



## **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)**

### **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025**

#### **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 (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 six months ended 30 June 2025, together with the unaudited comparative figures for the corresponding periods in 2024, as follows:

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

*For the six months ended 30 June 2025*

|                                                                                                                 | <i>Notes</i> | <b>Six months ended 30 June</b> |                    |
|-----------------------------------------------------------------------------------------------------------------|--------------|---------------------------------|--------------------|
|                                                                                                                 |              | <b>2025</b>                     | <b>2024</b>        |
|                                                                                                                 |              | <b>RMB'000</b>                  | <b>RMB'000</b>     |
|                                                                                                                 |              | <b>(Unaudited)</b>              | <b>(Unaudited)</b> |
| <b>REVENUE</b>                                                                                                  | 2            | <b>18,201</b>                   | 25,009             |
| Cost of sales and services                                                                                      |              | <u>(18,114)</u>                 | <u>(25,443)</u>    |
| <b>Gross profit/(loss)</b>                                                                                      |              | <b>87</b>                       | (434)              |
| Other income                                                                                                    | 3            | <b>93</b>                       | 224                |
| Impairment losses under expected credit loss model,<br>net of reversal on trade receivables and contract assets |              | <b>808</b>                      | –                  |
| Other gains and losses                                                                                          |              | <b>671</b>                      | (524)              |
| Distribution and selling expenses                                                                               |              | <b>(3,027)</b>                  | (2,670)            |
| Administrative expenses                                                                                         |              | <b>(5,774)</b>                  | (6,503)            |
| Finance costs                                                                                                   |              | <u><b>(513)</b></u>             | <u>(519)</u>       |
| <b>Loss before tax</b>                                                                                          |              | <b>(7,655)</b>                  | (10,426)           |
| Income tax expense                                                                                              | 4            | <u>–</u>                        | <u>–</u>           |
| <b>Loss and total comprehensive expenses for the period</b>                                                     |              | <u><b>(7,655)</b></u>           | <u>(10,426)</u>    |
| <b>Loss per share</b>                                                                                           |              |                                 |                    |
| – Basic ( <i>RMB cents</i> )                                                                                    | 5            | <u><b>(0.58)</b></u>            | <u>(0.79)</u>      |
| – Diluted ( <i>RMB cents</i> )                                                                                  | 5            | <u><b>(0.58)</b></u>            | <u>(0.79)</u>      |

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

|                                                       |              | As at<br>30 June<br>2025<br><i>RMB'000</i><br>(Unaudited) | As at<br>31 December<br>2024<br><i>RMB'000</i><br>(Audited) |
|-------------------------------------------------------|--------------|-----------------------------------------------------------|-------------------------------------------------------------|
|                                                       | <i>Notes</i> |                                                           |                                                             |
| <b>Non-current Assets</b>                             |              |                                                           |                                                             |
| Property, plant and equipment                         |              | 7,601                                                     | 7,934                                                       |
| Right-of-use assets                                   |              | 208                                                       | 193                                                         |
|                                                       |              | <u>7,809</u>                                              | <u>8,127</u>                                                |
| <b>Current Assets</b>                                 |              |                                                           |                                                             |
| Inventories – finished goods                          |              | 973                                                       | 933                                                         |
| Trade and other receivables                           | 7            | 29,538                                                    | 21,311                                                      |
| Contract assets                                       | 8            | 401                                                       | 488                                                         |
| Financial assets at fair value through profit or loss |              | –                                                         | 189                                                         |
| Restricted bank deposits                              |              | 976                                                       | 626                                                         |
| Bank balances and cash                                |              | 10,170                                                    | 28,528                                                      |
|                                                       |              | <u>42,058</u>                                             | <u>52,075</u>                                               |
| <b>Current Liabilities</b>                            |              |                                                           |                                                             |
| Trade and other payables                              | 3            | 7,214                                                     | 9,387                                                       |
| Amounts due to related parties                        |              | 1,751                                                     | 1,878                                                       |
| Borrowings                                            | 10           | 1,000                                                     | 1,000                                                       |
| Lease liabilities                                     |              | 85                                                        | 73                                                          |
|                                                       |              | <u>10,050</u>                                             | <u>12,338</u>                                               |
| <b>Net Current Assets</b>                             |              | <u>32,008</u>                                             | <u>39,737</u>                                               |
| <b>Total Assets Less Current Liabilities</b>          |              | <u>39,817</u>                                             | <u>47,864</u>                                               |
| <b>Non-current Liabilities</b>                        |              |                                                           |                                                             |
| Borrowings                                            | 10           | 27,899                                                    | 28,291                                                      |
|                                                       |              | <u>27,899</u>                                             | <u>28,291</u>                                               |
| <b>Net Assets</b>                                     |              | <u>11,918</u>                                             | <u>19,573</u>                                               |
| <b>Capital and Reserves</b>                           |              |                                                           |                                                             |
| Share capital                                         | 11           | 12,538                                                    | 12,538                                                      |
| (Deficit)/reserves                                    |              | (620)                                                     | 7,035                                                       |
| <b>Total Equity</b>                                   |              | <u>11,918</u>                                             | <u>19,573</u>                                               |

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

|                                                         | Share capital<br>RMB'000 | Share premium<br>RMB'000 | Statutory<br>reserve<br>RMB'000 | Shareholder's<br>contribution<br>RMB'000 | Translation<br>reserve<br>RMB'000 | Share-based<br>payments<br>reserve<br>RMB'000 | Accumulated<br>losses<br>RMB'000 | Total<br>RMB'000 |
|---------------------------------------------------------|--------------------------|--------------------------|---------------------------------|------------------------------------------|-----------------------------------|-----------------------------------------------|----------------------------------|------------------|
| At 1 January 2025 (Audited)                             | 12,538                   | 179,132                  | 3,917                           | 6,641                                    | 5,217                             | 5,461                                         | (193,333)                        | 19,573           |
| Loss and total comprehensive expenses for<br>the period | -                        | -                        | -                               | -                                        | -                                 | -                                             | (7,655)                          | (7,655)          |
| Transferred to statutory reserve                        | -                        | -                        | 62                              | -                                        | -                                 | -                                             | (62)                             | -                |
| Lapse of share options                                  | -                        | -                        | -                               | -                                        | -                                 | (2,329)                                       | 2,329                            | -                |
| At 30 June 2025 (Unaudited)                             | <u>12,538</u>            | <u>179,132</u>           | <u>3,979</u>                    | <u>6,641</u>                             | <u>5,217</u>                      | <u>3,132</u>                                  | <u>(198,721)</u>                 | <u>11,918</u>    |
| At 1 January 2024 (Audited)                             | 12,538                   | 179,132                  | 3,613                           | 6,641                                    | 5,217                             | 6,029                                         | (181,980))                       | 31,190           |
| Loss and total comprehensive expenses for<br>the period | -                        | -                        | -                               | -                                        | -                                 | -                                             | (10,426)                         | (10,426)         |
| Transferred to statutory reserve                        | -                        | -                        | 304                             | -                                        | -                                 | -                                             | (304)                            | -                |
| Lapse of share options                                  | -                        | -                        | -                               | -                                        | -                                 | (64)                                          | 64                               | -                |
| At 30 June 2024 (Unaudited)                             | <u>12,538</u>            | <u>179,132</u>           | <u>3,917</u>                    | <u>6,641</u>                             | <u>5,217</u>                      | <u>5,965</u>                                  | <u>(192,646)</u>                 | <u>20,764</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 statutory surplus reserve are required to be 10% of the annual profit after tax, based on the subsidiary’s PRC statutory accounts. The amounts of other reserves are decided by 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, 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, being an immediate holding company at that time, transferred certain Company’s shares to employees of the Group and such transfer was considered as a share-based payment transaction under IFRS 2 Share-based Payment.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

*For the six months ended 30 June 2025*

|                                                                       | Six months ended 30 June |                      |
|-----------------------------------------------------------------------|--------------------------|----------------------|
|                                                                       | 2025                     | 2024                 |
|                                                                       | <i>RMB'000</i>           | <i>RMB'000</i>       |
|                                                                       | (Unaudited)              | (Unaudited)          |
| Net cash used in operating activities                                 | (17,768)                 | (23,060)             |
| Net cash generated from investing activities                          | 44                       | 60                   |
| Net cash (used in)/generated from financing activities                | <u>(634)</u>             | <u>857</u>           |
| Net decrease in cash and cash equivalents                             | (18,358)                 | (22,143)             |
| Cash and cash equivalents at beginning of the period                  | <u>28,528</u>            | <u>35,107</u>        |
| Cash and cash equivalents at the end<br>of the period represented by: |                          |                      |
| Bank balances and cash                                                | <u><u>10,170</u></u>     | <u><u>12,964</u></u> |

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

## 1. GENERAL

The unaudited consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements set out in Chapter 18 of the GEM Listing Rules and International Accounting Standards (“IAS”) 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (“IASB”).

The unaudited consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2024.

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

The unaudited consolidated interim 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 2024 (the “2024 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 2024 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 AND 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 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.

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

### For the six months ended 30 June 2025

|                                                    | Sale of<br>software<br>products<br><i>RMB'000</i><br>(Unaudited) | Sale of<br>hardware<br>products<br><i>RMB'000</i><br>(Unaudited) | Provision<br>of technical<br>support<br>services<br><i>RMB'000</i><br>(Unaudited) | Total<br><i>RMB'000</i><br>(Unaudited) |
|----------------------------------------------------|------------------------------------------------------------------|------------------------------------------------------------------|-----------------------------------------------------------------------------------|----------------------------------------|
| External sales and total revenue – segment revenue | <u>536</u>                                                       | <u>1,424</u>                                                     | <u>16,241</u>                                                                     | <u>18,201</u>                          |
| SEGMENT RESULTS                                    | <u>(807)</u>                                                     | <u>(67)</u>                                                      | <u>(5,332)</u>                                                                    | <u>(6,206)</u>                         |
| Unallocated other income                           |                                                                  |                                                                  |                                                                                   | 93                                     |
| Unallocated other gains and losses                 |                                                                  |                                                                  |                                                                                   | 671                                    |
| Unallocated corporate expenses                     |                                                                  |                                                                  |                                                                                   | (1,701)                                |
| Finance costs                                      |                                                                  |                                                                  |                                                                                   | <u>(513)</u>                           |
| Loss before tax                                    |                                                                  |                                                                  |                                                                                   | <u><u>(7,656)</u></u>                  |

**For the six months ended 30 June 2024**

|                                                    | Sale of<br>software<br>products<br><i>RMB'000</i><br>(Unaudited) | Sale of<br>hardware<br>products<br><i>RMB'000</i><br>(Unaudited) | Provision<br>of technical<br>support<br>services<br><i>RMB'000</i><br>(Unaudited) | Total<br><i>RMB'000</i><br>(Unaudited) |
|----------------------------------------------------|------------------------------------------------------------------|------------------------------------------------------------------|-----------------------------------------------------------------------------------|----------------------------------------|
| External sales and total revenue – segment revenue | <u>573</u>                                                       | <u>947</u>                                                       | <u>23,489</u>                                                                     | <u>25,009</u>                          |
| SEGMENT RESULTS                                    | <u>(1,196)</u>                                                   | <u>(762)</u>                                                     | <u>(5,887)</u>                                                                    | <u>(7,845)</u>                         |
| Unallocated other income                           |                                                                  |                                                                  |                                                                                   | 244                                    |
| Unallocated other gains and losses                 |                                                                  |                                                                  |                                                                                   | (524)                                  |
| Unallocated corporate expenses                     |                                                                  |                                                                  |                                                                                   | (1,762)                                |
| Finance costs                                      |                                                                  |                                                                  |                                                                                   | <u>(519)</u>                           |
| Loss before tax                                    |                                                                  |                                                                  |                                                                                   | <u>(10,426)</u>                        |

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represents the loss suffered 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

### For the six months ended 30 June 2025

|                                                                                          | Sale of<br>software<br>products<br><i>RMB'000</i><br>(Unaudited) | Sale of<br>hardware<br>products<br><i>RMB'000</i><br>(Unaudited) | Provision<br>of technical<br>support<br>services<br><i>RMB'000</i><br>(Unaudited) | Total<br><i>RMB'000</i><br>(Unaudited) |
|------------------------------------------------------------------------------------------|------------------------------------------------------------------|------------------------------------------------------------------|-----------------------------------------------------------------------------------|----------------------------------------|
| Amounts included in the measure of segment results:                                      |                                                                  |                                                                  |                                                                                   |                                        |
| Depreciation of property, plant and equipment                                            | 8                                                                | 13                                                               | 327                                                                               | 348                                    |
| Depreciation of right-of-use assets                                                      | 5                                                                | 8                                                                | 208                                                                               | 221                                    |
| Impairment losses on trade receivables and contract assets<br>reversed in profit or loss | 19                                                               | 31                                                               | 759                                                                               | 809                                    |

### For the six months ended 30 June 2024

|                                                                                          | Sale of<br>software<br>products<br><i>RMB'000</i><br>(Unaudited) | Sale of<br>hardware<br>products<br><i>RMB'000</i><br>(Unaudited) | Provision<br>of technical<br>support<br>services<br><i>RMB'000</i><br>(Unaudited) | Total<br><i>RMB'000</i><br>(Unaudited) |
|------------------------------------------------------------------------------------------|------------------------------------------------------------------|------------------------------------------------------------------|-----------------------------------------------------------------------------------|----------------------------------------|
| Amounts included in the measure of segment results:                                      |                                                                  |                                                                  |                                                                                   |                                        |
| Depreciation of property, plant and equipment                                            | 8                                                                | 13                                                               | 331                                                                               | 352                                    |
| Depreciation of right-of-use assets                                                      | 8                                                                | 13                                                               | 329                                                                               | 350                                    |
| Impairment losses on trade receivables and contract assets<br>reversed in profit or loss | —                                                                | —                                                                | —                                                                                 | —                                      |

## Geographical information

The Group's revenue from external customers is all generated from customers located in the Mainland China.

All non-current assets of the Group are located in the PRC by location of assets.

### 3. OTHER INCOME

|                 | Six months ended 30 June |                |
|-----------------|--------------------------|----------------|
|                 | 2025                     | 2024           |
|                 | <i>RMB'000</i>           | <i>RMB'000</i> |
|                 | (Unaudited)              | (Unaudited)    |
| Interest income | 59                       | 78             |
| Others          | 34                       | 146            |
|                 | <u>93</u>                | <u>224</u>     |

### 4. INCOME TAX EXPENSE

Hangzhou Singlee Technology Company Limited (“Singlee Technology”), a subsidiary of the Company, was established in Hangzhou, the PRC, with statutory tax rate of 25%. Singlee Technology is regarded as a High and New Technology Enterprise defined by Zhejiang Finance Bureau, Administrator of Local Taxation of Zhejiang Municipality and Zhejiang Municipal office of the State Administration of Taxation and is therefore entitled to 15% preferential tax rate for the PRC EIT since 2010. During the year ended 31 December 2022, its High and New Technology Enterprise status was extended by the local tax authorities for three more years to 2025. Accordingly, the tax rate for Singlee Technology is 15% for the six months ended 30 June 2025 and 2024.

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 six months ended 30 June 2025 and 2024.

No provision for Hong Kong Profits Tax has been made as the Group had no estimated assessable profits arising from Hong Kong during the six months ended 30 June 2025 and 2024.

PRC enterprise income tax has not been provided as the Group had no estimated assessable profits arising from PRC for the six months ended 30 June 2025 (six months ended 30 June 2024: 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:

|                                                                                                                | <b>Six months ended 30 June</b> |                         |
|----------------------------------------------------------------------------------------------------------------|---------------------------------|-------------------------|
|                                                                                                                | <b>2025</b>                     | <b>2024</b>             |
|                                                                                                                | <b>RMB'000</b>                  | <b>RMB'000</b>          |
|                                                                                                                | <b>(Unaudited)</b>              | <b>(Unaudited)</b>      |
| Loss for the period attributable to owners of the Company for the purposes of basic and diluted loss per share | <b><u>(7,655)</u></b>           | <b><u>(10,426)</u></b>  |
|                                                                                                                |                                 |                         |
|                                                                                                                | <b>Six months ended 30 June</b> |                         |
|                                                                                                                | <b>2025</b>                     | <b>2024</b>             |
|                                                                                                                | <b>'000</b>                     | <b>'000</b>             |
|                                                                                                                | <b>(Unaudited)</b>              | <b>(Unaudited)</b>      |
| Number of ordinary shares for the purpose of basic/diluted loss per share                                      | <b><u>1,317,240</u></b>         | <b><u>1,317,240</u></b> |

The computation of diluted loss per share for the six months ended 30 June 2025 and 2024 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.

## 6. DIVIDEND

The Board does not recommend the payment of dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

## 7. TRADE AND OTHER RECEIVABLES

|                                             | As at<br>30 June<br>2025<br>RMB'000<br>(Unaudited) | As at<br>31 December<br>2024<br>RMB'000<br>(Audited) |
|---------------------------------------------|----------------------------------------------------|------------------------------------------------------|
| Trade receivables                           |                                                    |                                                      |
| – contracts with customers                  | 18,276                                             | 15,385                                               |
| Less: allowance for credit losses           | (460)                                              | (460)                                                |
|                                             | <u>17,816</u>                                      | <u>14,925</u>                                        |
| Other receivables, prepayments and deposits | 17,816                                             | 14,925                                               |
| Deposits paid to customers                  | 2,976                                              | 3,367                                                |
| Advances to staff                           | 8,054                                              | 2,252                                                |
| Prepayments                                 | 542                                                | 423                                                  |
| Others                                      | 150                                                | 344                                                  |
|                                             | <u>11,722</u>                                      | <u>6,386</u>                                         |
| Total trade and other receivables           | <u><u>29,538</u></u>                               | <u><u>21,311</u></u>                                 |

The normal credit term is 90 to 180 days upon delivery or service provided.

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

|                | As at<br>30 June<br>2025<br>RMB'000<br>(Unaudited) | As at<br>31 December<br>2024<br>RMB'000<br>(Audited) |
|----------------|----------------------------------------------------|------------------------------------------------------|
| 0 – 120 days   | 12,471                                             | 12,294                                               |
| 121 – 180 days | 1,348                                              | 103                                                  |
| 181 – 365 days | 2,666                                              | 1,280                                                |
| Over 365 days  | 1,331                                              | 1,248                                                |
|                | <u>17,816</u>                                      | <u>14,925</u>                                        |

As at 30 June 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB2,678,000 (31 December 2024: RMB2,226,000) 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.

## 8. CONTRACT ASSETS

|                      | As at<br>30 June<br>2025<br>RMB'000<br>(Unaudited) | As at<br>31 December<br>2024<br>RMB'000<br>(Audited) |
|----------------------|----------------------------------------------------|------------------------------------------------------|
| Retention receivable | <u>401</u>                                         | <u>488</u>                                           |

The contract assets primarily relate to the Group's right to consideration for work completed and not billed because the rights are conditioned on the Group's future performance. The contract assets are transferred to trade receivables when the rights become unconditional.

The Group typically agrees to a retention period ranging from one to two years for 5% to 10% of the contract value. This amount is included in contract assets until the end of the retention period as the Group's entitlement to this final payment is conditional during retention period. The Group typically transfer contract assets into trade receivables at the end of retention period. The Group classifies these contract assets as current because the Group expects to realise them in its normal operating cycle.

## 9. TRADE AND OTHER PAYABLES

|                                | As at<br>30 June<br>2025<br>RMB'000<br>(Unaudited) | As at<br>31 December<br>2024<br>RMB'000<br>(Audited) |
|--------------------------------|----------------------------------------------------|------------------------------------------------------|
| Trade payables                 | 1,691                                              | 1,406                                                |
| Payroll payables               | 3,090                                              | 4,279                                                |
| Other PRC tax payables         | 369                                                | 727                                                  |
| Employee reimbursement payable | 193                                                | 757                                                  |
| Accruals                       | 613                                                | 610                                                  |
| Contract liabilities           | 324                                                | 430                                                  |
| Professional fee payable       | –                                                  | 441                                                  |
| Others                         | <u>934</u>                                         | <u>737</u>                                           |
| Total                          | <u>7,214</u>                                       | <u>9,387</u>                                         |

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

|                | As at<br>30 June<br>2025<br>RMB'000<br>(Unaudited) | As at<br>31 December<br>2024<br>RMB'000<br>(Audited) |
|----------------|----------------------------------------------------|------------------------------------------------------|
| Within 90 days | 1,203                                              | 87                                                   |
| 91 – 180 days  | 378                                                | 814                                                  |
| 181 – 365 days | 10                                                 | 160                                                  |
| Over 365 days  | 100                                                | 345                                                  |
|                | <b>1,691</b>                                       | <b>1,406</b>                                         |

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

Trade and other payables of approximately RMB143,000 (31 December 2024: approximately RMB117,000) were denominated in HK\$.

## 10. BORROWINGS

|                                                        | As at<br>30 June<br>2025<br>RMB'000<br>(Unaudited) | As at<br>31 December<br>2024<br>RMB'000<br>(Audited) |
|--------------------------------------------------------|----------------------------------------------------|------------------------------------------------------|
| Unsecured loans from a related party ( <i>Note i</i> ) | 27,899                                             | 28,291                                               |
| Unsecured bank borrowings ( <i>Note ii</i> )           | 1,000                                              | 1,000                                                |
|                                                        | <b>28,899</b>                                      | <b>29,291</b>                                        |

Carrying amount of the above borrowings are repayable:

|                                                                        | As at<br>30 June<br>2025<br>RMB'000<br>(Unaudited) | As at<br>31 December<br>2024<br>RMB'000<br>(Audited) |
|------------------------------------------------------------------------|----------------------------------------------------|------------------------------------------------------|
| Within one year                                                        | 1,000                                              | 1,000                                                |
| Within a period of more than two years<br>but not exceeding five years | 27,899                                             | 1,197                                                |
| Within a period of more than five years                                | –                                                  | 27,094                                               |
|                                                                        | <b>28,899</b>                                      | <b>29,291</b>                                        |
| Less: Amounts due within one year shown under current liabilities      | <b>(1,000)</b>                                     | <b>(1,000)</b>                                       |
| Amounts shown under non-current liabilities                            | <b>27,899</b>                                      | <b>28,291</b>                                        |

Notes:

- (i) The Group's loans from a related party are all owing to Mr. Hung Yung Lai.

The contractual maturity dates are as follows:

|                           | As at<br>30 June<br>2025<br>RMB'000<br>(Unaudited) | As at<br>31 December<br>2024<br>RMB'000<br>(Audited) |
|---------------------------|----------------------------------------------------|------------------------------------------------------|
| Between two to five years | 27,899                                             | 1,197                                                |
| More than five years      | —                                                  | 27,094                                               |
|                           | <u>27,899</u>                                      | <u>28,291</u>                                        |

The ranges of effective interest rates on the Group's loans from Mr. Hung Yung Lai are as follows:

|                          | As at<br>30 June<br>2025<br>(Unaudited) | As at<br>31 December<br>2024<br>(Audited) |
|--------------------------|-----------------------------------------|-------------------------------------------|
| Effective interest rate: |                                         |                                           |
| Fixed-rate borrowings    | <u>3.69% – 4.14%</u>                    | <u>3.69% – 4.14%</u>                      |

The loans from Mr. Hung Yung Lai of approximately RMB27,899,000 (31 December 2024: approximately RMB27,094,000) are denominated in HK\$, other borrowings are denominated in the functional currency of the respective group entity.

- (ii) The exposure of the Group's bank borrowings and the contractual maturity dates are as follows:

|                             | As at<br>30 June<br>2025<br>RMB'000<br>(Unaudited) | As at<br>31 December<br>2024<br>RMB'000<br>(Audited) |
|-----------------------------|----------------------------------------------------|------------------------------------------------------|
| Fixed-rate bank borrowings: |                                                    |                                                      |
| Within one year             | <u>1,000</u>                                       | <u>1,000</u>                                         |

The effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

|                                                | As at<br><b>30 June</b><br><b>2025</b><br>(Unaudited) | As at<br>31 December<br>2024<br>(Audited) |
|------------------------------------------------|-------------------------------------------------------|-------------------------------------------|
| Effective interest rate: Fixed-rate borrowings | <u><u>3.95%</u></u>                                   | <u><u>3.95%</u></u>                       |

As at 30 June 2025, the utilization of the secured banking facilities with total amount of RMB15,000,000 (31 December 2024: RMB15,000,000) is RMB1,000,000 (31 December 2024: RMB1,000,000).

## 11. SHARE CAPITAL

|                                      | Number of<br>Shares<br>'000 | Amount<br>HK\$'000    | Amount<br>RMB'000    |
|--------------------------------------|-----------------------------|-----------------------|----------------------|
| Ordinary shares of HK\$0.01 each:    |                             |                       |                      |
| <i>AUTHORIZED:</i>                   |                             |                       |                      |
| At 31 December 2024 and 30 June 2025 | <u><u>10,000,000</u></u>    | <u><u>100,000</u></u> | <u><u>95,187</u></u> |
| <i>Issued and fully paid:</i>        |                             |                       |                      |
| At 31 December 2024 and 30 June 2025 | <u><u>1,317,240</u></u>     | <u><u>13,173</u></u>  | <u><u>12,538</u></u> |

## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial review and results of operations

For the six months ended 30 June 2025, the Group recorded a total revenue of approximately RMB18,201,000, decrease of 27.2% as compared to the same period of last year (For the six months ended 30 June 2024: approximately RMB25,009,000). The decrease in the turnover of the Group was mainly attributable to the decrease in the revenue of the Group's provision of technical support services. Cost of sales for the six months ended 30 June 2025 decreased by 30.9% to approximately RMB16,241,000 (For the six months ended 30 June 2024: approximately RMB23,489,000). Cost of sales decreased was mainly due to the decreased in staff costs.

Administrative expenses for the six months ended 30 June 2025 decrease by 11.2% to approximately RMB5,774,000 (For the six months ended 30 June 2024: approximately RMB6,503,000), decrease in administrative expenses was mainly due to decrease in staff costs and benefits expenses. Distribution and selling expenses for the six months ended 30 June 2025 increase by 13.4% to approximately RMB3,027,000 (For the six months ended 30 June 2024: approximately RMB2,670,000), increase in distribution and selling expenses was mainly due to increase of staff costs and expenditures for business development. Other income included grants 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 six months ended 30 June 2025 amounted to approximately RMB513,000 (For the six months ended 30 June 2024: approximately RMB519,000), which remains stable.

The Group recorded a loss amounted to approximately RMB7,655,000 for the six months ended 30 June 2025, decrease of 26.6% as compared to the same period of last year (For the six months ended 30 June 2024: approximately RMB10,426,000). The decrease in loss was mainly attributable to the reversal of impairment losses related to the recovery of long outstanding receivables, a shift to gain in other gains and losses driven by increased in exchange gains, compared to losses recorded in 2024 and decrease in administrative expenses resulting from ongoing costs saving efforts.

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 First Half of 2025**

In the first half of 2025, the fintech and financial services sectors continued to face pressure amid a complex and dynamic economic environment, marked by deepening technology-driven transformation, accelerated integration of application scenarios, and strengthened policy regulation. Due to high global inflation, geopolitical conflicts, and weak domestic consumer confidence, financial clients reduced capital expenditure on external procurement, resulting in delayed implementation of digital transformation projects. In a competitive market, leading companies further consolidated market share with technical advantages, intensifying homogeneous competition across the financial industry and placing considerable profitability pressure on many small and medium-sized enterprises. These industry challenges also spurred the Group to seek change and breakthroughs. Against this backdrop, all group members worked together, proactively responding to challenges and striving for exploration in product innovation, customer expansion, and business model optimization, while initiating cost reduction and efficiency improvement measures to drive steady group development.

In terms of payment scenario integration, several upgrade projects were carried out in the first half of the year: commercial platform construction of a “one-code pass” ecosystem, supported by full-process digital tools; smart catering and smart scenic areas introduced “face-scan + frictionless payment” systems to enhance operational efficiency and meet refined management needs; the payment middleware was upgraded to provide efficient and stable support for various application scenarios; integrated management and payment solutions were implemented in the elderly care and pet industries to improve service effectiveness.

Regarding customer expansion, the first half of 2025 saw an increase in cooperation with the five major state-owned banks—Industrial and Commercial Bank of China, Agricultural Bank of China, China Construction Bank, Bank of China, and Bank of Communications. Partnerships with Postal Savings Bank of China, China UnionPay, and China CITIC Bank were successfully established, while two new city commercial banks and three new rural commercial banks joined as partners.

On the customer cooperation and operations front, after serving one client in 2024, the first half of 2025 saw the launch of 18 operation projects across provinces including Hebei, Hubei, Anhui, Guangxi, Guangdong, Ningxia, and Jiangsu. Relevant work will continue in the second half of the year, aiming to generate sustainable revenue for the group.

## OUTLOOK

Recently, the National Development and Reform Commission and the National Data Administration released the “Key Points for Digital Economy Development in 2025,” with multiple measures promoting high-quality digital economic growth. With policy dividends, the acceleration of local special bonds, and technological upgrades, industry demand is expected to gradually recover and enter a period of sustainable development.

“To profit through innovation” is the core value of the Group, which means creating value for clients through continuous innovation. Based on steady advancement of traditional business, in the second half of 2025, the group will focus on new product R&D, new business development, new client acquisition, and launching new application scenarios. At the same time, the group will continue strict cost control and enhance risk monitoring and prevention across the board and within each business line, seeking progress and breakthroughs amid steady growth. All members will join forces, remain confident, face opportunities and challenges head-on, and strive to create a new chapter through transformation.

## 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 30 June 2025, the Group held cash and cash equivalents denominated in RMB, US dollars and HK dollars, amounted to approximately RMB10,170,000 (31 December 2024: approximately RMB28,528,000). The Group’s current ratio, based on total current assets over total current liabilities, as at 30 June 2025 was approximately 4.2 times (31 December 2024: approximately 4.2 times).

At 30 June 2025, the Group had the following outstanding borrowings:

|                                      | As at<br>30 June<br>2025<br>RMB’000 | As at<br>31 December<br>2024<br>RMB’000 |
|--------------------------------------|-------------------------------------|-----------------------------------------|
| Fixed-rate borrowings:               |                                     |                                         |
| Unsecured loans from a related party | 27,899                              | 28,291                                  |
| Unsecured bank borrowings            | 1,000                               | 1,000                                   |
|                                      | <u>28,899</u>                       | <u>29,291</u>                           |

The borrowings' contractual maturity dates are as follows:

|                           | As at<br><b>30 June<br/>2025</b><br><i>RMB'000</i> | As at<br>31 December<br>2024<br><i>RMB'000</i> |
|---------------------------|----------------------------------------------------|------------------------------------------------|
| Within one year           | <b>1,000</b>                                       | 1,000                                          |
| Between two to five years | <b>27,899</b>                                      | 1,197                                          |
| More than five years      | <u>–</u>                                           | <u>27,094</u>                                  |
|                           | <b><u>28,899</u></b>                               | <b><u>29,291</u></b>                           |

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 RMB27,899,000 (31 December 2024: RMB27,094,000) are denominated in HK dollars, other borrowings are denominated in the functional currency of the respective group entity.

No interest was capitalized by the Group during the period under review (30 June 2024: Nil).

The gearing ratio of the Group, based on total liabilities over total assets, as at 30 June 2025 was approximately 76.1% (31 December 2024: approximately 67.5%).

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 30 June 2025, advance to staff is approximately RMB8,054,000 (31 December 2024: approximately RMB2,252,000), such increase was due to the employee made the advances in first half of the year, then will settle the balance by repayments or claim of expenses with invoices before the end of the financial year, which is same as last period.

## 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 period under review.

## **EMPLOYEE INFORMATION**

As at 30 June 2025, the Group had 401 employees (six months ended 30 June 2024: 649), including both PRC and Hong Kong employees. Remuneration and bonus policy are primarily determined by the performance of the individual employees and financial results of the Group. Total staff costs for the reported period were approximately RMB20,026,000 (six months ended 30 June 2024: approximately RMB28,835,000).

The Group has adopted a share option scheme whereby certain employees of the Group granted options to acquire shares.

## **CHARGE ON GROUP ASSETS**

As at 30 June 2025, the owned properties of the Group located in Hangzhou with an aggregate net carrying amount of approximately RMB7,368,000 (31 December 2024: approximately RMB7,534,000) were used to secure the banking facilities.

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

Details of the Group's future plans for material investments or capital assets and their expected source of funding have been stated in the Company's prospectus dated 30 August 2001 under the sections headed "Statement of Business Objectives" and "Reasons for the New Issue and Use of Proceeds" respectively.

## **EXPOSURE TO EXCHANGE RATE FLUCTUATION**

The Group's revenue generating operations are mainly transacted in RMB. The Directors consider the impact of foreign exchange exposure to the Group is minimal.

## **CONTINGENT LIABILITIES**

As at 30 June 2025, the Group did not have any material contingent liabilities (31 December 2024: Nil).

## **PROSPECTS OF NEW PRODUCTS**

Please refer to the Business Review in the section of Management Discussion and Analysis for a discussion on this.

## 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 June 2025, 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 shareholder            | Capacity/<br>Nature of interest    | Number of shares held          |                | Percentage of shareholding |
|--------------------------------|------------------------------------|--------------------------------|----------------|----------------------------|
|                                |                                    | Long position                  | Short position |                            |
| Goldcorp Industrial Limited    | Beneficial owner                   | 136,307,500<br>(note 1)        | —              | 10.35%                     |
| Great Song Enterprises Limited | Interest of controlled corporation | 136,307,500<br>(notes 1 and 2) | —              | 10.35%                     |
| Mr. Hung Yung Lai              | Interest of controlled corporation | 136,307,500<br>(notes 2 and 4) | —              | 10.35%                     |
|                                | Beneficial owner                   | 38,532,500                     | —              | 2.92%                      |
| Ms. Li Kei Ling                | Interest of controlled corporation | 136,307,500<br>(notes 2 and 3) | —              | 10.35%                     |
| Mdm. Iu Pun                    | Interest of spouse                 | 174,840,000<br>(note 5)        | —              | 13.27%                     |
| Mr. Lin Xue Xin                | Beneficial owner                   | 118,560,000                    | —              | 9.00%                      |
| Ms. Zhou Cuilian               | Interest of spouse                 | 120,003,382<br>(note 6)        | —              | 9.11%                      |
| Mr. Li Dong                    | Beneficial owner                   | 65,860,000                     | —              | 5.00%                      |
| Ms. Lei Ying                   | Interest of spouse                 | 69,409,300<br>(note 7)         | —              | 5.27%                      |

**(b) Share options**

| <b>Name of shareholder</b> | <b>Capacity/Nature of interest</b> | <b>Number of Share options held</b> |
|----------------------------|------------------------------------|-------------------------------------|
| Mr. Lin Xue Xin            | Beneficial owner                   | 1,443,382                           |
| Mr. Li Dong                | Beneficial owner                   | 3,549,300                           |

*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 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.
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 1,443,382 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 3,549,300 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 June 2025, 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 June 2025, 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/<br>Short Position | Capacity/Nature<br>of interests | Interests in<br>ordinary shares | Interest in<br>underlying<br>shares of share<br>options | Aggregate<br>interests | Percentage<br>of aggregate<br>interests to<br>total issued<br>share capital of<br>the Company |
|-------------------|-------------------------|---------------------------------|---------------------------------|---------------------------------------------------------|------------------------|-----------------------------------------------------------------------------------------------|
| Mr. Lin Xue Xin   | Long Position           | Beneficial owner                | 118,560,000                     | 1,443,382                                               | 120,003,382            | 9.11%                                                                                         |
| Mr. Li Dong       | Long Position           | Beneficial owner                | 65,860,000                      | 3,549,300                                               | 69,409,300             | 5.27%                                                                                         |
| Mr. Hung Ying     | Long Position           | Beneficial owner                | 14,547,500                      | 1,567,608                                               | 16,115,108             | 1.22%                                                                                         |
| Mr. Pao Ping Wing | Long Position           | Beneficial owner                | –                               | 307,606                                                 | 307,606                | 0.02%                                                                                         |

Save as disclosed above, as at 30 June 2025, 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 "2016 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 2016 AGM.

Pursuant to the ordinary resolution passed by the shareholders at the annual general meeting of the Company held on 11 May 2018 (the "2018 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 2018 AGM.

Pursuant to the ordinary resolution passed by the shareholders at the annual general meeting of the Company held on 30 June 2025 (the "2025 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 131,724,000 shares under the refreshed mandate limit, representing approximately 10% of the issued share capital of the Company as at the date of the 2025 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. Options granted on 24 June 2013 were expired during year 2023.

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. Options granted on 15 May 2015 were expired during the six months ended 30 June 2025.

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.

During the six months ended 30 June 2025, no share option was granted and exercised.

The summary details of options granted are as follows:

| Name of directors, continuous contract employees and consultants | Exercise period              | Adjusted exercise price<br>HK\$ | Number of share options outstanding as at 1 January 2025 | 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 30 June 2025 |
|------------------------------------------------------------------|------------------------------|---------------------------------|----------------------------------------------------------|---------------------------------------------------|-----------------------------------------------------|--------------------------------------------------|--------------------------------------------------------|
| 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)                                      | –                                                      |
| Li Dong                                                          | 15 May 2015 to 14 May 2025   | 0.3635                          | 1,774,650                                                | –                                                 | –                                                   | (1,774,650)                                      | –                                                      |
| Continuous contract employees (other than directors)             | 15 May 2015 to 14 May 2025   | 0.3635                          | 6,861,980                                                | –                                                 | –                                                   | (6,861,980)                                      | –                                                      |
| 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                                              |
| Li Dong                                                          | 7 April 2017 to 6 April 2027 | 0.1538                          | 3,549,300                                                | –                                                 | –                                                   | –                                                | 3,549,300                                              |
| Pao Ping Wing                                                    | 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                          | 9,109,870                                                | –                                                 | –                                                   | –                                                | 9,109,870                                              |
| Consultants                                                      | 7 April 2017 to 6 April 2027 | 0.1538                          | 32,422,855                                               | –                                                 | –                                                   | –                                                | 32,422,855                                             |
|                                                                  |                              |                                 | <u>62,834,441</u>                                        | <u>–</u>                                          | <u>–</u>                                            | <u>(14,433,820)</u>                              | <u>48,400,621</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 six months ended 30 June 2025.

## **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 C1 of the GEM Listing Rules save for the deviation from code provision C.2.1 of the CG Code 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 six months ended 30 June 2025 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 six months ended 30 June 2025.

## **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. Chan Tsang Mo and other members include Mr. Lin Xue Xin, Mr. Pao Ping Wing and Ms. Chen Xinai.

## 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. Lin Xue Xin and other members include Mr. Pao Ping Wing, Mr. Chan Tsang Mo and Ms. Chen Xinai.

## 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. Chan Tsang Mo and other members include Mr. Pao Ping Wing and Ms. Chen Xinai, all of them are independent non-executive directors.

The Group's unaudited results for the six months ended 30 June 2025 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*)  
Zang Jingjing (*Executive Director*)  
Li Dong (*Executive Director*)  
Cai Jin (*Executive Director*)  
Pao Ping Wing (*Independent Non-Executive Director*)  
Chen Xinai (*Independent Non-Executive Director*)  
Chan Tsang Mo (*Independent Non-Executive Director*)

Hangzhou City, the PRC, 14 August 2025

*The announcement will remain on the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) 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 ([www.singlee.com.cn](http://www.singlee.com.cn))*