



## **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 2024**

#### **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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\* For identification purposes only

## RESULTS

The Board of Directors (“Board”) of Sing Lee Software (Group) Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2024, together with the comparative figures for the corresponding periods in 2023, as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 31 December 2024*

*(Expressed in Renminbi)*

		2024	2023
	NOTES	RMB'000	RMB'000
Revenue	3	58,814	70,377
Cost of sales		<u>(51,146)</u>	<u>(55,803)</u>
Gross profit		7,668	14,574
Other income		463	1,537
Impairment losses under expected credit loss model, net of reversal on trade receivables and contract assets		(324)	(2,280)
Other losses	5	(915)	(991)
Distribution and selling expenses		(5,125)	(4,412)
Administrative expenses		(12,336)	(15,568)
Finance costs	6	<u>(1,048)</u>	<u>(1,124)</u>
Loss before tax		(11,617)	(8,264)
Income tax expense	7	<u>—</u>	<u>—</u>
Loss and total comprehensive expense for the year	8	<u><u>(11,617)</u></u>	<u><u>(8,264)</u></u>
Loss per share	9		
Basic and diluted (RMB cents)		<u><u>(0.88)</u></u>	<u><u>(0.63)</u></u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

(Expressed in Renminbi)

		2024	2023
	NOTES	RMB'000	RMB'000
<b>Non-current Assets</b>			
Property and equipment		7,934	8,503
Right-of-use assets		193	308
		<u>8,127</u>	<u>8,811</u>
<b>Current Assets</b>			
Inventories – finished goods		933	806
Trade and other receivables	10	21,311	24,204
Contract assets		488	544
Financial assets at fair value through profit or loss (“FVTPL”)		189	183
Bank balances and cash		28,528	35,107
Restricted bank deposits		626	705
		<u>52,075</u>	<u>61,549</u>
<b>Current Liabilities</b>			
Trade and other payables	11	9,387	10,109
Amounts due to related parties		1,878	2,039
Borrowings		1,000	500
Lease liabilities		73	103
		<u>12,338</u>	<u>12,751</u>
<b>Net Current Assets</b>		<u>39,737</u>	<u>48,798</u>
<b>Total Assets less Current Liabilities</b>		<u><u>47,864</u></u>	<u><u>57,609</u></u>

		2024	2023
	<i>NOTES</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Capital and Reserves</b>			
Share capital		12,538	12,538
Reserves		<u>7,035</u>	<u>18,652</u>
<b>Total Equity</b>		<u>19,573</u>	<u>31,190</u>
<b>Non-current Liability</b>			
Borrowings		<u>28,291</u>	<u>26,419</u>
		<u><b>47,864</b></u>	<u><b>57,609</b></u>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Share capital	Share premium	Statutory reserves	Shareholder's contribution	Translation reserve	Share-based payments reserve	Accumulated losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		(Note a)	(Note b)	(Note c)				
At 1 January 2023	12,538	179,132	3,613	6,641	5,217	6,311	(173,998)	39,454
Loss and total comprehensive expense for the year	-	-	-	-	-	-	(8,264)	(8,264)
Lapse of share options	-	-	-	-	-	(282)	282	-
At 31 December 2023	<u>12,538</u>	<u>179,132</u>	<u>3,613</u>	<u>6,641</u>	<u>5,217</u>	<u>6,029</u>	<u>(181,980)</u>	<u>31,190</u>
Loss and total comprehensive expense for the year	-	-	-	-	-	-	(11,617)	(11,617)
Transfer	-	-	304	-	-	-	(304)	-
Lapse of share options	-	-	-	-	-	(568)	568	-
At 31 December 2024	<u>12,538</u>	<u>179,132</u>	<u>3,917</u>	<u>6,641</u>	<u>5,217</u>	<u>5,461</u>	<u>(193,333)</u>	<u>19,573</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 statutory surplus reserve 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 required to be 10% of the annual profit after tax, based on the subsidiary's PRC statutory accounts, as a statutory reserve and decided by their respective boards of directors annually for other reserves. 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 at that time, waived the balance due to him of approximately RMB786,000. The amount has been capitalised as shareholder's contribution. On 6 July 2022, Goldcorp Industrial Limited, an immediate holding company, transferred certain Company's shares to employees of the Group and such transfer was accounted for as a share-based payment transaction under IFRS 2 Share-based Payment.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December 2024*

## 1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on Growth Enterprise Market (“GEM”) of the Stock Exchange. The addresses of the 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 was Goldcorp Industrial, a company incorporated in the British Virgin Islands. For the year ended 31 December 2024 and 2023, the Company do not have ultimate controlling party.

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

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

## 2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARD

### **Amendments to IFRS Accounting Standards that are mandatorily effective for the current year**

In the current year, the Group has applied the following new and amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (“IASB”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

Except as described below, the application of the amendments to IFRS Accounting Standards in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

## **New and amendments to IFRS Accounting Standards in issue but not yet effective**

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-Dependent Electricity
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11
Amendments to IAS 21	Lack of Exchangeability
IFRS 18	Presentation and Disclosure in Financial Statements

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2027.

### ***IFRS 18 Presentation and Disclosure in Financial Statements***

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group's consolidated financial statements.

Except for IFRS 18, the directors of the Company anticipate that the application of other new and amendments to IFRS Accounting Standard will have no material impact on the consolidated financial statements in the foreseeable future.

### 3. REVENUE

#### (i) Disaggregation of revenue from contracts with customers

For the year ended 31 December 2024				
	Sales of software products <i>RMB'000</i>	Sales of hardware products <i>RMB'000</i>	Provision of technical support services <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Sales of products</b>	<b>1,261</b>	<b>1,040</b>	<b>–</b>	<b>2,301</b>
Provision of services:				
– Outsourcing financial services for bank customers	–	–	48,090	48,090
– Development, installation and maintenance of payment software system	–	–	8,423	8,423
<b>Total</b>	<b>1,261</b>	<b>1,040</b>	<b>56,513</b>	<b>58,814</b>
<b>Geographical markets</b>				
The PRC	1,261	1,040	56,513	58,814
<b>Timing of revenue recognition</b>				
A point in time	829	1,040	56,513	58,382
Over time	432	–	–	432
<b>Total</b>	<b>1,261</b>	<b>1,040</b>	<b>56,513</b>	<b>58,814</b>



For the year ended 31 December 2023				
	Sales of software products <i>RMB'000</i>	Sales of hardware products <i>RMB'000</i>	Provision of technical support services <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Sales of products</b>	<u>2,866</u>	<u>422</u>	<u>–</u>	<u>3,288</u>
Provision of services:				
– Outsourcing financial services for bank customers	–	–	54,769	54,769
– Development, installation and maintenance of payment software system	<u>–</u>	<u>–</u>	<u>12,320</u>	<u>12,320</u>
<b>Total</b>	<u><u>2,866</u></u>	<u><u>422</u></u>	<u><u>67,089</u></u>	<u><u>70,377</u></u>
<b>Geographical markets</b>				
The PRC	<u><u>2,866</u></u>	<u><u>422</u></u>	<u><u>67,089</u></u>	<u><u>70,377</u></u>
<b>Timing of revenue recognition</b>				
A point in time	2,462	422	67,089	69,973
Over time	<u>404</u>	<u>–</u>	<u>–</u>	<u>404</u>
<b>Total</b>	<u><u>2,866</u></u>	<u><u>422</u></u>	<u><u>67,089</u></u>	<u><u>70,377</u></u>

(ii) **Performance obligations for contracts with customers**

***Provision of technical support services (revenue recognised at one point in time)***

The Group provides technical support service, e.g. financial outsourcing services, software system upgrades and interface development services mainly to banks. Such services are recognised as a performance obligation satisfied at one point in time because the contract specifies the unit price and quantitative unit of each type of performance obligation, and the consideration is based on the number of units completed when the Group completes for each performance obligation, i.e., the point at which the customer obtains control of a quantitative unit of service and has a present obligation to pay. Revenue is recognised for these technical support services based on the point at which the service is confirmed.

***Sales of hardware products (revenue recognised at one point in time)***

The Group sells hardware products, e.g. POS machines mainly to banks and high-tech companies directly.

For sales of hardware products, revenue is recognised when control of the goods has transferred, being when the goods have been delivered to customers' specific location. The normal credit term is 90 to 180 days upon delivery.

***Sales of software products with maintenance services (multiple performance obligations)***

The Group sells software products, e.g. POS-MIS mainly to banks and high-tech companies directly, and revenue is recognised at a point in time when control of software products has transferred, being when the software products have been delivered to customers' specific location and installed for use. In addition, the Group provided subsequent maintenance service after the installation, which is considered to be a distinct service as it is both regularly supplied by the Group to other customers on a stand-alone basis and is available for customers from other providers in the market. Transaction price is allocated between sales of software products and the maintenance services on a relative stand-alone selling price basis. Revenue relating to the maintenance services is recognised over time and would be recognised as a separate performance obligation for provision of services and included as development, installation and maintenance of payment software system. The transaction price allocated to these services is recognised on a straight line basis over the period of service.

**(iii) Transaction price for sales of software products with maintenance services allocated to the remaining performance obligations for contracts with customers**

The transaction price for sales of software products with maintenance services allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2024 and 2023 and the expected timing of recognising revenue are as follows:

	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Within one year	<b>242</b>	395
More than one year but not more than two years	<b>148</b>	204
More than two years	<b>159</b>	222
	<hr/>	<hr/>
	<b>549</b>	821
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All the other revenue are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

#### 4. OPERATING SEGMENTS

Information reported to the Company's executive directors, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

Specifically, the Group's reportable and operating segments under IFRS 8 Operating Segments are as follows:

1. Sales of software products
2. Sales of hardware products
3. Provision of technical support services

No operating segments have been aggregated in arising at the reportable segments of the Group.

##### Segment revenue and results

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

	<b>Sales of software products RMB'000</b>	<b>Sales of related hardware products RMB'000</b>	<b>Provision of technical support services RMB'000</b>	<b>Total RMB'000</b>
<b>For the year ended 31 December 2024</b>				
External sales and total revenue				
– segment revenue	<u>1,261</u>	<u>1,040</u>	<u>56,513</u>	<u>58,814</u>
SEGMENT RESULTS	<u>(275)</u>	<u>(69)</u>	<u>(6,800)</u>	<u>(7,144)</u>
Other income				463
Other gains and losses				(915)
Unallocated corporate expenses				(2,973)
Finance costs				<u>(1,048)</u>
Group's loss before tax				<u>(11,617)</u>
<b>For the year ended 31 December 2023</b>				
External sales and total revenue				
– segment revenue	<u>2,866</u>	<u>422</u>	<u>67,089</u>	<u>70,377</u>
SEGMENT RESULTS	<u>(625)</u>	<u>(28)</u>	<u>(4,166)</u>	<u>(4,819)</u>
Other income				1,537
Other gains and losses				(991)
Unallocated corporate expenses				(2,867)
Finance costs				<u>(1,124)</u>
Group's loss before tax				<u>(8,264)</u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represents the loss incurred by each segment without allocation of finance costs, unallocated corporate expenses, other income and other gains and losses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

The CODM makes decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

#### Other segment information

	<b>Sales of software products RMB'000</b>	<b>Sales of related hardware products RMB'000</b>	<b>Provision of technical support services RMB'000</b>	<b>Total RMB'000</b>
<b>For the year ended 31 December 2024</b>				
<b>Amounts included in the measure of segment results:</b>				
Depreciation of property and equipment	10	13	586	609
Depreciation of right-of-use assets	12	15	676	703
Impairment losses on trade receivables and contract assets	6	7	311	324

#### For the year ended 31 December 2023

##### Amounts included in the measure of segment results:

Depreciation of property and equipment	33	5	792	830
Depreciation of right-of-use assets	37	5	863	905
Impairment losses on trade receivables and contract assets	131	19	2,130	2,280

#### 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 sales of software products, hardware products, provision of technical support services of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	<b>2024 RMB'000</b>	<b>2023 RMB'000</b>
Customer A	33,833	50,158
Customer B	11,042	12,696

## 5. OTHER LOSSES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Net exchange loss	(914)	(729)
Loss on disposal of property and equipment	–	(261)
Fair value changes of financial assets at FVTPL	–	(1)
Others	(1)	–
	<u>(915)</u>	<u>(991)</u>

## 6. FINANCE COSTS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest on bank borrowings	49	174
Interest on loans from a related party	990	939
Interest on lease liabilities	9	11
	<u>1,048</u>	<u>1,124</u>

## 7. INCOME TAX EXPENSE

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Income tax expense	<u>–</u>	<u>–</u>

## 8. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging the following items:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Salaries, wages and other staff benefits	46,610	52,042
Retirement benefit schemes contributions	<u>9,344</u>	<u>9,333</u>
Total staff costs ( <i>Note</i> )	<u>55,954</u>	<u>61,375</u>
Depreciation of property and equipment	609	830
Depreciation of right-of-use assets	703	905
Group auditor's remuneration	900	1,033
Cost of inventories recognised as an expense	<u>2,204</u>	<u>296</u>

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

## 9. LOSS PER SHARE

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

Loss figures are calculated as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Loss for the year attributable to owners of the Company for the purposes of basic and diluted loss per share	<u>(11,617)</u>	<u>(8,264)</u>
	2024 <i>'000</i>	2023 <i>'000</i>

### Number of shares

Number of ordinary shares for the purpose of basic and diluted loss per share	<u>1,317,240</u>	<u>1,317,240</u>
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The computation of diluted loss per share for the years ended 31 December 2024 and 2023 does not assume the exercise of the Company's share options because the exercise price of those options was higher than the average market price for shares.

## 10. TRADE AND OTHER RECEIVABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade receivables		
– contracts with customers	15,385	19,099
Less: allowance for ECL	<u>(460)</u>	<u>(557)</u>
	<u>14,925</u>	<u>18,542</u>
Other receivables, prepayments and deposits		
Deposits paid to customers	3,367	2,881
Advances to staff	2,252	2,207
Other tax recoverable	–	24
Prepayments	423	459
Others	<u>344</u>	<u>91</u>
	<u>6,386</u>	<u>5,662</u>
Total trade and other receivables	<u>21,311</u>	<u>24,204</u>

The normal credit term is 90 to 180 days.

As at 1 January 2023, trade receivables from contracts with customers amounted to approximately RMB21,934,000.

The following is an aged analysis of trade receivables net of allowance for ECL presented based on the invoice dates:

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
0 – 120 days	<b>12,294</b>	16,361
121 – 180 days	<b>103</b>	147
181 – 365 days	<b>1,280</b>	777
Over 365 days	<b>1,248</b>	1,257
	<u><b>14,925</b></u>	<u>18,542</u>

As at 31 December 2024, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB2,226,000 (2023: RMB1,845,000) which are past due 90 days or more as the reporting date and are not considered as in default as most of the debtors are banks with strong financial position and high credit ratings and the amounts are still considered fully recoverable.

## 11. TRADE AND OTHER PAYABLES

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Trade payables	<b>1,406</b>	884
Payroll payables	<b>4,279</b>	4,919
Other PRC tax payables	<b>727</b>	1,144
Employee reimbursement payable	<b>757</b>	1,097
Accruals	<b>610</b>	159
Contract liabilities	<b>430</b>	629
Professional fee payable	<b>441</b>	960
Others	<b>737</b>	317
	<u><b>9,387</b></u>	<u>10,109</u>



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

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
With 90 days	<b>87</b>	30
91 – 180 days	<b>814</b>	21
181 – 365 days	<b>160</b>	27
Over 365 days	<b>345</b>	806
	<hr/>	<hr/>
	<b>1,406</b>	884
	<hr/>	<hr/>

The range of credit period on purchases of goods is around 120 to 180 days.

Trade and other payables of approximately RMB85,100 (2023: RMB172,000) were denominated in HK\$.

# **BUSINESS REVIEW**

## **Overall Business of the Group in 2024**

The year of 2024 was one filled with challenges and opportunities. Against a backdrop of persistent global economic uncertainties, rapid technological transformations, and diversified market demands, the Group faced unprecedented pressures while simultaneously gaining momentum. Through in-depth market research and comprehensive analysis, the Group keenly discerned changes in the external environment, leveraging these as opportunities to refine and enhance its overall capabilities. Building on the achievements of the optimized management structure in 2023, we continued to deepen strategic adjustments in 2024, aiming to effectively address the current weakness in market demand and strive for a dual leap in both quality and efficiency.

Looking back at 2024, the global technology industry underwent multifaceted transformations. The further maturation of technologies such as artificial intelligence, big data, and cloud computing drove digital transformation across industries. Particularly in the fintech sector, the gradual adoption of blockchain technology, along with the rise of smart contracts and decentralized finance, brought new challenges and opportunities to traditional financial systems. Against this backdrop, the Group consistently adhered to innovation-driven strategies, actively responding to market changes and achieving significant progress.

In terms of business expansion, we continuously deepened collaborations with existing clients while exploring opportunities to engage new partners, thereby solidifying the Group's revenue foundation. Despite numerous uncertainties in the market environment, our sales team persistently expanded the client base through exceptional market development capabilities and unwavering determination, providing robust support for the Group's revenue. This strategy began to yield results in 2024, with significant sales performance growth anticipated to materialize in 2025.

Secondly, we remained steadfast in increasing research and development investments, committing to technological innovation and product upgrades. Our research and development team continuously explored new technologies and applications, successfully launching a series of market-competitive products. These new offerings not only enriched our product portfolio but also elevated our competitiveness in the market. Concurrently, we iterated and upgraded existing products to further optimize performance and user experience. Leveraging the strong reputation built through client collaborations, we continuously enhanced product competitiveness, delivering higher-quality products and services to customers.

Furthermore, we boldly explored business model innovation, transitioning from a singular product sales model to an integrated “product + operations” service model. Through this approach, we moved closer to end-users, gaining a deeper understanding of their needs and pain points, thereby enabling more precise and efficient service delivery. This innovative business model not only improved profitability but also injected new vitality into the Group’s long-term development. In 2024, we successfully completed a pilot project in one province and plan to gradually expand collaboration scope in the future to achieve steady revenue growth.

However, we are acutely aware that challenges and difficulties persisted during the Group’s development in 2024. Despite notable research and development progress in product and market expansion, operational losses remained substantial due to lagging performance impacts. As of December 31, 2024, the Group recorded a loss of approximately RMB11,617,000 (2023: approximately RMB8,264,000), representing a year-on-year increase of 40.6%.

## **FUTURE OUTLOOK**

Looking forward 2025, we are filled with confidence and anticipation. With the gradual recovery of the global economy and the rapid development of the fintech industry, we foresee increased opportunities and possibilities. The innovative application of cutting-edge technologies such as big data and large-scale AI models holds immense market potential for the Group’s products and services. The Group will steadfastly uphold prudent and sustainable operations, building a solid foundation to capture market trends with precision. Simultaneously, emerging business models will act as catalysts, infusing fresh energy and momentum into the Group’s expansion. As external conditions continue to improve, we firmly believe that, through the collective efforts and relentless dedication of all colleagues, the achievements and advancements of 2025 will be within reach, inspiring boundless optimism.

## 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 2024 ("the financial year"), the Group recorded a total revenue of approximately RMB58,814,000, a decrease of 16.4% as compared to the same period of last year (2023: approximately RMB70,377,000).

	Revenue	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Sales of software products	1,261	2,866
Sales of hardware products	1,040	422
Provision of technical support services	56,513	67,089
	<u>58,814</u>	<u>70,377</u>

The decrease in the turnover of the Group was mainly attributable to customers reduced its capital expenditures. As a results, the revenue of the Group's provision of technical support services decreased by approximately 15.8% when compared to the same period of last year. The total revenue for the year 2024 mainly came from the provision of technical support services. The source of total revenue for the year 2024 was the same as that for the year of 2023.

Cost of sales for the year ended 31 December 2024 is decreased by 8.3% to approximately RMB51,146,000 (2023: approximately RMB55,803,000). In addition to decrease in staff costs due to streamlining the workforce, cost of sales decreased in line with business activities. The Group's overall gross profit margin decreased by approximately 7.7% to approximately 13.0% (2023: approximately 20.7%).

Administrative expenses for the year ended 31 December 2024 is decreased by 20.8% to approximately RMB12,336,000 (2023: approximately RMB15,568,000). The decrease in administrative expenses was mainly due to decrease in staff costs and rental expenses as the Company closed its Hong Kong office. Distribution and selling expenses for the year ended 31 December 2024 is increased by 16.2% to approximately RMB5,125,000 (2023: approximately RMB4,412,000). The increase in distribution and selling expenses was mainly due to an increase in staff costs. Other income mainly included refund of value added tax, grants and interest income, which decreased by 69.9% to approximately RMB463,000 for the year ended 31 December 2024 (2023: RMB1,537,000). The decrease in other income was mainly due to a decrease in government grants; and other gains and losses mainly included exchange differences and fair value changes in financial assets at fair value through profit or loss.

Impairment losses under expected credit loss model, net of reversal on trade receivables and contract assets for the year ended 31 December 2024 is decreased by 85.8% to approximately RMB324,000 (2023: RMB2,280,000). The decrease in impairment losses under expected credit loss model, net of reversal on trade receivables and contract assets was mainly due to the Group is effective control over the settlement of trade receivables.

Research and development expenses for the year ended 31 December 2024 is increased by 19.0% to approximately RMB7,893,000 (2023: approximately RMB6,631,000).

Loss amounted to approximately RMB11,617,000 for the year ended 31 December 2024 (2023: approximately RMB8,264,000), increase of 40.6% as compared to the same period of last year. The increase in loss was mainly attributable to the decrease in revenue and gross profits.

Hangzhou Singlee Technology Company Limited (“Singlee Technology”), a subsidiary of the Company, was established in Hangzhou, PRC, is regarded as a High and New Technology Enterprise and is therefore entitled to 15% preferential tax rate for PRC enterprise income tax. According to the PRC Enterprise Income Tax Law, the applicable tax rate of Hangzhou Singlee Software Company Limited (“Singlee Software”), and Xin Yintong Technology Co., Ltd. (“Xin YinTong”) is 25% for the years ended 31 December 2024 and 2023.

Property, plant and equipment comprise mainly the Group’s owned properties, leasehold improvements, computer and related equipment and motor vehicles. Decrease of approximately 6.7% is mainly attributable to usual depreciation.

Trade receivables and contract assets decreased in line with business activities during the year. During the year under review, the trade receivables and contract assets turnover (the average of the trade receivables balance and contract assets at the beginning and the end of the year divided by the total revenue of the year times 365 days) decreased by 9 days to 103 days (2023: 112 days). The Group’s customers are generally granted with credit period ranging from 90-180 days. The Group will continue to exercise due care in managing the credit exposure.

Advance to staff is petty cash granted to certain employees of the Group for payment of business related disbursement, such as expenses incurred on business trip or meeting with clients. Such advances are interest free, security free with no fixed term of settlement. As at 31 December 2024, advance to staff is stable at approximately RMB2,252,000 (2023: approximately RMB2,207,000).

Borrowings amounted to approximately RMB29,291,000 as at 31 December 2024 (2023: approximately RMB26,919,000), representing an increase of 8.8%, which is mainly attributable to the increase of bank borrowings. The borrowings and unsecured loan from a related parties would be used for general corporate purposes including working capital.

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

The operating expenditures of the Group are funded by cash flow from operations and borrowings. The Group has adequate sources of funds to meet its future working capital requirements.

As at 31 December 2024, the Group held cash and cash equivalents denominated in RMB, US dollars and HK dollars, amounted to approximately RMB28,528,000 (2023: approximately RMB35,107,000), representing a decrease of approximately 18.7% as compared with the end of previous year. The decrease in bank balances and cash was mainly due to net cash used in operating activities. The Group's current ratio, based on total current assets over total current liabilities, as at 31 December 2024 was approximately 4.2 times (2023: approximately 4.8 times).

The Group's net cash outflow for the year ended 31 December 2024 approximately amounted to RMB6,579,000 (2023: net cash inflow approximately RMB19,789,000).

At 31 December 2024, the Group had the following outstanding borrowings:

	<b>2024</b> <b>RMB'000</b>	2023 <b>RMB'000</b>
Fixed-rate borrowings:		
Unsecured loans from a related party	<b>28,291</b>	26,419
Unsecured bank borrowings	—	500
Secured bank borrowings	<b>1,000</b>	—
	<b>29,291</b>	26,919

The borrowings' contractual maturity dates are as follows:

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Within one year	<b>1,000</b>	500
Between two to five years	<b>1,197</b>	1,148
More than five years	<b>27,094</b>	25,271
	<b>29,291</b>	26,919

The Group's loans from a related party are all owing to Mr. Hung Yung Lai. The Group's loans from Mr. Hung Yung Lai of approximately RMB27,094,000 (2023: RMB25,271,000) are denominated in HK dollars, other borrowings are denominated in the functional currency of the respective group entity.

During the year 2020, the Group entered into two revolving loan facility agreements with a bank with a total credit amounts of RMB15,000,000. The maturity date of the revolving loan facilities is on 6 July 2025 and 22 July 2025 respectively. These two revolving loan facilities were utilised amounted to RMB1,000,000 as at 31 December 2024 (2024: Nil). The unutilised facility would be utilised as the working capital.

No interest was capitalised by the Group during the year (2023: Nil).

The gearing ratio of the Group, based on total liabilities over total assets, as at 31 December 2024 was approximately 67.5% (2023: approximately 55.7%). The Group has confident that gearing ratio can improve in the coming year.

## **CAPITAL STRUCTURE**

During the year ended 31 December 2024, 4,354,000 share options were lapsed. During the year ended 31 December 2023, 6,507,000 share options were lapsed.

Save as disclosed above, the Company had no other changes in capital structure during the year ended 31 December 2024.

## **ACQUISITION AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES**

The Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies during the year.

## **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 2024, the Group had 418 employees (2023: 622 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 RMB55,954,000 (2023: approximately RMB61,375,000).

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

## **CHARGE ON GROUP ASSETS**

As at 31 December 2024, certain properties of the Group located in Hangzhou with an aggregate net carrying amount of approximately RMB7,260,000 (2023: approximately RMB7,808,000) were used to secure the banking facilities.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS AND EXPECTED SOURCE OF FUNDING**

Save as disclosed in this announcement, the Group did not have plans for material investments and capital assets as at the date of this announcement.

## **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 2024, the Group did not have any material contingent liabilities (2023: Nil).



## FIVE YEARS FINANCIAL SUMMARY OF THE GROUP

	Year ended 31 December 2024 <i>RMB'000</i>	Year ended 31 December 2023 <i>RMB'000</i>	Year ended 31 December 2022 <i>RMB'000</i>	Year ended 31 December 2021 <i>RMB'000</i>	Year ended 31 December 2020 <i>RMB'000</i>
Revenue	58,814	70,377	84,949	94,408	85,535
Loss attributable to shareholders	<u>(11,617)</u>	<u>(8,264)</u>	<u>(18,381)</u>	<u>(13,768)</u>	<u>(31,204)</u>
Total assets	60,202	70,360	95,810	100,082	151,196
Total liabilities	<u>40,629</u>	<u>(39,170)</u>	<u>(56,356)</u>	<u>(48,102)</u>	<u>(85,448)</u>
Net assets	<u>19,573</u>	<u>31,190</u>	<u>39,454</u>	<u>51,980</u>	<u>65,748</u>

## DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during 2024 and 2023, nor has any dividend been proposed since the end of the reporting period.

## CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 28 May 2025 to Tuesday, 3 June 2025, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend the forthcoming annual general meeting to be held on Tuesday, 3 June 2025 (the “AGM”). In order to be eligible to attend and vote at the forthcoming AGM, all transfer accompanied by the relevant share certificates and transfer forms must be lodged with the Company’s share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong before 4:30 p.m. on Tuesday, 27 May 2025.

## MAJOR SUPPLIERS AND CUSTOMERS

The percentage of purchases and sales for the year ended 31 December 2024 attributable to the Group’s major suppliers and customers are as follows:

Purchases	
– the largest supplier	13% (2023: 12%)
– five largest suppliers combined	36% (2023: 42%)
Sales	
– the largest customer	64% (2023: 71%)
– five largest customers combined	95% (2023: 94%)

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 2024.

## **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.

The Company has complied with all applicable code provisions of the Corporate Governance Code ("CG Code") set out in Appendix C1 of the GEM Listing Rules in the year ended 31 December 2024 except for the deviation from the code provision C.2.1 of the CG Code and the minimum on number requirements independent non-executive directors as set out in Rule 5.05(1), 5.05A and 5.28 of the Gem Listing Rules for the period from 1 January 2024 to 28 March 2024.

Following the resignation of Mr. Lo King Man with effect from 31 December 2023, (i) the Board would thereafter comprise only two independent non-executive Directors; (ii) the Board would thereafter comprise less than one-third of the members are independent non-executive directors; and (iii) the Audit and Risk Management Committee would thereafter comprise only two members, no independent non-executive Director has been newly appointed to fill up the aforesaid vacancies from 1 January 2024 to 28 March 2024. On 28 March 2024, the Company have appointed Ms. Chen Xinai as a suitable candidate to fill up the vacancies so as to fulfill the requirements under the GEM Listing Rules.

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted the code of conduct regarding directors' securities transactions during the twelve months ended 31 December 2024 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 noncompliance 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 2024.

## **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 2024 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 and consequently no opinion or assurance conclusion 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 2024 have been reviewed by the Audit and Risk Management Committee therefore recommending it to the Board for approval.

By Order of the Board  
**Sing Lee Software (Group) Limited**  
**Lin Xue Xin**  
*Chairman*

Hangzhou, the PRC, 27 March 2025

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

Lin Xue Xin (*Executive Director*)

Hung Ying (*Executive Director*)

Zang Jingjing (*Executive Director*)

Li Dong (*Executive Director*)

Cai Jin (*Executive Director*)

Pao Ping Wing (*Independent Non-Executive Director*)

Chan Tsang Mo (*Independent Non-Executive Director*)

Chen Xinai (*Independent Non-Executive Director*)

*The announcement will remain on the website of the Stock Exchange at <http://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>).*