



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)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 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 nine months ended 30 September 2022, together with the unaudited comparative figures for the corresponding periods in 2021, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the nine months ended 30 September 2022

		Three months ended 30 September		Nine months ended 30 September	
	Notes	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Revenue					
– Contracts with customers	2	19,168	17,330	38,626	48,368
Cost of sales and services		(19,013)	(22,039)	(58,100)	(59,524)
Gross Profit/(Loss)		155	(4,709)	(19,474)	(11,156)
Other income	3	654	347	1,248	813
Impairment losses under expected credit loss model, net of reversal on trade receivables and contract assets		–	–	4	24
Other gains and losses	4	(847)	1,841	(1,219)	4,719
Distribution and selling expenses		(1,114)	(1,985)	(3,993)	(6,270)
Administrative expenses		(3,685)	(2,315)	(11,001)	(9,686)
Finance costs		(248)	(315)	(828)	(1,234)
Loss before tax		(5,085)	(7,136)	(35,263)	(22,790)
Income tax credit	5	–	61	–	1,869
Loss and total comprehensive expenses for the period		(5,085)	(7,075)	(35,263)	(20,921)
Loss per share					
– Basic (RMB cents)	6	(0.39)	(0.54)	(2.68)	(1.59)
– Diluted (RMB cents)	6	(0.39)	(0.54)	(2.68)	(1.59)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2022

	Share Capital RMB'000	Share premium RMB'000	Statutory reserve RMB'000	Shareholder's contribution RMB'000	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 expenses for the period	-	-	-	-	-	-	(35,263)	(35,263)
At 30 September 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>(191,200)</u>	<u>16,717</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 expenses for the period	-	-	-	-	-	-	(20,921)	(20,921)
Lapse of share options	-	-	-	-	-	(23,774)	23,774	-
At 30 September 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>(163,676)</u>	<u>44,827</u>

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.

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.

On 30 September 2017, Mr. Hung Yung Lai, being the Chairman and executive director (*resigned on 1 November 2022*) 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 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 software products and related hardware products, and provision of technical support services. Revenue comprises the following:

	Three months ended		Nine months ended	
	30 September		30 September	
	2022	2021	2022	2021
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Sales of software products	1,400	575	2,968	1,740
Sales of related hardware products	1,357	1,752	1,664	2,008
Provision of technical support services	16,411	15,003	33,994	44,620
	19,168	17,330	38,626	48,368

3. OTHER INCOME

	Three months ended		Nine months ended	
	30 September		30 September	
	2022	2021	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest income	(19)	39	118	92
Others	673	308	1,130	721
	<u>654</u>	<u>347</u>	<u>1,248</u>	<u>813</u>

4. OTHER GAINS AND LOSSES

	Three months ended		Nine months ended	
	30 September		30 September	
	2022	2021	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net exchange gain/(loss)	(1,142)	2,066	(2,113)	2,269
Loss on disposal of property, plant and equipment	(2)	(5)	(2)	(11)
Gain on disposal of a subsidiary	–	–	–	2,461
Fair value changes of financial assets at FVTPL	–	(2)	2	–
Others	297	(218)	894	–
	<u>(847)</u>	<u>1,841</u>	<u>(1,219)</u>	<u>4,719</u>

5. INCOME TAX CREDIT

	Three months ended		Nine months ended	
	30 September		30 September	
	2022	2021	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
PRC enterprise income tax (“EIT”)				
– Current year	–	–	–	–
Deferred taxation				
– Current year	–	61	–	1,869
	<u>–</u>	<u>61</u>	<u>–</u>	<u>1,869</u>
	<u>–</u>	<u>61</u>	<u>–</u>	<u>1,869</u>

Hangzhou Singlee Technology Company Limited (“Singlee Technology”), a subsidiary of the Company, was established in Hangzhou, PRC, with applicable tax rate of 25%. Singlee Technology is 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 therefore is entitled to 15% preferential tax rate for PRC EIT starting from 2010. Accordingly, the tax rate for Singlee Technology is 15% for the nine months ended 30 September 2022 and 2021.

According to the PRC EIT law, the applicable tax rate of Hangzhou Singlee Software Company Limited and Xin Yintong Technology Co., Ltd is 25% for the nine months ended 30 September 2022 and 2021.

No provision for Hong Kong Profits Tax has been made as the Group had no estimated assessable profits arising from Hong Kong during the nine months ended 30 September 2022 and 2021.

PRC enterprise income tax has not been provided as the Group had no estimated assessable profits arising from PRC for the nine months ended 30 September 2022 (nine months ended 30 September 2021: Nil).

6. LOSS PER SHARE

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

	Three months ended		Nine months ended	
	30 September		30 September	
	2022	2021	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Loss for the period attributable to owners of the Company for the purposes of basic and diluted loss per share	<u>(5,085)</u>	<u>(7,075)</u>	<u>(35,263)</u>	<u>(20,921)</u>
	Three months ended		Nine months ended	
	30 September		30 September	
	2022	2021	2022	2021
	'000	'000	'000	'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares for the purpose of basic loss per share	1,317,240	1,317,240	1,317,240	1,317,240
Effect of dilutive potential ordinary shares – Share options	–	–	–	–
Weighted average number of ordinary shares for the purpose of diluted loss per share	<u>1,317,240</u>	<u>1,317,240</u>	<u>1,317,240</u>	<u>1,317,240</u>

The computation of diluted loss per share for the nine months ended 30 September 2022 and 2021 does not assume the exercise of certain options because the exercise prices of those options were higher than the average market prices.

7. DIVIDEND

The Board does not recommend the payment of dividend for the nine months ended 30 September 2022 (nine months ended 30 September 2021: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial review and results of operations

For the nine months ended 30 September 2022, the Group recorded a total revenue of approximately RMB38,626,000, a decrease of 20% as compared to the same period of last year (For the nine months ended 30 September 2021: approximately RMB48,368,000). The decrease in the turnover of the Group was mainly attributable to the decrease of 24% in the revenue of the Group's provision of technical support services when compared to the same period of last year. Cost of sales for the nine months ended 30 September 2022 is approximately RMB58,100,000 (For the nine months ended 30 September 2021: approximately RMB59,524,000). Not much movement when compared to the same period of last year.

Administrative expenses for the nine months ended 30 September 2022 is increased by 14% to approximately RMB11,001,000 (For the nine months ended 30 September 2021: approximately RMB9,686,000). The increase in administrative expenses was mainly attributable to the disposal of a subsidiary during 2021. For the distribution and selling expenses for the nine months ended 30 September 2022 is decreased by 36% to approximately RMB3,993,000 (For the nine months ended 30 September 2021: approximately RMB6,270,000). The decrease in distribution and selling expenses was mainly due to our effective cost control measures. Other income mainly included refund of value added tax and interest income; and other gains and losses included exchange differences and fair value changes in financial assets at fair value through profit or loss.

Finance costs for the nine months ended 30 September 2022 is decreased by 33% to approximately RMB828,000 (For the nine months ended 30 September 2021: approximately RMB1,234,000). The decreased in finance costs was mainly attributable to decrease in borrowings.

The Group recorded net loss amounted to approximately RMB35,263,000 for the nine months ended 30 September 2022 (For the nine months ended 30 September 2021: approximately RMB20,921,000), increase of 69% as compared to the same period of last year. The increase in loss was mainly attributable to (i) decreased in revenue of approximately RMB9,742,000 and (ii) the gain on disposal of a subsidiary of approximately RMB2,461,000 during the nine months ended 30 September 2021 which was absent during the nine months ended 30 September 2022.

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 quarter.

BUSINESS REVIEW

Overall Business of the Group for the Third Quarter of 2022

While some countries began the post-pandemic normalization, the global pandemic that started three years ago has not been effectively contained. During this year, China had experienced COVID-19 resurgences that were more severe than last year, especially in first-tier cities such as Beijing, Shanghai, Guangzhou and Shenzhen. As a result, China's economy was hit hard with all industries and sectors being affected. With the plunging revenues, the banking industry had to cut down or even suspend their spending, which in turn affected the Group's development significantly. Meanwhile, due to the outbreaks in some provinces and cities in this year, our operations had been disrupted and suspended occasionally after the Chinese New Year, leading to higher operating costs.

As the business activities slowed down due to lockdowns, the Group recorded a decrease of 20% in sales in the third quarter of 2022 compared with the same period of last year. Total costs remained stable compared with the same period of last year, and the loss for the third quarter of this year increased 69% compared with the same period of last year. Our operations have been dragged down by the pandemic and had recorded a loss for the past two years, but the Group has been able to maintain business continuity with the concerted effort of the team. Meanwhile, the Group made further progress in product development and in-depth research and development with banks and third-party partners as most of the products were highly recognized by the banking clients. In light of the future development of the mainland market, especially the financial reform and holistic localization of financial products in Mainland China, the Group fine-tuned its product mix in 2021 to align it with the goals of increasing capital, focusing input, overcoming challenges and making new breakthroughs under the strategy that focuses on a core business and two complementary products.

The Group has seen a decline in business volume with the shrinking input from the banking industry. However, it will adhere to and continue to adjust and develop the strategy that focuses on a core business and two complementary products. The new business models emerged in the post-pandemic era have led to a growing demand for online products amongst banks, driving the further development of Sing Lee's software and new payment modes. Particularly, the Group has been shifting its research and development focus to online-offline integration to align with the development and advancement of digital currencies in the coming years. Apart from the existing payment products, cloud-based MIS that covers all-in-one payment, GovPay, smart hospitals and payment was also introduced to adapt to the increasingly diversified payment models. Major projects included small cloud-based business project jointly launched with Meituan, the "CCB Living" online-to-offline platform jointly developed with the China Construction Bank (CCB) and the Upay system adopted by various hotel groups. Besides, the Group also moved the payment process from offline to online, such as working with banks and third parties to deepen the overall process development. In addition, in view of the slower development of state-owned banks in this regard, the Group's strategy to focus more on payment products for small and medium-sized banks and small businesses has become increasingly important and witnessed encouraging initial results, laying a solid foundation for all-round digital currency development and advancement. The team also continues to strengthen the Group's existing markets and software to get through these difficult times smoothly.

Under the strategy that focuses on a core business and two complementary products, banking outsourcing service (merchant) products mainly involves the Industrial and Commercial Bank of China, Agricultural Bank of China, CCB and Postal Savings Bank of China in Zhejiang, Jiangsu, Sichuan and other economic powerhouses, as well as Northwest China, Xinjiang and Guizhou where favourable policies are in place. The Group has been shifting its business focus from hardware and devices to a new model based on the existing operation and with value-added services at its core. Such services include bank instalment loan provided to merchants, development of payment QR code and other marketing services, which will form the core of future merchant services. In line with its strategy of withdrawing from unprofitable provinces implemented in 2021, the Group now serves 13 banks in 11 provinces, compared with 19 banks in 13 provinces previously. The main reason behind this decision is that the Group suffered a growing loss when serving these banks, and would be unable to maintain its service in the current environment. On the other hand, the development and efficiency of the banking outsourcing service (merchant) will help the Group achieve the overall goal of promoting its payment business to more small merchants and consumers. The Group will be committed to “continuously expanding the offline market, deepening value-added services, strengthening cooperation with banks, and precisely developing merchant service business”. Previously divided businesses will be gradually combined to integrate banking outsourcing service (merchant) and payment products into the core of its development strategy.

Having witnessed the evolution of the nation’s financial payment sector, the Group celebrates its 30th anniversary in the payment service industry in China this year. The digital currency pilot scheme led by the People’s Bank of China was introduced in 2020. Like the development of 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 as well as a key strategic focus of the Group in the future, allowing it to capture the opportunities presented by the new momentum of the payment market.

OUTLOOK

The “Payment plus service” remains the core of the Group. The services and new payment models targeting small and medium-sized merchants evolved from traditional operations will be our main sources of big data. Based on these products, the Group has developed a unique OFFLINE TO ONLINE (O2O) model. The new 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 30 September 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 follow:

(a) *Ordinary shares of HK\$0.01 each of the Company*

Name of shareholders	Capacity/ Nature of interest	Number of shares held		Percentage of shareholding
		Long position	Short position	
Goldcorp Industrial Limited	Beneficial owner	136,307,500 (note 1)	—	10.35%
Great Song Enterprises Limited	Interest of controlled corporation	136,307,500 (notes 1 and 2)	—	10.35%
Mr. Hung Yung Lai	Interest of controlled corporation	136,307,500 (notes 2 and 4)	—	10.35%
	Beneficial owner	38,532,500	—	2.92%
Ms. Li Kei Ling	Interest of controlled corporation	136,307,500 (notes 2 and 3)	—	10.35%
Mdm. Iu Pun	Interest of spouse	174,840,000 (note 5)	—	13.27%
Mr. Lin Xue Xin	Beneficial owner	118,560,000	—	9.00%
Ms. Zhou Cuilian	Interest of spouse	123,552,682 (note 6)	—	9.38%
Mr. Li Dong	Beneficial owner	65,860,000	—	5.00%
Ms. Lei Ying	Interest of spouse	71,775,500 (note 7)	—	5.45%

(b) *Share options*

Name of shareholder	Capacity/ Nature of interest	Number of Share options held
Mr. Lin Xue Xin	Beneficial owner	4,992,682
Mr. Li Dong	Beneficial owner	5,915,500

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 136,307,500 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 136,307,500 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 136,307,500 shares held by Goldcorp Industrial Limited. Mdm. Iu Pun is the spouse 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 for the purpose of SFO.
6. Ms. Zhou Cuilian is the spouse of Mr. Lin Xue Xin. Accordingly, Ms. Zhou Cuilian is deemed or taken to be interested in the 4,992,682 share options and the 118,560,000 shares in which Mr. Lin Xue Xin is interested in under the SFO.
7. Ms. Lei Ying is the spouse of Mr. Li Dong. Accordingly, Ms. Lei Ying is deemed or taken to be interested in the 5,915,500 share options and the 65,860,000 shares in which Mr. Li Dong is interested in under the SFO.

Save as disclosed above, as at 30 September 2022, 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 30 September 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 shares of share options	Aggregate interests	Percentage of aggregate interests to total issued share capital of the Company
Mr. Hung Yung Lai (resigned on 1 November 2022)	Long Position	Interest of controlled corporation	136,307,500 <i>(note 1)</i>	–	136,307,500	10.35%
	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	118,560,000	4,992,682	123,552,682	9.38%
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 (note 2)
Mr. Hung Yung Lai (resigned on 1 November 2022)	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 30 September 2022 composed of 2 ordinary shares.

Save as disclosed above, as at 30 September 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 provision 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 (resigned on 1 November 2022). 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 HK\$	Number of	Number of	Number of	Number of	Number of
			share options outstanding as at 1 January 2022	share options granted during the period	share options exercised during the period	share options lapsed during the period	share options outstanding as at 30 September 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

Name of directors, continuous contract employees and consultants	Exercise period	Adjusted exercise price HK\$	Number of	Number of	Number of	Number of	Number of
			share options outstanding as at 1 January 2022	share options granted during the period	share options exercised during the period	share options lapsed during the period	share options outstanding as at 30 September 2022
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
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
			75,588,259	–	–	–	75,588,259

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.

ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the nine months ended 30 September 2022, the Group did not have any material acquisitions and disposals of subsidiaries and affiliated companies.

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 nine months ended 30 September 2022.

CORPORATE GOVERNANCE PRACTICES

Up to the date of this announcement, the Company has complied with the applicable code provisions of the Corporate Governance Code (the “CG Code”) contained in Appendix 15 of the GEM Listing Rules save for the deviation from code provision C.2.1 explained below.

Under the code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. Subsequent to the resignation of Mr. Lin Xue Xin on 1 November 2022, no replacement of the post of the chief executive officer has been fixed up to the date of this announcement. The Board will keep reviewing the current structure from time to time. If candidate with suitable knowledge, skills and experience is identified, the Company will make appointment to fill the post of chief executive officer as appropriate.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the code of conduct regarding directors’ securities transactions during the nine months ended 30 September 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 nine months ended 30 September 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. At the date of this document, the chairman of the remuneration committee is Mr. Pao Ping Wing and other members include Mr. Lin Xue Xin, Mr. Thomas Tam and Mr. Lo King Man. Mr. Lin Xue Xin was appointed as member of remuneration committee of the Company on 1 November 2022 for taking up the position of Mr. Hung Yung Lai due to his resignation on 1 November 2022.

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. At the date of this document, the chairman of the nomination committee is Mr. Lin Xue Xin and other members include Mr. Pao Ping Wing, Mr. Thomas Tam and Mr. Lo King Man. Mr. Lin Xue Xin was appointed as the chairman of nomination committee of the Company on 1 November 2022 for taking up the position of Mr. Hung Yung Lai due to his resignation on 1 November 2022.

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. At the date of this document, 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 nine months ended 30 September 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
Lin Xue Xin
Chairman

The Board comprises of:

Lin Xue Xin (*Executive Director*)

Hung Ying (*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*)

Hong Kong, 10 November 2022

The announcement will remain on the website of the Stock Exchange at www.hkexnews.hk on the "Latest Listed Company Information" 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>).