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 2014

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.

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 2014, together with the comparative figures for the corresponding periods in 2013, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2014

(Expressed in Renminbi)

		2014	2013
	NOTES	***RMB'000***	*RMB'000*
Revenue	*5*	**48,908**	33,364
Cost of sales		**(27,392)**	(23,554)
Gross profit		**21,516**	9,810
Other income/(expense)		**1,213**	(147)
Other gains and losses	*6*	**(613)**	1,191
Distribution and selling expenses		**(6,831)**	(8,608)
Administrative expenses		**(11,657)**	(17,881)
Impairment loss recognised on trade receivables		**(1,004)**	(1,152)
Research and development costs		**–**	(11)
Finance costs	*7*	**(957)**	(970)
Profit (loss) before tax		**1,667**	(17,768)
Income tax expense	*8*	**(1,096)**	(435)
Profit (loss) and total comprehensive income (expense) for the year	*9*	**571**	(18,203)
Earnings (loss) per share			
– basic *(RMB cents)*	*10*	**0.07**	(2.2)
– diluted *(RMB cents)*	*10*	**0.06**	(2.2)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2014
(Expressed in Reminbi)

	NOTES	2014 RMB'000	2013 RMB'000
Non-current Assets			
Property, plant and equipment		**8,713**	3,031
Intangible assets		**522**	614
		9,235	3,645
Current Assets			
Inventories		**410**	459
Trade and other receivables	*11*	**19,445**	9,624
Loan receivable		**–**	–
Held for trading investments		**697**	769
Bank balances and cash		**12,217**	15,233
		32,769	26,085
Current Liabilities			
Trade and other payables	*12*	**12,106**	8,961
Amounts due to directors		**775**	903
Amount due to a shareholder		**11**	11
Tax payable		**736**	344
Borrowings		**7,017**	5,095
		20,645	15,314
Net Current Assets		**12,124**	10,771
Total assets less current liabilities		**21,359**	14,416
Non-current Liabilities			
Borrowings		**32,929**	27,157
Net Liabilities		**(11,570)**	(12,741)
Capital and reserves			
Share capital		**8,360**	8,352
Reserves		**(19,930)**	(21,093)
Deficit on Shareholders' Equity		**(11,570)**	(12,741)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2014

	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 2013	8,132	151,770	3,613	5,217	38,882	(206,880)	734
Loss and total comprehensive expense for the year	–	–	–	–	–	(18,203)	(18,203)
Exercise of share options	220	3,373	–	–	(1,117)	–	2,476
Lapse of share options	–	–	–	–	(9,915)	9,915	–
Recognition of equity-settled share-based payments	–	–	–	–	2,252	–	2,252
At 31 December 2013	8,352	155,143	3,613	5,217	30,102	(215,168)	(12,741)
Profit and total comprehensive income for the year	–	–	–	–	–	571	571
Exercise of share options	8	42	–	–	(42)	–	8
Lapse of share options	–	–	–	–	(328)	328	–
Recognition of equity-settled share-based payments	–	–	–	–	592	–	592
At 31 December 2014	8,360	155,185	3,613	5,217	30,324	(214,269)	(11,570)

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 2014

(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. Its ultimate controlling party is Mr. Hung Yung Lai, who is also the Chairman and an executive director of the Company.

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. The principal activities of its subsidiaries are set out in note to the consolidated financial statements.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared on a going concern basis. The Group's total liabilities exceeded its total assets by approximately RMB11,570,000 as at 31 December 2014. 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 from a director, who is also the substantial shareholder of the Company, for a period of twelve months from the date of approving the consolidated financial statements by the directors;
- 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 and when 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 INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

Amendments to IFRSs and the new Interpretation that are mandatorily effective for the current year

The Group has applied for the first time in the current year the following amendments to IFRSs and a new Interpretation.

Amendments to IFRS 10, IFRS 12 and International Accounting Standard ("IAS") 27 ("IAS 27") Investment Entities

The Group has applied the amendments to IFRS 10, IFRS 12 and IAS 27 Investment Entities for the first time in the current year. The amendments to IFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.

To qualify as an investment entity, a reporting entity is required to:

- obtain funds from one or more investors for the purpose of providing them with investment management services;

- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and

- measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments have been made to IFRS 12 and IAS 27 to introduce new disclosure requirements for investment entities.

As the Company is not an investment entity (assessed based on the criteria set out in IFRS 10 as at 1 January 2014), the application of the amendments has had no impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities

The Group has applied the amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities for the first time in the current year. The amendments to IAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

The amendments have been applied retrospectively. As the Group does not have any financial assets and financial liabilities that qualify for offset, the application of the amendments has had no impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

Amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets

The Group has applied the amendments to IAS 36 *Recoverable Amount Disclosures for Non-Financial Assets* for the first time in the current year. The amendments to IAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by IFRS 13 *Fair Value Measurements*.

The application of these amendments has had no material impact on the disclosures in the Group's consolidated financial statements.

Amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting

The Group has applied the amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting for the first time in the current year. The amendments to IAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness.

The amendments have been applied retrospectively. As the Group does not have any derivatives that are subject to novation, the application of these amendments has had no impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

IFRIC – Int 21 Levies

The Group has applied IFRIC – Int 21 Levies for the first time in the current year. IFRIC – Int 21 addresses the issue as to when to recognise a liability to pay a levy imposed by a government. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

IFRIC – Int 21 has been applied retrospectively. The application of this Interpretation has had no material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

New and revised IFRSs in issue 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.

IFRS 9	Financial Instruments[1]
IFRS 14	Regulatory Deferral Accounts[2]
IFRS 15	Revenue from Contracts with Customers[3]
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations[5]
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[5]
Amendments to IAS 1	Disclosure Initiative[5]
Amendments to IAS 19	Defined Benefit Plans: Employee Contributions[4]
Amendments to IFRSs	Annual Improvements to IFRSs 2010 – 2012 Cycle[6]
Amendments to IFRSs	Annual Improvements to IFRSs 2011 – 2013 Cycle[4]
Amendments to IFRSs	Annual Improvements to IFRSs 2012 – 2014 Cycle[5]
Amendments to HKAS 16 and IAS 41	Agriculture: Bearer Plants[5]
Amendments to IAS 27	Equity Method in Separate Financial Statements[5]
Amendments to IFRS 10 and IAS 28	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception[5]

1 *Effective for annual periods beginning on or after 1 January 2018*

2 *Effective for first annual IFRS financial statements beginning on or after 1 January 2016*

3 *Effective for annual periods beginning on or after 1 January 2017*

4 *Effective for annual periods beginning on or after 1 July 2014*

5 *Effective for annual periods beginning on or after 1 January 2016*

6 *Effective for annual periods beginning on or after 1 July 2014, with limited exceptions*

The directors of the Company do not anticipate that the application of theses will have a material effect on the Group's consolidated financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standard Board. 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.

Basis of preparation

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.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

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 Group. Control is achieved when the Company:

- has power over the investee;

- is exposed, or has rights, to variable returns from its involvement with the investee; and

- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group 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 goods are delivered and titles are passed at which time 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:

	Sales of software products *RMB'000*	**Sales of related hardware products** *RMB'000*	**Provision of software-related technical support services** *RMB'000*	**Total** *RMB'000*
2014				
External sales and total revenue – segment revenue	**8,525**	**5,557**	**34,826**	**48,908**
SEGMENT RESULTS	**541**	**352**	**2,207**	**3,100**
Unallocated other income				**1,213**
Unallocated other gains and losses				**(613)**
Unallocated corporate expenses				**(1,076)**
Finance costs				**(957)**
Profit before tax				**1,667**

	Sales of software products *RMB'000*	Sales of related hardware products *RMB'000*	Provision of software-related technical support services *RMB'000*	Total *RMB'000*
2013				
External sales and total revenue – segment revenue	4,166	2,819	26,379	33,364
SEGMENT RESULTS	(2,038)	(1,379)	(12,904)	(16,321)
Unallocated other expenses				(147)
Unallocated other gains and losses				1,191
Unallocated corporate expenses				(1,521)
Finance costs				(970)
Loss before tax				(17,768)

The accounting policies of the operating segments are the same as the Group's accounting policies as described in note 4. Segment results represents the profit (loss) from each segment without allocation of directors' remuneration, finance costs, unallocated other expenses 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

	Sales of software products	Sales of related hardware products	Provision of software-related technical support services	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
2014				
Amounts included in the measure of segment profit:				
Depreciation of property, plant and equipment	**194**	**126**	**791**	**1,111**
Amortisation of intangible assets	**16**	**11**	**65**	**92**
Impairment loss recognised on trade receivables	**248**	**161**	**1,010**	**1,419**
Loss on disposal of property, plant and equipment	**5**	**3**	**19**	**27**
Recovery of trade receivables previously impaired	**(73)**	**(47)**	**(295)**	**(415)**
Share-based payment expenses (excluding directors)	**89**	**58**	**365**	**512**
2013				
Amounts included in the measure of segment loss:				
Depreciation of property, plant and equipment	134	90	846	1,070
Impairment loss recognised on trade receivables	505	341	3,194	4,040
Loss on disposal of property, plant and equipment	64	43	404	511
Recovery of trade receivables previously impaired	(360)	(244)	(2,284)	(2,888)
Share-based payment expenses (excluding directors)	241	163	1,528	1,932

Revenue from major products and services:

	2014	2013
	RMB'000	*RMB'000*
Software products		
POS-MIS V2.0	**7,619**	3,922
Sing Lee payment management system 1.0	**906**	244
	8,525	4,166
Hardware products		
Automatic Terminal Machine	**1,800**	–
Automatic Pay Machine	**1,285**	293
Network Control Device	**824**	–
SP30	**398**	456
MIS system front-end equipment	**191**	221
Server	**179**	184
Posiflex cashdrawer	**–**	1,069
Computer	**20**	133
Others	**860**	463
	5,557	2,819
Provision of software-related technical support services		
Development	**10,400**	5,352
Maintenance	**24,426**	21,027
	34,826	26,379
	48,908	33,364

Geographical information

The Group's revenue from external customers is all generated 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

There was no revenue from a single customer contributing over 10% of the total sales of the Group.

6. OTHER GAINS AND LOSSES

	2014	2013
	RMB'000	*RMB'000*
(Loss) gain arising on change in fair value on financial assets classified as held for trading	**(88)**	541
Exchange (loss) gain	**(525)**	650
	(613)	1,191

7. FINANCE COSTS

	2014	2013
	RMB'000	*RMB'000*
Interest on bank borrowing wholly repayable within five years	**94**	–
Interest on loans from a director not wholly repayable within five years	**863**	970
	957	970

8. INCOME TAX EXPENSE

	2014	2013
	RMB'000	*RMB'000*
PRC enterprise income tax ("EIT")		
– Current year	**1,076**	415
– Underprovision in prior year	**20**	20
	1,096	435

Hangzhou Singlee Technology Company Limited ("Singlee Technology"), a subsidiary of the Company, was established in Hangzhou, PRC, with statutory tax rate of 25%. 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 2013. Accordingly, the tax rate for Singlee Technology is 15% for the year ended 31 December 2014 and 2013.

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 2014 and 2013.

No provision for Hong Kong Profits Tax has been made as the Group had no estimated assessable profits arising from Hong Kong during the year ended 31 December 2014 and 2013.

The tax charge for the year is reconciled to the profit (loss) before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2014	2013
	RMB'000	*RMB'000*
Profit (loss) before tax	**1,667**	(17,768)
Tax charge at enterprise income tax rate at 15% (2013: 15%) *(Note)*	**250**	(2,665)
Tax effect of income not taxable for tax purpose	**(599)**	(1,102)
Tax effect of expenses not deductible for tax purpose	**356**	1,131
Effect of different tax rates of group entities	**(350)**	(1,836)
Underprovision of tax in prior year	**20**	20
Tax effect of tax losses not recognised	**1,419**	4,887
Tax charge for the year	**1,096**	435

Note: Applicable income tax rate of 15% (2013: 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 RMB74,134,000 (2013: RMB64,674,000), available for offset against future profits and deductible temporary differences of RMB4,233,000 (2013: RMB4,092,000) 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 RMB20,509,000 (2013: RMB20,509,000) would be expired in 2016, approximately RMB14,908,000 (2013: RMB14,908,000) would be expired in 2017, approximately RMB17,517,000 (2013: RMB17,517,000) would be expired in 2018 and the remaining amount of approximately RMB719,000 (2013: Nil) would be expired in 2019. No deferred tax asset has been recognised in relation to the unused tax losses and the deductible temporary differences 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. PROFIT (LOSS) FOR THE YEAR

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

	2014	2013
	RMB'000	*RMB'000*
Salaries, wages and other staff benefits	**20,222**	17,022
Retirement benefits scheme contribution	**1,003**	949
Equity-settled share-based payment expenses	**592**	2,252
Total staff costs *(Note)*	**21,817**	20,223
Depreciation of property, plant and equipment	**1,111**	1,070
Amortisation of intangible assets	**92**	–
Auditor's remuneration	**478**	446
Operating lease rentals in respect of rented premises	**2,723**	3,442
Impairment loss recognised on trade receivables	**1,419**	4,040
Recovery of trade receivables previously impaired	**(415)**	(2,888)
Reversal of impairment loss recognised on inventories (included in cost of sales)	**(62)**	(358)
Cost of inventories recognised as an expense	**3,237**	2,332
Loss on disposal of property, plant and equipment	**27**	511
Impairment loss recognised on inventories	**–**	53
Interest income	**(20)**	(15)
Government grants		
– subsidy related to products	**(120)**	(13)
– value-added tax refunds	**(998)**	(326)

Note: Directors' emoluments are included in the above staff costs.

10. EARNINGS (LOSS) PER SHARE

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

	2014	2013
	RMB'000	*RMB'000*
Profit (loss) for the year attributable to owners of the Company for the purposes of basic and diluted loss per share	**571**	(18,203)

	2014	2013
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings (loss) per share	**839,982**	816,501
Effect of dilutive potential ordinary shares Share options	**42,860**	–
	882,842	816,501

The computation of diluted loss per share for the year ended 31 December 2013 did not assume the exercise of the Company's outstanding share options as they have an anti-dilutive effect on the loss per share calculation.

11. TRADE AND OTHER RECEIVABLES

	2014	2013
	RMB'000	*RMB'000*
Trade receivables	**24,763**	14,437
Less: allowance for doubtful debts	**(8,432)**	(7,428)
	16,331	7,009
Other receivables	**3,114**	2,615
	19,445	9,624

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:

	2014	2013
	RMB'000	*RMB'000*
0 – 120 days	**14,928**	5,939
121 – 180 days	**593**	757
181 – 360 days	**810**	313
	16,331	7,009

Included in the Group's trade receivables are debtors with the aggregate carrying amount of approximately RMB810,000 (2013: RMB313,000) 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:

	2014	2013
	RMB'000	*RMB'000*
Overdue:		
Less than 1 year	**810**	313

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

	2014	2013
	RMB'000	*RMB'000*
1 January	**7,428**	6,276
Impairment losses recognised on receivables	**1,419**	4,040
Impairment losses reversed	**(415)**	(2,888)
31 December	**8,432**	7,428

Included in the allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of approximately RMB8,432,000 (2013: RMB7,428,000) of which the debtors were in financial difficulties.

Certain of the Group's trade and other receivables of approximately RMB49,000 (2013: RMB200,000) were denominated in US$, foreign currencies of respective group entities.

12. TRADE AND OTHER PAYABLES

	2014	2013
	RMB'000	*RMB'000*
Trade payables	**5,178**	3,002
Deposits received from customers	**261**	1,335
Payroll payables	**1,414**	1,237
Other payables and accrual	**5,253**	3,387
	12,106	8,961

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

	2014	2013
	RMB'000	*RMB'000*
Within 90 days	**2,887**	1,776
91 – 180 days	**345**	382
181 – 365 days	**1,134**	89
366 – 730 days	**189**	238
Over 731 days	**623**	517
	5,178	3,002

Certain of the Group's trade and other payables of approximately RMB613,000 and RMB57,000 (2013: RMB611,000 were denominated in US$ and RMB118,000 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 (2013: 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 2014.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2014, and of its financial performance 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’s total liabilities exceeded its total assets by approximately RMB11,570,000 as at 31 December 2014. This condition, along with other matters as set forth in note 2 to the consolidated financial statements, indicates the existence of a material uncertainty which may cast significant doubt about the Group’s ability to continue as a going concern.

BUSINESS REVIEW AND ANALYSIS

Overall Business of the Group in 2014

During the year, the Group achieved outstanding results and surpassed our annual business goal. The addition of “Bank-Hospital Express” and “Bank-School Express” further strengthened our traditional portfolio, which includes “Bank-Business Express”, capital and risk control products and banking outsourcing service products. Capital and risk control products, which form the largest part of our portfolio, registered a growth of over 40%, while the banking outsourcing service products grew over 26%.

In light of the on-going structural reform of the financial market in China, such as the tighter capital control imposed by the People’s Bank of China on commercial banks, and the standardization of the management of the online and offline markets, our offerings have enjoyed more opportunities in the market, and our R&D investment registered a positive return one year ahead of schedule, contributing to our overall performance. As the State Council further implemented industry-specific policies, “Bank-Hospital Express” and “Bank-School Express” both recorded significant growth. In particular, the sales of “Bank-Hospital Express” surged by over 40% along with the medical informatization in China.

FUTURE OUTLOOK

Banking outsourcing service products and “Bank-School Express” remain the core big data products of the Group. Based on the mobile payment business, we will consolidate our big data and online businesses to form a unique o2o (offline to online) model. The Group is also exploring the feasibility of entering the related markets.

Despite the declining expenses, we will continue to implement stringent cost control and strengthen our risk control on overall operation and individual businesses in order to identify new revenue streams and lower the costs.

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").

Revenue of the Group comprises of:

For the year ended 31 December 2014 ("the financial year"), the Group recorded a total revenue of approximately RMB48,908,000, an increase of 47% as compared to the year ended 31 December 2013 (2013: approximately RMB33,364,000).

	Revenue	
	2014	2013
	RMB'000	*RMB'000*
Sales of software products	**8,525**	4,166
Sales of related hardware products	**5,557**	2,819
Provision of software-related technical support services	**34,826**	26,379
	48,908	33,364

The increase in the turnover of the Group was mainly attributable to the increase of 32% in the revenue of the Group's provision of software-related technical support services when compared to the same period of last year. Cost of sales for the year ended 31 December 2014 increased to approximately RMB27,392,000 (2013: approximately RMB23,554,000). The Group's gross profit ratio increasing to 44% (2013: 29%) was mainly due to our effective cost control measures in the year.

Administrative expenses for the year ended 31 December 2014 is decreased by 35% to approximately RMB11,657,000 (2013: approximately RMB17,881,000). For the distribution and selling expenses, it is decreased by 21% to RMB6,831,000 (2013: approximately RMB8,608,000). The decrease in administrative expenses and distribution and selling expenses were due to our effective cost control measures. Other income included refund of value added tax, government grants subsidy related to products and interest income; and other gains and losses included exchange differences and fair value changes in investment fund.

Finance costs for the year ended 31 December 2014 was approximately RMB957,000, not much movement when compared to the same period of last year. (2013: approximately RMB970,000).

The Group recorded a profit of approximately RMB571,000 for the year ended 31 December 2014, representing a substantial improvement of the results of the Group as compared to the net loss of approximately RMB18,203,000 for the year ended 31 December 2013. Increase in revenue and decrease in administrative, distribution and selling expenses are the main factors leading to the profit.

During the year ended 31 December 2014, the Company recorded equity-settled share-based payment of approximately RMB592,000 (2013: RMB2,252,000). The equity-settled share-based payment for the year ended 31 December 2014 was allocated between the cost of sales, distribution and selling expenses and administrative expenses amounting to RMB86,000, RMB50,000 and RMB456,000 respectively.

We will continue striving our best to increase sales and strengthen our cost control measures. 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 would be further improved in the coming year.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

As at 31 December 2014, the Group's loans from a shareholder of approximately RMB37,068,000, which bear interest at 3.3% –3.5% per annum (2013: RMB32,252,000, which bear interest rate of 3.3% per annum).

In addition, the Group has a new bank borrowing from a bank in the PRC with a principal amount of RMB3,100,000 (2013: Nil) to finance the purchase of a new office premise in Hangzhou, the PRC, which is unsecured, interest bearing at Base Rate in the PRC plus 15%.

No interest was capitalized by the Group during the year (2013: Nil).

As at 31 December 2014, the Group held cash and cash equivalents denominated in RMB, US dollars and HK dollars, amounted to approximately RMB12,217,000 (2013: RMB15,233,000).

The gearing ratio of the Group, based on total liabilities over total assets, as at 31 December 2014 was approximately 126% (2013: 143%).

CAPITAL STRUCTURE

During the year, our employee exercised 1,000,000 share options granted on June 2013. As at 31 December 2014, the total number of issued ordinary shares of the Company was 840,730,000 shares (2013: 839,730,000 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.

EMPLOYEE INFORMATION

As at 31 December 2014, the Group had 261 employees (2013: 271 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 RMB21,817,000 (2013: RMB20,223,000).

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 2014, 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 2014, the Group did not have any material contingent liabilities (2013: 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 2014	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2011	Year ended 31 December 2010
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	**48,908**	33,364	36,080	18,840	15,435
Profit (Loss) attributable to shareholders	**571**	(18,203)	(11,334)	(37,483)	(63,664)
Total assets	**42,004**	29,730	44,736	90,135	62,760
Total liabilities	**(53,574)**	(42,471)	(44,002)	(79,839)	(40,675)
Net (liabilities)/assets	**(11,570)**	(12,741)	734	10,296	22,085

CLOSURE OF THE REGISTER OF MEMBERS

The 2015 AGM is scheduled to be held on Tuesday, 12 May 2015. For determining the entitlement to attend and vote at 2015 AGM, the register of members of the Company will be closed from Friday, 8 May 2015 to Monday, 11 May 2015, 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 2015 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, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 pm on Thursday, 7 May 2015.

MAJOR SUPPLIERS AND CUSTOMERS

The percentage of purchases and sales for the year ended 31 December 2014 attributable to the Group's major suppliers and customers are as follows:

Purchases	
– the largest supplier	33% (2013: 23%)
– five largest suppliers combined	82% (2013: 69%)
Sales	
– the largest customer	6% (2013: 9%)
– five largest customers combined	24% (2013: 21%)

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 2014.

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 recognises 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 in Corporate Governance Code (the "Code") and Corporate Governance Report which set out in Appendix 15 in the GEM Listing Rules during the year ended 31 December 2014. 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 2014 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.

Specific employees who are likely to be possession of unpublished price-sensitive information of the Group are also subject to compliance with the same Code of Conduct. No incident of non-compliance was noted by the Company for the year ended 31 December 2014.

SCOPE OF WORK OF DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the related notes thereto for the year ended 31 December 2014 as set out in the Preliminary Announcement have been agreed by the Group's auditor, Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards 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 Deloitte Touche Tohmatsu on the Preliminary Announcement.

AUDIT COMMITTEE

The audited consolidated financial statements of the Company for the year ended 31 December 2014 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, 20 March 2015

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).