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The circular, for which the directors of Sing Lee Software (Group) Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Sing Lee Software (Group) Limited. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:— (1) the information contained in this circular is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this circular misleading; and (3) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

If you are in doubt as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in Sing Lee Software (Group) Limited, you should at once hand this circular to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.



SING LEE SOFTWARE (GROUP) LIMITED

新利軟件(集團)股份有限公司^{*}

(Incorporated in Bermuda with limited liability)

**GENERAL MANDATE TO ISSUE SHARES
AND
TO REPURCHASE ITS OWN SHARES
BY THE COMPANY**

This circular will remain on the GEM Web site on the "Latest Company Announcements" page for 7 days from the date of its posting.

^{*} for identification purposes only

26th March, 2002



SING LEE SOFTWARE (GROUP) LIMITED

新利軟件(集團)股份有限公司*

(Incorporated in Bermuda with limited liability)

Executive Directors:

Hung Yung Lai (Chairman)

Cui Jian

Duan Patrick

Li Kei Ling

Registered Office:

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

Independent Non-Executive Directors:

Pan Yun He

Wang Gui Guo

Head Office and Principal

Place of Business:

32nd Floor, Morrison Plaza

5-9A, Morrison Hill Road

Wanchai

Hong Kong

26th March, 2002

To the shareholders of the Company

Dear Sir or Madam

**GENERAL MANDATE TO ISSUE SHARES
AND
TO REPURCHASE ITS OWN SHARES
BY THE COMPANY**

INTRODUCTION

On 27th August 2001, resolutions were passed by the then shareholder of the Company granting general unconditional mandates to the directors of the Company ("Directors") to exercise the powers of the Company to:—

- (a) allot, issue and deal with shares in the capital of the Company with an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue immediately after the completion of the placing and the capitalisation issue ("Share Offer") including shares which might be issued pursuant to the exercise of the over allotment option ("Over Allotment") referred to in the prospectus of the Company dated 30th August, 2001;

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LETTER FROM THE BOARD OF DIRECTORS

- (b) repurchase shares of the Company not exceeding 10% of the aggregate nominal amount of the shares of the Company in issue after the completion of the Share Offer and Over Allotment; and
- (c) add to the general mandate for issuing shares set out in paragraph (a) above those shares in the capital of the Company purchased by the Company pursuant to the repurchase mandate set out in paragraph (b) above.

The above general mandates will expire at the conclusion of the forthcoming annual general meeting of the Company convened for the financial year ended 31st December, 2001 to be held at Plaza 4, Novotel Century Hong Kong Hotel, 238 Jaffe Road, Wanchai, Hong Kong on 25th April, 2002 at 10:00 a.m. ("Annual General Meeting").

The purpose of this circular is to seek your support, at the forthcoming Annual General Meeting, to approve the General Mandates as referred to below.

Subject to approval by the shareholders of the Company, the General Mandates will continue in force until the next annual general meeting of the Company or the expiration of the period within which the next annual general meeting of the Company is required by Bermuda law or the bye-laws of the Company to be held or until the General Mandates are revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting, whichever is the earliest.

PROPOSED GENERAL MANDATE TO ISSUE SECURITIES

At the Annual General Meeting, it will be proposed, by way of ordinary resolutions, that the Directors be given a general and unconditional mandate to exercise all powers of the Company (i) to allot, issue and deal with shares in the capital of the Company with an aggregate nominal amount of not exceeding up to 20 per cent. of the aggregate nominal amount of the issued share capital of the Company on the date of the passing of the ordinary resolutions; and (ii) to issue further shares in the Company representing the aggregate nominal amount of the share capital of the Company repurchased under the Repurchase Mandate. Any issue of new shares in the Company is subject to approval from the Stock Exchange for the listing of and permission to deal in such new shares ("Issue Mandate").

PROPOSED GENERAL MANDATE TO REPURCHASE SECURITIES

At the Annual General Meeting, it will also be proposed, by way of an ordinary resolution, that the Directors be given a general and unconditional mandate to exercise all powers of the Company to repurchase on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited ("GEM") shares in the Company up to a maximum of 10 per cent. of the shares of the Company in issue at the date of passing the ordinary resolution (the "Repurchase Mandate", together with the Issue Mandate, the "General Mandates").

LETTER FROM THE BOARD OF DIRECTORS

An explanatory statement containing information relating to the Repurchase Mandate and as required pursuant to the Rules Governing the Listing of Securities on GEM (the “GEM Listing Rules”), in particular Rule 13.08, is set out in the schedule to this letter. The information in the explanatory statement is to provide you with the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution relating to the Repurchase Mandate.

ACTION TO BE TAKEN

Whether or not you intend to attend the Annual General Meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company’s Hong Kong branch registrars, Abacus Share Registrars Limited at 5th Floor, Wing On Centre, 111 Connaught Road, Central, Hong Kong not less than 48 hours before the time appointed for holding the annual general meeting. The return of a form of proxy will not preclude you from attending and voting in person if you so wish.

RECOMMENDATION

The Directors believe that the exercise of the General Mandates are in the best interests of the Company and its shareholders. The exercise of the General Mandates may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per share and/or earnings per share of the Company and will only be made when the Directors believe that a repurchase of Shares will benefit the Company and its shareholders.

An exercise of the Repurchase Mandate in full could have a material adverse impact on the working capital and gearing position of the Company compared with that as at 31st December, 2001, being the date of its last audited reports and accounts. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing of the Company.

Accordingly, the Directors recommend that all shareholders should vote in favour of the General Mandates.

Yours faithfully
Hung Yung Lai
Chairman

This Appendix serves as an explanatory statement, as required pursuant to Rule 13.08 of the GEM Listing Rules, to provide requisite information to you for your consideration of the Repurchase Mandate.

1. GEM LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The GEM Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their shares on GEM subject to certain restrictions, the more important of which are summarized below. The Company is empowered by its memorandum of association and bye-laws to repurchase its own shares.

Source of funds

Repurchase must be funded out of funds which are legally available for the purpose and in accordance with the memorandum and bye-laws of the Company and the Company Act of Bermuda (the “Company Act”). A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Under the Company Act, a company may repurchase its shares out of the proceed of a fresh issue of shares made for the purpose. Any amount of premium payable on a repurchase over the par value of the shares may be effected out of funds of the Company which would otherwise be available for dividend or distribution or out of the Company’s share premium account. Capital can be used if the Company will be solvent following such payment.

As at the Latest Practicable Date and to the best knowledge of the Directors, no connected person of the Company has notified the Company that he has a present intention to sell any shares to the Company nor has any such connected person undertaken not to sell any of the Shares held by him to the Company in the event that the Repurchase Mandate is approved.

2. SHARE CAPITAL

As at the Latest Practicable Date, 23rd March, 2002, prior to the printing of this document (the “Latest Practicable Date”), the issued share capital of the Company comprised 603,000,000 Shares of HK\$0.01 each.

Subject to the passing of the resolution relating to the Repurchase Mandate and on the basis that no Shares are issued or repurchased by the Company prior to the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 60,300,000 Shares of HK\$0.01 each.

3. REASONS FOR THE REPURCHASE

The Directors believe that the proposed Repurchase Mandate is in the best interests of the Company and its shareholders. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per share and/or earnings per share of the Company and will only be made when the Directors believe that a repurchase of shares will benefit the Company and its shareholders.

4. FUNDING OF REPURCHASES

In repurchasing securities, the Company may only apply funds legally available for such purpose in accordance with the memorandum of association and bye-laws of the Company, the GEM Listing Rules and the applicable laws of Bermuda. A company may not repurchase its shares on GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

Pursuant to the Repurchase Mandate, repurchase would be funded entirely from the Company's available cash flow or working capital facilities which will be funds legally available under the Bermuda Law for the purpose.

An exercise of the Repurchase Mandate in full could have a material adverse impact on the working capital and gearing position of the Company. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing of the Company.

5. SHARE PRICES

The highest and lowest prices at which the Shares have traded on GEM in each of the calendar months since the listing of the Shares were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2001		
September	0.51	0.40
October	0.65	0.48
November	0.78	0.59
December	0.85	0.68
2002		
January	0.73	0.55
February	0.70	0.51
March (up to the Latest Practicable Date)	0.75	0.66

6. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the interests of substantial Shareholders of the Company were as follows:

Name of substantial shareholder	No. of Shares in which interested
Goldcorp Industrial Limited	414,000,000
Great Song Enterprises Limited	414,000,000
Mr. Hung Yung Lai	414,000,000
Ms. Li Kei Ling	414,000,000

Save as disclosed above, no person has notified the Company that it has an interest amounting to 10% or more of the issued share capital of the Company at the date of this report pursuant to Section 16(1) of the SDI Ordinance.

7. DISCLOSURE OF INTERESTS, THE CODE AND MINIMUM PUBLIC HOLDING

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any associates of the Directors currently intends to sell any Shares to the Company.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the GEM Listing Rules and the applicable laws of Bermuda and in accordance with the memorandum of association and bye-laws of the Company.

Assuming that the substantial shareholders do not dispose of its shares, if the Repurchase Mandate were exercised in full, the percentage shareholdings of the substantial shareholders before and after such repurchase would be as follows:

Substantial Shareholders	Before repurchase	After repurchase
Goldcorp Industrial Limited	68.7%	76.3%
Great Song Enterprises Limited	68.7%	76.3%
Mr. Hung Yung Lai	68.7%	76.3%
Ms. Li Kei Ling	68.7%	76.3%

If a shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase securities pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purpose of Rule 32 of the Hong Kong Code on Takeover and Mergers (the "Code"). As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Code.

On the basis of the shareholdings held by the substantial shareholders named above, an exercise of the Repurchase Mandate in full will not have any implications under the Code.

Assuming that there is no issue of shares in the Company between the date of this circular and the date of a repurchase, an exercise of the Repurchase Mandate whether in whole or in part will not result in less than relevant prescribed minimum percentage of the shares of the Company being held by the public as required by the Stock Exchange, which is currently 20% of the entire issued share capital of the Company. The Directors have no intention to exercise the Repurchase Mandate to an extent which may result in a public shareholding of less than such minimum percentage.

8. SHARE REPURCHASE MADE BY THE COMPANY

The Company had not purchased any of the Shares (whether on GEM or otherwise) since the listing of its shares on GEM on 5th September, 2001 up to the date of this circular.