



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 2024**

* *For identification purposes only*

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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.

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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Lin Xue Xin (*Chairman*)
Hung Ying (*Vice Chairman*)
Zang Jingjing
Li Dong
Cai Jin

INDEPENDENT NON-EXECUTIVE DIRECTORS

Pao Ping Wing
Chen Xinai
(appointed on 28 March 2024)
Chan Tsang Mo

COMPANY SECRETARY

Wong Ka Wai

COMPLIANCE OFFICER

Lin Xue Xin

AUTHORISED REPRESENTATIVES

Lin Xue Xin
Wong Ka Wai

AUDIT AND RISK MANAGEMENT COMMITTEE

Chan Tsang Mo (*Chairman*)
Pao Ping Wing
Chen Xinai
(appointed on 28 March 2024)

REMUNERATION COMMITTEE

Chan Tsang Mo (*Chairman*)
Pao Ping Wing
Chen Xinai
(appointed on 28 March 2024)
Lin Xue Xin

NOMINATION COMMITTEE

Lin Xue Xin (*Chairman*)
Pao Ping Wing
Chen Xinai
(appointed on 28 March 2024)
Chan Tsang Mo

AUDITOR

Deloitte Touhe Tohmatsu
Registered Public Interest Entity
Auditors
35/F One Pacific Place
88 Queensway
Hong Kong

PRINCIPAL BANKERS

Industrial and Commercial Bank of
China (Asia) Limited
Bank of China (Hong Kong) Limited
Bank of China, Hangzhou Branch
Industrial and Commercial Bank of
China, Zhejiang Branch

**HEAD OFFICE AND PRINCIPAL
PLACE OF BUSINESS IN HONG
KONG**

Room 1610, 16/F,
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30 Canton Road,
Tsim Sha Tsui
Hong Kong

**HEAD OFFICE AND PRINCIPAL
PLACE OF BUSINESS IN THE
PRC**

16th Floor, Building 9,
West City Best Space,
No. 158, Zixuan Road,
Sandun, Xihu District,
Hangzhou, China

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton, HM11
Bermuda

**PRINCIPAL SHARE REGISTRAR
AND TRANSFER OFFICE**

Ocorian Management (Bermuda)
Limited
Victoria Place, 5th Floor,
31 Victoria Street,
Hamilton HM 10,
Bermuda

**HONG KONG BRANCH SHARE
REGISTRAR AND TRANSFER
OFFICE**

Tricor Abacus Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

GEM STOCK CODE

8076

WEBSITE ADDRESS

www.singlee.com.cn

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 2024, together with the unaudited comparative figures for the corresponding periods in 2023, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

		Six months ended	
		30 June	
	Notes	2024	2023
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
REVENUE	2	25,009	23,055
Cost of sales and services		<u>(25,443)</u>	<u>(28,159)</u>
Gross loss		(434)	(5,104)
Other income	3	224	799
Impairment losses under expected credit loss model, net of reversal on trade receivables and contract assets		-	46
Other gains and losses		(524)	(1,227)
Distribution and selling expenses		(2,670)	(2,172)
Administrative expenses		(6,503)	(8,264)
Finance costs		<u>(519)</u>	<u>(590)</u>
Loss before tax		(10,426)	(16,512)
Income tax expense	4	<u>-</u>	<u>-</u>
Loss and total comprehensive expenses for the period		<u>(10,426)</u>	<u>(16,512)</u>
Loss per share			
- Basic (RMB cents)	5	<u>(0.79)</u>	<u>(1.25)</u>
- Diluted (RMB cents)	5	<u>(0.79)</u>	<u>(1.25)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

		As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Non-current Assets			
Property, plant and equipment		8,169	8,503
Right-of-use assets		461	308
		8,630	8,811
Current Assets			
Inventories – finished goods		800	806
Trade and other receivables	7	35,416	24,204
Contract assets	8	766	544
Financial assets at fair value through profit or loss		186	183
Restricted bank deposits		705	705
Bank balances and cash		12,964	35,107
		50,837	61,549
Current Liabilities			
Trade and other payables	9	8,075	10,109
Amounts due to related parties		1,562	2,039
Borrowings	10	1,500	500
Lease liabilities		168	103
		11,305	12,751
Net Current Assets		39,532	48,798
Total Assets Less Current Liabilities		48,162	57,609

		As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Non-current Liabilities			
Borrowings	10	<u>27,398</u>	<u>26,419</u>
		<u>27,398</u>	<u>26,419</u>
Net Assets		<u>20,764</u>	<u>31,190</u>
Capital and Reserves			
Share capital	11	<u>12,538</u>	12,538
Reserves		<u>8,226</u>	<u>18,652</u>
Total Equity		<u>20,764</u>	<u>31,190</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Share capital RMB'000	Share premium RMB'000	Statutory reserve RMB'000	Shareholder's contribution RMB'000	Translation reserve RMB'000	Share-based payments reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2024 (Audited)	12,538	179,132	3,613	6,641	5,217	6,029	(181,980)	31,190
Loss and total comprehensive expenses for the period	-	-	-	-	-	-	(10,426)	(10,426)
Transferred to statutory reserve	-	-	304	-	-	-	(304)	-
Lapse of share options	-	-	-	-	-	(64)	64	-
At 30 June 2024 (Unaudited)	<u>12,538</u>	<u>179,132</u>	<u>3,917</u>	<u>6,641</u>	<u>5,217</u>	<u>5,965</u>	<u>(192,646)</u>	<u>20,764</u>
At 1 January 2023 (Audited)	12,538	179,132	3,613	6,641	5,217	6,311	(173,998)	39,454
Loss and total comprehensive expenses for the period	-	-	-	-	-	-	(16,512)	(16,512)
Lapse of share options	-	-	-	-	-	(220)	220	-
At 30 June 2023 (Unaudited)	<u>12,538</u>	<u>179,132</u>	<u>3,613</u>	<u>6,641</u>	<u>5,217</u>	<u>6,091</u>	<u>(190,290)</u>	<u>22,942</u>

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

As stipulated by the relevant laws and regulations for foreign investment enterprises in the People’s Republic of China (the “PRC”), the Company’s PRC subsidiaries are required to maintain two statutory reserves, being an enterprise expansion fund and a statutory surplus reserve fund which are non-distributable. Appropriations to statutory surplus reserve are required to be 10% of the annual profit after tax, based on the subsidiary’s PRC statutory accounts. The amounts of other reserves are decided by boards of directors annually. The statutory surplus reserve fund can be used to make up their prior year losses, if any, and can be applied in conversion into capital by means of capitalisation issue. The enterprise expansion fund can be used for expanding the capital base of the PRC subsidiaries by means of capitalisation issue.

On 30 September 2017, Mr. Hung Yung Lai, being the Chairman, executive director and controlling shareholder of the Company at that time, waived the balance due to him of approximately RMB786,000. The amount has been capitalised as shareholder’s contribution. On 6 July 2022, Goldcorp Industrial Limited, being an immediate holding company at that time, transferred certain Company’s shares to employees of the Group and such transfer was considered as a share-based payment transaction under IFRS 2 Share-based Payment.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Net cash used in operating activities	(23,060)	(16,209)
Net cash generated from investing activities	60	139
Net cash generated from/(used in) financing activities	857	(14,482)
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	(22,143)	(30,552)
Cash and cash equivalents at beginning of the period	35,107	54,896
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period represented by:		
Bank balances and cash	<u>12,964</u>	<u>24,344</u>

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

1. GENERAL

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

The unaudited consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2023.

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

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

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

The accounting policies adopted are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2023 (the “2023 Consolidated Financial Statements”), except for the amendments and interpretations of IFRSs (the “New IFRSs”) issued by IASB which have become effective in this period as detailed in the notes of the 2023 Consolidated Financial Statements. The adoption of the New IFRSs has no material impact on the accounting policies in the Group’s condensed consolidated financial statements for the period.

2. REVENUE AND OPERATING SEGMENTS

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

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

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

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

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

For the six months ended 30 June 2024

	Sale of software products <i>RMB'000</i> (Unaudited)	Sale of 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>573</u>	<u>947</u>	<u>23,489</u>	<u>25,009</u>
SEGMENT RESULTS	<u>(1,196)</u>	<u>(762)</u>	<u>(5,887)</u>	<u>(7,845)</u>
Unallocated other income				224
Unallocated other gains and losses				(524)
Unallocated corporate expenses				(1,762)
Finance costs				<u>(519)</u>
Loss before tax				<u>(10,426)</u>

2. REVENUE AND OPERATING SEGMENTS (Continued)

For the six months ended 30 June 2023

	Sale of software products <i>RMB'000</i> (Unaudited)	Sale of 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>1,694</u>	<u>213</u>	<u>21,148</u>	<u>23,055</u>
SEGMENT RESULTS	<u>(42)</u>	<u>(76)</u>	<u>(13,574)</u>	(13,692)
Unallocated other income				799
Unallocated other gains and losses				(1,227)
Unallocated corporate expenses				(1,802)
Finance costs				<u>(590)</u>
Loss before tax				<u>(16,512)</u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represents the loss suffered by each segment without allocation of finance costs, unallocated corporate expenses, other income and other gains and losses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

The CODM makes decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

2. REVENUE AND OPERATING SEGMENTS (Continued)

Other Segment information

For the six months ended 30 June 2024

	Sale of software products <i>RMB'000</i> (Unaudited)	Sale of 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	8	13	331	352
Depreciation of right-of-use assets	<u>8</u>	<u>13</u>	<u>329</u>	<u>350</u>

2. REVENUE AND OPERATING SEGMENTS (Continued)

Other Segment information (Continued)

For the six months ended 30 June 2023

	Sale of software products <i>RMB'000</i> (Unaudited)	Sale of 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	34	4	419	457
Depreciation of right-of-use assets	19	2	236	257
Impairment losses on trade receivables contract assets reversed in profit or loss	<u>(3)</u>	<u>-</u>	<u>(43)</u>	<u>(46)</u>

Geographical information

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

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

3. OTHER INCOME

	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Interest income	78	145
Others	146	654
	<u>224</u>	<u>799</u>

4. INCOME TAX EXPENSE

Hangzhou Singlee Technology Company Limited (“Singlee Technology”), a subsidiary of the Company, was established in Hangzhou, the PRC, with statutory tax rate of 25%. Singlee Technology is regarded as a High and New Technology Enterprise defined by Zhejiang Finance Bureau, Administrator of Local Taxation of Zhejiang Municipality and Zhejiang Municipal office of the State Administration of Taxation and is therefore entitled to 15% preferential tax rate for the PRC EIT since 2010. During the year ended 31 December 2022, its High and New Technology Enterprise status was extended by the local tax authorities for three more years to 2025. Accordingly, the tax rate for Singlee Technology is 15% for the six months ended 30 June 2024 and 2023.

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 2024 and 2023.

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 2024 and 2023.

PRC enterprise income tax has not been provided as the Group had no estimated assessable profits arising from PRC for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

5. LOSS PER SHARE

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

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss for the period attributable to owners of the Company for the purposes of basic and diluted loss per share	(10,426)	(16,512)

	Six months ended 30 June	
	2024	2023
	'000	'000
	(Unaudited)	(Unaudited)
Number of ordinary shares for the purpose of basic/diluted loss per share	1,317,240	1,317,240

The computation of diluted loss per share for the six months ended 30 June 2024 and 2023 does not assume the exercise of the Company's share options because the exercise price of those options was higher than the average market price for shares.

6. DIVIDEND

The Board does not recommend the payment of dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

7. TRADE AND OTHER RECEIVABLES

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Trade receivables		
– contracts with customers	24,546	19,099
Less: allowance for credit losses	(557)	(557)
	<u>23,989</u>	<u>18,542</u>
Other receivables, prepayments and deposits		
Deposits paid to customers	3,360	3,266
Advances to staff	7,112	2,207
Other tax recoverable	362	24
Others	593	165
	<u>11,427</u>	<u>5,662</u>
Total trade and other receivables	<u><u>35,416</u></u>	<u><u>24,204</u></u>

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

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

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
0 – 120 days	18,041	16,362
121 – 180 days	432	147
181 – 365 days	4,394	778
Over 365 days	1,122	1,255
	<u><u>23,989</u></u>	<u><u>18,542</u></u>

As at 30 June 2024, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB3,695,000 (31 December 2023: RMB1,845,000) which are past due 90 days or more as the reporting date and are not considered as in default as most of the debtors are banks with strong financial position and high credit ratings and the amounts are still considered fully recoverable.

8. CONTRACT ASSETS

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Retention receivable	766	544

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

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

9. TRADE AND OTHER PAYABLES

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Trade payables	1,033	884
Payroll payables	4,383	4,919
Other PRC tax payables	300	1,144
Employee reimbursement payable	403	1,097
Accruals	882	159
Contract liabilities	537	629
Professional fee payable	132	960
Others	405	317
	<hr/>	<hr/>
Total	8,075	10,109
	<hr/> <hr/>	<hr/> <hr/>

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

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Within 90 days	88	30
91 – 180 days	80	21
181 – 365 days	34	27
Over 365 days	831	806
	<hr/>	<hr/>
	1,033	884
	<hr/> <hr/>	<hr/> <hr/>

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

Trade and other payables of approximately RMB117,000 (31 December 2023: approximately RMB172,000) were denominated in HK\$.

10. BORROWINGS

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Unsecured loans from a related party <i>(Note i)</i>	27,398	26,419
Secured bank borrowings <i>(Note ii)</i>	1,000	–
Unsecured bank borrowings <i>(Note ii)</i>	500	500
	<u>28,898</u>	<u>26,919</u>

Carrying amount of the above borrowings are repayable:

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Within one year	1,500	500
Within a period of more than two years but not exceeding five years	1,172	1,148
Within a period of more than five years	26,226	25,271
	<u>28,898</u>	26,919
Less: Amounts due within one year shown under current liabilities	<u>(1,500)</u>	<u>(500)</u>
Amounts shown under non-current liabilities	<u>27,398</u>	<u>26,419</u>

10. BORROWINGS (Continued)

Notes:

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

The contractual maturity dates are as follows:

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Between two to five years	1,172	1,148
More than five years	26,226	25,271
	<u>27,398</u>	<u>26,419</u>

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

	As at 30 June 2024 (Unaudited)	As at 31 December 2023 (Audited)
Effective interest rate:		
Fixed-rate borrowings	<u>3.69% - 4.14%</u>	<u>3.69% - 4.14%</u>

The loans from Mr. Hung Yung Lai of approximately RMB26,226,000 (31 December 2023: approximately RMB25,271,000) are denominated in HK\$, other borrowings are denominated in the functional currency of the respective group entity.

10. BORROWINGS (Continued)

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

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Fixed-rate bank borrowings:		
Within one year	<u><u>1,500</u></u>	<u><u>500</u></u>

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

	As at 30 June 2024 (Unaudited)	As at 31 December 2023 (Audited)
Effective interest rate: Fixed-rate borrowings	<u><u>3.80 – 3.95%</u></u>	<u><u>3.80%</u></u>

As at 30 June 2024, the utilization of the secured banking facilities with total amount of RMB15,000,000 (31 December 2023: RMB15,000,000) is RMB1,000,000 (31 December 2023: nil).

11. SHARE CAPITAL

	Number of Shares '000	Amount HK\$'000	Amount RMB'000
Ordinary shares of HK\$0.01 each:			
<i>AUTHORIZED:</i>			
At 31 December 2023 and 30 June 2024	<u>10,000,000</u>	<u>100,000</u>	<u>100,000</u>
<i>Issued and fully paid:</i>			
At 31 December 2023 and 30 June 2024	<u>1,317,240</u>	<u>13,173</u>	<u>12,538</u>

12. RELATED PARTY TRANSACTIONS

	For the six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Lease rental expenses paid to Sing Lee Pharmaceutical Import & Export Co., Limited for lease of office premises	<u>-</u>	<u>280</u>

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 2024, the Group recorded a total revenue of approximately RMB25,009,000, increase of 8.48% as compared to the same period of last year (For the six months ended 30 June 2023: approximately RMB23,055,000). 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 2024 decreased by 9.65% to approximately RMB25,443,000 (For the six months ended 30 June 2023: approximately RMB28,159,000). Cost of sales decreased was mainly due to the decreased in staff costs.

Administrative expenses for the six months ended 30 June 2024 decrease by 21.31% to approximately RMB6,503,000 (For the six months ended 30 June 2023: approximately RMB8,264,000), decrease in administrative expenses was mainly due to decrease in staff costs and rental expense in Hong Kong office. Distribution and selling expenses for the six months ended 30 June 2024 increase by 22.93% to approximately RMB2,670,000 (For the six months ended 30 June 2023: approximately RMB2,172,000), increase in distribution and selling expenses was mainly due to increase of staff costs and expenditures for business development. Other income included refund of value added tax, grants and interest income; and other gains and losses included exchange differences and fair value changes in financial assets at fair value through profit or loss.

Finance costs for the six months ended 30 June 2024 amounted to approximately RMB519,000 (For the six months ended 30 June 2023: approximately RMB590,000), which remains stable.

The Group recorded a loss amounted to approximately RMB10,426,000 for the six months ended 30 June 2024, decrease of 36.86% as compared to the same period of last year (For the six months ended 30 June 2023: approximately RMB16,512,000). The decrease in loss was mainly attributable to increase in revenue and decrease in overall staff costs.

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

BUSINESS REVIEW

Overall Business of the Group for the First Half of 2024

In the first half of 2024, the homogeneous competition in the financial industry intensified amidst the new economic cycle. As a result, financial clients trimmed and slowed down their investments, shifting their focus from buying products to jointly operating with their clients. Against the macroeconomic environment with slower growth, the Group achieved significant progress in sales and profit through the concerted efforts of the whole team.

During the period, the Group continued to adhere to the vision of driving growth through innovation and creating value for clients, supporting the steady development of business. In the areas of industry payment solutions and the development of small and medium-sized merchant scenarios, the Group kept exploring new payment products and identifying new businesses and clients. In order to strengthen the connection between clients and the financial industry, it introduced a new generation of data-driven payment solutions to create an “integrated payment, membership and targeted marketing” product portfolio. The Group also launched “Collect Easy” application to address the payment and scenario application challenges faced by small and medium-sized merchants. Leveraging its established brand, remarkable reputation and quality services in the financial industry, the Group initiated new merchant service partnerships with the ICBC branches in Liaoning and Shanxi while strengthening its existing collaborations with CCB and ICBC. As the fin-tech sector introduced autonomous systems and pursued information technology application innovation, the Group upheld the model of co-creation and joint research and development with clients, and succeeded in securing new clients in the first half of the year.

OUTLOOK

Seizing profitable opportunities through innovation is one of the Group’s core values as it strives to create value for clients. In addition to identifying new sources of income and lowering the costs, the Group will focus on introducing new products, developing new businesses and securing new clients in the second half of the year. It will continue to implement stringent cost control and strengthen the risk control over overall operations and individual businesses to maintain the healthy development and continuous progress of business. The Group is committed to working closely with its team and achieving the business goals of 2024 together.

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 2024, the Group held cash and cash equivalents denominated in RMB, US dollars and HK dollars, amounted to approximately RMB12,964,000 (31 December 2023: approximately RMB35,107,000). The Group's current ratio, based on total current assets over total current liabilities, as at 30 June 2024 was approximately 4.5 times (31 December 2023: approximately 4.8 times).

At 30 June 2024, the Group had the following outstanding borrowings:

	As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000
Fixed-rate borrowings:		
Unsecured loans from a related party	27,398	26,419
Secured bank borrowings	1,000	–
Unsecured bank borrowings	500	500
	<u>28,898</u>	<u>26,919</u>

The borrowings' contractual maturity dates are as follows:

	As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000
Within one year	1,500	500
Between two to five years	1,172	1,148
More than five years	26,226	25,271
	<u>28,898</u>	<u>26,919</u>

The Group's loans from a related party are all owing to Mr. Hung Yung Lai. The Group's loans from Mr. Hung Yung Lai of approximately RMB26,226,000 (31 December 2023: RMB25,271,000) 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 2023: Nil).

The gearing ratio of the Group, based on total liabilities over total assets, as at 30 June 2024 was approximately 65.1% (31 December 2023: approximately 55.7%).

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 2024, the Group had 649 employees (six months ended 30 June 2023: 779), 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 RMB28,835,000 (six months ended 30 June 2023: approximately RMB33,018,000).

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 2024, the owned properties of the Group located in Hangzhou with an aggregate net carrying amount of approximately RMB7,534,000 (31 December 2023: approximately RMB7,808,000) 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 2024, the Group did not have any material contingent liabilities (31 December 2023: Nil).

PROSPECTS OF NEW PRODUCTS

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

OTHER INFORMATION

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

So far as is known to any directors or chief executives of the Company, as at 30 June 2024, shareholders (other than directors or chief executive of the Company) who had interests or short positions in the shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote on all circumstances at general meeting of any other members of the Group or substantial shareholders as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follow:

(a) Ordinary shares of HK\$0.01 each of the Company

Name of shareholder	Capacity/ Nature of interest	Number of shares held		Percentage of shareholding
		Long position	Short position	
Goldcorp Industrial Limited	Beneficial owner	136,307,500 <i>(note 1)</i>	—	10.35%
Great Song Enterprises Limited	Interest of controlled corporation	136,307,500 <i>(notes 1 and 2)</i>	—	10.35%
Mr. Hung Yung Lai	Interest of controlled corporation	136,307,500 <i>(notes 2 and 4)</i>	—	10.35%
	Beneficial owner	38,532,500	—	2.92%
Ms. Li Kei Ling	Interest of controlled corporation	136,307,500 <i>(notes 2 and 3)</i>	—	10.35%
Mdm. Iu Pun	Interest of spouse	174,840,000 <i>(note 5)</i>	—	13.27%
Mr. Lin Xue Xin	Beneficial owner	118,560,000	—	9.00%

Name of shareholder	Capacity/ Nature of interest	Number of shares held		Percentage of shareholding
		Long position	Short position	
Ms. Zhou Cuilian	Interest of spouse	123,552,682 <i>(note 6)</i>	—	9.38%
Mr. Li Dong	Beneficial owner	65,860,000	—	5.00%
Ms. Lei Ying	Interest of spouse	71,183,950 <i>(note 7)</i>	—	5.40%

(b) Share options

Name of shareholder	Capacity/Nature of interest	Number of Share options held
Mr. Lin Xue Xin	Beneficial owner	4,992,682
Mr. Li Dong	Beneficial owner	5,323,950

Notes:

1. Goldcorp Industrial Limited is a limited liability company incorporated in the British Virgin Islands equally owned by Mr. Hung Yung Lai and Great Song Enterprises Limited which in turn is wholly owned by Ms. Li Kei Ling.
2. The Shares were held by Goldcorp Industrial Limited.
3. Ms. Li Kei Ling controls more than one third of the voting power of Great Song Enterprises Limited which in turn holds more than one third of the voting power of Goldcorp Industrial Limited. Ms Li Kei Ling is deemed, by virtue of the SFO, to be interested in the same 136,307,500 shares held by Goldcorp Industrial Limited.
4. Mr. Hung Yung Lai controls more than one third of the voting power of Goldcorp Industrial Limited. Mr. Hung Yung Lai is deemed, by virtue of the SFO, to be interested in the same 136,307,500 shares held by Goldcorp Industrial Limited.

5. These shares are beneficially owned by Goldcorp Industrial Limited as mentioned in Note 4 of above. Mr. Hung Yung Lai is deemed to be interested in the same 136,307,500 shares held by Goldcorp Industrial Limited. Mdm Iu Pun is the wife of Mr. Hung Yung Lai and is deemed to be interested in these shares in which Mr. Hung Yung Lai is deemed or taken to be interested for the purpose of the SFO. She is also deemed to be interested in the 38,532,500 shares beneficially owned by Mr. Hung Yung Lai as mentioned in Note 4 above for the purpose of SFO.
6. Ms. Zhou Cuilian is the spouse of Mr. Lin Xue Xin. Accordingly, Ms. Zhou Cuilian is deemed or taken to be interested in the 4,992,682 share options and the 118,560,000 shares in which Mr. Lin Xue Xin is interested in under the SFO.
7. Ms. Lei Ying is the spouse of Mr. Li Dong. Accordingly, Ms. Lei Ying is deemed or taken to be interested in the 5,323,950 share options and the 65,860,000 shares in which Mr. Li Dong is interested in under the SFO.

Save as disclosed above, as at 30 June 2024, 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 2024, the interests or short positions of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he/she is taken or deemed to have under such provisions of the SFO); or which were required to be entered into the register required to be kept by the Company, pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.48 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Directors' interests in securities of the Company:

Name of Directors	Long/Short Position	Capacity/Nature of interests	Interests in ordinary shares	Interest in underlying shares of share options	Aggregate interests	Percentage of aggregate interests to total issued share capital of the Company
Mr. Lin Xue Xin	Long Position	Beneficial owner	118,560,000	4,992,682	123,552,682	9.38%
Mr. Li Dong	Long Position	Beneficial owner	65,860,000	5,323,950	71,183,950	5.40%
Mr. Hung Ying	Long Position	Beneficial owner	14,547,500	3,815,498	18,362,998	1.39%
Mr. Pao Ping Wing	Long Position	Beneficial owner	-	307,606	307,606	0.02%

Save as disclosed above, as at 30 June 2024, 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. Options granted on 19 January 2010 were expired during year 2020.

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

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

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

On 24 June 2013, the Company granted 59,780,000 share options to subscribe for shares in the Company under the Share Option Scheme at an exercise price of HK\$0.1122 per share to a Director and its employees of the Group. Shares of the Company were at closing price of HK\$0.101 immediately before the day on which options were granted. Options granted on 24 June 2013 were expired during year 2024.

On 15 May 2015, the Company granted 21,400,000 share options to subscribe for shares in the Company under the Share Option Scheme at an exercise price of HK\$0.43 per share to a Director and its employees of the Group. Shares of the Company were at closing price of HK\$0.43 immediately before the day on which options were granted.

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

The summary details of options granted are as follows:

Name of directors, continuous contract employees and consultants	Exercise period	Adjusted exercise price HK\$	Number	Number	Number	Number	Number
			of share options outstanding as at 1 January 2024	of share options granted during the period	of share options exercised during the period	of share options lapsed during the period	of share options outstanding as at 30 June 2024
Hung Ying	15 May 2015 to 14 May 2025	0.3635	2,247,890	-	-	-	2,247,890
Lin Xue Xin	15 May 2015 to 14 May 2025	0.3635	3,549,300	-	-	-	3,549,300
Li Dong	15 May 2015 to 14 May 2025	0.3635	1,774,650	-	-	-	1,774,650
Continuous contract employees (other than directors)	15 May 2015 to 14 May 2025	0.3635	6,861,980	-	-	-	6,861,980
Hung Ying	7 April 2017 to 6 April 2027	0.1538	1,567,608	-	-	-	1,567,608
Lin Xue Xin	7 April 2017 to 6 April 2027	0.1538	1,443,382	-	-	-	1,443,382
Li Dong	7 April 2017 to 6 April 2027	0.1538	3,549,300	-	-	-	3,549,300
Pao Ping Wing	7 April 2017 to 6 April 2027	0.1538	307,606	-	-	-	307,606
Lo King Man	7 April 2017 to 6 April 2027	0.1538	307,606	-	-	(307,606)	-
Continuous contract employees (other than directors)	7 April 2017 to 6 April 2027	0.1538	10,789,872	-	-	-	10,789,872
Consultants	7 April 2017 to 6 April 2027	0.1538	32,422,855	-	-	-	32,422,855
			<u>64,822,049</u>	<u>-</u>	<u>-</u>	<u>(307,606)</u>	<u>64,514,443</u>

The exercise price for the options granted and number of shares in respect of options granted were adjusted to reflect the impact of the rights issue during the year ended 31 December 2019.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

COMPETITION AND CONFLICT OF INTERESTS

None of the Directors, management shareholders or substantial shareholders of the Company or any of their respective associates, as defined in GEM Listing Rules, has engaged in any business that competes or may compete, either directly or indirectly, with the business of the Group or has any other conflict or interests with the Group during the six months ended 30 June 2024.

CORPORATE GOVERNANCE PRACTICES

Up to the date of this report, the Company has complied with the applicable code provisions of the Corporate Governance Code (the “CG Code”) contained in Appendix C1 of the GEM Listing Rules save for the deviation from code provision C.2.1 and the minimum on number requirements independent non-executive directors as set out in Rule 5.05(1), 5.05A and 5.28 of the Gem Listing Rules explained below.

Under the code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. Subsequent to the resignation of Mr. Lin Xue Xin on 1 November 2023, no replacement of the post of the chief executive officer has been fixed up to the date of this report. The Board will keep reviewing the current structure from time to time. If candidate with suitable knowledge, skills and experience is identified, the Company will make appointment to fill the post of chief executive officer as appropriate.

In accordance with rule 5.05A, 5.05 (1) and (2) of the GEM Listing Rules, the Company is required to appointed three independent non-executive directors representing more than one-third of the Board and at least one of whom has appropriate professional qualifications, or accounting or related financial management expertise. However, the Company do not fulfill the requirements to appoint 3 Independent Non-executive directors for the periods from following the resignation of Mr. Lo with effect from 31 December 2023 to 28 March 2024. Pursuant to Rule 5.06 of the GEM Listing Rules, the Company shall appoint a sufficient number of independent non-executive Directors to meet the minimum number requirement as set out in Rule 5.05 (1) and 5.05A of the GEM Listing Rules within three months after failing to meet such requirement, while pursuant to Rule 5.33 of the GEM Listing Rules, the Company shall appoint appropriate members to the audit and risk management committee to meet the minimum number requirement as set out in Rule 5.28 of the GEM Listing Rules within three months after failing to meet such requirement. The Company have appointed Ms. Chen Xinai as an independent non-executive Director and a member of the audit and risk management committee, nomination committee and remuneration committee of the Board with effect from 28 March 2024, and fulfilled the requirements set out in Rules 5.05 (1), 5.05A and 5.28 of the GEM Listing Rules.

CHANGES IN THE INFORMATION OF DIRECTORS PURSUANT TO RULE 17.50A(1) OF THE GEM LISTING RULES

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, changes in directors' information since the date of the Annual Report 2023 is set out below:

Name of Director	Changes in information
Ms. Chen Xinai	Appointed as an independent non-executive Director and a member of the audit and risk management committee, nomination committee and remuneration committee of the Board with effect from 28 March 2024.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the code of conduct regarding directors' securities transactions during the six months ended 30 June 2024 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 2024.

REMUNERATION COMMITTEE

The Company established a remuneration committee in November 2005. The primary duties of the remuneration committee are to review and make recommendation for the remuneration policy of the directors and senior management. The chairman of the remuneration committee is Mr. Chan Tsang Mo and other members include Mr. Lin Xue Xin, Mr. Pao Ping Wing and Ms. Chen Xinai.

NOMINATION COMMITTEE

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

AUDIT AND RISK MANAGEMENT COMMITTEE

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

The Group's unaudited results for the six months ended 30 June 2024 have been reviewed by the audit and risk management committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures have been made.

By Order of the Board
Sing Lee Software (Group) Limited
Lin Xue Xin
Chairman

The Board comprises of:

Lin Xue Xin (*Executive Director*)

Hung Ying (*Executive Director*)

Zang Jingjing (*Executive Director*)

Li Dong (*Executive Director*)

Cai Jin (*Executive Director*)

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

Chen Xinai (*Independent Non-Executive Director*)

Chan Tsang Mo (*Independent Non-Executive Director*)

Hangzhou City, the PRC, 9 August 2024