



## **SING LEE SOFTWARE (GROUP) LIMITED**

**新利軟件(集團)股份有限公司\***

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 8076)**

### **THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023**

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

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a high investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

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

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*This announcement, for which the directors of Sing Lee Software (Group) Limited (the “Company”) (the “Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

\* For identification purposes only

## RESULTS

The board of Directors (the “Board”) of Sing Lee Software (Group) Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the nine months ended 30 September 2023, together with the unaudited comparative figures for the corresponding periods in 2022, as follows:

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

For the nine months ended 30 September 2023

		Three months ended 30 September		Nine months ended 30 September	
	Notes	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
<b>Revenue</b>					
– Contracts with customers	2	11,639	19,168	34,694	38,626
Cost of sales and services		(13,418)	(19,013)	(41,577)	(58,100)
<b>Gross (Loss)/Profit</b>		<b>(1,779)</b>	155	<b>(6,883)</b>	(19,474)
Other income	3	185	654	984	1,248
Impairment losses under expected credit loss model, net of reversal on trade receivables and contract assets		85	–	131	4
Other gains and losses		(344)	(847)	(1,571)	(1,219)
Distribution and selling expenses		(953)	(1,114)	(3,125)	(3,993)
Administrative expenses		(3,203)	(3,685)	(11,467)	(11,001)
Finance costs		(282)	(248)	(872)	(828)
<b>Loss before tax</b>		<b>(6,291)</b>	(5,085)	<b>(22,803)</b>	(35,263)
Income tax expense	4	–	–	–	–
<b>Loss and total comprehensive expenses for the period</b>		<b>(6,291)</b>	(5,085)	<b>(22,803)</b>	(35,263)
<b>Loss per share</b>					
– Basic (RMB cents)	5	<b>(0.48)</b>	(0.39)	<b>(1.73)</b>	(2.68)
– Diluted (RMB cents)	5	<b>(0.48)</b>	(0.39)	<b>(1.73)</b>	(2.68)

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2023

	Share Capital RMB'000	Share premium RMB'000	Statutory reserve RMB'000	Shareholder's contribution RMB'000	Translation reserve RMB'000	Share-based payments reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2023 (Audited)	12,538	179,132	3,613	6,641	5,217	6,311	(173,998)	39,454
Loss and total comprehensive expenses for the period	-	-	-	-	-	-	(22,803)	(22,803)
Lapse of share options	-	-	-	-	-	(240)	240	-
At 30 September 2023 (Unaudited)	<u>12,538</u>	<u>179,132</u>	<u>3,613</u>	<u>6,641</u>	<u>5,217</u>	<u>6,071</u>	<u>(196,561)</u>	<u>16,651</u>
At 1 January 2022 (Audited)	12,538	179,132	3,613	786	5,217	6,631	(155,937)	51,980
Loss and total comprehensive expenses for the period	-	-	-	-	-	-	(35,263)	(35,263)
At 30 September 2022 (Unaudited)	<u>12,538</u>	<u>179,132</u>	<u>3,613</u>	<u>786</u>	<u>5,217</u>	<u>6,631</u>	<u>(191,200)</u>	<u>16,717</u>

Under the Companies Act 1981 of Bermuda (“Companies Act”), share premium is distributable to shareholders, subject to the condition that the Company cannot declare or pay a dividend, or make a distribution out of share premium and other reserves if (i) it is, or would after the payment be, unable to pay its liabilities as they become due, or (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital account.

As stipulated by the relevant laws and regulations for foreign investment enterprises in the People’s Republic of China (the “PRC”), the Company’s PRC subsidiaries are required to maintain two statutory reserves, being an enterprise expansion fund and a statutory surplus reserve fund which are non-distributable. Appropriations to such reserves are made out of net profit after taxation reported in the statutory financial statements of the PRC subsidiaries while the amounts and allocation basis are decided by their respective boards of directors annually. The statutory surplus reserve fund can be used to make up their prior year losses, if any, and can be applied in conversion into capital by means of capitalisation issue. The enterprise expansion fund can be used for expanding the capital base of the PRC subsidiaries by means of capitalisation issue.

On 30 September 2017, Mr. Hung Yung Lai, being the Chairman and executive director (*resigned on 1 November 2022*) and controlling shareholder of the Company, waived the balance due to him of approximately RMB786,000. The amount has been capitalised as shareholder’s contribution.

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

## 1. GENERAL

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

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

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

The accounting policies adopted are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2022 (the “2022 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 2022 Consolidated Financial Statements. The adoption of the New IFRSs has no material impact on the accounting policies in the Group’s condensed consolidated financial statements for the period.

## 2. REVENUE

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

	Three months ended		Nine months ended	
	30 September		30 September	
	2023	2022	2023	2022
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Sales of software products	<b>616</b>	1,400	<b>2,310</b>	2,968
Sales of related hardware products	<b>31</b>	1,357	<b>244</b>	1,664
Provision of technical support services	<b>10,992</b>	16,411	<b>32,140</b>	33,994
	<b>11,639</b>	19,168	<b>34,694</b>	38,626

### 3. OTHER INCOME

	Three months ended		Nine months ended	
	30 September		30 September	
	2023	2022	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest income	55	(19)	200	118
Others	130	673	784	1,130
	<u>185</u>	<u>654</u>	<u>984</u>	<u>1,248</u>

### 4. INCOME TAX EXPENSE

Hangzhou Singlee Technology Company Limited (“Singlee Technology”), a subsidiary of the Company, was established in Hangzhou, PRC, with applicable tax rate of 25%. Singlee Technology is a High and New Technology Enterprise defined by Zhejiang Finance Bureau, Administrator of Local Taxation of Zhejiang Municipality and Zhejiang Municipal Office of the State Administration of Taxation and therefore is entitled to 15% preferential tax rate for PRC EIT starting from 2010. Accordingly, the tax rate for Singlee Technology is 15% for the nine months ended 30 September 2023 and 2022.

According to the PRC EIT law, the applicable tax rate of Hangzhou Singlee Software Company Limited and Xin Yintong Technology Co., Ltd is 25% for the nine months ended 30 September 2023 and 2022.

No provision for Hong Kong Profits Tax has been made as the Group had no estimated assessable profits arising from Hong Kong during the nine months ended 30 September 2023 and 2022.

PRC enterprise income tax has not been provided as the Group had no estimated assessable profits arising from PRC for the nine months ended 30 September 2023 (nine months ended 30 September 2022: Nil).

## 5. LOSS PER SHARE

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

	Three months ended		Nine months ended	
	30 September		30 September	
	2023	2022	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Loss for the period attributable to owners of the Company for the purposes of basic and diluted loss per share	<u>(6,291)</u>	<u>(5,085)</u>	<u>(22,803)</u>	<u>(35,263)</u>
	Three months ended		Nine months ended	
	30 September		30 September	
	2023	2022	2023	2022
	'000	'000	'000	'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares for the purpose of basic loss per share	1,317,240	1,317,240	1,317,240	1,317,240
Effect of dilutive potential ordinary shares – Share options	–	–	–	–
Weighted average number of ordinary shares for the purpose of diluted loss per share	<u>1,317,240</u>	<u>1,317,240</u>	<u>1,317,240</u>	<u>1,317,240</u>

The computation of diluted loss per share for the nine months ended 30 September 2023 and 2022 does not assume the exercise of certain options because the exercise prices of those options were higher than the average market prices.

## 6. DIVIDEND

The Board does not recommend the payment of dividend for the nine months ended 30 September 2023 (nine months ended 30 September 2022: Nil).

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW AND RESULTS OF OPERATIONS

For the nine months ended 30 September 2023, the Group recorded a total revenue of approximately RMB34,694,000, a decrease of 10% as compared to the same period of last year (For the nine months ended 30 September 2022: approximately RMB38,626,000). The decrease in the turnover of the Group was mainly attributable to the decrease in contracts. Cost of sales for the nine months ended 30 September 2023 is decreased by 28% to approximately RMB41,577,000 (For the nine months ended 30 September 2022: approximately RMB58,100,000). In addition to decrease in staff costs, cost of sales decreased in line with business activities.

Administrative expenses for the nine months ended 30 September 2023 is approximately RMB11,467,000 (For the nine months ended 30 September 2022: approximately RMB11,001,000), which remains stable. For the distribution and selling expenses for the nine months ended 30 September 2023 is decreased by 22% to approximately RMB3,125,000 (For the nine months ended 30 September 2022: approximately RMB3,993,000). The decrease in distribution and selling expenses was mainly due to our effective cost control measures. Other income mainly included refund of value added tax and interest income; and other gains and losses included exchange differences and fair value changes in financial assets at fair value through profit or loss.

Finance costs for the nine months ended 30 September 2023 is approximately RMB872,000 (For the nine months ended 30 September 2022: approximately RMB828,000), which remains stable.

The Group recorded net loss amounted to approximately RMB22,803,000 for the nine months ended 30 September 2023 (For the nine months ended 30 September 2022: approximately RMB35,263,000). Decrease of 35% as compared to the same period of last year. The decrease in loss was mainly attributable to decrease in staff costs.

We will continue striving our best to increase sales and strengthen our cost control measures. With the products of our Group becoming more mature in the market and the effective cost control, we expect that financial results of the group would be further improved in the coming quarter.

## **BUSINESS REVIEW**

### **Overall Business of the Group for the Third Quarter of 2023**

On October 30, the Industrial and Commercial Bank of China, the Agricultural Bank of China, the Bank of China, the China Construction Bank, the Bank of Communications and the Postal Savings Bank of China announced that they would continue to support businesses and the public with different initiatives that could further lower the operating costs of the real economy and alleviate the burden on financial consumers while maintaining the existing fee reduction and profit-sharing policies.

With the fee reduction policies in place, banks recorded a drop in revenue and hence looked for simpler and more affordable payment products. Therefore, the Group relied on SAAS, UPAY, and Small and Micro Cloud Shop to provide customers with targeted solutions. We also offered enhanced services by facilitating the integration of the sales, delivery and merchant service teams. Meanwhile, the slowdown in bank business processes in the third quarter also challenged the progress of contract execution, acceptance, and payment collection.

The implementation of Document No. 259 by the People's Bank of China reflects the central bank's commitment to regulate and reform the acquiring market. With the higher importance attached to the management and development of the acquiring market, accelerating the implementation of Document No. 259 also became a priority. Payment institutions had to complete the reform of non-standard merchants by May, confirm the list of new merchants by September 30, and reform existing business by the end of December.

Document No. 259 promotes the standardized management of the acquiring market and helps create a healthy competitive environment that makes the Group feel confident about the market outlook.

Amidst the trend of digitalization in the financial industry and the reform of autonomous systems, the Group actively participated in the upgrades of digitalized systems, obtained a joint certificate issued by the General Software and Hardware Adaptation Certification Center, and secured two clients during the third quarter.

## **FUTURE OUTLOOK**

The Group will continue to pursue product innovation powered by new technologies to adapt to the needs of the customers and the competitive environment. By introducing upgraded and next-generation products designed for financial customers and merchants, the Group is determined to stride forwards with customers together for a win-win result.

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

## OTHER INFORMATION

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

So far as is known to any directors or chief executives of the Company, as at 30 September 2023, 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/ Nature of interest	Number of shares held		Percentage of shareholding
		Long position	Short position	
Goldcorp Industrial Limited	Beneficial owner	136,307,500 (note 1)	—	10.35%
Great Song Enterprises Limited	Interest of controlled corporation	136,307,500 (notes 1 and 2)	—	10.35%
Mr. Hung Yung Lai	Interest of controlled corporation	136,307,500 (notes 2 and 4)	—	10.35%
	Beneficial owner	38,532,500	—	2.92%
Ms. Li Kei Ling	Interest of controlled corporation	136,307,500 (notes 2 and 3)	—	10.35%
Mdm. Iu Pun	Interest of spouse	174,840,000 (note 5)	—	13.27%
Mr. Lin Xue Xin	Beneficial owner	118,560,000	—	9.00%
Ms. Zhou Cuilian	Interest of spouse	123,552,682 (note 6)	—	9.38%
Mr. Li Dong	Beneficial owner	65,860,000	—	5.00%
Ms. Lei Ying	Interest of spouse	71,775,500 (note 7)	—	5.45%

(b) *Share options*

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

*Notes:*

1. Goldcorp Industrial Limited is a limited liability company incorporated in the British Virgin Islands equally owned by Mr. Hung Yung Lai and Great Song Enterprises Limited which in turn is wholly owned by Ms. Li Kei Ling.
2. The shares were held by Goldcorp Industrial Limited.
3. Ms. Li Kei Ling controls more than one third of the voting power of Great Song Enterprises Limited which in turn holds more than one third of the voting power of Goldcorp Industrial Limited. Ms. Li Kei Ling is deemed, by virtue of the SFO, to be interested in the same 136,307,500 shares held by Goldcorp Industrial Limited.
4. Mr. Hung Yung Lai controls more than one third of the voting power of Goldcorp Industrial Limited. Mr. Hung Yung Lai is deemed, by virtue of the SFO, to be interested in the same 136,307,500 shares held by Goldcorp Industrial Limited.
5. These shares are beneficially owned by Goldcorp Industrial Limited as mentioned in Note 4 of above. Mr. Hung Yung Lai is deemed to be interested in the same 136,307,500 shares held by Goldcorp Industrial Limited. Mdm. Iu Pun is the spouse of Mr. Hung Yung Lai and is deemed to be interested in these shares in which Mr. Hung Yung Lai is deemed or taken to be interested for the purpose of the SFO. She is also deemed to be interested in the 38,532,500 shares beneficially owned by Mr. Hung Yung Lai for the purpose of SFO.
6. Ms. Zhou Cuilian is the spouse of Mr. Lin Xue Xin. Accordingly, Ms. Zhou Cuilian is deemed or taken to be interested in the 4,992,682 share options and the 118,560,000 shares in which Mr. Lin Xue Xin is interested in under the SFO.
7. Ms. Lei Ying is the spouse of Mr. Li Dong. Accordingly, Ms. Lei Ying is deemed or taken to be interested in the 5,915,500 share options and the 65,860,000 shares in which Mr. Li Dong is interested in under the SFO.

Save as disclosed above, as at 30 September 2023, the Company were not aware of any other person (other than directors or chief executives of the Company) who had an interest or short position in the shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the SFO, or who was interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group or any other substantial shareholders as recorded in the register required to be kept by the Company under Section 336 of the SFO.

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

As at 30 September 2023, the interests or short positions of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he/she is taken or deemed to have under such provisions of the SFO); or which were required to be entered into the register required to be kept by the Company, pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.48 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

### Directors' interests in securities of the Company:

Name of Directors	Long/ Short Position	Capacity/Nature of interests	Interests in ordinary shares	Interest in underlying shares of share options	Aggregate interests	Percentage of aggregate interests to total issued share capital of the Company
Mr. Lin Xue Xin	Long Position	Beneficial owner	118,560,000	4,992,682	123,552,682	9.38%
Mr. Hung Ying	Long Position	Beneficial owner	14,547,500	3,862,822	18,410,322	1.40%
Mr. Pao Ping Wing	Long Position	Beneficial owner	–	307,606	307,606	0.02%
Mr. Lo King Man	Long Position	Beneficial owner	–	307,606	307,606	0.02%

Save as disclosed above, as at 30 September 2023, none of the Directors and chief executives of the Company had any interests or short positions in any shares, underlying shares and debenture of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provision of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.48 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

## SHARE OPTION SCHEME

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

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

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

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

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

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

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

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

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

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

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

On 10 January 2011, the Company granted 65,000,000 share options to subscribe for shares in the Company under the Share Option Scheme at an exercise price of HK\$0.730 per share to Mr. Hung Yung Lai, Chairman of the Group (resigned on 1 November 2022). Shares of the Company were at closing price of HK\$0.730 immediately before the day on which options were granted. The grant of share options to Mr. Hung Yung Lai and the specific mandate to allot, issue and deal with the shares of the Company upon conversion of the foregoing share options were approved by the SGM held on 28 February 2011. Options granted on 10 January 2011 were expired during year 2021.

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

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

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

The summary details of options granted are as follows:

Name of directors, continuous contract employees and consultants	Exercise period	Adjusted exercise price HK\$	Number of share options outstanding as at 1 January 2023	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 September 2023
Hung Ying	24 June 2013 to 23 June 2023	0.0948	47,324	–	–	(47,324)	–
Li Dong	24 June 2013 to 23 June 2023	0.0948	591,550	–	–	(591,550)	–
Continuous contract employees (other than directors)	24 June 2013 to 23 June 2023	0.0948	4,969,020	–	–	(4,969,020)	–
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
Thomas Tam	7 April 2017 to 6 April 2027	0.1538	307,606	–	–	(307,606)	–
Lo King Man	7 April 2017 to 6 April 2027	0.1538	307,606	–	–	–	307,606
Continuous contract employees (other than directors)	7 April 2017 to 6 April 2027	0.1538	11,381,422	–	–	–	11,381,422
Consultants	7 April 2017 to 6 April 2027	0.1538	32,422,855	–	–	–	32,422,855
			<u>71,329,099</u>	<u>–</u>	<u>–</u>	<u>(5,915,500)</u>	<u>65,413,599</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.

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

During the nine months ended 30 September 2023, the Group did not have any material acquisitions and disposals of subsidiaries and affiliated companies.

## **COMPETITION AND CONFLICT OF INTERESTS**

None of the Directors, management shareholders or substantial shareholders of the Company or any of their respective associates, as defined in GEM Listing Rules, has engaged in any business that competes or may compete, either directly or indirectly, with the business of the Group or has any other conflict or interests with the Group during the nine months ended 30 September 2023.

## **CORPORATE GOVERNANCE PRACTICES**

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

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

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted the code of conduct regarding directors' securities transactions during the nine months ended 30 September 2023 as set out in GEM Listing Rules 5.48 to 5.67. The Company has made specific enquiry of all the Directors and the Company was not aware of any non-compliance with the required standard of dealings regarding the securities transactions by Directors.

Specific employees who are likely to be possession of unpublished price-sensitive information of the Group are also subject to compliance with the same Code of Conduct. No incident of non-compliance was noted by the Company for the nine months ended 30 September 2023.

## **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 Mr. Lo King Man.

## **NOMINATION COMMITTEE**

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

## AUDIT AND RISK MANAGEMENT COMMITTEE

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

The Group's unaudited results for the nine months ended 30 September 2023 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*)  
Chan Tsang Mo (*Independent Non-Executive Director*)  
Pao Ping Wing (*Independent Non-Executive Director*)  
Lo King Man (*Independent Non-Executive Director*)

Hong Kong, 10 November 2023

*The announcement will remain on the website of the Stock Exchange at [www.hkexnews.hk](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>).*