



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 2013**

* *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 2013, together with the unaudited comparative figures for the corresponding period in 2012, as follows:

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Expressed in Renminbi)

		Three months ended	
		31 March	
		2013	2012
	Notes	RMB'000	RMB'000
Revenue	2	5,131	3,935
Cost of sales		<u>(5,162)</u>	<u>(4,157)</u>
Gross loss		(31)	(222)
Other income	3	140	201
Other gains and losses		107	103
Distribution and selling expenses		(3,639)	(2,953)
Administrative expenses		(5,464)	(5,397)
Recovery of trade receivables previously impaired		1,189	1,120
Research and development costs		(663)	(919)
Finance costs		<u>(222)</u>	<u>(561)</u>
Loss before tax		(8,583)	(8,628)
Income tax expense	4	<u>-</u>	<u>-</u>
Loss and total comprehensive expense for the period		<u>(8,583)</u>	<u>(8,628)</u>
Loss per share			
- Basic <i>(RMB cents)</i>	5	<u>(1.06)</u>	<u>(1.06)</u>
- Diluted <i>(RMB cents)</i>	5	<u>(1.06)</u>	<u>(1.06)</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2013

	Share Capital (Unaudited) <i>RMB'000</i>	Share premium (Unaudited) <i>RMB'000</i>	Statutory reserve (Unaudited) <i>RMB'000</i>	Translation reserve (Unaudited) <i>RMB'000</i>	Share option reserve (Unaudited) <i>RMB'000</i>	Accumulated losses (Unaudited) <i>RMB'000</i>	Total (Unaudited) <i>RMB'000</i>
At 1 January 2013	8,132	151,770	3,613	5,217	38,882	(206,880)	734
Loss and total comprehensive expense for the period	-	-	-	-	-	(8,583)	(8,583)
Recognition of equity-settled share based payments	-	-	-	-	175	-	175
At 31 March 2013	<u>8,132</u>	<u>151,770</u>	<u>3,613</u>	<u>5,217</u>	<u>39,057</u>	<u>(215,463)</u>	<u>(7,674)</u>
At 1 January 2012	8,132	151,770	3,613	5,217	37,110	(195,546)	10,296
Loss and total comprehensive expense for the period	-	-	-	-	-	(8,628)	(8,628)
Recognition of equity-settled share based payments	-	-	-	-	752	-	752
At 31 March 2012	<u>8,132</u>	<u>151,770</u>	<u>3,613</u>	<u>5,217</u>	<u>37,862</u>	<u>(204,174)</u>	<u>2,420</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 results 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 2012.

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	
	2013	2012
	RMB'000	RMB'000
Sale of software products	170	306
Sale of related hardware products	483	722
Provision of software-related technical support services	4,478	2,907
	5,131	3,935

3. OTHER INCOME

	(Unaudited)	
	Three months ended	
	31 March	
	2013	2012
	<i>RMB'000</i>	<i>RMB'000</i>
Others	136	188
Interest income	<u>4</u>	<u>13</u>
	<u>140</u>	<u>201</u>

4. INCOME TAX EXPENSE

	(Unaudited)	
	Three months ended	
	31 March	
	2013	2012
	<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 2013 and 2012.

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 2013 (three months ended 31 March 2012: 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	
2013	2012
<i>RMB'000</i>	<i>RMB'000</i>

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

<u>(8,583)</u>	<u>(8,628)</u>
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(Unaudited)	
Three months ended	
31 March	
2013	2012
<i>'000</i>	<i>'000</i>

Number of ordinary shares for the purposes
of basic and diluted loss per share

<u>811,840</u>	<u>811,840</u>
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6. DIVIDEND

The Board does not recommend the payment of dividend for the three months ended 31 March 2013 (three months ended 31 March 2012: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial review and results of operations

For the three months ended 31 March 2013, the Group recorded a total revenue of approximately RMB5,131,000, representing an increase of 30% as compared to the same period of last year (for the three months ended 31 March 2012: Revenue amounted to approximately RMB3,935,000).

The Group recorded a loss of approximately RMB8,583,000 for the first quarter of 2013, representing a decrease in loss as compared to the same period of last year (for the three months ended 31 March 2012: net loss was approximately RMB8,628,000). Increase in revenue is the factor leading to the decrease in loss.

During the three months ended 31 March 2013, the Company recorded equity-settled share-based payment of approximately RMB175,000 (for the three months ended 31 March 2012: RMB752,000).

We will continue trying our best to increase sales and strengthen our cost control. 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 will be further improved in the coming quarter.

BUSINESS REVIEW

RUNPOS and mobile payment business

Thanks to the significant fall in credit card charges of banks during the year, the Group's RUNPOS second-generation products, particularly "POS-MIS products", "Bank-Hospital Express" and "Bank-Business Express", received increasingly widespread popularity among a number of banks, and were thus in more robust demand. The demand was driven by the rising income generated by banks from other intermediate business with the use of the Group's RUNPOS products in order for them to compensate for the loss resulting from the decrease in income from credit cards. Given this scenario, each of the Group's RUNPOS products will be blessed with bigger and broader realm of market space this year. With these proprietary products, the Group will stand poised for expanding the market base and the number of offline customers for its third-generation RUNPOS products – mobile payment services. We believe that the continued growth and stable source of offline customers will form an indispensable basis from which we can make a move into online business in the coming future.

Future Prospects

The loss incurred by the Group during this quarter was attributable to the stepped up efforts made by the Group on human resources, R&D and technological innovation, especially the great promotion and marketing efforts made on RUNPOS products among sizeable customers and major banks during this quarter. Notwithstanding this, the Group considers that all these efforts are strategically vital to the Group's long-term development and core competitive strength. We have also recorded an increase in contract sum during the first quarter of the year when compared with the same period last year. However, it would take us some time to dedicate greater intensity of endeavours to popularize the use of the Group's RUNPOS products among a vast number of major banks. In this light, the Group considers that its efforts would only be paying off in or around the third quarter this year. While making careful assessment and exercising stringent risk control, we will also strive for achieving our strategic goal for the year by extending intensive efforts on multiple aspects stretching from talent retention, R&D, technological innovation to marketing, and by exploring sources of income and reducing expenditure.

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 2013, 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, 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 interest	287,855,000 <i>(note 1)</i>	-	35.46%
Great Song Enterprises Limited	Corporate interest	287,855,000 <i>(notes 1 and 2)</i>	-	35.46%
Mr. Hung Yung Lai	Corporate interest	287,855,000 <i>(notes 2 and 4)</i>	-	35.46%
Ms. Li Kei Ling	Beneficial owner	16,025,000	-	1.97%
	Corporate interest	287,855,000 <i>(notes 2 and 3)</i>	-	35.46%
Mdm. Iu Pun	Family interest	368,880,000 <i>(note 5)</i>	-	45.44%
UBS AG	Interest of a controlled corporation	45,000,000 <i>(note 6)</i>	-	5.54%
Limex Co.	Corporate interest	22,880,500 <i>(note 7)</i>	-	2.82%
Ms. Li Ling Yu	Corporate interest	22,880,500 <i>(notes 7 and 8)</i>	-	2.82%
Mr. Lee Chuan Teck	Beneficial owner	24,285,000	-	2.99%
	Family interest	47,165,500 <i>(note 9)</i>	-	5.81%

b) Share options

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

Notes:

- 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.
6. According to the disclosure of interests form submitted by UBS AG on 22 October 2010 (the date of relevant event being 20 October 2010), these shares were held through a subsidiary of UBS AG. The 45,000,000 shares (long position) were held in the capacity of having interest of a controlled corporation.
7. The shares were held by Limex Co., which is wholly owned by Ms. Li Ling Yu.
8. Ms. Li Ling Yu controls more than one third of the voting power of Limex Co.. Ms. Li Ling Yu is deemed, by virtue of the SFO, to be interested in the same 22,880,500 shares held by Limex Co..
9. These shares are beneficially owned by Limex Co. as mentioned in Note 8 of above. Ms. Li Ling Yu is deemed to be interested in the same 22,880,500 shares held by Limex Co.. Mr. Lee Chuan Teck is the husband of Ms. Li Ling Yu and is deemed to be interested in these shares in which Ms. Li Ling Yu is deemed or taken to be interested for the purpose of the SFO. He is also deemed to be interested in the 24,285,000 shares beneficially owned by Ms. Li Ling Yu as mentioned in Note 8 above for the purpose of SFO.

Save as disclosed above, as at 31 March 2013, 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 2013, 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 5.46 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 director	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>	-	35.46%
	Beneficial owner	16,025,000	-	1.97%

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	Personal interest	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 2013 composed of 2 ordinary shares. Goldcorp Industrial Limited held 287,855,000 Shares in the Company.

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 8 April 2002 the Company granted 60,230,000 options to subscribe for shares in the Company under the Scheme at an exercise price of HK\$0.614 per share to 163 employees (including three executive directors) of the Group. Shares of the Company were at closing price of HK\$0.58 immediately before the day on which options were granted.

On 1 June 2004 the Company granted 10,000,000 options to subscribe for shares in the Company under the scheme at an exercise price of HK\$0.14 per share to 2 chief executives of the Group. Shares of the Company were at closing price HK\$0.14 immediately before the day on which options were granted.

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.

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 2013	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 2013
Qiu Lei (<i>Note 1</i>)	9 April 2008 to 8 October 2017	6,000,000	-	-	-	(6,000,000)	-
Continuous contract employees (other than directors)	9 April 2008 to 8 October 2017	20,720,000	-	-	-	-	20,720,000
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
Qiu Lei (<i>Note 1</i>)	19 July 2010 to 18 January 2020	500,000	-	-	-	(500,000)	-
Continuous contract employees (other than directors)	19 July 2010 to 18 January 2020	12,980,000	-	-	-	-	12,980,000
Hung Ying	16 February 2011 to 15 August 2020	1,550,000	-	-	-	-	1,550,000
Qiu Lei (<i>Note 1</i>)	16 February 2011 to 15 August 2020	310,000	-	-	-	(310,000)	-
Continuous contract employees (other than directors)	16 February 2011 to 15 August 2020	6,140,000	-	-	-	(990,000)	5,150,000
Hung Yung Lai	28 February 2011 to 9 January 2021	65,000,000	-	-	-	-	65,000,000
Qiu Lei (<i>Note 1</i>)	28 February 2011 to 12 January 2021	590,000	-	-	-	(590,000)	-
Continuous contract employees (other than directors)	28 February 2011 to 12 January 2021	17,460,000	-	-	-	(610,000)	16,850,000
		<u>135,550,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,000,000)</u>	<u>126,550,000</u>

Note:

1. Mr. Qiu Lei resigned as an Executive Director of the Company with effect from 31 December 2012.

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 2013.

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 2013.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the code of conduct regarding directors' securities transactions during the three months ended 31 March 2013 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 2013.

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 2013 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, 10 May 2013