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 2015

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 2015, together with the comparative figures for the corresponding periods in 2014, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2015
(Expressed in Renminbi)

		2015	2014
	NOTES	***RMB'000***	*RMB'000*
Revenue	*5*	**55,819**	48,908
Cost of sales		**(29,223)**	(27,392)
Gross profit		**26,596**	21,516
Other income		**867**	1,213
Other gains and losses	*6*	**(2,188)**	(613)
Distribution and selling expenses		**(8,564)**	(6,831)
Administrative expenses		**(12,707)**	(11,657)
Impairment loss recognised on trade receivables, net		**(501)**	(1,004)
Finance costs	*7*	**(1,028)**	(957)
Profit before tax		**2,475**	1,667
Income tax expense	*8*	**(1,181)**	(1,096)
Profit and total comprehensive income for the year	*9*	**1,294**	571
Earnings per share			
– basic *(RMB cents)*	*10*	**0.15**	0.07
– diluted *(RMB cents)*	*10*	**0.15**	0.06

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2015
(Expressed in Reminbi)

	NOTES	2015 RMB'000	2014 RMB'000
Non-current Assets			
Property, plant and equipment		**8,292**	8,713
Intangible assets		**2,168**	522
		10,460	9,235
Current Assets			
Inventories		**507**	410
Trade and other receivables	*11*	**25,573**	19,445
Loan receivable		**–**	–
Held for trading investments		**690**	697
Bank balances and cash		**18,901**	12,217
		45,671	32,769
Current Liabilities			
Trade and other payables	*12*	**10,290**	12,106
Amounts due to directors		**902**	775
Amount due to a shareholder		**11**	11
Tax payable		**908**	736
Borrowings		**10,179**	7,017
		22,290	20,645
Net Current Assets		**23,381**	12,124
Total assets less current liabilities		**33,841**	21,359
Non-current Liability			
Borrowings		**38,421**	32,929
Net Liabilities		**(4,580)**	(11,570)
Capital and reserves			
Share capital		**8,551**	8,360
Reserves		**(13,131)**	(19,930)
Deficit on Shareholders' Equity		**(4,580)**	(11,570)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015

	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 2014	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)
Profit and total comprehensive income for the year	–	–	–	–	–	1,294	1,294
Exercise of share options	191	3,423	–	–	(1,220)	–	2,394
Lapse of share options	–	–	–	–	(453)	453	–
Recognition of equity-settled share-based payments	–	–	–	–	3,302	–	3,302
At 31 December 2015	8,551	158,608	3,613	5,217	31,953	(212,522)	(4,580)

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 2015

(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 RMB4,580,000 as at 31 December 2015. 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")

Application of new and revised IFRSs

The Group has applied the following new and revised IFRSs issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") for the first time in the current year.

Amendments to IAS 19	Defined Benefit Plans: Employee Contributions
Amendments to IFRSs	Annual Improvements to HKFRSs 2010 – 2012 Cycle
Amendments to IFRSs	Annual Improvements to HKFRSs 2011 – 2013 Cycle

Except as described below, the application of the new and revised IFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Annual Improvements to IFRSs 2010 – 2012 Cycle and 2011 – 2013 Cycle

The Group has applied the amendments to IFRSs included in the Annual Improvements to IFRSs 2010 – 2012 Cycle and 2011 – 2013 Cycle for the first time in the current year. One of the annual improvements requires entities to disclose judgements made by management in applying the aggregation criteria set out in paragraph 12 of IFRS 8 Operating Segments. The Group has aggregated several operating segments into a single operating segment based on the aggregation criteria set out in paragraph 12 of IFRS 8 and made the required disclosure in note 6 to the Group's consolidated financial statements in accordance with the amendments. The application of the other amendments has had no impact on the disclosure or amounts recognised in the Group's consolidated financial statements.

New and revised IFRSs 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:

IFRS 9	Financial Instruments[1]
IFRS 15	Revenue from Contracts with Customers[1]
IFRS 16	Lease[3]
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations[2]
Amendments to IAS 1	Disclosure Initiative[2]
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[4]
Amendments to IFRSs	Annual Improvements to IFRSs 2012 – 2014 Cycle[2]

Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants[2]
Amendments to IAS 27	Equity Method in Separate Financial Statements[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception[2]
Amendments to IAS 7	Disclosure Initiative[5]
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses[5]

[1] *Effective for annual periods beginning on or after 1 January 2018*
[2] *Effective for annual periods beginning on or after 1 January 2016*
[3] *Effective for annual periods beginning on or after 1 January 2019*
[4] *Effective for annual periods beginning on or after a date to be determined*
[5] *Effective for annual periods beginning on or after 1 January 2017*

IFRS 9 Financial instrument

IFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

- all recognised financial assets that are within the scope of IFRS 39 *Financial Instruments: Recognition and Measurement* are required to be subsequently measured at 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. Debts instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- with regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IFRS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit of loss is presented in profit or loss.

- in relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IFRS 39. The expected credit loss model requires an entity to account for expected credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- the new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IFRS 39. Under IFRS9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the retrospective quantitative effectiveness test has been removed. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The directors of the Company anticipate that the adoption of IFRS 9 in the future may not have a significant impact on the amounts recognised in respect of the Group's financial assets and financial liabilities.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

The directors anticipate that the application of IFRS 15 in the future may have an impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 15 until the Group performs a detailed review.

Amendments to IAS 1 Disclosure Initiative

The amendments to IAS 1 *Presentation of Financial Statements* give some guidance on how to apply the concept of materiality in practice.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2016. The directors do not anticipate that the application of these amendments to IAS 1 will have a material impact on the amounts recognised in the Group's consolidated financial statements.

Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to IAS 16 *Property, Plant and Equipment* prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 *Intangible Assets* introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

(a) when the intangible asset is expressed as a measure of revenue; or

(b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016.

The directors of the Company anticipate that the application of these amendments to IAS 16 and IAS 38 may not have a significant impact on the amounts recognised in the Group's consolidated financial statements.

IFRS 16 Lease

IFRS 16 – Leases was issued by IASB in January 2016. It will be effective for annual periods beginning on or after 1 January 2019. This new standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessors and lessees. As the Group does not engage in any lease arrangements as a lessor, it will be impacted by the new standard due to its role as a lessee.

The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.

A lessee is required to recognize a right-of-use asset and a lease liability at the commencement of lease arrangement. Right-of-use asset includes the amount of initial measurement of lease liability, any lease payment made to the lessor at or before the lease commencement date, estimated cost to be incurred by the lessee for dismantling or removing the underlying assets from and restoring the site, as well as any other initial direct cost incurred by the lessee. Lease liability represents the present value of the lease payments. Subsequently, depreciation and impairment expenses, if any, on the right-of-use asset will be charged to profit or loss following the requirements of IAS 16 – Property, Plant and Equipment, while lease liability will be increased by the interest accrual, which will be charged to profit or loss, and deducted by lease payments.

The total operating lease commitment of the Group in respect of rental premises as at 31 December 2015 amounted to RMB652,000, the directors do not expect the adoption of IFRS 16 as compared with the current accounting policy would result in significant impact on the Group's result but it is expected that certain portion of these lease commitments will be required to be recognized in the consolidated statement of financial position as right-of-use assets and lease liabilities.

Other than set out above, the directors do not anticipate that the application of other new and revised IFRSs will have a material impact 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.

The provision of the new Hong Kong Companies Ordinance (Cap. 622) regarding preparation of accounts and directors' reports and audits became effective for the Company for the financial year ended 31 December 2015. Further, the disclosure requirements set out in the Listing Rules regarding annual accounts have been amended with reference to the new Hong Kong Companies Ordinance and to streamline with IFRSs. Accordingly the presentation and disclosure of information in the consolidated financial statements for the financial year ended 31 December 2015 have been changed to comply with these new requirements. Comparative information in respect of the financial year ended 31 December 2014 are presented and disclosed in the consolidated financial statements based on the new requirements. Information previously required to be disclosed under the predecessor Hong Kong Companies Ordinance or Listing Rules but not under new Hong Kong Companies Ordinance or amended Listing Rules are not disclosed in these consolidated financial statements.

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*
2015				
External sales and total revenue – segment revenue	**8,494**	**4,321**	**43,004**	**55,819**
SEGMENT RESULTS	**935**	**476**	**4,737**	**6,148**
Unallocated other income				**867**
Unallocated other gains and losses				**(2,188)**
Unallocated corporate expenses				**(1,324)**
Finance costs				**(1,028)**
Profit before tax				**2,475**

	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

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 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***
2015				
Amounts included in the measure of segment results:				
Depreciation of property, plant and equipment	**162**	**82**	**816**	**1,060**
Amortisation of intangible assets	**5**	**2**	**25**	**32**
Impairment loss recognised on trade receivables	**299**	**151**	**1,512**	**1,962**
Recovery of trade receivables previously impaired	**(222)**	**(113)**	**(1,126)**	**(1,461)**
Share-based payment expenses (excluding directors)	**451**	**230**	**2,284**	**2,965**
2014				
Amounts included in the measure of segment results:				
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

Revenue from major products and services:

	2015	2014
	RMB'000	*RMB'000*
Software products		
POS-MIS V2.0	**7,832**	7,619
Sing Lee payment management system 1.0	**662**	906
	8,494	8,525
Hardware products		
Hisense cashdrawer	**1,330**	–
Server	**885**	179
Network Control Device	**825**	824
Automatic Pay Machine	**571**	1,285
SP30	**396**	398
Automatic Terminal Machine	**–**	1,800
MIS system front-end equipment	**–**	191
Computer	**–**	20
Others	**314**	860
	4,321	5,557
Provision of software-related technical support services		
Development	**12,178**	10,400
Maintenance	**30,826**	24,426
	43,004	34,826
	55,819	48,908

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

Revenue from customers from provision of software-related technical support services of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	2015	2014
	RMB'000	*RMB'000*
Customer A	**14,897**	12,244
Customer B	**6,775**	7,285
Customer C	**5,938**	N/A[1]

[1] *The corresponding revenue did not contribute over 10% of the total revenue of the Group.*

6. OTHER GAINS AND LOSSES

	2015	2014
	RMB'000	*RMB'000*
Loss arising on change in fair value on financial assets classified as held for trading	**49**	88
Exchange loss	**2,139**	525
	2,188	613

7. FINANCE COSTS

	2015	2014
	RMB'000	*RMB'000*
Interest on bank borrowing wholly repayable within five years	**306**	94
Interest on loans from a director not wholly repayable within five years	**722**	863
	1,028	957

8. INCOME TAX EXPENSE

	2015	2014
	RMB'000	*RMB'000*
PRC enterprise income tax ("EIT")		
– Current year	**951**	1,076
– Underprovision in prior years	**230**	20
	1,181	1,096

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 years ended 31 December 2015 and 2014.

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 2015 and 2014.

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 2015 and 2014.

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

	2015	2014
	RMB'000	*RMB'000*
Profit before tax	**2,475**	1,667
Tax charge at enterprise income tax rate at 15% (2014: 15%) *(Note)*	**371**	250
Tax effect of income not taxable for tax purpose	**(780)**	(599)
Tax effect of expenses not deductible for tax purpose	**560**	356
Effect of different tax rates of group entities	**(795)**	(350)
Underprovision of tax in prior years	**230**	20
Tax effect of deductible temporary difference not recognised	**12**	–
Tax effect of tax losses not recognised	**1,583**	1,419
Tax charge for the year	**1,181**	1,096

Note: Applicable income tax rate of 15% (2014: 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 RMB74,659,000 (2014: RMB76,491,000) available for offset against future profits and deductible temporary differences of RMB294,000 (2014: RMB213,000). 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.

The unused tax losses will expire in the following years:

	2015	2014
	RMB'000	*RMB'000*
2015	**–**	8,686
2016	**20,509**	20,509
2017	**14,908**	14,908
2018	**17,517**	17,517
2019	**14,871**	14,871
2020	**6,854**	–
Total unused tax losses	**74,659**	76,491

9. PROFIT FOR THE YEAR

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

	2015	2014
	RMB'000	*RMB'000*
Salaries, wages and other staff benefits	**21,124**	20,222
Retirement benefits schemes contribution	**1,070**	1,003
Equity-settled share-based payment expenses	**3,302**	592
Total staff costs *(Note)*	**25,496**	21,817

	2015	2014
	RMB'000	*RMB'000*
Depreciation of property, plant and equipment	**1,060**	1,111
Amortisation of intangible assets	**32**	92
Auditor's remuneration	**478**	478
Operating lease rentals in respect of rented premises	**2,172**	2,723
Impairment loss recognised on trade receivables	**1,962**	1,419
Recovery of trade receivables previously impaired	**(1,461)**	(415)
Reversal of impairment loss recognised on inventories (included in cost of sales)	**–**	(62)
Cost of inventories recognised as an expense	**2,945**	3,237
Loss on disposal of property, plant and equipment	**–**	27
Interest income	**(11)**	(20)
Government grants		
– subsidy related to products	**–**	(120)
– value-added tax refunds	**(833)**	(998)

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

10. EARNINGS PER SHARE

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

	2015	2014
	RMB'000	*RMB'000*
Profit for the year attributable to owners of the Company for the purposes of basic and diluted earnings per share	**1,294**	571

	2015	2014
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	**852,677**	839,982
Effect of dilutive potential ordinary shares – Share options	**21,274**	42,860
	873,951	882,842

The computation of diluted earnings per share for the years ended 31 December 2015 and 2014 does not assume the exercise of the Share options granted on 9 October 2007, 16 August 2010, 28 February 2011 and 15 May 2015 because the exercise prices of those options were higher than the average market prices for shares from the dates of grant.

11. TRADE AND OTHER RECEIVABLES

	2015	2014
	RMB'000	*RMB'000*
Trade receivables	**30,583**	24,763
Less: allowance for doubtful debts	**(8,933)**	(8,432)
	21,650	16,331
Other receivables	**3,923**	3,114
	25,573	19,445

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:

	2015	2014
	RMB'000	*RMB'000*
0 – 120 days	**18,041**	14,928
121 – 180 days	**493**	593
181 – 360 days	**3,116**	810
	21,650	16,331

Included in the Group's trade receivables are debtors with the aggregate carrying amount of approximately RMB3,116,000 (2014: RMB810,000) 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:

	2015	2014
	RMB'000	*RMB'000*
Overdue:		
Less than 1 year	**3,116**	810

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

	2015	2014
	RMB'000	*RMB'000*
1 January	**8,432**	7,428
Impairment losses recognised on receivables	**1,962**	1,419
Impairment losses reversed	**(1,461)**	(415)
31 December	**8,933**	8,432

Included in the allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of approximately RMB8,933,000 (2014: RMB8,432,000) of which the debtors were in financial difficulties.

Certain of the Group's trade and other receivables of approximately RMB52,000 (2014: RMB49,000) were denominated in United States dollar ("US$"), foreign currencies of respective group entities.

12. TRADE AND OTHER PAYABLES

	2015	2014
	RMB'000	*RMB'000*
Trade payables	**4,078**	5,178
Deposits received from customers	**358**	261
Payroll payables	**1,541**	1,414
Other payables and accruals	**4,313**	5,253
	10,290	12,106

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

	2015	2014
	RMB'000	*RMB'000*
Within 90 days	**1,965**	2,887
91 – 180 days	**509**	345
181 – 365 days	**847**	1,134
366 – 730 days	**100**	189
Over 731 days	**657**	623
	4,078	5,178

Certain of the Group's trade and other payables of approximately RMB651,000 and RMB70,000 (2014: RMB613,000 and RMB57,000) were denominated in US$ and HK$, respectively.

DIVIDENDS

No dividends have been paid or declared by the Company during the year (2014: 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 2015.

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 2015, 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 compliance 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 RMB4,580,000 as at 31 December 2015. 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

Overall Business of the Group in 2015

In 2015, the Group achieved the targets set at the beginning of the year and doubled the profits. The outstanding performance mainly came from our three key products, including the "Bank-Business Express", capital and risk control products, and banking outsourcing service products (merchant), and was complemented by the "Bank-Hospital Express" and "Bank-School Express".

As the structural reform of the financial market in China, the People's Bank of China tightened the capital requirements for commercial banks, and a standardized management approached was adopted for online and offline merchants and markets, creating new opportunities for our offerings. Meanwhile, our industry-leading R&D efforts and investment generated a positive return that surpassed our expectation, contributing to a continual growth in our overall performance in the last two years. The implementation of policies targeting the internet and related industries, and banking risk control products further highlighted the value of consolidating the online and offline markets of the core "Bank-Business Express". Our capital and risk control products also gained greater recognition by banks and financial institutions.

The Group entered into a strategic partnership agreement with ICBC Zhejiang branch, one of the flagship branches in China's banking network, in relation to the Offline to Online (O2O) business platform that serves merchants and cardholders in mid-2015. The platform extended its reach to other branches across the province upon completion of the pilot run. Leveraging our sensitivity to O2O market as well as our flexibility and understanding of the banking sector, the Group deepened the partnerships with various banks, manifesting the long-term value of the banking outsourcing service products (merchant). The new market trend will encourage merchants to adopt intelligent technologies and offer new opportunities to our products, especially the business platform serving the merchants.

FUTURE OUTLOOK

The banking outsourcing service products, business platform evolved from traditional operations and "Bank-School Express" remain our main sources of big data. With the help of these products, the Group will consolidate the big data and the online and offline businesses to form a unique O2O model. We also plan to extend the collaborative model of the business platform with ICBC Zhejiang branch to other commercial banks.

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 2015 ("the financial year"), the Group recorded a total revenue of approximately RMB55,819,000, an increase of 14% as compared to the year ended 31 December 2014 (2014: approximately RMB48,908,000).

	Revenue	
	2015	2014
	RMB'000	*RMB'000*
Sales of software products	**8,494**	8,525
Sales of related hardware products	**4,321**	5,557
Provision of software-related technical support services	**43,004**	34,826
	55,819	48,908

The increase in the turnover of the Group was mainly attributable to the increase of 23% 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 2015 increased to approximately RMB29,223,000 (2014: approximately RMB27,392,000). The Group's gross profit ratio increasing to 48% (2014: 44%) was mainly due to our effective cost control measures in the year.

Administrative expenses for the year ended 31 December 2015 is increased by 9% to approximately RMB12,707,000 (2014: approximately RMB11,657,000). For the distribution and selling expenses, it is increased by 25% to RMB8,564,000 (2014: approximately RMB6,831,000). The increase in administrative expenses and distribution and selling expenses were mainly due to equity-settled share-based payment recognized during the year. Other administrative expenses and distribution and selling expenses do not have significant change 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 2015 was approximately RMB1,028,000, not much movement when compared to the same period of last year. (2014: approximately RMB957,000).

The Group recorded a profit of approximately RMB1,294,000 for the year ended 31 December 2015, representing a substantial improvement of the results of the Group as compared to the profit of approximately RMB571,000 for the year ended 31 December 2014. Increase in revenue is the main factors leading to the profit increased.

During the year ended 31 December 2015, the Company recorded equity-settled share-based payment of approximately RMB3,302,000 (2014: RMB592,000). The equity-settled share-based payment for the year ended 31 December 2015 was allocated between the cost of sales, distribution and selling expenses and administrative expenses amounting to RMB617,000, RMB525,000 and RMB2,160,000 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 2015, the Group's loans from a shareholder of approximately RMB43,164,000, which bear interest at 3.3% – 3.5% per annum (2014: RMB37,068,000, which bear interest rate of 3.3% – 3.5% per annum).

In addition, the Group has a new bank borrowing from a bank in the PRC with a principal amount of RMB3,000,000, which is unsecured, interest bearing at 4.02% per month.

No interest was capitalized by the Group during the year (2014: Nil).

As at 31 December 2015, the Group held cash and cash equivalents denominated in RMB, US dollars and HK dollars, amounted to approximately RMB18,901,000. (2014: approximately RMB12,217,000)

The gearing ratio of the Group, based on total liabilities over total assets, as at 31 December 2015 was approximately 108% (2014: 126%).

CAPITAL STRUCTURE

During the year, our employee exercised 3,250,000 share options granted on Jan 2010. Our director and employee exercised 4,000,000 and 16,450,000 share options respectively granted on June 2013. As at 31 December 2015, the total number of issued ordinary shares of the Company was 864,430,000 shares (2014: 840,730,000 shares).

ACQUISITION AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

On 15 April 2015, the Group de-registered a sino-foreign equity joint ventures established in the PRC, Singlee Zhuhai.

RISK MANAGEMENT

The Group has established and maintained sufficient risk management procedures to identify and control various types of risk within the organisation and the external environment with active management participation and effective internal control procedures in the best interest of the Group and its shareholders.

EMPLOYEE INFORMATION

As at 31 December 2015, the Group had 270 employees (2014: 261 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 RMB25,496,000 (2014: RMB21,817,000).

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 2015, 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 2015, the Group did not have any material contingent liabilities (2014: 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 2015	Year ended 31 December 2014	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2011
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	**55,819**	48,908	33,364	36,080	18,840
Profit (Loss) attributable to shareholders	**1,294**	571	(18,203)	(11,334)	(37,483)
Total assets	**56,131**	42,004	29,730	44,736	90,135
Total liabilities	**(60,711)**	(53,574)	(42,471)	(44,002)	(79,839)
Net (liabilities)/assets	**(4,580)**	(11,570)	(12,741)	734	10,296

CLOSURE OF THE REGISTER OF MEMBERS

The 2016 AGM is scheduled to be held on Wednesday, 11 May 2016. For determining the entitlement to attend and vote at 2016 AGM, the register of members of the Company will be closed from Monday, 9 May 2016 to Tuesday, 10 May 2016, 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 2016 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 Friday, 6 May 2016.

MAJOR SUPPLIERS AND CUSTOMERS

The percentage of purchases and sales for the year ended 31 December 2015 attributable to the Group's major suppliers and customers are as follows:

Purchases	
– the largest supplier	24% (2014: 33%)
– five largest suppliers combined	40% (2014: 82%)
Sales	
– the largest customer[1]	27% (2014: 25%)
– five largest customers combined[1]	60% (2014: 55%)

Note 1: The basis of classifying customer has been changed. All branches of a bank has been classified as a customer.

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 2015.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this announcement, 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 2015. 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 2015 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 2015.

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 2015 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 AND RISK MANAGEMENT COMMITTEE

The audited consolidated financial statements of the Company for the year ended 31 December 2015 have been reviewed by the Audit and risk management 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, 21 March 2016

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).