriate financial instruments where necessary.

The Group's currency exposure based on the information provided to key management is as follows:

	HKD HK\$'000	USD HK\$'000	MYR HK\$'000	GBP HK\$'000	AUD HK\$'000	Others HK\$'000
As at 31 March 2025						
Financial assets						
Cash and bank deposits	107,590	22,703	27,998	44,398	23,800	43,810
Trade and other receivables	6,264	29,397	4,065	9,133	1,237	23,074
Refundable deposits	3,935	–	38	–	–	1,000
Intra-group receivables	208,661	15,006	22,510	21,098	16,460	33,317
	326,450	67,106	54,611	74,629	41,497	101,201
Financial liabilities						
Trade and other payables	(12,234)	(2,547)	(605)	(707)	(136)	(7,290)
Intra-group payables	(208,661)	(15,006)	(22,510)	(21,098)	(16,460)	(33,317)
Lease liabilities	(19,899)	–	–	–	–	(5,064)
	(240,794)	(17,553)	(23,115)	(21,805)	(16,596)	(45,671)
Net financial assets	85,656	49,553	31,496	52,824	24,901	55,530
Add: Contract assets	40,387	–	–	190	–	–
Currency profile including non-financial assets and liabilities	126,043	49,553	31,496	53,014	24,901	55,530
Add/less: Net financial (liabilities)/assets denominated in the respective entities' functional currencies	11,482	(13,101)	(8,918)	(33,265)	(14,335)	(3,855)
Currency exposure on financial assets denominated in the respective entities' functional currencies	97,138	36,452	22,578	19,559	10,566	51,675

Notes to the Financial Statements

For the financial year ended 31 March 2025

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

	HKD HK\$'000	USD HK\$'000	MYR HK\$'000	GBP HK\$'000	AUD HK\$'000	Others HK\$'000
As at 31 March 2024						
Financial assets						
Cash and bank deposits	95,518	15,620	21,754	12,199	13,118	25,169
Trade and other receivables	2,097	27,387	2,474	6,050	1,017	14,057
Refundable deposits	4,461	–	35	–	–	646
Intra-group receivables	92,776	12,111	18,041	31,781	40,238	30,346
	194,852	55,118	42,304	50,030	54,373	70,218
Financial liabilities						
Trade and other payables	(1,984)	(1,661)	(484)	(545)	(116)	(4,284)
Intra-group payables	(92,776)	(12,111)	(18,041)	(31,781)	(40,238)	(30,346)
Lease liabilities	(24,464)	–	–	–	–	(580)
	(119,224)	(13,772)	(18,525)	(32,326)	(40,354)	(35,210)
Net financial assets	75,628	41,346	23,779	17,704	14,019	35,008
Add: Contract assets	29,914	–	–	365	–	34
Currency profile including non-financial assets and liabilities	105,542	41,346	23,779	18,069	14,019	35,042
Less/add: Net financial (assets)/liabilities denominated in the respective entities' functional currencies	(102,691)	(11,094)	(5,667)	(25,493)	(13,430)	(306)
Currency exposure on financial assets denominated in the respective entities' functional currencies	(27,063)	30,252	18,112	(7,789)	589	34,702

Notes to the Financial Statements

For the financial year ended 31 March 2025

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

As at 31 March 2025 and 31 March 2024, the net financial assets/(liabilities) denominated in a currency other than the respective functional currencies of the Group entities are mainly in USD, MYR, GBP and AUD. Since HKD is pegged to USD, no significant change in the net financial assets/(liabilities) position is expected from any changes on the exchange rate between the HKD and USD at the Group and Company level.

At 31 March 2025, if the MYR, GBP and AUD had strengthened/weakened by 5% (31 March 2024: 5%) against the HKD with all other variables including tax rate being held constant, the effects arising from the net financial liability/asset (excluding equity instruments) that are exposed to currency risk will be as follows:

	31 March 2025	31 March 2024
	Profit before tax	Profit before tax
	HK\$'000	HK\$'000
Group		
MYR against HKD		
- Strengthened	1,129	906
- Weakened	(1,129)	(906)
GBP against HKD		
- Strengthened	978	(389)
- Weakened	(978)	389
AUD against HKD		
- Strengthened	528	29
- Weakened	(528)	(29)

Notes to the Financial Statements

For the financial year ended 31 March 2025

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

The Company's currency exposure based on the information provided to key management is as follows:

	HKD HK\$'000	USD HK\$'000	SGD HK\$'000	GBP HK\$'000	AUD HK\$'000	Others HK\$'000
As at 31 March 2025						
Financial assets						
Cash and bank deposits	215	75	454	168	60	–
Trade and other receivables	188,041	–	–	–	–	86
	188,256	75	454	168	60	86
Financial liabilities						
Trade and other payables	(98)	(1,071)	(1,920)	–	–	(158)
Net financial assets / (liabilities)	188,158	(996)	(1,466)	168	60	(72)
Less: Net financial assets denominated in the Company's functional currency	(188,158)	–	–	–	–	–
Currency exposure on financial assets/ (liabilities) net of those denominated in the Company's functional currency	–	(996)	(1,466)	168	60	(72)

Notes to the Financial Statements

For the financial year ended 31 March 2025

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

	HKD HK\$'000	USD HK\$'000	SGD HK\$'000	GBP HK\$'000	AUD HK\$'000
As at 31 March 2024					
Financial assets					
Cash and bank deposits	262	153	87	166	63
Trade and other receivables	87,471	-	-	-	-
	<u>87,733</u>	<u>153</u>	<u>87</u>	<u>166</u>	<u>63</u>
Financial liabilities					
Trade and other payables	-	(681)	(1,253)	-	-
Net financial assets/(liabilities)	<u>87,733</u>	<u>(528)</u>	<u>(1,166)</u>	<u>166</u>	<u>63</u>
Less: Net financial assets denominated in the Company's functional currency	<u>(87,733)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Currency exposure on financial assets/ (liabilities) net of those denominated in the Company's functional currency	<u>-</u>	<u>(528)</u>	<u>(1,166)</u>	<u>166</u>	<u>63</u>

Management is of the view that the impact of the sensitivity analysis of USD, SGD, AUD and GBP against the HKD is not significant at the Company level.

(ii) Cash flow and fair value interest rate risk

As at 31 March 2025 and 31 March 2024, the Group and Company have insignificant financial assets or liabilities that are exposed to interest rate risks.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing assets, the Group's income is substantially independent of changes in market interest rates.

Notes to the Financial Statements

For the financial year ended 31 March 2025

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of assets of the Group and of the Company subject to credit risk are bank deposits, trade and receivables, and contract assets. For these assets, the Group adopts the policy of dealing only with customers of appropriate credit standing and history. For other financial assets, the Group adopts the policy of dealing only with high credit quality counter parties. Credit risk is managed through the application of credit approvals, credit limits and monitoring procedures.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the management based on ongoing credit evaluation. The counterparty's payment pattern and credit exposure are continuously monitored at the entity level by the respective management. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet.

The movements in credit loss allowance are as follows:

	Trade receivables HK\$'000	Contract assets HK\$'000	Total HK\$'000
Group			
Balance at 1 April 2024	2,582	41	2,623
Loss allowance recognised in profit or loss during the year on:			
- Asset acquired/originated	3,122	28	3,150
- Reversal of unutilised amount	(276)	-	(276)
	2,846	28	2,874
Written-off	(1,766)	-	(1,766)
Balance at 31 March 2025	3,662	69	3,731

Notes to the Financial Statements

For the financial year ended 31 March 2025

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

The movements in credit loss allowance are as follows:

	Trade receivables HK\$'000	Contract assets HK\$'000	Total HK\$'000
Group			
Balance at 1 April 2023	228	–	228
Loss allowance recognised in profit or loss during the year on:			
- Asset acquired/originated	2,354	41	2,395
- Reversal of unutilised amount	–	–	–
	2,354	41	2,395
Written off	–	–	–
Balance at 31 March 2024	2,582	41	2,623

Cash and bank deposits and other receivables are subject to immaterial credit loss.

Management has assessed that the non-trade receivables due from subsidiary at Company level is subjected to immaterial credit loss.

(i) Trade receivables and contract assets

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables and contract assets.

In measuring the expected credit losses, trade receivables and contract assets are grouped based on shared credit risk characteristics and days past due. The contract assets relate to unbilled work in progress, which have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables. and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group considers a financial asset as in default if the counterparty fails to make contractual payments when they fall due and writes off the financial asset when a debtor fails to make contractual payments greater than 365 days past due. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

Notes to the Financial Statements

For the financial year ended 31 March 2025

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

(i) Trade receivables and contract assets (continued)

The Group's and the Company's credit risk exposure in relation to trade receivables and contract assets under SFRS(I) 9 as at 31 March 2025 and 31 March 2024 are set out in the provision matrix as follows:

	← Past due →					Total HK\$'000
	Current HK\$'000	Within 30 days HK\$'000	30 to 60 days HK\$'000	60 to 90 days HK\$'000	More than 90 days HK\$'000	
Group						
As at 31 March 2025						
<u>Contract assets</u>						
IT Services	533	–	2,160	2,079	5,737	10,509
Loss allowance	(4)	–	(14)	(14)	(37)	(69)
	529	–	2,146	2,065	5,700	10,440
Azeus Products	–	2,050	–	190	27,897	30,137
	529	2,050	2,146	2,255	33,597	40,577
<u>Trade receivables</u>						
IT Services						
Trade receivables	6,200	–	–	–	–	6,200
Loss allowance	–	–	–	–	–	–
	6,200	–	–	–	–	6,200
Azeus Products						
Trade receivables	22,549	11,267	13,896	3,555	16,196	67,463
Loss allowance	(38)	(63)	(87)	(97)	(3,377)	(3,662)
	22,511	11,204	13,809	3,458	12,819	63,801
As at 31 March 2024						
<u>Contract assets</u>						
IT Services	9,273	–	–	–	–	9,273
Loss allowance	(41)	–	–	–	–	(41)
	9,232	–	–	–	–	9,232
Azeus Products	21,081	–	–	–	–	21,081
	30,313	–	–	–	–	30,313
<u>Trade receivables</u>						
IT Services						
Trade receivables	408	450	19	–	–	877
Loss allowance	–	–	–	–	–	–
	408	450	19	–	–	877
Azeus Products						
Trade receivables	31,211	5,042	5,394	2,405	8,479	52,531
Loss allowance	(30)	(86)	(67)	(110)	(2,289)	(2,582)
	31,181	4,956	5,327	2,295	6,190	49,949

Notes to the Financial Statements

For the financial year ended 31 March 2025

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

(ii) Cash and bank deposits

The Group and the Company held cash and bank deposits of HK\$ 270,299,000 and HK\$ 972,000 respectively (2024: HK\$183,378,000 and HK\$731,000) with banks which are rated BB+ to AA- based on Standard & Poor and consider to have low credit risk. The cash balances are measured on 12-month expected credit losses and subject to immaterial credit loss.

(iii) Amount due from subsidiaries

The Company has assessed that its subsidiaries have strong financial capacity to meet the contractual obligation of HK\$188,127,000 (2024: HK\$87,471,000) and considered to have low credit risk. The loans are measured on 12-month expected credit losses and subject to immaterial credit loss.

(c) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of fund. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group relies on its internal working capital to fund most of its operating and investing activities. The liquidity risk of the Group is minimal as it maintains sufficient liquid funds to meet their normal operating activities without using bank or other borrowings.

Management monitors rolling forecasts of the liquidity reserve and cash and bank deposits (Note 11) of the Group and the Company on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the Group in accordance with the practice and limits set by the Group. These limits vary by location to take into account the liquidity of the market in which the entity operates.

The table below analyses non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Less than 1 year HK\$'000	Between 1 and 2 years HK\$'000	Between 2 and 5 years HK\$'000	More than 5 years HK\$'000
Group				
At 31 March 2025				
Trade and other payables	30,365	–	–	–
Lease liabilities	7,585	5,260	15,197	681
At 31 March 2024				
Trade and other payables	12,904	–	–	–
Lease liabilities	8,088	5,725	12,179	4,769

Notes to the Financial Statements

For the financial year ended 31 March 2025

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

There are no externally imposed capital requirements for the financial years ended 31 March 2025 and 2024.

(e) Financial instruments by category

The carrying amount of the different categories of financial instruments is disclosed as follows:

	Group HK\$'000	Company HK\$'000
31 March 2025		
Financial assets, at amortised cost	348,442	189,099
Financial liabilities, at amortised cost	48,482	3,247
31 March 2024		
Financial assets, at amortised cost	241,602	88,202
Financial liabilities, at amortised cost	34,118	1,934

Certain comparative figure has been revised to conform to current year classification for consistency purposes.

28. IMMEDIATE AND ULTIMATE HOLDING CORPORATION

The Company's immediate and ultimate holding corporation is Mu Xia Ltd., incorporated in Bermuda.

29. RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) Cash advances to Executive Director

	Group	
	2025 HK\$'000	2024 HK\$'000
Cash advances to Executive Director	465	800

Cash advances was made to one of our Executive Director as at financial year end for the settlement of the hosting cost through his credit card for cash rebate benefit for the overall hosting cost savings.

Notes to the Financial Statements

For the financial year ended 31 March 2025

29. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	Group	
	2025 HK\$'000	2024 HK\$'000
Salaries and other short-term employee benefits	9,745	8,731
Employer's contribution to:		
- defined contribution plans	129	130
- defined retirement benefits	291	370
	10,165	9,231

Included in the above is total compensation to directors of the Company amounting to HK\$4,041,000 (2024: HK\$3,916,000).

30. SEGMENTAL INFORMATION

The Executive Committee ("Exco") is the Group's chief operating decision-maker. The Exco comprises the Managing Director, the Executive Director, and the Group Financial Controller. Management has determined the operating segments based on the reports reviewed by the Exco that are used to make strategic decisions, allocate resources, and assess performance.

The Exco considers the business from a business segment perspective. Management considers the Group to have two operating segments which are IT Services and the sale and licensing of its proprietary products ("Azeus Products"). There are 5 major revenue streams under IT Services and Azeus Products: systems implementation and enhancement, sales of hardware and software, and maintenance and support services, product licensing and product services.

The Exco assesses the performance of the operating segments based on a measure of gross profits less selling and marketing expenses and research and development expenses.

Certain income and expenses are monitored on a group basis and are not allocated to operating segments except for revenue, cost of revenue, research and development expenses, and selling and marketing expenses as they cannot be directly attributable to individual segments, and it is impractical to arbitrarily allocate them to the segments.

The segment information provided to the Exco for the reportable segments are as follows:

Notes to the Financial Statements

For the financial year ended 31 March 2025

30. SEGMENTAL INFORMATION (CONTINUED)

The segment information provided to the Exco for the reportable segments are as follows:

	IT Services		Azeus Products		Total	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
For the year ended 31 March						
Segment revenue	82,957	75,403	391,839	253,537	474,796	328,940
Segment expenses						
Employee compensation	(59,662)	(55,480)	(91,540)	(78,014)	(151,202)	(133,494)
Project direct service cost, sub-contracting and consultancy fee	(556)	(700)	(11,691)	(6,125)	(12,247)	(6,825)
Cost of hosting services	(46)	(37)	(13,383)	(10,748)	(13,429)	(10,785)
Marketing activities expense	-	-	(15,725)	(12,353)	(15,725)	(12,353)
Sales consultancy fee	-	-	(9,119)	(7,775)	(9,119)	(7,775)
Segment results	35,961	30,889	219,480	113,577	255,441	144,466
Unallocated income/(expenses)						
Other income and interest income					3,605	1,993
Administrative salaries					(18,720)	(15,763)
Consultancy fee - administrative					(1,716)	(1,183)
Technical services and supplies					(1,142)	(1,290)
Transportation and travelling					(1,700)	(935)
Office reinstatement expenses					-	(1,000)
Other losses - net					(5,951)	(1,403)
Depreciation of property, plant and equipment					(1,190)	(911)
Amortisation of right-of-use asset					(6,130)	(6,073)
Defined retirement benefit expense					(2,350)	(2,380)
Directors' remuneration					(4,515)	(3,258)
Rental expenses on short-term leases					(4,723)	(3,731)
Legal and professional fees					(4,439)	(4,551)
Insurance					(1,444)	(1,791)
Utilities					(1,508)	(1,601)
Fees on audit services					(2,248)	(2,250)
Recruitment and training					(731)	(1,184)
Other expenses					(5,837)	(5,557)
Profit before tax					194,702	91,598
Tax expense					(27,753)	(6,605)
Profit for the year					166,949	84,993

Notes to the Financial Statements

For the financial year ended 31 March 2025

30. SEGMENTAL INFORMATION (CONTINUED)

Assets and liabilities are managed on a group basis and are not allocated to operating segments except for trade and other receivables, inventories, contract assets, property, plant and equipment, rights-of-use assets, refundable deposits, pledged bank deposits, trade payables and lease liabilities, as they cannot be directly attributable to individual segments, and it is impractical to arbitrarily allocate them to the segments.

	IT Services		Azeus Products		Total	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Assets and liabilities						
Segment assets	18,620	16,343	153,196	87,975	171,816	104,318
Unallocated assets:						
Refundable deposits					1,025	1,801
Property, plant and equipment					6,033	3,630
Right-of-use assets					23,510	22,507
Deferred income tax assets					4,177	3,069
Cash and cash equivalents					230,216	183,378
Other receivables and deposits					2,691	2,256
Prepayments					1,510	1,317
Current income tax assets					509	1,040
					269,671	218,998
Total assets					441,487	323,316
Segment liabilities	2,108	2,419	129,682	112,759	131,790	115,178
Unallocated liabilities:						
Trade and other payables					22,004	6,912
Lease liabilities					23,638	22,186
Current income tax liabilities					20,300	5,153
Other non-current liabilities					2,642	2,556
Deferred income tax liabilities					188	-
Provision for defined retirement benefits					16,860	12,127
					85,632	48,934
Total liabilities					217,422	164,112

Notes to the Financial Statements

For the financial year ended 31 March 2025

30. SEGMENTAL INFORMATION (CONTINUED)

(a) Revenue from major products and services

The revenue from external parties is measured in a manner consistent with that in the consolidated income statement and other comprehensive income.

Revenue from external customers is derived mainly from IT Services and Azeus Products. Breakdown of the revenue is as follows:

	Group	
	2025	2024
	HK\$'000	HK\$'000
IT Services	82,957	75,403
Azeus Products	391,839	253,537
Total	474,796	328,940

(b) Geographical information

The Group's revenue by region or country where sales are generated is as follows:

	Sales for continuing operations	
	2025	2024
	HK\$'000	HK\$'000
Hong Kong and Asia	301,672	187,460
United Kingdom and Europe	54,419	46,709
Middle East	51,120	37,261
Australia and New Zealand	21,428	20,241
Africa	25,435	20,056
North America and South America	20,722	17,213
Total	474,796	328,940

Notes to the Financial Statements

For the financial year ended 31 March 2025

30. SEGMENTAL INFORMATION (CONTINUED)

Non-current assets information presented below consists of property, plant and equipment, right-of-use assets, intangible assets, deferred income tax assets and refundable deposits as presented in the consolidated balance sheet.

	Non-current assets	
	31 Mar 2025	31 Mar 2024
	HK\$'000	HK\$'000
Hong Kong	30,025	35,680
Philippines	12,165	4,106
Asia (except Hong Kong and Philippines)	273	413
United Kingdom and Europe	132	64
Others	98	32
Total	42,693	40,295

31. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published and are relevant for the Group's accounting periods beginning on or after 1 April 2025 and which the Group has not early adopted.

- **Amendments to SFRS(I) 1-21 - Lack of Exchangeability** (effective for annual periods beginning on or after 1 January 2025);
- **Amendments to SFRS(I) 9 and SFRS(I) 7 - Amendments to the Classification and Measurement of Financial Instruments** (effective for annual reporting periods beginning on or after 1 January 2026);
- **SFRS(I) 18 - Presentation and Disclosure in Financial Statements** (effective for annual reporting periods beginning on or after 1 January 2027);
- **SFRS(I) 19 - Subsidiaries without Public Accountability: Disclosures** (effective for annual reporting periods beginning on or after 1 January 2027)

The Group does not expect any significant impact arising from applying these new or amended Standards.

32. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Azeus Systems Holdings Ltd. on 26 June 2025.

Statistics of Shareholdings

As at 18 June 2025

AUTHORISED SHARE CAPITAL	:	US\$8 MILLION (HK\$62.4 MILLION)
ISSUED AND FULLY PAID-UP CAPITAL	:	US\$6 MILLION (HK\$46.8 MILLION)
NUMBER OF ISSUED SHARES	:	29,999,993 SHARES
CLASS SHARES	:	ORDINARY SHARE
VOTING RIGHTS	:	ONE VOTE PER SHARE
NUMBER OF TREASURY SHARES AND SUBSIDIARY HOLDINGS HELD	:	NIL

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	6	1.95	253	0.00
100 - 1,000	184	59.94	84,789	0.28
1,001 - 10,000	65	21.17	258,685	0.86
10,001 - 1,000,000	48	15.64	3,698,734	12.33
1,000,001 AND ABOVE	4	1.30	25,957,532	86.53
TOTAL	307	100.00	29,999,993	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	MU XIA LTD	15,300,000	51.00
2	LEE WAN LIK	8,032,132	26.77
3	THE ESTATE OF LAM PUI WAN, DECEASED	1,400,000	4.67
4	ABN AMRO CLEARING BANK N.V.	1,225,400	4.08
5	ONG SU PIN	618,000	2.06
6	KHOO TEIK LIANG	559,000	1.86
7	DBS NOMINEES (PRIVATE) LIMITED	353,300	1.18
8	TAN WEY LING	258,600	0.86
9	CITIBANK NOMINEES SINGAPORE PTE LTD	213,300	0.71
10	TIGER BROKERS (SINGAPORE) PTE. LTD.	136,600	0.46
11	LIM GUAN TECK VICTOR	106,200	0.35
12	THAM WAI FONG KAN HOCK MUN	103,700	0.35
13	LIM GUAN CHIANG	85,000	0.28
14	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	83,500	0.28
15	TAO WING HONG	78,975	0.26
16	LEONG CHEE KENG	77,890	0.26
17	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	73,600	0.25
18	PHILLIP SECURITIES PTE LTD	61,400	0.20
19	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	58,700	0.20
20	CHIN KHIN SIONG	55,100	0.18
TOTAL		28,880,397	96.26

Statistics of Shareholdings

As at 18 June 2025

SUBSTANTIAL SHAREHOLDERS

(as recorded in the Register of Substantial Shareholders)

NAME	DIRECT INTEREST		DEEMED INTEREST	
	NO. OF SHARES	%	NO. OF SHARES	%
Mr Lee Wan Lik ⁽¹⁾	8,032,132	26.77	16,700,000	55.67
The Estate of Lam Pui Wan, deceased	1,400,000	4.67	15,300,000	51.00
Mu Xia Ltd ⁽²⁾	15,300,000	51.00	–	–

Notes:

- (1) Mr Lee Wan Lik is deemed to be interested in 16,700,000 Shares by virtue of: (a) 15,300,000 Shares held in the name of Mu Xia Ltd.; and (b) 1,400,000 Shares held in the name of the Estate of Lam Pui Wan, in which Mr Lee Wan Lik acts as an administrator.
- (2) Mr Lee Wan Lik is deemed to be interested in the 15,300,000 Shares held by Mu Xia Ltd. by virtue of: (a) his direct holding of 10% shareholding interests in Mu Xia Ltd.; and (b) the remaining 90% shareholding interests held in the name of the Estate of Lam Pui Wan, in which Mr Lee Wan Lik acts as an administrator.

PUBLIC FLOAT

Based on the information available to the Company as at 18 June 2025, approximately 17.28% of the issued ordinary shares of the Company is held by the public. The Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“AGM”) of Azeus Systems Holdings Ltd. (the “Company” or “Azeus”) will be convened and held at Holiday Inn Singapore Atrium, Kallang Room, Level 4, 317 Outram Road, Singapore 169075 and by electronic means on Wednesday 30 July 2025 at 10.00 a.m., to transact the following business:

As Ordinary Business

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 March 2025, together with the Directors’ Statement and the Auditor’s Report thereon. [Resolution 1]
2. To approve a final dividend of HK\$3.90 per share for the financial year ended 31 March 2025. [Resolution 2]
3. To approve the payment of Directors’ Fees of S\$78,000 for the financial year ended 31 March 2025. [Resolution 3]
[2024: S\$78,000]
4. To re-elect Mr Lee Wan Lik, who is retiring pursuant to Bye-Law 104 of the Company’s Bye-Laws. [Resolution 4]
[See Explanatory Note (i)]
5. To re-elect Mr Stephen Ho ChiMing, who is retiring pursuant to Bye-Law 104 of the Company’s Bye-Laws. [Resolution 5]
[See Explanatory Note (ii)]
6. To re-elect Mr Pan Kit Kuan, who is retiring pursuant to Bye-Law 107 of the Company’s Bye-Laws. [Resolution 6]
[See Explanatory Note (iii)]
7. To re-appoint Messrs PricewaterhouseCoopers LLP as Auditors and to authorise the Directors to fix their remuneration. [Resolution 7]

As Special Business

To consider and if deemed fit to pass the following Ordinary Resolutions with or without modifications:

8. Authority to allot and issue shares

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 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 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:

- (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;

Notice of Annual General Meeting

- (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.
[See Explanatory Note (iv)]

[Resolution 8]

9. Proposed renewal of Share Buy-Back Mandate

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 fully paid-up 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, and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for that purpose (“**Market Purchases**”); and/or
 - (ii) off-market acquisition in accordance with an equal access scheme as defined in Section 76C of the Companies Act (“**Off-Market Purchases**”),

and otherwise in accordance with all other Singapore and Bermuda laws and regulations, including but not limited to the provisions in the Listing Manual of the SGX-ST and the Constitution of the Company 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.

Notice of Annual General Meeting

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.

"Constitution" means, in relation to the Company, its memorandum of association, bye-laws, certificate of incorporation and any other legal documents constituting or defining its legal existence and internal governance, as amended 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).
[Explanatory Note (v)] [Resolution 9]

10. To transact any other business that may properly be transacted at an Annual General Meeting.

By Order of the Board

Yap Wai Ming
Company Secretary
Singapore, 8 July 2025

Notice of Annual General Meeting

Explanatory Notes

- (i) **Resolution 4**, Mr Lee Wan Lik if re-elected, will remain as the Executive Director of the Company, and continue to serve as the Board Chairman of the Company.
- (ii) **Resolution 5**, Mr Stephen Ho ChiMing ("**Mr Ho**") if re-elected, will remain as the Lead Independent Director of the Company, and continue to serve as Chairman of the Audit Committee and member of the Nominating and Remuneration Committees. He is considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST. Mr Ho has no relationship (including immediate family relationships) with the other Directors of the Company, the Company, or its substantial shareholders.
- (iii) **Resolution 6**, Mr Pan Kit Kuan ("**Mr Pan**") if re-elected, will remain as the Independent Director of the Company, and continue to serve as Chairman of the Nominating Committee and member of the Audit and Remuneration Committees. He is considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST. Mr Pan has no relationship (including immediate family relationships) with the other Directors of the Company, the Company, or its substantial shareholders.

Further information on the abovementioned directors can be found under the section title "Board of Directors", "Corporate Governance Report" and "Disclosure of Information on Directors' Seeking Re-election" of the FY2025 Annual Report.

- (iv) **Resolution 8**, if passed, will authorise the Directors of the Company to allot and issue shares and convertible securities in the capital of the Company up to an amount not exceeding 50% of the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings), of which up to 20% may be issued other than on a pro-rata basis to the shareholders of the Company. The Company cannot rely on the authority given under Resolution 8 for an issue of convertible securities if the maximum number of shares to be issued upon conversion cannot be determined at the time of issue of the convertible securities.
- (v) **Resolution 9**, if passed, will empower the Directors of the Company from the date of the AGM until the next annual general meeting of the Company to purchase Shares by way of Market Purchases or Off-Market Purchases on an equal access scheme of up to the Maximum Percentage at prices up to but not exceeding the Maximum Price in accordance with the Share Buy-Back Mandate as set out in the Circular. Information relating to Resolution 9 is set out in Circular to the FY2025 Annual Report.

IMPORTANT INFORMATION

The Annual General Meeting is being convened and will be held physically in Singapore and concurrently via electronic means, to facilitate shareholders to attend the AGM at either one option (either physically or virtually) at their preference.

Shareholders of the Company ("**Shareholders**") should take note of the following arrangements for the conduct of the AGM on 30 July 2025:

(a) Attendance

Virtual Meeting	Physical Meeting
<u>Pre-registration</u> Proceedings of the AGM will be broadcasted through live audiovisual and audio-only feeds ("Live Webcast"). Shareholders who opt to attend the Virtual Meeting must pre-register online at the URL: https://conveneagm.sg/azeusagm2025 for verification purposes. Shareholders may start to pre-register from 9 July 2025 up to 10:00 a.m. on 28 July 2025 (the latest) to enable the Company to verify their status. Shareholders who are appointing Proxyholder(s) to attend the Virtual Meeting should inform his/her Proxyholder(s) to pre-register at the URL: https://conveneagm.sg/azeusagm2025 not less than forty-eight (48) hours before the time appointed for the holding of the AGM (i.e. by 10:00 a.m. on 28 July 2025), failing which the appointment shall be invalid	<u>Pre-registration</u> AGM will be held at Holiday Inn Singapore Atrium Kallang Room, Level 4, 317 Outram Road, Singapore 169075 Shareholders who opt to attend the Physical Meeting may: (i) Pre-register online at the URL: https://conveneagm.sg/azeusagm2025 for verification purposes. Shareholders may start to pre-register from 9 July 2025 up to 10:00 a.m. on 28 July 2025 (the latest); or (ii) Register in person at the AGM venue on the day of the AGM. Shareholders who have pre-registered within the period from 9 July 2025 to 28 July 2025 at 10:00 a.m. but have not received the Confirmation Email for Physical Meeting by 29 July 2025, please contact the Convene support team at email: support@conveneagm.com.

Notice of Annual General Meeting

Following verification, the Company will provide authenticated Shareholders and Proxyholders with a confirmation email by 29 July 2025 ("Confirmation Email for Virtual Meeting") via the e-mail address provided during pre-registration, to access the Live Webcast to: (i) Watch the live feed of the AGM proceedings via the login credentials created during pre-registration or login with their Singpass account; or (ii) Observe the AGM proceedings by dialing in to the telephone number provided in the email. Please use the registered identification credentials to access the Live Webcast. Shareholders must not forward the above mentioned link or telephone number to other persons who are not Shareholders and who are not entitled to attend the AGM. This is also to avoid any technical disruptions or overload to the Live Webcast Shareholders who have registered within the period from 9 July 2025 to 28 July 2025 at 10:00 a.m. but have not received the Confirmation Email for Virtual Meeting by 29 July 2025, please contact the Convene support team at email : support@conveneagm.com If you have any queries on the Live Webcast, please email to: support@conveneagm.com or call the Singapore toll-free telephone number +65 6856 7330.	If you have any queries on the attendance at the AGM venue, please email to: support@conveneagm.com or call the Singapore toll-free telephone number +65 6856 7330.
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(b) Questions Relating to the Agenda of the AGM:

Shareholders can submit questions in advance of the AGM or ask questions at the Physical Meeting during the AGM or submit questions at the Virtual Meeting during the AGM.

(i) Submitting questions in advance of the AGM

Shareholders can submit questions in advance relating to the business of the AGM either via:

- (a) deposited at the office of the Company's Share Transfer Agent in Singapore, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632; or
- (b) electronic mail to: support@conveneagm.com; or
- (c) pre-registration website at the URL: <https://conveneagm.sg/azeusagm2025>

All questions submitted in advance of the AGM via any of the above must be received by 10:00 a.m. on 21 July 2025.

Shareholders and, where applicable, appointed proxy(ies) who have pre-registered to the Virtual Meeting and Physical Meeting can also ask questions relating to the resolutions to be tabled at the AGM, by submitting text-based questions or using the video call option via the Live Webcast or in person at the AGM venue.

The Company will endeavour to respond to substantial and relevant questions received from Shareholders prior to the AGM by 25 July 2025 and/or during the AGM proceedings. Such questions from shareholders and responses from the Company will be published on the Company's website and the website of the SGX-ST.

Notice of Annual General Meeting

(ii) Submitting questions during the AGM

Virtual Meeting	Physical Meeting
Shareholders and Proxyholders who pre- registered and are verified to attend the Virtual Meeting will be able to ask questions relating to the agenda of the AGM during the AGM by: submitting text-based questions via the Live Webcast by clicking the “Ask a Question” feature and then clicking “Type Your Question” to input their queries in the questions text box; or clicking the “Ask a Question” feature and then clicking the “Queue for Video call” via the Live Webcast. The relevant Shareholder will be informed once it is appropriate for him/her to speak and can thereafter raise his/her question via audiovisual or audio means during the AGM within a certain prescribed time limit.	Successful authenticated Shareholders and Proxy holders attending the Physical Meeting will be able to ask questions in person at the AGM venue. Successful authenticated Shareholders and Proxy holders attending the Physical Meeting will also be able to ask questions relating to the agenda of the AGM during the AGM by submitting text-based questions via the Live Webcast by clicking the “Ask a Question” feature and then clicking “Type Your Question” to input their queries in the questions text box.

Where there are substantially similar questions for the Virtual Meeting and Physical Meeting, the Company will consolidate such questions. Consequently, not all questions may be individually addressed.

(c) Voting:

Live voting will be conducted during the AGM for Shareholders and Proxyholders attending the Physical Meeting or Virtual Meeting. It is important for Shareholders and Proxyholders to bring their own web-browser enabled devices for voting at the Physical Meeting or have their own web-browser enabled devices ready for voting during the Virtual Meeting. For optimal experience, users should update their devices’ operating system and browsers to the latest available versions.

Shareholders and Proxyholders will be required to log-in via the e-mail address provided during pre-registration or via unique QR code provided at the physical meeting.

- (i) **Live Voting:** Shareholders and Proxyholders may cast their votes in real time for each resolution to be tabled at the AGM via the login credentials created during pre-registration or via their Singpass account. Shareholders and Proxyholders will have the opportunity to cast their votes via the live voting feature. Shareholders and Proxyholders must bring a web-browser enabled device in order to cast their vote.

As specified in paragraph (e) below, CPF/SRS Investors who have used their CPF/SRS monies to buy the Company’s shares should instead approach their respective relevant intermediary as soon as possible to specify voting instructions.

- (ii) **Voting via appointing Chairman as Proxy:** As an alternative to the above, shareholders may also vote at the AGM by appointing the Chairman as their proxy to vote on their behalf.

(d) Submission of Proxy Form:

Duly completed Proxy Forms must be submitted in the following manner:

- (1) Deposited at the office of the Company’s Share Transfer Agent in Singapore, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632; or
- (2) Electronic mail attaching clear scanned and signed PDF copy of the Proxy Form to: srs.proxy@boardroomlimited.com or

Notice of Annual General Meeting

- (3) Online process through the pre-registration website at the URL: <https://conveneagm.sg/azeusagm2025> in electronic format,

in each case, not less than **forty-eight (48)** hours before the time appointed for the holding of the AGM (i.e. by 10:00 a.m. on 28 July 2025).

Printed copy of the Proxy Form has been dispatched to the shareholders together with this Notice of AGM, and also published on the SGXNet and the Company's website at the URL: <https://www.azeus.com/category/announcements/>.

In completing the Proxy Form, Shareholder should specifically direct the proxy on how he/she is to vote for or vote against or abstain from voting on the resolutions to be tabled at the AGM.

- (e) **CPF/SRS Investors:** CPF/SRS Investors who have used their CPF/SRS monies to buy the Company's shares should not make use of the Proxy Form and should instead approach their respective relevant intermediary as soon as possible to specify voting instructions. CPF/SRS investors who wish to vote should approach their respective CPF Agent Bank/SRS Operator at least seven working days before the AGM (i.e. by 21 July 2025), in order to allow sufficient time for their respective CPF Agent Bank/SRS Operator to in turn submit the Proxy Forms to appoint the Chairman of the AGM to vote on their behalf no later than the Proxy Deadline.

(f) **Access to documents or information relating to the AGM**

The Company's Bye-Laws permit it to serve or deliver or send documents relating to general meetings of shareholders, by electronic communication or other electronic means.

In line with the Company's corporate social responsibility initiatives and environmental sustainability efforts and as permitted under the Company's Bye-Laws, the annual report of the Company for the financial year ended 31 March 2025 ("**FY2025 Annual Report**") and circular on proposed renewal of share buy-back mandate dated 8 July 2025 ("**Circular**") have been published and available for download or online viewing by the shareholders at the Company's corporate website at the URL: <https://www.azeus.com/investors/annual-reports/> and the SGX website at the URL: <https://www.sgx.com/securities/company-announcements>.

Printed copies of the FY2025 Annual Report and Circular will not be mailed to the shareholders.

For shareholders who wish to receive a printed copy of the FY2025 Annual Report and Circular, they are required to complete the Request Form and return it by 17 July 2025 in the following manner:

- (i) in physical copy by depositing the same at the registered office of the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
- (ii) by email to the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at srs.requestform@boardroomlimited.com

Notwithstanding the above, printed copies of the following documents will be dispatched to the shareholders:

- (i) Notice of AGM;
- (ii) Proxy Forms for the AGM; and
- (iii) Request Form.

(g) **Filming and Photography**

When a Shareholder or Proxyholder attends, speaks and votes at the AGM via electronic means or physically, he/she consents to his/her videos and/or photographs being taken for the purpose of publication on the Company's website and publicity materials without further notification.

Notice of Annual General Meeting

Notes:

1. A Shareholder being a Depositor whose name appears in the Depository Register wishes to attend and vote at the AGM, should complete the proxy form and deposit the duly completed proxy form in the manner set out under the section titled "IMPORTANT INFORMATION".
2. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited, as at forty- eight (48) hours before the time fixed for holding the AGM in order for the Depositor to be entitled to attend and vote at the AGM.
3. The instrument appointing a proxy must be signed by the appointer or his/her attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised. The power of attorney or other authority, if any, under which the instrument of proxy is signed on behalf of the member or duly certified copy of that power of attorney or other authority (failing previous registration with the Company) shall be attached to the instrument of proxy, failing which the instrument may be treated as invalid.

PERSONAL DATA PRIVACY

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes.



33/F, Cambridge House,
Taikoo Place, 979 King's Road,
Quarry Bay, Hong Kong

Tel: +(852) 2893 3673
Fax: +(852) 2574 4952
Website: www.azeus.com

Incorporated in Bermuda on 10 May 2004
Registration Number: 35312