



**SING LEE SOFTWARE (GROUP) LIMITED**

**新利軟件(集團)股份有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 8076)**

**INTERIM REPORT  
FOR THE SIX MONTHS ENDED  
30 JUNE 2018**

\* *For identification purposes only*

## **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 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 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 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 six months ended 30 June 2018, together with the unaudited comparative figures for the corresponding periods in 2017, as follows:

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

For the six months ended 30 June 2018

	Notes	Three months ended		Six months ended	
		30 June		30 June	
		2018	2017	2018	2017
		RMB'000	RMB'000	RMB'000	RMB'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	2	25,402	15,081	33,107	17,995
Cost of sales		(7,628)	(6,683)	(19,659)	(12,699)
<b>Gross profit</b>		<b>17,774</b>	8,398	<b>13,448</b>	5,296
Other income	3	707	2	727	509
Other gains and losses		(2,388)	907	(1,075)	1,140
Distribution and selling expenses		(2,615)	(2,713)	(6,299)	(5,970)
Administrative expenses		(6,405)	(6,873)	(9,700)	(10,947)
Recovery on trade receivables		2	1,416	3	1,698
Research and development costs		(4,118)	(2,582)	(8,278)	(5,001)
Finance costs		(557)	(472)	(1,130)	(943)
<b>Profit (loss) before tax</b>		<b>2,400</b>	(1,917)	<b>(12,304)</b>	(14,218)
Income tax expense	4	-	(345)	-	(345)
<b>Profit (loss) and total comprehensive income (expenses) for the period</b>		<b>2,400</b>	(2,262)	<b>(12,304)</b>	(14,563)
<b>Earnings (loss) per share</b>					
- Basic (RMB cents)	5	0.28	(0.26)	(1.41)	(1.68)
- Diluted (RMB cents)	5	0.27	(0.26)	(1.41)	(1.68)

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2018

		As at <b>30 June</b> <b>2018</b> <b>RMB'000</b> <b>(Unaudited)</b>	As at 31 December 2017 <i>RMB'000</i> (Audited)
	<i>Notes</i>		
<b>Non-current Assets</b>			
Property, plant and equipment		<b>13,573</b>	13,366
Intangible assets		<b>5,169</b>	5,821
Deferred tax asset		<b>1,943</b>	1,943
		<hr/> <b>20,685</b> <hr/>	<hr/> 21,130 <hr/>
<b>Current Assets</b>			
Inventories		<b>356</b>	446
Trade and other receivables	7	<b>66,105</b>	50,990
Held for trading investments		<b>326</b>	305
Bank balances and cash		<b>6,318</b>	35,034
		<hr/> <b>73,105</b> <hr/>	<hr/> 86,775 <hr/>
<b>Current Liabilities</b>			
Trade and other payables	8	<b>14,990</b>	17,255
Amounts due to directors		<b>266</b>	325
Amount due to immediate holding company		<b>11</b>	11
Borrowings	9	<b>13,341</b>	13,492
		<hr/> <b>28,608</b> <hr/>	<hr/> 31,083 <hr/>
<b>Net Current Assets</b>		<hr/> <b>44,497</b> <hr/>	<hr/> 55,692 <hr/>
<b>Total assets less current liabilities</b>		<b>65,182</b>	76,822
<b>Non-current Liabilities</b>			
Borrowings	9	<b>49,336</b>	51,472
<b>Net Assets</b>		<hr/> <b>15,846</b> <hr/>	<hr/> 25,350 <hr/>
<b>Capital and reserves</b>			
Share capital		<b>8,661</b>	8,551
Reserves		<b>7,185</b>	16,799
<b>Total Equity</b>		<hr/> <b>15,846</b> <hr/>	<hr/> 25,350 <hr/>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2018

	Share Capital RMB'000	Share premium RMB'000	Statutory reserve RMB'000	Shareholder's contribution RMB'000	Translation reserve RMB'000	Share option reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2018 (Audited)	8,551	158,608	3,613	786	5,217	33,804	(185,229)	25,350
Loss and total comprehensive expenses for the period	-	-	-	-	-	-	(12,304)	(12,304)
Exercised of share options	110	2,837	-	-	-	(937)	-	2,010
Recognition of equity-settled share-based payments	-	-	-	-	-	790	-	790
At 30 June 2018 (Unaudited)	<u>8,661</u>	<u>161,445</u>	<u>3,613</u>	<u>786</u>	<u>5,217</u>	<u>33,657</u>	<u>(197,533)</u>	<u>15,846</u>
At 1 January 2017 (Audited)	8,551	158,608	3,613	-	5,217	31,472	(204,203)	3,258
Loss and total comprehensive expenses for the period	-	-	-	-	-	-	(14,563)	(14,563)
Recognition of equity-settled share-based payments	-	-	-	-	-	3,975	-	3,975
At 30 June 2017 (Unaudited)	<u>8,551</u>	<u>158,608</u>	<u>3,613</u>	<u>-</u>	<u>5,217</u>	<u>35,447</u>	<u>(218,766)</u>	<u>(7,330)</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, executive director 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.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2018

	<b>Six months ended 30 June</b>	
	<b>2018</b>	2017
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
Net cash used in operating activities	<b>(25,987)</b>	(15,861)
Net cash used in investing activities	<b>(673)</b>	(480)
Net cash (used in) generated from financing activities	<b>(2,056)</b>	2,976
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	<b>(28,716)</b>	(13,365)
Cash and cash equivalents at beginning of the period	<b>35,034</b>	23,186
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period represented by:		
Bank balances and cash	<b>6,318</b>	9,821
	<hr/> <hr/>	<hr/> <hr/>

Notes:

## **1. GENERAL**

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

The unaudited consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2017.

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

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

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

The principal accounting policies and methods of computation adopted for the preparation of the unaudited consolidated interim financial statements are the same and consistent with those adopted by the Group in its audited annual financial statements for the year ended 31 December 2017.

## **2. REVENUE AND SEGMENT INFORMATION**

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

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

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

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

## 2. REVENUE AND SEGMENT INFORMATION (Cont'd)

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

### For the six months ended 30 June 2018

	Sale of software products <i>RMB'000</i> (Unaudited)	Sale of related hardware products <i>RMB'000</i> (Unaudited)	Provision of technical support services <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
External sales and total revenue – segment revenue	<u>2,949</u>	<u>1,240</u>	<u>28,918</u>	<u>33,107</u>
SEGMENT RESULTS	<u>(968)</u>	<u>(386)</u>	<u>(7,921)</u>	(9,275)
Unallocated other income				727
Unallocated other gains and losses				(1,075)
Unallocated corporate expenses				(1,551)
Finance costs				<u>(1,130)</u>
Loss before tax				<u>(12,304)</u>



## 2. REVENUE AND SEGMENT INFORMATION (Cont'd)

For the six months ended 30 June 2017

	Sale of software products <i>RMB'000</i> (Unaudited)	Sale of related hardware products <i>RMB'000</i> (Unaudited)	Provision of technical support services <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
External sales and total revenue – segment revenue	<u>3,691</u>	<u>157</u>	<u>14,147</u>	<u>17,995</u>
SEGMENT RESULTS	<u>(4,105)</u>	<u>(159)</u>	<u>(9,614)</u>	(13,878)
Unallocated other income				509
Unallocated other gains and losses				1,140
Unallocated corporate expenses				(1,046)
Finance costs				<u>(943)</u>
Loss before tax				<u>(14,218)</u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represents the loss from each segment without allocation of finance costs, unallocated corporate expenses, other income and other gains and losses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment. No segment information on assets and liabilities is presented as such information is not regularly reported to the CODM for the purpose of resource allocation and performance assessment.

## 2. REVENUE AND SEGMENT INFORMATION (Cont'd)

### Other Segment information

#### For the six months ended 30 June 2018

	Sale of software products <i>RMB'000</i> (Unaudited)	Sale of related hardware products <i>RMB'000</i> (Unaudited)	Provision of technical support services <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
Amounts included in the measure of segment results:				
Depreciation of property, plant and equipment	44	18	430	492
Amortization of intangible assets	58	25	569	652
Recovery of trade receivables previously impaired	-	-	(3)	(3)
Share-based payment expenses (excluding directors', employees' and consultants' expenses recognised in corporate expenses)	<u>26</u>	<u>11</u>	<u>255</u>	<u>292</u>

#### For the six months ended 30 June 2017

	Sale of software products <i>RMB'000</i> (Unaudited)	Sale of related hardware products <i>RMB'000</i> (Unaudited)	Provision of technical support services <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
Amounts included in the measure of segment results:				
Depreciation of property, plant and equipment	71	3	274	348
Amortization of intangible assets	41	2	156	199
Recovery of trade receivables previously impaired	(348)	(15)	(1,335)	(1,698)
Share-based payment expenses (excluding Directors)	<u>871</u>	<u>37</u>	<u>3,339</u>	<u>4,247</u>

## 2. REVENUE AND SEGMENT INFORMATION (Cont'd)

### Geographical information

The Group's revenue from external customers is all from customers located in the PRC.

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

## 3. OTHER INCOME

	Three months ended		Six months ended	
	30 June		30 June	
	2018	2017	2018	2017
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest income	6	2	26	9
Others	701	–	701	500
	<u>707</u>	<u>2</u>	<u>727</u>	<u>509</u>

## 4. INCOME TAX EXPENSE

	Three months ended		Six months ended	
	30 June		30 June	
	2018	2017	2018	2017
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
PRC enterprise income tax ("EIT")				
– Current year	–	–	–	–
– Underprovision in prior year	–	345	–	345
	<u>–</u>	<u>345</u>	<u>–</u>	<u>345</u>

#### 4. INCOME TAX EXPENSE (Cont'd)

Hangzhou Singlee Technology Company Limited ("Singlee Technology"), a subsidiary of the Company, was established in Hangzhou, the PRC, with statutory tax rate of 25%. Singlee Technology is regarded as a High and New Technology Enterprise defined by Zhejiang Finance Bureau, Administrator of Local Taxation of Zhejiang Municipality and Zhejiang Municipal office of the State Administration of Taxation and is therefore entitled to 15% preferential tax rate for the PRC EIT since 2010. Accordingly, the tax rate for Singlee Technology is 15% for the six months ended 30 June 2018 and 2017.

According to the PRC Enterprise Income Tax Law, the applicable tax rate of Hangzhou Singlee Software Company Limited ("Singlee Software") and Xin Yintong Technology Co., Ltd. ("Xin YinTong") is 25% for the six months ended 30 June 2018 and 2017.

No provision for Hong Kong Profits Tax has been made as the Group had no estimated assessable profits arising from Hong Kong during the six months ended 30 June 2018 and 2017.

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

#### 5. EARNINGS (LOSS) PER SHARE

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

Three months ended		Six months ended	
30 June		30 June	
2018	2017	2018	2017
<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>(Unaudited)</b>	(Unaudited)	<b>(Unaudited)</b>	(Unaudited)

Profit (loss) for the period attributable to owners of the Company for the purposes of basic and diluted earnings (loss) per share

<u>2,400</u>	<u>(2,262)</u>	<u>(12,304)</u>	<u>(14,563)</u>
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**5. EARNINGS (LOSS) PER SHARE** (Cont'd)

	Three months ended		Six months ended	
	30 June		30 June	
	2018	2017	2018	2017
	'000	'000	'000	'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share	<b>871,333</b>	864,430	<b>871,333</b>	864,430
Effect of dilutive potential ordinary shares – Share options	<u>2,542</u>	–	–	–
Weighted average number of ordinary shares for the purpose of diluted earnings (loss) per share	<u><b>873,875</b></u>	<u>864,430</u>	<u><b>871,333</b></u>	<u>864,430</u>

**6. DIVIDEND**

The Board does not recommend the payment of dividend for the six months ended 30 June 2018 (six months ended 30 June 2017: Nil).

**7. TRADE AND OTHER RECEIVABLES**

	As at	As at
	30 June	31 December
	2018	2017
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Trade receivables	<b>58,470</b>	46,352
Less: allowance for doubtful debts	<u>(578)</u>	<u>(581)</u>
	<b>57,892</b>	45,771
Other receivables and prepayment	<u><b>8,213</b></u>	<u>5,219</u>
	<u><b>66,105</b></u>	<u>50,990</u>

## 7. TRADE AND OTHER RECEIVABLES (Cont'd)

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

	<b>As at 30 June 2018 RMB'000 (Unaudited)</b>	As at 31 December 2017 RMB'000 (Audited)
0 – 120 days	<b>23,260</b>	35,177
121 – 180 days	<b>337</b>	850
181 – 365 days	<b>26,203</b>	3,044
Over 365 days	<b>8,092</b>	6,700
	<b><u>57,892</u></b>	<b><u>45,771</u></b>

Customers are generally granted with credit period ranging from 120 – 180 days. The Group may, on a case by case basis and after evaluation of the business relationship and creditworthiness, extend the credit period upon customer's request.

## 8. TRADE AND OTHER PAYABLES

	<b>As at 30 June 2018 RMB'000 (Unaudited)</b>	As at 31 December 2017 RMB'000 (Audited)
Trade payables	<b>2,229</b>	4,521
Deposits received from customers	<b>9</b>	19
Payroll payables	<b>4,220</b>	3,146
Other PRC tax payable	<b>1,594</b>	2,306
Other payables and accrual	<b>6,938</b>	7,263
	<b><u>14,990</u></b>	<b><u>17,255</u></b>

## 8. TRADE AND OTHER PAYABLES (Cont'd)

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

	<b>As at 30 June 2018 RMB'000 (Unaudited)</b>	As at 31 December 2017 RMB'000 (Audited)
Within 90 days	<b>620</b>	2,957
91 – 180 days	<b>219</b>	187
181 – 365 days	<b>517</b>	683
Over 365 days	<b>873</b>	694
	<b>2,229</b>	4,521

## 9. BORROWINGS

	<b>As at 30 June 2018 RMB'000 (Unaudited)</b>	As at 31 December 2017 RMB'000 (Audited)
Unsecured loans from a director ( <i>Note i</i> )	<b>51,677</b>	53,964
Secured bank borrowings ( <i>Note ii</i> )	<b>11,000</b>	11,000
	<b>62,677</b>	64,964

## 9. BORROWINGS (Cont'd)

Carrying amount of the above borrowings is repayable:

	<b>As at 30 June 2018 RMB'000 (Unaudited)</b>	As at 31 December 2017 RMB'000 (Audited)
Within one year	<b>13,341</b>	13,492
Within a period of more than one year but not exceeding two years	<b>14,435</b>	15,456
Within a period of more than two years but not exceeding five years	<b>6,574</b>	8,084
Within a period of more than five years	<b>28,327</b>	27,932
	<b>62,677</b>	64,964
<i>Less:</i> Amounts due within one year shown under current liabilities	<b>(13,341)</b>	(13,492)
Amounts shown under non-current liabilities	<b>49,336</b>	51,472

*Notes:*

- (i) The exposure of the Group's loans from a director and the contractual maturity dates are as follows:

	<b>As at 30 June 2018 RMB'000 (Unaudited)</b>	As at 31 December 2017 RMB'000 (Audited)
Within one year	<b>2,341</b>	2,492
Between one to two years	<b>14,435</b>	15,456
Between two to five years	<b>6,574</b>	8,084
More than five years	<b>28,327</b>	27,932
	<b>51,677</b>	53,964



## 9. BORROWINGS (Cont'd)

Notes: (Cont'd)

(i) (Cont'd)

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's loans from a director are as follows:

	<b>As at 30 June 2018 (Unaudited)</b>	As at 31 December 2017 (Audited)
Effective interest rate:		
Fixed-rate borrowings	<b><u>3.25% – 4.5%</u></b>	<b><u>3.25% – 4.5%</u></b>

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

	<b>As at 30 June 2018 RMB'000 (Unaudited)</b>	As at 31 December 2017 RMB'000 (Audited)
Fixed-rate bank borrowings:		
Within one year	<b><u>11,000</u></b>	<b><u>11,000</u></b>

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

	<b>As at 30 June 2018 (Unaudited)</b>	As at 31 December 2017 (Audited)
Effective interest rate:		
Fixed-rate borrowings	<b><u>4.82%</u></b>	<b><u>4.82%</u></b>

As at 30 June 2018, the loans from a director of approximately RMB42,617,000 (31 December 2017: RMB41,774,000) are denominated in Hong Kong dollars, other borrowings are denominated in the functional currency of the respective group entity.

As at 30 June 2018, the buildings with a carrying amount of approximately RMB10,812,000 (31 December 2017: RMB11,086,000) have been pledged to secure bank borrowings of the Group.

## 10. RELATED PARTY TRANSACTIONS

The Group entered into the following related party transactions during the period:

	<b>As at 30 June 2018 RMB'000 (Unaudited)</b>	As at 31 December 2017 RMB'000 (Audited)
Rentals paid to Sing Lee Pharmaceutical Import & Export Co. Limited for lease of office premises	<b><u>256</u></b>	<b><u>524</u></b>

Sing Lee Pharmaceutical Import & Export Co. Limited is a limited company incorporated in Hong Kong, of which Mr. Hung Yung Lai has 50% equity interest with joint control in this entity.

The above related party transactions were carried out in the normal course of business.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial review and results of operations

For the six months ended 30 June 2018, the Group recorded a total revenue of approximately RMB33,107,000, an increase of 84% as compared to the same period of last year (For the six months ended 30 June 2017: approximately RMB17,995,000). The increase in the turnover of the Group was mainly attributable to the increase in the revenue of the Group's provision of technical support services. Cost of sales for the six months ended 30 June 2018 increased by 55% to approximately RMB19,659,000 (For the six months ended 30 June 2017: approximately RMB12,699,000). Cost of sales increased in line with business activities. The Group's gross profit ratio is 41% (For the six months ended 30 June 2017: 29%).

Administrative expenses for the six months ended 30 June 2018 decreased by 11% to approximately RMB9,700,000 (For the six months ended 30 June 2017: approximately RMB10,947,000). The decrease in administrative expenses was mainly due to the decrease in recognition of share options expenses when compared to the same period of last year. For the distribution and selling expenses, it is increased by 6% to RMB6,299,000 (For the six months ended 30 June 2017: approximately RMB5,970,000), similar to the same period of last year. Besides, research and development costs increased by 66% to approximately RMB8,278,000 (For the six months ended 30 June 2017: approximately RMB5,001,000). The increase in research and development costs was mainly due to the Group allocated more resources on researching the new technology aiming at increasing our market share. Other income included refund of value added tax and interest income; and other gains and losses included exchange differences and fair value changes in investment fund.

Finance costs for the six months ended 30 June 2018 increased by 20% to approximately RMB1,130,000 (For the six months ended 30 June 2017: approximately RMB943,000). The increase in finance costs was due to certain loans have been revised at higher interest rate in December 2017.

The Group recorded a loss of approximately RMB12,304,000 for the six months ended 30 June 2018, decrease of 16% as compared to the same period of last year (For the six months ended 30 June 2017: net loss approximately RMB14,563,000). Decrease in loss was primarily attributable to decrease in recognition of share options expenses when compared to the same period of last year.

During the six months ended 30 June 2018, the Company recorded equity-settled share-based payment of approximately RMB790,000 (For the six months ended 30 June 2017: RMB3,975,000). The equity-settled share-based payment for the six months ended 30 June 2018 was allocated between the cost of sales, distribution and selling expenses and administrative expenses amounting to RMB75,000, RMB83,000 and RMB632,000 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 further improved in the coming quarter.

## **BUSINESS REVIEW**

### **Overall Business of the Group for the first half of 2018**

In the first half of 2018, the Group continued to extend and broaden the implementation of the overall strategy that focuses on a core business and two complementary products. The proven results of the strategy were highlighted by the 84% year-on-year increase in sales revenue and 154% growth in gross profit, while the total administrative costs decreased by 11%. The increase in cost of sales and research and development costs that led to a loss was inevitable due to the nature of the industry and needs of overall strategy development. However, compared with the same period of last year, the loss was tightened by 16%, which clearly reflected the positive impact of the strategy.

Actively promoted by the banks and our partners, the increasingly diversified payment methods witnessed accelerated growth and the payment products have become mass products. Meanwhile, more online and offline payment methods have emerged. The non-inductive payment method jointly launched by the Group and the China Construction Bank has been adopted by the Home Inns Group. In light of the immense growth potential of the payment market, our in-depth industry knowledge, business transformation and innovative mindset, it is natural for the Group to seize the opportunity to pursue further growth and expand the market.

Driven by the normalised structural reform of the financial market and the ongoing market correction and improvement, the Group continued to expand the merchant service business and offline markets as one of our primary goals. Formerly serving only two provincial branches three years ago, the Group now serves 13 provincial branches in Zhejiang, Jiangsu, Guangdong, the three provinces in Northeast China, Hebei, Guangxi and Hainan in the first half of 2018. Therefore, we will further deepen our value-added services and strengthen cooperation with banks in initiating projects targeting merchants and cardholders. Formerly independent businesses will be gradually consolidated, and banking outsourcing service products and payment products will be integrated to form a business portfolio.

Looking forward, the State Council and the People's Bank will continue to strengthen the development and supervision of banking capital products, and to promote the development of this financial market, which had highly recognised over the last two years. The trend will gradually change the banking sector's profitmaking model, and will become more obvious in the coming years. Therefore, the Group increased investment in the capital products to fully utilize the Group's resources and those available in the market. Our market share expanded quickly, and a sales model based on a more flexible business portfolio was formed.

### **Future Outlook**

Payment plus outsourcing service, and business platform evolved from traditional operations remain our main sources of big data. With the help of these products, the Group will consolidate the big data and the online and offline businesses to form a unique OFFLINE TO ONLINE (O2O) model. We also plan to extend the collaborative model with banks to other commercial banks. Meanwhile, the business portfolio will be better aligned to the overall development of the financial environment.

The Group will continue to implement stringent cost control, and strengthen the risk control over the overall operations and individual business in order to achieve a virtuous circle of identifying new revenue streams and lowering the costs.

## LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

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

As at 30 June 2018, the Group held cash and cash equivalents denominated in RMB, US dollars and HK dollars, amounted to approximately RMB6,318,000 (31 December 2017: approximately RMB35,034,000). The Group's current ratio, based on total current assets over total current liabilities, as at 30 June 2018 was approximately 3 times (31 December 2017: approximately 3 times).

At 30 June 2018, the Group had the following outstanding borrowings:

	<b>As at 30 June 2018 RMB'000</b>	As at 31 December 2017 RMB'000
Fixed-rate borrowings:		
Unsecured loans from a director	<b>51,677</b>	53,964
Secured bank borrowings	<b>11,000</b>	11,000
	<b><u>62,677</u></b>	<b><u>64,964</u></b>

The borrowings' contractual maturity dates are as follows:

	<b>As at 30 June 2018 RMB'000</b>	As at 31 December 2017 RMB'000
Within one year	<b>13,341</b>	13,492
Between one to two years	<b>14,435</b>	15,456
Between two to five years	<b>6,574</b>	8,084
More than five years	<b>28,327</b>	27,932
	<b><u>62,677</u></b>	<b><u>64,964</u></b>

The loans from a director of approximately RMB42,617,000 (31 December 2017: RMB41,774,000) are denominated in HK dollars, other borrowings are denominated in the functional currency of the respective group entity.

No interest was capitalized by the Group during the period under review (31 December 2017: Nil).

The gearing ratio of the Group, based on total liabilities over total assets, as at 30 June 2018 was approximately 83% (31 December 2017: 77%).

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

The group did not have any material acquisitions or disposals of subsidiaries and affiliated companies during the period under review.

## **EMPLOYEE INFORMATION**

As at 30 June 2018, the Group had 732 employees (six months ended 30 June 2017: 441), including both PRC and Hong Kong employees. Remuneration and bonus policy are primarily determined by the performance of the individual employees and financial results of the Group. Total staff costs for the reported period were approximately RMB21,258,000 (six months ended 30 June 2017: approximately RMB14,538,000).

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

## **CHARGE ON GROUP ASSETS**

As at 30 June 2018, certain properties of the Group located in Hangzhou with an aggregate net carrying amount of approximately RMB10,812,000 (31 December 2017: RMB11,086,000) were used to secure the banking facilities.

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

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

## **EXPOSURE TO EXCHANGE RATE FLUCTUATION**

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

## CONTINGENT LIABILITIES

As at 30 June 2018, the Group did not have any material contingent liabilities (31 December 2017: Nil).

## PROSPECTS OF NEW PRODUCTS

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

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

So far as is known to any directors or chief executives of the Company, as at 30 June 2018, 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 shareholders	Capacity/ Nature of interest	Number of shares held		Percentage of shareholding
		Long position	Short position	
Goldcorp Industrial Limited	Beneficial owner	287,855,000 (note 1)	-	32.78%
Great Song Enterprises Limited	Beneficial owner	287,855,000 (note 1)	-	32.78%
Mr. Hung Yung Lai	Corporate interest	287,855,000 (notes 2 and 4)	-	32.78%
	Beneficial owner	19,845,000	-	2.26%
Ms. Li Kei Ling	Corporate interest	287,855,000 (notes 2 and 3)	-	32.78%
Mdm. Iu Pun	Family interest	372,700,000 (note 5)	-	42.44%



## b) Share options

<b>Name of shareholder</b>	<b>Capacity/ Nature of interest</b>	<b>Number of options held</b>	<b>Number of underlying shares</b>
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 19,845,000 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 30 June 2018, the Company were not aware of any other person (other than directors or chief executives of the Company) who had an interest or short position in the shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the SFO, or who was interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group or any other substantial shareholders as recorded in the register required to be kept by the Company under Section 336 of the SFO.

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

As at 30 June 2018, 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>	-	32.78%
	Beneficial owner	19,845,000	-	2.26%
Mr. Hung Ying	Beneficial owner	9,565,000	-	1.09%
Mr. Lin Xue Xin	Beneficial owner	6,720,000	-	0.77%

### Shares in associated corporation:

Name of Directors	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:

- The Shares were held by Goldcorp Industrial Limited. Mr. Hung Yung Lai has 50% interest in Goldcorp Industrial Limited
- The entire issued capital of Goldcorp Industrial Limited as of 30 June 2018 composed of 2 ordinary shares.

Save as disclosed above, as at 30 June 2018, none of the Directors and chief executives of the Company had any interests or short positions in any shares, underlying shares and debenture of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.48 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

## **SHARE OPTION SCHEME**

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

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

Pursuant to the ordinary resolution passed by the shareholders at the annual general meeting of the Company held on 11 May 2016 (the "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.

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.

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:

<b>Name of directors, continuous contract employees and consultants</b>	<b>Exercise period</b>	<b>Number of share options outstanding as at 1 January 2018</b>	<b>Number of share options granted during the period</b>	<b>Number of share options exercised during the period</b>	<b>Number of share options cancelled during the period</b>	<b>Number of share options lapsed during the period</b>	<b>Number of share options outstanding as at 30 June 2018</b>
Pao Ping Wing	19 July 2010 to 18 January 2020	600,000	-	-	-	-	600,000
Thomas Tam	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
Lin Xue Xin	19 July 2010 to 18 January 2020	650,000	-	-	-	-	650,000
Continuous contract employees (other than directors)	19 July 2010 to 18 January 2020	2,730,000	-	-	-	-	2,730,000
Hung Ying	16 February 2011 to 15 August 2020	1,550,000	-	-	-	-	1,550,000
Lin Xue Xin	16 February 2011 to 15 August 2020	310,000	-	-	-	-	310,000
Continuous contract employees (other than directors)	16 February 2011 to 15 August 2020	500,000	-	-	-	-	500,000
Hung Yung Lai	28 February 2011 to 9 January 2021	65,000,000	-	-	-	-	65,000,000
Lin Xue Xin	28 February 2011 to 12 January 2021	690,000	-	-	-	-	690,000
Continuous contract employees (other than directors)	28 February 2011 to 12 January 2021	11,600,000	-	-	-	-	11,600,000
Hung Ying	24 June 2013 to 23 June 2023	40,000	-	-	-	-	40,000
Continuous contract employees (other than directors)	24 June 2013 to 23 June 2023	6,200,000	-	-	-	-	6,200,000
Hung Ying	15 May 2015 to 14 May 2025	1,900,000	-	-	-	-	1,900,000
Lin Xue Xin	15 May 2015 to 14 May 2025	3,000,000	-	-	-	-	3,000,000
Continuous contract employees (other than directors)	15 May 2015 to 14 May 2025	14,850,000	-	-	-	-	14,850,000
Hung Ying	7 April 2017 to 6 April 2027	2,650,000	-	(1,325,000)	-	-	1,325,000
Lin Xue Xin	7 April 2017 to 6 April 2027	2,440,000	-	(1,220,000)	-	-	1,220,000

Name of directors, continuous contract employees and consultants	Exercise period	Number of	Number of	Number of	Number of	Number of	Number of
		share options outstanding as at 1 January 2018	share options granted during the period	share options exercised during the period	share options cancelled during the period	share options lapsed during the period	share options outstanding as at 30 June 2018
Pao Ping Wing	7 April 2017 to 6 April 2027	260,000	-	-	-	-	260,000
Thomas Tam	7 April 2017 to 6 April 2027	260,000	-	-	-	-	260,000
Lo King Man	7 April 2017 to 6 April 2027	260,000	-	-	-	-	260,000
Continuous contract employees (other than directors)	7 April 2017 to 6 April 2027	34,260,000	-	(1,420,000)	-	-	32,840,000
Consultants	7 April 2017 to 6 April 2027	45,810,000	-	(9,765,000)	-	-	36,045,000
		<u>199,260,000</u>	<u>-</u>	<u>(13,730,000)</u>	<u>-</u>	<u>-</u>	<u>185,530,000</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 six months ended 30 June 2018.

## **CORPORATE GOVERNANCE PRACTICES**

The Company has complied with the code provisions as set out in the Corporate Governance Code as contained in Appendix 15 to the GEM Listing Rules during the six months ended 30 June 2018.

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted the code of conduct regarding directors' securities transactions during the six months ended 30 June 2018 as set out in GEM Listing Rules 5.48 to 5.67. The Company has made specific enquiry of all the Directors and the Company was not aware of any non-compliance with the required standard of dealings regarding the securities transactions by Directors.

Specific employees who are likely to be possession of unpublished price-sensitive information of the Group are also subject to compliance with the same Code of Conduct. No incident of non-compliance was noted by the Company for the six months ended 30 June 2018.

## **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. Thomas Tam 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. Hung Yung Lai and other members include Mr. Pao Ping Wing, Mr. Thomas Tam 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. Pao Ping Wing and other members include Mr. Thomas Tam and Mr. Lo King Man, all of them are independent non-executive directors.

The Group's unaudited results for the six months ended 30 June 2018 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**  
**Hung Yung Lai**  
*Chairman*

The Board comprises of:

Hung Yung Lai (*Executive Director*)

Hung Ying (*Executive Director*)

Lin Xue Xin (*Executive Director*)

Cui Jian (*Executive Director*)

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

Thomas Tam (*Independent Non-Executive Director*)

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

Hong Kong, 13 August 2018