



Securities Investors Association (Singapore)

7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111

Tel: (65) 6227 2683 Fax: (65) 6220 6614

Email: admin@sias.org.sg www.sias.org.sg

UEN No: S99SS0111B

GST Reg No: M90367530Y

Issuer: Azeus Systems Holdings Ltd

Stock code: BBW

Meeting details:

Date: 15 July 2022

Time: 10.00 a.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

Q1. In his message to shareholders, the chairman and CEO highlighted that the group achieved strong growth in both operating segments, i.e., Azeus Products and IT Services. For the financial year ended 31 March 2022, revenue increased by 22.2% to HK\$217.7 million. Net profit more than doubled to HK\$48.5 million.

The group also secured its single largest contract of over HK\$1.02 billion from the Hong Kong government for the implementation and maintenance of the Central Electronic Recordkeeping System with the group's product, Convene Records.

- (i) **What is the sentiment on the ground in Hong Kong in view of its COVID policy, the change in government leadership, the state of the economy, the socio-political climate, etc?**
- (ii) **Has the design and implementation work progressed smoothly since the commencement more than two months ago (in May 2022)?**
- (iii) **Does the group have the necessary manpower (especially experienced developers with proven track records) to support this new project? Are there challenges in recruiting experienced development and engineering talent needed for the job?**
- (iv) **How much of the software development work is carried out "offshore", in the Philippines or other countries?**
- (v) **Given the client, the size and the significance of the project, has the board put in place additional safeguards to ensure that the project is delivered on time, on budget and meets or exceeds the client's expectations?**
- (vi) **What are the major operational/technical risks that have been identified? How is management managing such risks?**
- (vii) **What are some of the other major opportunities in the next 18-24 months? Is there bandwidth in the group, at both the management and technical levels, to pursue other major/new projects?**

Q2. The group has been particularly successful with Azeus Products. Revenue from Azeus Products increased by 23.2%, year-on-year, to HK\$139.4 million in FY2022.

Five years ago, in FY2017, revenue from Azeus Products was just HK\$11.9 million. The compound annual growth rate is approximately 63% over the past 5 years.

- (i) **Convene: Can management help shareholders better understand the use case of Convene? Is Convene a governance tool that is exclusively used in the board room? What is the estimated size of the total addressable market? Can it be adapted for operations or other uses?**

- (ii) **Virtual AGM solution: How much of the growth has been driven by Convene AGM? What is management's strategy to retain Convene AGM users as COVID-19 safe management measures are rolled back and physical AGMs are gradually making a comeback?**
- (iii) **Cybersecurity: How advanced are the cybersecurity features of Convene/Convene AGM? How well trained is the team in dealing with potential security incidents to stop/minimise any breaches and data theft? Is the Convene platform susceptible to cybersecurity attacks, including Denial of Service (DoS)/Distributed Denial of Service (DDoS) attacks?**

Q3. As noted in the corporate governance report, the company has outsourced its internal audit function to an independent qualified firm of auditors, Moore Advisory Services Limited ("Moore Advisory"), as its internal auditor, to review the effectiveness of the company's material internal controls.

During FY2022, the internal auditor reviewed key internal controls in selected areas as advised by the audit committee (AC) and reported its findings together with recommendations on areas for improvement to the AC for review. The resulting report is reviewed in detail by the AC in conjunction with management.

- (i) **What was the scope of the internal audit for FY2022? How long is the internal audit cycle?**
- (ii) **Can the AC confirm that the internal audit covered all the foreign subsidiaries, including those in Australia, the British Virgin Islands, the Philippines, the United Kingdom and the United States of America?**
- (iii) **How were the scope and the effectiveness of the IA affected in the past two years by the closure of national borders?**
- (iv) **For the benefit of shareholders, would management disclose the key findings and the recommendations of the IA?**
- (v) **What is the level of oversight by the AC on the actions taken by management to follow-up on the recommendations?**
- (vi) **Can the AC confirm that the internal auditor complies with the standards set by nationally or internationally recognised professional bodies, such as the International Standards for the Professional Practice of Internal Auditing (IIA Standards) issued by the Institute of Internal Auditors?**

^On 1 October 2020, the Accounting and Corporate Regulatory Authority (“ACRA”), the Monetary Authority of Singapore (“MAS”) and Singapore Exchange Regulation (“SGX RegCo”) published an updated checklist to guide listed entities on the conduct of general meetings arising from the latest updates from the Multi-Ministry Taskforce.

Issuers may continue to conduct their general meetings held on or before 30 June 2021 via electronic means, and are encouraged to do so. On 9 April 2021, it was announced that the alternate arrangements for meetings (“Meetings Order”) would be extend beyond 30 June 2021 until it is revoked or amended by the Ministry of Law. Accordingly, until such time, issuers may continue to utilise the Checklist issued by ACRA, MAS and SGX RegCo to guide entities on the conduct of their general meetings.

Issuers who, after due consideration of public health and other risks, wish to provide for physical attendance at their general meetings must ensure that they implement all relevant measures to comply with the safe management measures imposed by the Singapore Government.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can’t attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on [SIAS website](#)

Join our mailing list [here](#) to receive latest news and upcoming events.

CONNECT WITH US



[^] Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation
(<https://www.sgx.com/media-centre/20201001-guidance-conduct-general-meetings-amid-evolving-covid-19-situation>)