



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)

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2022

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized 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.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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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 GEM 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 purposes only

RESULTS

The board of directors (the “Board”) of Sing Lee Software (Group) Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the three months ended 31 March 2022, together with the unaudited comparative figures for the corresponding period in 2021, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		(Unaudited)	
		Three months ended	
		31 March	
		2022	2021
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	2	5,364	13,615
Cost of sales and services		<u>(20,422)</u>	<u>(23,868)</u>
Gross loss		(15,058)	(10,253)
Other income	3	169	320
Impairment losses under expected credit loss model, net of reversal on trade receivables and contract assets		–	735
Other gains and losses		444	(239)
Distribution and selling expenses		(2,001)	(3,862)
Administrative expenses		(4,376)	(4,584)
Finance costs		<u>(285)</u>	<u>(570)</u>
Loss before tax		(21,107)	(18,453)
Income tax expense	4	<u>–</u>	<u>–</u>
Loss and total comprehensive expense for the period		<u>(21,107)</u>	<u>(18,453)</u>
Loss per share			
– Basic (<i>RMB cents</i>)	5	<u>(1.60)</u>	<u>(1.40)</u>
– Diluted (<i>RMB cents</i>)	5	<u>(1.60)</u>	<u>(1.40)</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2022

	Share Capital RMB'000	Share premium RMB'000 (Note a)	Statutory reserve RMB'000 (Note b)	Shareholder's contribution RMB'000 (Note c)	Translation reserve RMB'000	Share- based payments reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2022 (Audited)	12,538	179,132	3,613	786	5,217	6,631	(155,937)	51,980
Loss and total comprehensive expense for the period	-	-	-	-	-	-	(21,107)	(21,107)
At 31 March 2022 (Unaudited)	<u>12,538</u>	<u>179,132</u>	<u>3,613</u>	<u>786</u>	<u>5,217</u>	<u>6,631</u>	<u>(177,044)</u>	<u>30,873</u>
At 1 January 2021 (Audited)	12,538	179,132	3,613	786	5,217	30,991	(166,529)	65,748
Loss and total comprehensive expense for the period	-	-	-	-	-	-	(18,453)	(18,453)
Lapse of share options	-	-	-	-	-	(23,774)	23,774	-
At 31 March 2021 (Unaudited)	<u>12,538</u>	<u>179,132</u>	<u>3,613</u>	<u>786</u>	<u>5,217</u>	<u>7,217</u>	<u>(161,208)</u>	<u>47,295</u>

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 other reserves 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 can be used for expanding the capital base of the PRC subsidiaries by means of capitalisation issue.
- (c) On 30 September 2017, Mr. Hung Yung Lai, being the Chairman, executive director and controlling shareholder of the Company, waived the balance due to him of approximately RMB786,000. The amount has been capitalised as shareholder’s contribution.

NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

1. GENERAL

The unaudited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board, the disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on GEM.

The unaudited consolidated financial statements are presented in Renminbi (“RMB”), which is the same as the functional currency of the Group.

All significant intra-group transactions and balances have been eliminated on consolidation.

The unaudited consolidated results for the three months ended 31 March 2022 have not been reviewed or audited by the external auditors of the Company but have been reviewed by the audit and risk management committee of the Company.

The accounting policies adopted are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2021 (the “2021 Consolidated Financial Statements”), except for the amendments and interpretations of IFRSs (the “New IFRSs”) issued by IASB which have become effective in this period as detailed in the notes of the 2021 Consolidated Financial Statements. The adoption of the New IFRSs has no material impact on the accounting policies in the Group’s condensed consolidated financial statements for the period.

2. REVENUE

Revenue represents income from sale of computer software and related hardware, and provision of technical support services. Revenue comprises the following:

	(Unaudited)	
	Three months ended	
	31 March	
	2022	2021
	RMB’000	RMB’000
Sales of software products	745	1,595
Sales of related hardware products	239	69
Provision of technical support services	4,380	11,951
	5,364	13,615

3. OTHER INCOME

	(Unaudited)	
	Three months ended	
	31 March	
	2022	2021
	RMB'000	RMB'000
Interest income	59	34
Others	110	286
	169	320

4. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax has been made as the Group had no estimated assessable profits arising from Hong Kong during the three months ended 31 March 2022 and 2021.

PRC enterprise income tax has not been provided as the Group had no estimated assessable profits arising from PRC for the three months ended 31 March 2022 (three months ended 31 March 2021: Nil).

5. LOSS PER SHARE

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

	(Unaudited)	
	Three months ended	
	31 March	
	2022	2021
	RMB'000	RMB'000
Loss for the period attributable to owners of the Company for the purposes of basic and diluted loss per share	(21,107)	(18,453)

	(Unaudited)	
	Three months ended	
	31 March	
	2022	2021
	'000	'000
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	1,317,240	1,317,240

6. DIVIDEND

The Board does not recommend the payment of dividend for the three months ended 31 March 2022 (three months ended 31 March 2021: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW AND RESULTS OF OPERATIONS

For the three months ended 31 March 2022, the Group recorded a total revenue of approximately RMB5,364,000, decrease of 61% as compared to the same period of last year (For the three months ended 31 March 2021: approximately RMB13,615,000). The decreased in the turnover of the Group was mainly attributable to the decreased in the revenue of the Group's provision of technical support service. Cost of sales and services for the three months ended 31 March 2022 decreased by 14% to approximately RMB20,422,000 (For the three months ended 31 March 2021: approximately RMB23,868,000). Decreased in cost of sales and services was mainly due to decrease in research expenses and staff cost.

Administrative expenses for the three months ended 31 March 2022 is decreased by 5% to approximately RMB4,376,000 (For the three months ended 31 March 2021: approximately RMB4,584,000). Decreased in administrative expenses was mainly due to decrease in staff cost. For the distribution and selling expenses for the three months ended 31 March 2022 is decreased by 48% to approximately RMB2,001,000 (For the three months ended 31 March 2021: approximately RMB3,862,000), decreased in distribution and selling expenses was mainly due to our effective cost control measures. Other income mainly included interest income and tax refund; and other gains and losses mainly included exchange differences, fair value changes in financial assets at fair value through profit or loss and reversal of impairment loss recognized on intangible assets and property, plant and equipment.

Finance costs for three months ended 31 March 2022 was decreased by 50% to approximately RMB285,000 (For the three months ended 31 March 2021: approximately RMB570,000), the decreased in finance costs was mainly attributable to decrease in borrowings.

The Group recorded a loss of approximately RMB21,107,000 for the three months ended 31 March 2022, increase of 14% as compared to the same period of last year (For the three months ended 31 March 2021: approximately RMB18,453,000). Decrease in revenue is the main factor leading to the increase in loss.

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 improved in the coming quarter.

BUSINESS REVIEW

Business of the Group for the First Quarter of 2022

The global financial crisis triggered by the pandemic continues to unfold, leading to “the world’s worst recession since WWII”. Although China is gradually recovering, the ongoing small-scaled outbreaks affect every industry. As a result of the significant delay in the overall business of the bank in 2021, the relevant business units of the bank in this year have requested their suppliers to catch up with the work that was not completed last year, presenting another quarter of “significant input yet limited return”. However, the continuous outbreaks everywhere have led to business interruptions of the Group.

Due to the continuous blow to the economy, the quarterly sales of the Group in 2022 decreased by 61% as compared with the same period of last year. Sales and overall costs decreased by 18% as compared with the same period of last year. The results, though lower than expected, still showed significant improvement with the concerted effort of the team. Meanwhile, the Group made further progress in product development and in-depth research and development under the strategy that focuses on a core business and two complementary products as most of the products were highly recognized by the banking clients.

Notwithstanding the reaffirmed and strengthened development of such strategy, merchants and online businesses are still shrinking. In particular, the post-pandemic change of business models and the growing demand for online products amongst banks have resulted in a positive breakthrough and development of Sing Lee’s software and new payment modes as the research and development direction of the Group’s relevant departments becomes more online. Apart from the establishment of the access between WeChat Pay and CBC online channel, cloud-based MIS was also introduced to the market to adapt to the increasingly diversified payment models. The Group moved the payment process from offline to online, such as working with banks and third parties to deepen the overall process development. For instance, the cloud-based businesses collaborated with CBC and Meituan are great and new examples. Besides, in addition to cooperating with state-owned banking clients, the Group’s strategy to focus more on payment products for small and medium-sized banks and small businesses is an important adjustment, laying an all-round foundation for digital currency.

Under the strategy that focuses on a core business and two complementary products, banking outsourcing service (merchant) products that “focus on expanding offline markets and targeted development of merchant service businesses” have become one of the main objectives of the Group, which principally includes Industrial and Commercial Bank of China, Agricultural Bank of China, CCB and Postal Savings Bank of China, covering major economic provinces such as Zhejiang, Jiangsu and Guangdong, among others, and also provinces that have policy advantages, such as the northwest and Xinjiang, among others. In response to the actual economic development, the Group will withdraw from the provinces that have poorer development prospects, and its development speed will make its best adaption to the development of payment business while, in particular, steering towards the development goals of small banks, small merchants and consumers. The pandemic has also accelerated the shift of the marketing focus to online-offline integration. The Group’s services will further reflect the direction of “deepening value-added services and strengthening the cooperation with banks with a future focus on value-added services for merchants”, where previously divided businesses will be gradually combined to integrate banking outsourcing service (merchant) and payment products into the core of its development strategy.

Meanwhile, Sing Lee has witnessed the evolution of the nation’s financial payment sector in China. The digital currency pilot scheme led by the People’s Bank of China was introduced in 2020. Like the Greater Bay Area that marks the second wave of China’s economic reform, digital currency represents the second phase of the country’s financial currency reform, creating great opportunities for the Group in the payment market.

OUTLOOK

The “Payment plus service” remains the core of the Group. The new payment models targeting small and medium-sized merchants evolved from traditional operations and the “Bank-School Express” remain our main sources of big data. Based on these products, the Group has developed a unique OFFLINE TO ONLINE (O2O) model. The business portfolio will also be better aligned to the overall development of the financial environment.

The Group will continue to implement stringent cost control, and strengthen the risk control over the overall operations and individual businesses in order to establish a virtuous cycle of identifying new sources of income and lowering the costs.

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES

So far as is known to any directors or chief executives of the Company, as at 31 March 2022, shareholders (other than directors or chief executive of the Company) who had interests or short positions in the shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote on all circumstances at general meeting of any other members of the Group or substantial shareholders as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Ordinary shares of HK\$0.01 each of the Company

Name of shareholder	Capacity/ Nature of interest	Number of shares held		Percentage of shareholding
		Long position	Short position	
Goldcorp Industrial Limited	Beneficial owner	431,782,500 (note 1)	–	32.78%
Great Song Enterprises Limited	Beneficial owner	431,782,500 (notes 1 and 2)	–	32.78%
Mr. Hung Yung Lai	Corporate interest	431,782,500 (notes 2 and 4)	–	32.78%
Ms. Li Kei Ling	Beneficial owner	38,532,500	–	2.92%
	Corporate interest	431,782,500 (notes 2 and 3)	–	32.78%
Mdm. Iu Pun	Family interest	470,315,000 (note 5)	–	35.70%

Notes:

1. Goldcorp Industrial Limited is a limited liability company incorporated in the British Virgin Islands equally owned by Mr. Hung Yung Lai and Great Song Enterprises Limited which in turn is wholly owned by Ms. Li Kei Ling.
2. The Shares were held by Goldcorp Industrial Limited.
3. Ms. Li Kei Ling controls more than one third of the voting power of Great Song Enterprises Limited which in turn holds more than one third of the voting power of Goldcorp Industrial Limited. Ms. Li Kei Ling is deemed, by virtue of the SFO, to be interested in the same 431,782,500 shares held by Goldcorp Industrial Limited.
4. Mr. Hung Yung Lai controls more than one third of the voting power of Goldcorp Industrial Limited. Mr. Hung Yung Lai is deemed, by virtue of the SFO, to be interested in the same 431,782,500 shares held by Goldcorp Industrial Limited.
5. These shares are beneficially owned by Goldcorp Industrial Limited as mentioned in Note 4 of above. Mr. Hung Yung Lai is deemed to be interested in the same 431,782,500 shares held by Goldcorp Industrial Limited. Mdm. Iu Pun is the wife of Mr. Hung Yung Lai and is deemed to be interested in these shares in which Mr. Hung Yung Lai is deemed or taken to be interested for the purpose of the SFO. She is also deemed to be interested in the 38,532,500 shares beneficially owned by Mr. Hung Yung Lai as mentioned in Note 4 above for the purpose of SFO.

Save as disclosed above, as at 31 March 2022, the directors or chief executives of the Company were not aware of any other person (other than directors or chief executives of the Company) who had an interest or short position in the shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the SFO, or who was interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group or any other substantial shareholders as recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2022, the interests or short positions of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he/she is taken or deemed to have under such provisions of the SFO); or which were required to be entered into the register required to be kept by the Company, pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.48 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Directors' interests in securities of the Company

Name of Directors	Long/Short Position	Capacity/ Nature of interests	Interests in ordinary shares	Interest in underlying of share options	Aggregate interests	Percentage of aggregate interests to total issued share capital of the Company
Mr. Hung Yung Lai	Long Position	Corporate interest	431,782,500 <i>(note 1)</i>	–	431,782,500	32.78%
	Long Position	Beneficial owner	38,532,500	–	38,532,500	2.92%
Mr. Hung Ying	Long Position	Beneficial owner	14,547,500	3,862,822	18,410,322	1.40%
Mr. Lin Xue Xin	Long Position	Beneficial owner	9,470,000	4,992,682	14,462,682	1.10%
Mr. Cui Jian	Long Position	Beneficial owner	32,755,000	–	32,755,000	2.49%
Mr. Pao Ping Wing	Long Position	Beneficial owner	–	307,606	307,606	0.02%
Mr. Thomas Tam	Long Position	Beneficial owner	–	307,606	307,606	0.02%
Mr. Lo King Man	Long Position	Beneficial owner	–	307,606	307,606	0.02%

Directors' interests in the associated corporation

Name of Director	Long/ Short Position	Capacity/ Nature of interests	Name of the associated corporation	Number of ordinary shares held	Percentage of total number of shares of the associated corporations <i>(note 2)</i>
Mr. Hung Yung Lai	Long Position	Beneficial owner	Goldcorp Industrial Limited	1	50%

Notes:

1. The Shares were held by Goldcorp Industrial Limited. Mr. Hung Yung Lai has 50% interest in Goldcorp Industrial Limited.
2. The entire issued capital of Goldcorp Industrial Limited as of 31 March 2022 composed of 2 ordinary shares.

Save as disclosed above, as at 31 March 2022, none of the Directors and chief executives of the Company had any interests or short positions in any shares, underlying shares and debenture of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.48 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme") was adopted on 27 August 2001 for the primary purpose of providing incentives to directors and eligible employees, and has been expired on 27 August 2011. Under the Scheme, the Board of Directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company. The Scheme would be valid and effective for a period of ten years commencing on the adoption date and have come to its expiration. All other respects of the provisions of the Scheme shall remain in full force and holders of all options granted under the Scheme prior to such expiry shall be entitled to exercise the outstanding options pursuant to the terms of the Scheme until expiry of the said options. As a result, a new share option scheme which was approved on 28 February 2011 (the "New Scheme"), take effect immediately after the expiry of the Scheme. The principal terms of the New Scheme are same with the Scheme.

Pursuant to the ordinary resolution passed by the shareholders at the special general meeting of the Company held on 28 February 2011 (the “SGM”), the Scheme mandate limit was refreshed so that the Company was authorized to grant share options under the existing Scheme for subscription of up to a total of 81,184,000 shares, representing approximately 10% of the issued share capital of the Company as at the date of the SGM.

Pursuant to the ordinary resolution passed by the shareholders at the annual general meeting of the Company held on 11 May 2016 (the “AGM”), the scheme mandate limit under the share option scheme of the Company was refreshed again so that the Company was authorized to grant additional share options for subscription for a total of 86,443,000 shares under the refreshed mandate limit, representing approximately 10% of the issued share capital of the Company as at the date of the AGM.

Pursuant to the ordinary resolution passed by the shareholders at the annual general meeting of the Company held on 11 May 2018 (the “AGM”), the scheme mandate limit under the share option scheme of the Company was refreshed again so that the Company was authorised to grant additional share options for subscription for a total of 61,032,000 shares under the refreshed mandate limit, representing approximately 6.95% of the issued share capital of the Company as at the date of the AGM.

The total number of shares issued and to be issued upon the exercise of options granted and to be granted to each Participant (including both exercised and outstanding options) in any 12 months period up to the date of grant must not exceed 1% of the shares in issue at the date of grant.

The subscription shall be a price determined by the Board at its absolute discretion and shall not be less than the higher of the closing price of the share on the date of grant of the option and the average closing price of the shares for the five business days immediately preceding the date of grant of the option.

Options granted shall be deemed to be accepted upon receipt of the acceptance of offer letter from the grantee within 28 days from the offer date, together with a remittance in favour of the Company of HK\$1 by way of consideration for the grant.

An option may be exercised in accordance with the terms of the Scheme at any time during a period notified by the Board to each grantee but may not be exercised after the expiry of 10 years from the date of grant.

On 9 October 2007, the Company granted 47,550,000 options to subscribe for shares in the Company under the Scheme at an exercise price of HK\$0.368 per share to its employees of the Group. Shares of the Company were at closing price of HK\$0.36 immediately before the day on which options were granted. Options granted on 9 October 2007 were expired during year 2017.

On 19 January 2010, the Company granted 20,900,000 options to subscribe for shares in the Company under the Scheme at an exercise price of HK\$0.20 per share to its directors and employees of the Group. Shares of the Company were at closing price of HK\$0.20 immediately before the day on which options were granted. Options granted on 19 January 2010 were expired during year 2020.

On 16 August 2010, the Company granted 8,990,000 options to subscribe for shares in the Company under the Scheme at an exercise price of HK\$0.84 per share to its employees of the Group. Shares of the Company were at closing price of HK\$0.84 immediately before the day on which options were granted. Options granted on 16 August 2010 were expired during year 2020.

On 10 January 2011, the Company granted 65,000,000 share options to subscribe for shares in the company under the Share Option Scheme at an exercise price of HK\$0.730 per share to Mr. Hung Yung Lai, Chairman of the Group. Shares of the Company were at closing price of HK\$0.730 immediately before the day on which options were granted. The grant of share options to Mr. Hung Yung Lai and the specific mandate to allot, issue and deal with the shares of the Company upon conversion of the foregoing share options were approved by the SGM held on 28 February 2011. Options granted on 10 January 2011 were expired during year 2021.

On 13 January 2011, the Company granted 19,260,000 share options to subscribe for shares in the Company under the Share Option Scheme at an exercise price of HK\$0.714 per share to its employees of the Group. Shares of the Company were at closing price of HK\$0.690 immediately before the day on which options were granted. The grant of share options to its employees of the Company and the specific mandate to allot, issue and deal with the shares of the Company upon conversion of the foregoing share options were approved by the SGM held on 28 February 2011. Options granted on 13 January 2011 were expired during year 2021.

On 24 June 2013, the Company granted 59,780,000 share options to subscribe for shares in the Company under the Share Option Scheme at an exercise price of HK\$0.1122 per share to a Director and its employees of the Group. Shares of the Company were at closing price of HK\$0.101 immediately before the day on which options were granted.

On 15 May 2015, the Company granted 21,400,000 share options to subscribe for shares in the Company under the Share Option Scheme at an exercise price of HK\$0.43 per share to a Director and its employees of the Group. Shares of the Company were at closing price of HK\$0.43 immediately before the day on which options were granted.

On 7 April 2017, the Company granted 86,440,000 share options to subscribe for shares in the Company under the Share Option Scheme at an exercise price of HK\$0.182 per share to its directors, employees and consultants of the Group. Shares of the Company were at closing price of HK\$0.182 immediately before the day on which options were granted.

The summary details of options granted are as follows:

Name of directors, continuous contract employees and consultants	Exercise period	Adjusted exercise price <i>HK\$</i>	Number of share options outstanding as at 1 January 2022	Number of share options granted during the period	Number of share options exercised during the period	Number of share options lapsed during the period	Number of share options outstanding as at 31 March 2022
Hung Ying	24 June 2013 to 23 June 2023	0.0948	47,324	–	–	–	47,324
Continuous contract employees (other than directors)	24 June 2013 to 23 June 2023	0.0948	6,743,670	–	–	–	6,743,670
Hung Ying	15 May 2015 to 14 May 2025	0.3635	2,247,890	–	–	–	2,247,890
Lin Xue Xin	15 May 2015 to 14 May 2025	0.3635	3,549,300	–	–	–	3,549,300
Continuous contract employees (other than directors)	15 May 2015 to 14 May 2025	0.3635	9,346,490	–	–	–	9,346,490
Hung Ying	7 April 2017 to 6 April 2027	0.1538	1,567,608	–	–	–	1,567,608
Lin Xue Xin	7 April 2017 to 6 April 2027	0.1538	1,443,382	–	–	–	1,443,382
Pao Ping Wing	7 April 2017 to 6 April 2027	0.1538	307,606	–	–	–	307,606
Thomas Tam	7 April 2017 to 6 April 2027	0.1538	307,606	–	–	–	307,606
Lo King Man	7 April 2017 to 6 April 2027	0.1538	307,606	–	–	–	307,606

Name of directors, continuous contract employees and consultants	Exercise period	Adjusted exercise price HK\$	Number of share options outstanding as at 1 January 2022	Number of share options granted during the period	Number of share options exercised during the period	Number of share options lapsed during the period	Number of share options outstanding as at 31 March 2022
Continuous contract employees (other than directors)	7 April 2017 to 6 April 2027	0.1538	17,296,922	-	-	-	17,296,922
Consultants	7 April 2017 to 6 April 2027	0.1538	32,422,855	-	-	-	32,422,855
			<u>75,588,259</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,588,259</u>

The exercise price for the options granted and number of shares in respect of options granted were adjusted to reflect the impact of the rights issue during the year ended 31 December 2019.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the period, 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 GEM Listing Rules, has engaged in any business that competes or may compete, either directly or indirectly, with the business of the Group or has any other conflict or interests with the Group during the three months ended 31 March 2022.

CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions as set out in the Corporate Governance Code as contained in Appendix 15 to the GEM Listing Rules during the three months ended 31 March 2022.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the code of conduct regarding directors' securities transactions during the three months ended 31 March 2022 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 three months ended 31 March 2022.

REMUNERATION COMMITTEE

The Company established a remuneration committee in November 2005. The primary duties of the remuneration committee are to review and make recommendation for the remuneration policy of the directors and senior management. The chairman of the remuneration committee is Mr. Pao Ping Wing and other members include Mr. Hung Yung Lai, Mr. Thomas Tam and Mr. Lo King Man.

NOMINATION COMMITTEE

The Company established a nomination committee in March 2012. The principal duties of the nomination committee are to formulate nomination policy and make recommendation to the Board on nomination and appointment of the directors and board succession; formulate and review the Board Diversity Policy. The chairman of the nomination committee is Mr. Hung Yung Lai and other members include Mr. Pao Ping Wing, Mr. Thomas Tam and Mr. Lo King Man.

AUDIT AND RISK MANAGEMENT COMMITTEE

The Company established an audit and risk management committee on 27 August 2001 with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules. The primary duties of the audit and risk management committee are to review and supervise the financial reporting process, internal control procedures and risk management system of the Group. The chairman of the audit and risk management committee is Mr. Pao Ping Wing and other members include Mr. Thomas Tam and Mr. Lo King Man, all of them are independent non-executive directors.

The Group's unaudited results for the three months ended 31 March 2022 have been reviewed by the audit and risk management committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures have been made.

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

Hong Kong, 10 May 2022

The Board comprises of:

Hung Yung Lai (*Executive Director*)
Hung Ying (*Executive Director*)
Lin Xue Xin (*Executive Director*)
Cui Jian (*Executive Director*)
Pao Ping Wing (*Independent Non-Executive Director*)
Thomas Tam (*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>).