



SING LEE SOFTWARE (GROUP) LIMITED

新利軟件(集團)股份有限公司*

(Incorporated in the Bermuda with limited liability)

(Stock Code: 8076)

**FIRST QUARTERLY REPORT
FOR THE THREE MONTHS ENDED
31 MARCH 2015**

* *For identification purposes only*

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

GEM has been positioned as a market designed to accommodate companies to which a high investment risk may be attached other than companies listed on the 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, 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 report, 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 the Growth Enterprise Market 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 report 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 report misleading.

RESULTS

The board of directors (the “Board”) of Sing Lee Software (Group) Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the three months ended 31 March 2015, together with the unaudited comparative figures for the corresponding period in 2014, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		(Unaudited)	
		Three months ended	
		31 March	
		2015	2014
	<i>Notes</i>	RMB'000	<i>RMB'000</i>
Revenue	2	3,340	5,257
Cost of sales		(4,809)	(4,734)
Gross (loss) profit		(1,469)	523
Other income	3	6	15
Other gains and losses		(53)	(444)
Distribution and selling expenses		(2,500)	(2,715)
Administrative expenses		(3,326)	(3,523)
Recovery on trade receivables		174	12
Research and development costs		(2,745)	(1,983)
Finance costs		(201)	(284)
Loss before tax		(10,114)	(8,399)
Income tax expense	4	-	-
Loss and total comprehensive expense for the period		(10,114)	(8,399)
Loss per share			
- Basic (<i>RMB cents</i>)	5	(1.20)	(1.00)
- Diluted (<i>RMB cents</i>)	5	(1.20)	(1.00)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2015

	Share capital <i>RMB'000</i>	Share premium <i>RMB'000</i>	Statutory reserve <i>RMB'000</i>	Translation reserve <i>RMB'000</i>	Share options reserve <i>RMB'000</i>	Accumulated losses <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2015 (Audited)	8,360	155,185	3,613	5,217	30,324	(214,269)	(11,570)
Loss and total comprehensive expense for the period	-	-	-	-	-	(10,114)	(10,114)
Lapse of share options	-	-	-	-	(48)	48	-
At 31 March 2015 (Unaudited)	<u>8,360</u>	<u>155,185</u>	<u>3,613</u>	<u>5,217</u>	<u>30,276</u>	<u>(224,335)</u>	<u>(21,684)</u>
At 1 January 2014 (Audited)	8,352	155,143	3,613	5,217	30,102	(215,168)	(12,741)
Loss and total comprehensive expense for the period	-	-	-	-	-	(8,399)	(8,399)
Lapse of share options	-	-	-	-	(324)	324	-
Recognition of equity-settled share based payments	-	-	-	-	302	-	302
At 31 March 2014 (Unaudited)	<u>8,352</u>	<u>155,143</u>	<u>3,613</u>	<u>5,217</u>	<u>30,080</u>	<u>(223,243)</u>	<u>(20,838)</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 capital reserve if (i) it is, or would after the payment be, unable to pay its liabilities as they become due, or (ii) the realizable 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 capitalization issue. The enterprise expansion fund is used for expanding the capital base of the PRC subsidiaries by means of capitalization issue.

Notes:

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 principal accounting policies and methods of computation adopted for the preparation of the unaudited consolidated financial statements are consistent with those adopted by the Group in its audited annual financial statements for the year ended 31 December 2014.

2. REVENUE

Revenue represents income from sale of computer software and hardware, and maintenance income. Revenue comprises the following:

	(Unaudited)	
	Three months ended	
	31 March	
	2015	2014
	RMB'000	RMB'000
Sales of software products	574	665
Sales of related hardware products	41	67
Provision of software-related technical support services	2,725	4,525
	3,340	5,257

3. OTHER INCOME

	(Unaudited)	
	Three months ended	
	31 March	
	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>
Others	-	-
Interest income	<u>6</u>	<u>15</u>
	<u>6</u>	<u>15</u>

4. INCOME TAX EXPENSE

	(Unaudited)	
	Three months ended	
	31 March	
	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>
Income tax expense	<u>-</u>	<u>-</u>

No provision for Hong Kong Profits Tax has been made as the Group had no estimated assessable profits arising from Hong Kong during the three months ended 31 March 2015 and 2014.

PRC enterprise income tax has not been provided as the Group had no estimated assessable profits arising from PRC for the three months ended 31 March 2015 (three months ended 31 March 2014: Nil).

There was no significant unprovided deferred taxation for the reported periods.

5. LOSS PER SHARE

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

(Unaudited)	
Three months ended	
31 March	
2015	2014
RMB'000	RMB'000

Loss for the period attributable to owners of the Company for the purposes of basic and diluted loss per share

<u>(10,114)</u>	<u>(8,399)</u>
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(Unaudited)	
Three months ended	
31 March	
2015	2014
'000	'000

Weighted average number of ordinary shares for the purposes of basic and diluted loss per share

<u>840,730</u>	<u>839,730</u>
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6. DIVIDEND

The Board does not recommend the payment of dividend for the three months ended 31 March 2015 (three months ended 31 March 2014: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial review and results of operations

For the three months ended 31 March 2015, the Group recorded a total revenue of approximately RMB3,340,000, and decrease of 36% as compared to the same period of last year (For the three months ended 31 March 2014: approximately RMB5,257,000). The decrease in the turnover of the Group was mainly attributable to the decrease in the revenue of the Group's provision of software-related technical support service. Cost of sales for the three months ended 31 March 2015 increased by 2% to approximately RMB4,809,000 (For the three months ended 31 March 2014: approximately RMB4,734,000). Increase in cost of sales mainly due to more technical staff was hired under technical service department for higher quality products and services in the current period.

Administrative expenses for the three months ended 31 March 2015 is decreased by 6% to approximately RMB3,326,000 (For the three months ended 31 March 2014: approximately RMB3,523,000). For the distribution and selling expenses, it is decreased by 8% to RMB2,500,000 (For the three months ended 31 March 2014: approximately RMB2,715,000). The decrease in administrative expenses and distribution and selling expenses were due to our effective cost control measures. Besides, research and development costs increased by 38% to approximately RMB2,745,000 (For the three months ended 31 March 2014: approximately RMB1,983,000) because the Group allocated more resources on researching the new technology aiming at increasing our market share. Other income included interest income and other gains and losses included exchange differences and fair value changes in investment fund.

Finance costs for three months ended 31 March 2015 was approximately RMB201,000, not much movement when compared to the same period of last year. (For the three months ended 31 March 2014: approximately RMB284,000).

The Group recorded a loss of approximately RMB10,114,000 for the three months ended 31 March 2015, a increase of 20% as compared to the same period of last year (For the three months ended 31 March 2014: net loss approximately RMB8,399,000). Increase in cost of sales is the main factors leading to the increase in loss.

During the three months ended 31 March 2015, the Company recorded equity-settled share-based payment of RMB Nil (For the three months ended 31 March 2014: RMB302,000). The equity-settled share-based payment for the three months ended 31 March 2014 was allocated between the cost of sales, distribution and selling expenses and administrative expenses amounting to RMB44,000, RMB25,000 and RMB233,000 respectively.

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

BUSINESS REVIEW

Overall Business of the Group in the First Quarter

The overall business development of the Group maintained favorable momentum throughout the first quarter of 2015, with increasing market shares of its three mainstay products (i.e. “Bank-Business Express”, capital and risk control products and banking outsourcing service products). However, as the first quarter of each year is the slack season for the industry despite increases in manpower and more efforts in market research, it is expected that such increase and efforts made in the first quarter would not immediately bring about any revenue until the third quarter, thus resulting in an increase in loss as compared to the same period in 2014.

As the government constantly opens up more and more sectors to the private capital and the financial market continues its structural reforms in China, the Group has put massive efforts in R&D and invested huge manpower and resources for the relevant products since last year, which eventually shaped into the three mainstay products. The capital and risk control products achieved outstanding performance in serving small-to-medium joint-stock banks, while the “Bank-Business Express” products maintained a steady growth. The flourishing development of medical information has provided opportunities for “Bank-Hospital Express” products to get further upgrades and take a role in the O2O (offline to online) business model in the industry.

OUTLOOK

Banking outsourcing service products and “Bank-School Express” remain the core big data products of the Group. Based on the mobile payment business, the Group will take advantage of the operation maintenance products arising from traditional businesses to consolidate its big data and online and offline businesses, so as to initiate its unique O2O (offline to online) model. Meanwhile, the Group has been further exploring the feasibility of cooperation with banks.

Our businesses will keep growing in 2015, while we will continue to implement stringent cost control and strengthen our risk control over overall and individual business operations, with a view to achieving better effect in identifying new revenue streams and lowering the costs as compared to last year.

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

So far as is known to any directors or chief executives of the Company, as at 31 March 2015, 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	287,855,000 <i>(note 1)</i>	–	34.28%
Great Song Enterprises Limited	Beneficial owner	287,855,000 <i>(note 1 and 2)</i>	–	34.28%
Mr. Hung Yung Lai	Corporate interest	287,855,000 <i>(notes 2 and 4)</i>	–	34.28%
	Beneficial owner	16,025,000	–	1.91%
Ms. Li Kei Ling	Corporate interest	287,855,000 <i>(notes 2 and 3)</i>	–	34.28%
Mdm. Iu Pun	Family interest	368,880,000 <i>(note 5)</i>	–	43.93%

b) Share options

Name of shareholder	Capacity/ Nature of interest	Number of options held	Number of underlying shares
Mr. Hung Yung Lai	Beneficial owner	65,000,000	65,000,000

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 287,855,000 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 287,855,000 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 287,855,000 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 65,000,000 share options and the 16,025,000 shares beneficially owned by Mr. Hung Yung Lai as mentioned in Note 4 above for the purpose of SFO.

Save as disclosed above, as at 31 March 2015, the directors or chief executives of the Company were not aware of any other person (other than directors or chief executives of the Company) who had an interest or short position in the shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the SFO, or who was interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group or any other substantial shareholders as recorded in the register required to be kept by the Company under Section 336 of the SFO.

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

As at 31 March 2015, 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:

Shares in the Company:

Name of directors	Capacity/ Nature of interest	Number of shares held		Percentage of shareholding
		Long position	Short position	
Mr. Hung Yung Lai	Corporate interest	287,855,000 <i>(note 1)</i>	-	34.28%
	Beneficial owner	16,025,000	-	1.91%
Mr. Hung Ying	Beneficial owner	4,040,000	-	0.48%

Shares in associated corporation:

Name of director	Capacity/ Nature of interest	Number of ordinary shares held in Goldcorp Industrial Limited <i>(note 2)</i>		Percentage of shareholding
		Long position	Short position	
Mr. Hung Yung Lai	Beneficial owner	1	-	50%

Notes:

1. The Shares were held by Goldcorp Industrial Limited. Mr. Hung Yung Lai has 50% interest in Goldcorp Industrial Limited.
2. The entire issued capital of Goldcorp Industrial Limited as of 31 March 2015 composed of 2 ordinary shares.

Save as disclosed above, as at 31 March 2015, 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 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 existing Scheme. The principal terms of the New Scheme are similar 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.

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.

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.

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.

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

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.

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.

The summary details of options granted are as follows:

Name of directors and employees	Exercise period	Number of share options outstanding as at 1 January 2015	Number of share options granted during the period	Number of share options exercised during the period	Number of share options cancelled during the period	Number of share options lapsed during the period	Number of share options outstanding as at 31 March 2015
Continuous contract employees (other than directors)	9 April 2008 to 8 October 2017	18,850,000	-	-	-	-	18,850,000
Pao Ping Wing	19 July 2010 to 18 January 2020	600,000	-	-	-	-	600,000
Tam Kwok Hing	19 July 2010 to 18 January 2020	600,000	-	-	-	-	600,000
Lo King Man	19 July 2010 to 18 January 2020	600,000	-	-	-	-	600,000
Hung Ying	19 July 2010 to 18 January 2020	2,500,000	-	-	-	-	2,500,000
Continuous contract employees (other than directors)	19 July 2010 to 18 January 2020	8,670,000	-	-	-	(450,000)	8,220,000
Hung Ying	16 February 2011 to 15 August 2020	1,550,000	-	-	-	-	1,550,000
Continuous contract employees (other than directors)	16 February 2011 to 15 August 2020	1,430,000	-	-	-	-	1,430,000
Hung Yung Lai	28 February 2011 to 9 January 2021	65,000,000	-	-	-	-	65,000,000
Continuous contract employees (other than directors)	28 February 2011 to 12 January 2021	13,270,000	-	-	-	-	13,270,000
Hung Ying	24 June 2013 to 23 June 2023	4,040,000	-	-	-	-	4,040,000
Continuous contract employees (other than directors)	24 June 2013 to 23 June 2023	25,850,000	-	-	-	-	25,850,000
		<u>142,960,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(450,000)</u>	<u>142,510,000</u>

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

COMPETITION AND CONFLICT OF INTERESTS

None of the Directors, management shareholders or substantial shareholders of the Company or any of their respective associates, as defined in GEM Listing Rules, has engaged in any business that competes or may compete, either directly or indirectly, with the business of the Group or has any other conflict or interests with the Group during the three months ended 31 March 2015.

CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions in the Corporate Governance Code (the "Code") as set out in Appendix 15 of the GEM Listing Rules throughout the three months ended 31 March 2015.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the code of conduct regarding directors' securities transactions during the three months ended 31 March 2015 as set out in GEM Listing Rules 5.48 to 5.67. The Company has made specific enquiry of all the Directors and the Company was not aware of any non-compliance with the required standard of dealings regarding the securities transactions by Directors.

Specific employees who are likely to be possession of unpublished price-sensitive information of the Group are also subject to compliance with the same Code of Conduct. No incident of non-compliance was noted by the Company for the three months ended 31 March 2015.

REMUNERATION COMMITTEE

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

AUDIT COMMITTEE

The Company established an audit 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 committee are to review and supervise the financial reporting process and internal control system of the Group. The chairman of the audit committee is Mr. Pao Ping Wing and other members include Mr. Tam Kwok Hing and Mr. Lo King Man, all of them are independent non-executive directors.

The Group's unaudited results for the three months ended 31 March 2015 have been reviewed by the audit committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures have been made.

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

The Board comprises of:

Hung Yung Lai (*Executive Director*)

Cui Jian (*Executive Director*)

Hung Ying (*Executive Director*)

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

Tam Kwok Hing (*Independent Non-Executive Director*)

Lo King Man (*Independent Non-Executive Director*)

Hong Kong, 12 May 2015