SING LEE SOFTWARE (GROUP) LIMITED

新利軟件(集團)股份有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 8076)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2012

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a high investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement, for which the directors of Sing Lee Software (Group) Limited (the "Company") (the "Directors") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this announcement misleading.

* *For identification purpose only*

RESULTS

The board of Directors ("Board") of Sing Lee Software (Group) Limited (the "Company") is pleased to announce the audited combined results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2012, together with the comparative figures for the corresponding periods in 2011, as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2012
(Expressed in Renminbi)

	NOTES	**2012** *RMB'000*	2011 *RMB'000*
Revenue	*5*	**36,080**	18,840
Cost of sales		**(17,977)**	(18,254)
Gross profit		**18,103**	586
Other income		**2,689**	866
Other gains and losses	*6*	**1,482**	18,734
Distribution and selling expenses		**(9,501)**	(9,250)
Administrative expenses		**(22,510)**	(45,465)
Recovery of trade receivables previously impaired		**1,461**	148
Research and development costs		**(156)**	(1,946)
Finance costs	*7*	**(2,549)**	(1,082)
Loss before tax		**(10,981)**	(37,409)
Income tax expense	*8*	**(353)**	(74)
Loss and total comprehensive expense for the year		**(11,334)**	(37,483)
Loss per share			
– basic *(RMB cents)*	*10*	**(1.4)**	(4.62)
– diluted *(RMB cents)*	*10*	**(1.4)**	(4.62)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2012
(Expressed in Renminbi)

	NOTES	2012 RMB'000	2011 RMB'000
Non-current Assets			
Property, plant and equipment		**4,960**	4,957
Intangible assets		**–**	–
		4,960	4,957
Current Assets			
Inventories		**417**	440
Trade and other receivables	*11*	**17,947**	8,371
Loan receivable		**1,605**	2,040
Held for trading investments		**660**	2,242
Pledged bank deposit		**–**	50,000
Bank balances and cash		**19,147**	22,085
		39,776	85,178
Current Liabilities			
Trade and other payables	*12*	**8,936**	10,157
Amounts due to directors		**632**	625
Amount due to a shareholder		**11**	11
Borrowings		**2,405**	44,317
		11,984	55,110
Net Current Assets		**27,792**	30,068
Total assets less current liabilities		**32,752**	35,025
Non-current Liabilities			
Borrowings		**32,018**	24,729
Net Assets		**734**	10,296
Capital and reserves			
Share capital		**8,132**	8,132
Reserves		**(7,398)**	2,164
Total equity		**734**	10,296

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2012

	Share capital *RMB'000*	Share premium *RMB'000* *(Note a)*	Statutory reserves *RMB'000* *(Note b)*	Translation reserve *RMB'000*	Share options reserve *RMB'000*	Accumulated losses *RMB'000*	Total *RMB'000*
At 1 January 2011	8,132	151,770	3,613	5,217	11,416	(158,063)	22,085
Loss and total comprehensive expense for the year	–	–	–	–	–	(37,483)	(37,483)
Recognition of equity-settled share-based payments	–	–	–	–	25,694	–	25,694
At 31 December 2011	8,132	151,770	3,613	5,217	37,110	(195,546)	10,296
Loss and total comprehensive expense for the year	–	–	–	–	–	(11,334)	(11,334)
Recognition of equity-settled share-based payments	–	–	–	–	1,772	–	1,772
At 31 December 2012	8,132	151,770	3,613	5,217	38,882	(206,880)	734

Notes:

(a) Under the Companies Act 1981 of Bermuda ("Companies Act"), share premium is distributable to shareholders, subject to the condition that the Company cannot declare or pay a dividend, or make a distribution out of share premium and capital reserve if (i) it is, or would after the payment be, unable to pay its liabilities as they become due, or (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital account.

(b) As stipulated by the relevant laws and regulations for foreign investment enterprises in the People's Republic of China (the "PRC"), the Company's PRC subsidiaries are required to maintain two statutory reserves, being an enterprise expansion fund and a statutory surplus reserve fund which are non-distributable. Appropriations to such reserves are made out of net profit after taxation reported in the statutory financial statements of the PRC subsidiaries while the amounts and allocation basis are decided by their respective boards of directors annually. The statutory surplus reserve fund can be used to make up their prior year losses, if any, and can be applied in conversion into capital by means of capitalisation issue. The enterprise expansion fund is used for expanding the capital base of the PRC subsidiaries by means of capitalisation issue.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2012

(Expressed in Renminbi)

1. GENERAL

Sing Lee Software (Group) Limited (the "Company") is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited. The address of its registered office and principal place of business of the Company are disclosed in the section headed "Corporate Information" in the annual report. Its immediate holding company is Goldcorp Industrial Limited, a company incorporated in the British Virgin Islands.

The consolidated financial statements are presented in Renminbi ("RMB"), which is the same as the functional currency of the Company and its subsidiaries.

The principal activities of the Company and its subsidiaries (collectively the "Group") are development and sales of software products, sales of related hardware products and provision of software-related technical support services.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared on a going concern basis. The Group incurred a loss of approximately RMB11,334,000 for the year ended 31 December 2012. In preparing the consolidated financial statements, the directors of the Company have reviewed the Group's financial and liquidity position, and taken into consideration the following factors:

- ongoing financial support by a shareholder with significant influence over the Company;
- cost control measures; and
- possible additional external funding.

The directors of the Company believe that, taking into account the above factors, the Group will be able to meet in full its financial obligations as they fall due for the foreseeable future, and accordingly, have prepared the consolidated financial statements on a going concern basis.

3. APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS

Amendments to Standards applied in the current year

In the current year, the Group has applied the following amendments to Standards issued by the International Accounting Standards Board ("IASB").

Amendments to IAS 12	Deferred Tax: Recovery of Underlying Assets; and
Amendments to IFRS 7	Financial Instruments: Disclosures – Transfers of Financial Assets

The application of the amendments to Standards in the current year has had no material effect on the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements.

New and revised Standards, Amendments and Interpretation issued but not yet effective

The Group has not early applied the following new and revised IFRSs that have been issued but are not yet effective:

Amendments to IFRSs	Annual Improvements to IFRSs 2009-2011 Cycle[1]
Amendments to IFRS 1	Government Loans[1]
Amendments to IFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabities[1]
Amendments to IFRS 9 and IFRS 7	Mandatory Effective Date of IFRS 9 and Transition Disclosures[3]
Amendments to IFRS 10, IFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance[1]
Amendments to IFRS 10, IFRS 12 and IAS 27	Investment Entities[2]
IFRS 9	Financial Statements[3]
IFRS 10	Consolidated Financial Statements[1]
IFRS 11	Joint Arrangements[1]
IFRS 12	Disclosure of Interests in Other Entities[1]
IFRS 13	Fair Value Measurement[1]
IAS 19 (Revised 2011)	Employee Benefits[1]
IAS 27 (Revised 2011)	Separate Financial Statements[1]
IAS 28 (Revised 2011)	Investments in Associates and Joint Ventures[1]
Amendments to IAS 1	Presentation of Items of Other Comprehensive Income[4]
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities[2]
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine[1]

[1] *Effective for annual periods beginning on or after 1 January 2013.*

[2] *Effective for annual periods beginning on or after 1 January 2014.*

[3] *Effective for annual periods beginning on or after 1 January 2015.*

[4] *Effective for annual periods beginning on or after 1 July 2012.*

IFRS 9 *Financial Instruments* (as issued in 2009) introduces new requirements for the classification and measurement of financial assets. IFRS 9 *Financial Instruments* (as revised in 2010) adds requirements for financial liabilities and for derecognition.

Specifically, under IFRS 9, all recognised financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

In relation to financial liabilities, the significant changes relates to financial liabilities designated as at fair value through profit or loss.

IFRS 9 is effective for annual periods beginning on or after 1 January 2015, with earlier application permitted.

The directors anticipate that IFRS 9 will be adopted in the Group's consolidated financial statements for financial year ending 31 December 2015. The directors are in the process of assessing the impact of the adoption of IFRS 9.

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including IFRS 10, IFRS 11, IFRS 12, IAS 27 (Revised 2011) and IAS 28 (Revised 2011) are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five new or revised standards are applied early at the same time. These new or revised standards will be applied in the Group's consolidated financial statements for financial year ending 31 December 2013 and the potential impact is described below.

IFRS 10 replaces the parts of IAS 27 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements and SIC12 *Consolidation – Special Purpose Entities*. IFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in IFRS 10 to deal with complex scenarios. Based on the existing group structure, the directors anticipate that the application of these five standards may not have significant impact on amounts reported in the consolidated financial statements.

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of IFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in IFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under IFRS 7 Financial Instruments: Disclosures will be extended by IFRS 13 to cover all assets and liabilities within its scope.

IFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

IFRS 13 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013 and that the application of the new Standard may not have material impact on the amounts reported in the consolidated financial statements but would result in more extensive disclosures in the consolidated financial statements.

The directors of the Company anticipate that the application of the other new and revised Standards, amendments and Interpretations will have no material impact on the consolidated financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards issued by the IASB. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business, net of discounts and sales related taxes.

Revenue from the sales of goods is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from sales of hardware and software products is recognised when the goods are delivered and title has passed upon customers' acceptance.

Service income for provision of software-related technical support is recognised when services are provided.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

5. REVENUE AND SEGMENT INFORMATION

The Group's operations are organised based on the different types of products sold and service provided. Information reported to the executive directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance is also focused on types of goods or services delivered or provided.

Segment revenues and results

The following is an analysis of the Group's revenue and results by operating and reportable segment:

	Sale of software products *RMB'000*	**Sale of related hardware products** *RMB'000*	**Provision of software-related technical support services** *RMB'000*	**Total** *RMB'000*
2012				
External sales and total revenue – segment revenue	**2,224**	**1,380**	**32,476**	**36,080**
SEGMENT RESULTS	**(649)**	**(403)**	**(9,481)**	**(10,533)**
Unallocated other income				**2,689**
Unallocated other gains and losses				**1,482**
Unallocated corporate expenses				**(2,070)**
Finance costs				**(2,549)**
Loss before tax				**(10,981)**

	Sale of software products *RMB'000*	Sale of related hardware products *RMB'000*	Provision of software-related technical support services *RMB'000*	Total *RMB'000*
2011				
External sales and total revenue – segment revenue	1,612	1,250	15,978	18,840
SEGMENT RESULTS	(3,124)	(2,422)	(30,964)	(36,510)
Unallocated other income				866
Unallocated other gains and losses				18,734
Unallocated corporate expenses				(19,417)
Finance costs				(1,082)
Loss before tax				(37,409)

The accounting policies of the operating segments are the same as the Group's accounting policies as described in note 4. Segment loss represents the loss from each segment without allocation of directors' remuneration, finance costs, unallocated other income and other gains and losses. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment. No segment information on assets and liabilities is presented as such information is not regularly reported to the chief operating decision maker for the purpose of resource allocation and performance assessment.

Other segment information

	Sale of software products *RMB'000*	**Sale of related hardware products** *RMB'000*	**Provision of software-related technical support services** *RMB'000*	**Total** *RMB'000*
2012				
Amounts included in the measure of segment loss:				
Depreciation of property, plant and equipment	**70**	**43**	**1,022**	**1,135**
Allowance on trade receivables	**126**	**78**	**1,838**	**2,042**
Recovery of trade receivables previously impaired	**(216)**	**(134)**	**(3,153)**	**(3,503)**
Share-based payment expenses (excluding directors)	**83**	**51**	**1,212**	**1,346**
2011				
Amounts included in the measure of segment loss:				
Depreciation of property, plant and equipment	54	42	539	635
Allowance on trade receivables	141	110	1,398	1,649
Recovery of trade receivables previously impaired	(154)	(119)	(1,524)	(1,797)
Share-based payment expenses (excluding directors)	647	500	6,403	7,550

Revenue from major products and services:

	2012	2011
	RMB'000	*RMB'000*
Software products		
POS-MIS V2.0	**2,140**	1,539
Sing Lee payment management system 1.0	**84**	73
	2,224	1,612
Hardware products		
Vefifone5150+PP1000	**1,195**	1,132
Others	**185**	118
	1,380	1,250
Provision of software-related technical support services		
Development	**14,377**	6,798
Maintenance	**18,099**	9,180
	32,476	15,978
	36,080	18,840

Geographical information

The Group's revenue from external customers is all from customers located in the PRC.

All non-current assets of the Group are located in the PRC by location of assets.

Information about major customers

Revenue from customer of the corresponding years individually contributing over 10% of the total sales of the Group is as follows:

	2012	2011
	RMB'000	*RMB'000*
Customer A[1]	**N/A**	3,300
Customer B[1]	**4,435**	N/A
Customer C[1]	**4,249**	N/A

[1] *Revenue from maintenance services in provision of software-related technical support services.*

6. OTHER GAINS AND LOSSES

	2012	2011
	RMB'000	*RMB'000*
Fair value gain on derivative financial liability	**–**	27,763
Fair value change on investments held for trading	**363**	(4,869)
Allowance on loan receivable	**–**	(2,040)
Exchange gain (loss)	**1,119**	(2,120)
	1,482	18,734

7. FINANCE COSTS

	2012	2011
	RMB'000	*RMB'000*
Interest on bank borrowing wholly repayable within five years	**1,681**	665
Interest on loans from a director not wholly repayable within five years	**868**	417
	2,549	1,082

8. INCOME TAX EXPENSE

	2012	2011
	RMB'000	*RMB'000*
PRC enterprise income tax ("EIT")		
– Current year	**353**	74

Hangzhou Singlee Technology Company Limited ("Singlee Technology"), a subsidiary of the Company, was established in Hangzhou, PRC, with statutory tax rate of 25%. In 2010, Singlee Technology is regarded as a High and New Technology Enterprise defined by Zhejiang Finance Bureau, Administrator of Local Taxation of Zhejiang Municipality and Zhejiang Municipal office of the State Administration of Taxation and is therefore entitled to 15% preferential tax rate from PRC EIT for three years starting from 2010. Accordingly, the tax rate for Singlee Technology is 15% for the years ended 31 December 2012 and 2011.

According to the PRC Enterprise Income Tax Law, the applicable tax rate of Hangzhou Singlee Software Company Limited ("Singlee Software"), Singlee Software (Zhuhai) Company Limited ("Singlee Zhuhai"), Beijing Singlee Yin Tong Information Technology Co., Ltd. ("Beijing Singlee") and Xin Yintong Technology Co., Ltd. ("Xin YinTong") is 25% for the years ended 31 December 2012 and 2011.

No provision for Hong Kong Profits Tax has been made as the Group had no estimated assessable profits arising from Hong Kong during the years ended 31 December 2012 and 2011.

The tax charge for the year is reconciled to the loss before tax per the consolidated statement of comprehensive income as follows:

	2012	2011
	RMB'000	*RMB'000*
Loss before tax	**(10,981)**	(37,409)
Tax charge at enterprise income tax rate at 15% (2011: 15%) *(Note)*	**(1,647)**	(5,611)
Tax effect of income not taxable for tax purpose	**(1,227)**	(4,751)
Tax effect of expenses not deductible for tax purpose	**875**	403
Effect of different tax rates of group entities	**(1,473)**	(2,583)
Tax effect of deductible temporary difference not recognised	**307**	6,242
Tax effect of tax losses not recognised	**3,518**	6,374
Tax charge for the year	**353**	74

Note: Applicable income tax rate of 15% (2011: 15%) represents the relevant income tax rate of Singlee Technology, the subsidiary of the Company which generates majority of the Group's assessable profit.

At the end of the reporting period, the Group has unused tax losses of approximately RMB55,698,000, available for offset against future profits and deductible temporary differences of approximately RMB20,405,000 in relation to the impairment loss on intangible assets, inventories written off, trade receivables written off and impairment recognised on trade receivables. The unused tax losses of approximately RMB12,066,000 would be expired in 2015, approximately RMB25,496,000 would be expired in 2016 and the remaining amount of RMB14,072,000 would be expired in 2017. No deferred tax asset has been recognised in relation to the unused tax losses and the deductible temporary difference as it is not probable that taxable profits will be available against which the unused tax losses and the deductible temporary differences can be utilised.

9. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging and (crediting) the following items:

	2012	2011
	RMB'000	*RMB'000*
Salaries, wages and other staff benefits	**20,978**	17,702
Retirement benefits scheme contribution	**1,350**	1,073
Equity-settled share-based payment expenses	**1,772**	25,694
Total staff costs *(Note a)*	**24,100**	44,469
Depreciation of property, plant and equipment	**1,135**	635
Auditor's remuneration	**426**	444
Fair value change on investments held for trading	**(363)**	4,869
Operating lease rentals in respect of rented premises	**3,880**	3,258
Allowance on trade receivables	**2,042**	1,649
Recovery of trade receivables previously impaired	**(3,503)**	(1,797)
Reversal of impairment loss recognised on inventories (included in cost of sales) *(Note b)*	**(2,765)**	(1,577)
Cost of inventories recognised as an expense	**2,632**	2,067
Interest income	**(2,097)**	(90)
Government grants		
– subsidy related to products	**(7)**	(300)
– value-added tax refunds	**(573)**	(8)

Notes:

a. Directors' emoluments are included in the above staff costs.

b. During the year ended 31 December 2012, the Group had sold out the inventories at cost or above to customers which impairment loss had been recognised in 2010. As a result, a reversal of write-down of inventories of approximately RMB2,765,000 (2011: RMB1,577,000) had been recognised and included in cost of sales for the year ended 31 December 2012.

10. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	2012	2011
	RMB'000	*RMB'000*
Loss		
Loss for the purposes of basic and diluted loss per share		
Loss for the year attributable to owners of the Company	**(11,334)**	(37,483)

	2012	2011
	'000	*'000*
Number of shares		
Number of ordinary shares for the purposes of basic and diluted loss per share	**811,840**	811,840

The computation of diluted loss per share for the years ended 31 December 2012 and 2011 did not assume the exercise of the Company's outstanding 2002 Option, 2007 Option, 2010 January Option, 2010 August Option, 2011 February Option and the Company's warrant subscription rights which had been expired in February 2012 as the exercise prices of those options and those warrant subscription rights (up to the date they expiry) are higher than the average market price of shares for 2012 and 2011.

11. TRADE AND OTHER RECEIVABLES

	2012	2011
	RMB'000	*RMB'000*
Trade receivables	**19,990**	13,078
Less: allowance for doubtful debts	**(6,276)**	(7,737)
	13,714	5,341
Other receivables	**4,233**	3,030
	17,947	8,371

Other receivables mainly include advance to staff for daily operation, rental and utility deposits and others.

Customers are generally granted with credit period ranging from 120-180 days. The Group may, on a case by case basis and after evaluation of the business relationship and creditworthiness, extend the credit period upon customer's request. Before accepting any new customer, the Group conducts investigation or research on the creditworthiness of the new customer and assesses the potential customer's credit quality and defines credit limits by customer.

The following is an aged analysis based on invoice date of trade receivables net of allowances at the end of the reporting period:

	2012	2011
	RMB'000	*RMB'000*
0 – 120 days	**8,114**	4,171
121 – 180 days	**4,685**	141
181 – 360 days	**915**	1,029
	13,714	5,341

Included in the Group's trade receivables are debtors with the aggregate carrying amount of approximately RMB915,000 (2011: RMB1,029,000) which have been past due as at the end of the reporting period for which the Group has not provided for impairment losses. The Group does not hold any collateral over these balances.

Ageing of trade receivables which are past due but not impaired:

	2012	2011
	RMB'000	*RMB'000*
Overdue:		
Less than 1 year	**915**	1,029

The remaining trade receivables which are neither past due nor impaired mainly comprise the receivables due from state-owned and local commercial banks with good reputation.

Movement in the allowance for doubtful debts

	2012	2011
	RMB'000	*RMB'000*
1 January	**7,737**	7,885
Impairment losses recognised on receivables	**2,042**	1,649
Impairment losses reversed	**(3,503)**	(1,797)
31 December	**6,276**	7,737

Included in the allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of approximately RMB6,276,000 (2011: RMB7,737,000) of which the debtors were in financial difficulties.

Certain of the Group's trade and other receivables of approximately RMB504,000 (2011: RMB383,000) were denominated in US$, foreign currencies of respective group entities.

12. TRADE AND OTHER PAYABLES

	2012	2011
	RMB'000	*RMB'000*
Trade payables	**4,556**	5,648
Deposits received from customers	**41**	806
Payroll payables	**1,425**	1,223
Other payables	**2,914**	2,480
Total	**8,936**	10,157

The following is an aged analysis based on invoice date of trade payables at the end of the reporting period:

	2012	2011
	RMB'000	*RMB'000*
Within 90 days	**1,172**	2,698
91 – 180 days	**854**	431
181 – 365 days	**489**	–
366 – 730 days	**538**	1,676
Over 731 days	**1,503**	843
	4,556	5,648

Certain of the Group's trade and other payables of approximately RMB100,000 and RMB396,000 (2011: RMB1,423,000 were denominated in US$ and RMB337,000 were denominated in HK$) were denominated in US$ and HK$, respectively, the foreign currencies of respective group entities.

DIVIDENDS

No dividends have been paid or declared by the Company during the year (2011: Nil).

EXTRACTED FROM INDEPENDENT AUDITOR'S REPORT

The following paragraphs extracted from the independent auditor's report on the Group's financial statements for the year ended 31 December 2012.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2012, and of the Group's loss and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 to the consolidated financial statements which indicates that the Group incurred a net loss of approximately RMB11,344,000 during the year ended 31 December 2012. This condition, along with other matters as set forth in Note 2 to the consolidated financial statements, indicate the existence of a material uncertainty which may cast doubt about the Company's and the Group's ability to continue as a going concern.

BUSINESS REVIEW AND ANALYSIS

Core business of the Group – RUNPOS (soft POS)

The Group's sales volume in 2012 jumped by a fold over the previous year. The growth was mainly attributable to the substantial increase in contract sum along with the inclusion of one of the principal activities of the Group – POS MIS as a finalist into the Agricultural Bank of China. Remarkable progress was attained in sales of the Group's RUNPOS (soft POS) second-generation products – namely, "Bank-Hospital Express", "Bank-Business Express" and "Bank-School Express" during the year. The three core products accounted for more than 80% of the Group's total sales. More importantly, a vast number of customers from these projects will be gradually integrated into the Group and will be converted into online customers of the Group's third-generation products, thus creating a broader market base for the Group's mobile payment business. According to the statistics of China UnionPay, the Group ranks at the forefront of share in POS MIS user terminal market across the country.

FUTURE DEVELOPMENT

Along with the Group's effort to seamlessly integrate the online and offline operations of RUNPOS (soft POS) second and third-generation products during the year, there was a continued increase in costs in a number of spectrums, stretching from human resources, innovative technology R&D to marketing efforts. The Group thus incurred losses during the year. Against this backdrop, as noted from the financial data for the whole year, there was a sharp fall in our losses and a substantial increase in sales revenue. We consider that all these efforts will be strategically indispensable for us to sustain the long-term development and strengthening our core competitiveness. The Group's management at all levels will carefully evaluate all different-sized projects and will reinforce risk exposure control, thereby ensuring the effectiveness and success of each project.

FINANCIAL REVIEW

The Group is principally engaged in the development and sales of information and network technologies and services to the financial industry in the People's Republic of China (the "PRC").

For the year ended 31 December 2012 ("the financial year"), the Group recorded a total revenue of approximately RMB36,080,000, representing an increase of 92% as compared to last year (2011: revenue were approximately RMB18,840,000).

Revenue of the Group comprises of:

	Revenue	
	2012	2011
	RMB'000	*RMB'000*
Sales of software products	**2,224**	1,612
Sales of related hardware products	**1,380**	1,250
Provision of software-related technical support services	**32,476**	15,978
	36,080	18,840

Loss of the financial year was approximately RMB11,334,000 compared with loss of approximately RMB37,483,000 for the year ended 31 December 2011. The effect on the results of the Group for the financial year is mainly attributable to the considerable increase of approximately RMB17,240,000 in revenue for the year ended 31 December 2012 and the decrease in share-based payment expenses arising from the grant of share option in February 2011 of approximately RMB23,253,000 recorded for the year ended 31 December 2011.

We will continue trying our best to increase sales and strengthen our cost control. With the products of our group becoming more mature in the market and the effective cost control, we expect that financial results of the group will be improved in the coming year.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

As at 31 December 2012, the Group's bank loans amounted to approximately Nil (2011: RMB43,244,000, which bear interest at rate of Hong Kong Dollar Inter Bank Offered Rate plus 3.3% per annum) and loans from a shareholder of approximately RMB34,423,000, which bear interest at 3.3% – 3.5% per annum (2011: RMB25,802,000, which bear interest rate of 3.3% per annum).

No interest was capitalized by the Group during the year (2011: Nil).

As at 31 December 2012, the Group held cash and cash equivalents denominated in RMB, US dollars and HK dollars, amounted to approximately RMB19,147,000 (2011: RMB22,085,000).

The gearing ratio of the Group, based on total liabilities over total assets, as at 31 December 2012 was approximately 98% (2011: 89%).

CAPITAL STRUCTURE

During the year, there was no change to the share capital of the Company. As at 31 December 2012, the total number of issued ordinary shares of the Company was 811,840,000 shares (2011: 811,840,000 shares).

ACQUISITION AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

The group did not have any material acquisitions or disposals of subsidiaries and affiliated companies, or significant investments during the year.

SEGMENTAL INFORMATION

Segmental information is presented for the Group as disclosed on note 5 of the notes to the consolidated financial statements.

EMPLOYEE INFORMATION

As at 31 December 2012, the Group had 243 employees (2011: 286 employees), including both the PRC and Hong Kong employees. Remuneration and bonus policy are basically determined by the performance of the individual employees and financial results of the Group. Total staff costs for the year amounted to approximately RMB24,100,000 (2011: RMB44,469,000).

The Group adopted a share option scheme, details of which were set out in the Report of the Directors.

CHARGE ON GROUP ASSETS

As at 31 December 2012, the Group did not have any charges on group assets.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND EXPECTED SOURCE OF FUNDING

Details of the Group's future plans for material investments or capital assets and their expected source of funding have been stated in the Company's prospectus dated 30 August 2001 under the sections headed "Statement of Business Objectives" and "Reasons for the New Issue and Use of Proceeds" respectively.

EXPOSURE TO EXCHANGE RATE FLUCTUATION

The Group's revenue generating operations are mainly transacted in RMB. The directors consider the impact of foreign exchange exposure to the Group is minimal.

CONTINGENT LIABILITIES

As at 31 December 2012, the Group did not have any material contingent liabilities (2011: Nil).

PROSPECTS OF NEW PRODUCTS

Please refer to the Chairman's Statement for a discussion on this.

FIVE YEARS FINANCIAL SUMMARY OF THE GROUP

	Year ended 31 December 2012	Year ended 31 December 2011	Year ended 31 December 2010	Year ended 31 December 2009	Year ended 31 December 2008
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	**36,080**	18,840	15,435	41,417	18,214
Loss attributable to shareholders	**(11,334)**	(37,483)	(63,664)	(1,547)	(8,454)
Total assets	**44,736**	90,135	62,760	36,432	25,380
Total liabilities	**(44,002)**	(79,839)	(40,675)	(34,282)	(25,948)
Net assets/(liabilities)	**734**	10,296	22,085	2,150	(568)

CLOSURE OF THE REGISTER OF MEMBERS

The 2013 AGM is scheduled to be held on Friday, 10 May 2013. For determining the entitlement to attend and vote at 2013 AGM, the register of members of the Company will be closed from Wednesday, 8 May 2013 to Friday, 10 May 2013, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at 2013 AGM, unregistered holders of shares of the Company should ensure that all the share transfer documents accompanied by the relevant share certificates must be lodged with the share registrar of the Company in Hong Kong, Tricor Abacus Limited, 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 7 May 2013.

MAJOR SUPPLIERS AND CUSTOMERS

The percentage of purchases and sales for the year ended 31 December 2012 attributable to the Group's major suppliers and customers are as follows:

Purchases	
– the largest supplier	20% (2011: 47%)
– five largest suppliers combined	30% (2011: 96%)
Sales	
– the largest customer	12% (2011: 27%)
– five largest customers combined	38% (2011: 60%)

None of the Directors, their associates or any shareholder (which to the knowledge of the directors owns more than 5% of the Company's share capital) had an interest in the major suppliers or customers stated above.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

COMPETITION AND CONFLICT OF INTERESTS

None of the directors, management shareholders or substantial shareholders of the Company or any of their respective associates, as defined in the GEM Listing Rules, has engaged in any business that competes or may compete, either directly or indirectly, with the businesses of the Group or has any other conflict of interests with the Group during year ended 31 December 2012.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this report, based on information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirm that the Company maintained the amount of public float as required under the GEM Listing Rules.

CORPORATE GOVERNANCE PRACTICES

The Company recognizes the value and importance of achieving high corporate governance standards to enhance corporate performance, transparency and accountability, earning the confidence of shareholders and the public. The Board strives to adhere to the principles of corporate governance and adopt sound corporate governance practices to meet the legal and commercial standards by focusing on areas such as internal control, fair disclosure and accountability to all shareholders.

Saved as disclosed below, the Company complied with the code provisions of the Code on Corporate Governance Practices (the "Former Code", formerly set out in Appendix 15 to the GEM Listing Rules) during the period from 1 January 2012 to 31 March 2012 and of the Corporate Governance Code and Corporate Governance Report (the "New Code", the new edition of the code on Corporate Governance Practices, which is applicable to financial reports covering the period after 1 April 2012) during the period from 1 April 2012 to 31 December 2012. The Company periodically reviews its corporate governance practices to ensure its continuous compliance.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the code of conduct regarding directors' securities transactions during the twelve months ended 31 December 2012 as set out in GEM Listing Rules 5.48 to 5.67. The Company has made specific enquiry of all the Directors and the Company was not aware of any non-compliance with the required standard of dealings regarding the securities transactions by Directors.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2012 as set out in the Preliminary Announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standard on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

AUDIT COMMITTEE

The audited financial statements of the Company for the year ended 31 December 2012 have been reviewed by the Audit Committee before recommending it to the Board for approval.

By Order of the Board
Sing Lee Software (Group) Limited
Hung Yung Lai
Chairman

Hong Kong, 25 March 2013

As at the date of this announcement, the Board Comprises of:

Hung Yung Lai *(Executive Director)*
Cui Jian *(Executive Director)*
Hung Ying *(Executive Director)*
Pao Ping Wing *(Independent Non-Executive Director)*
Tam Kwok Hing *(Independent Non-Executive Director)*
Lo King Man *(Independent Non-Executive Director)*

This announcement will remain on the GEM website at http://www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting and will be published on the website of the Company (http://www.singlee.com.cn).