

**abcmultiactive**

**abc Multiactive Limited**

**辰罡科技有限公司\***

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 8131)

**ANNUAL RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED 30 NOVEMBER 2012**

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

**GEM has been positioned as a market designed to accommodate companies to which a higher 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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*This announcement, for which the directors of abc Multiactive 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 the Company. The directors, having made all reasonable enquires, confirm that, to the best of their knowledge and belief the information contained in this announcement 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 announcement misleading.*

\* For identification purposes only

## FINAL RESULTS

The board of directors (the “Board”) of abc Multiactive Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended 30 November 2012, together with the comparative figures in 2011 as follows:

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 November 2012

		2012	2011
	Notes	HK\$'000	HK\$'000
Turnover	4	14,256	16,808
Cost of sales		<u>(1,901)</u>	<u>(4,535)</u>
Gross profit		12,355	12,273
Other revenue	4	1	1
Other gains and losses	5	(321)	81
Software research and development expenses		(5,576)	(7,985)
Selling and marketing expenses		(884)	(1,307)
Administrative expenses		<u>(6,634)</u>	<u>(6,597)</u>
Loss from operating activities	7	(1,059)	(3,534)
Finance costs	8	<u>(2,186)</u>	<u>(1,902)</u>
Loss before taxation		(3,245)	(5,436)
Taxation	9	<u>–</u>	<u>–</u>
Loss for the year		<u>(3,245)</u>	<u>(5,436)</u>
Other comprehensive loss, net of tax			
Exchange differences on translating foreign operations		<u>(152)</u>	<u>(154)</u>
Other comprehensive loss for the year, net of tax		<u>(152)</u>	<u>(154)</u>
<b>Total comprehensive loss for the year</b>		<b><u>(3,397)</u></b>	<b><u>(5,590)</u></b>
Loss for the year attributable to owners of the Company		<b><u>(3,245)</u></b>	<b><u>(5,436)</u></b>
Total comprehensive loss for the year attributable to owners of the Company		<b><u>(3,397)</u></b>	<b><u>(5,590)</u></b>
<b>Loss per share</b>			
– Basic and diluted	10	<b><u>HK(2.02) cents</u></b>	<b><u>HK(3.38) cents</u></b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 30 November 2012*

	<i>Notes</i>	<b>2012</b> <b><i>HK\$'000</i></b>	2011 <i>HK\$'000</i>
<b>Assets</b>			
<b>Non-current asset</b>			
Property, plant and equipment		<u>271</u>	<u>416</u>
<b>Current assets</b>			
Work in progress		20	226
Trade and other receivables	12	1,049	811
Amount due from a related party	13	13	–
Cash and cash equivalents		<u>8,167</u>	<u>5,418</u>
		<u>9,249</u>	<u>6,455</u>
<b>Total assets</b>		<b><u>9,520</u></b>	<b><u>6,871</u></b>
<b>Capital and reserves</b>			
Share capital	15	16,059	16,059
Reserves		<u>(72,340)</u>	<u>(68,943)</u>
<b>Equity attributable to owners of the Company</b>		<b><u>(56,281)</u></b>	<b><u>(52,884)</u></b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Promissory notes and interest payable to the related companies	16	43,990	37,608
Amount due to a shareholder	17	6,052	5,635
Amount due to a related party	17	<u>4,217</u>	<u>3,986</u>
		<u>54,259</u>	<u>47,229</u>
<b>Current liabilities</b>			
Other payables and accruals	14	6,024	6,644
Deferred revenue		3,538	3,653
Amount due to a related company	17	376	314
Amounts due to customers		<u>1,604</u>	<u>1,915</u>
		<u>11,542</u>	<u>12,526</u>
<b>Total liabilities</b>		<b><u>65,801</u></b>	<b><u>59,755</u></b>
<b>Total equity and liabilities</b>		<b><u>9,520</u></b>	<b><u>6,871</u></b>
<b>Net current liabilities</b>		<b><u>(2,293)</u></b>	<b><u>(6,071)</u></b>
<b>Total assets less current liabilities</b>		<b><u>(2,022)</u></b>	<b><u>(5,655)</u></b>
<b>Net liabilities</b>		<b><u>(56,281)</u></b>	<b><u>(52,884)</u></b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*For the year ended 30 November 2012*

	Attributable to owners of the Company					Total equity <i>HK\$'000</i>
	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Contributed surplus <i>HK\$'000</i>	Exchange reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	
At 1 December 2010	16,059	106,118	37,600	(14,110)	(192,961)	(47,294)
Loss for the year	–	–	–	–	(5,436)	(5,436)
Other comprehensive loss for the year	–	–	–	(154)	–	(154)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive loss for the year	–	–	–	(154)	(5,436)	(5,590)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 November 2011 and 1 December 2011	16,059	106,118	37,600	(14,264)	(198,397)	(52,884)
Loss for the year	–	–	–	–	(3,245)	(3,245)
Other comprehensive loss for the year	–	–	–	(152)	–	(152)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive loss for the year	–	–	–	(152)	(3,245)	(3,397)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 30 November 2012</b>	<b><u>16,059</u></b>	<b><u>106,118</u></b>	<b><u>37,600</u></b>	<b><u>(14,416)</u></b>	<b><u>(201,642)</u></b>	<b><u>(56,281)</u></b>

*Notes:*

## **1. CORPORATE INFORMATION**

The Company was incorporated in Bermuda on 2 March 2000 as an exempted company with limited liability under the Companies Act 1981 of Bermuda (as amended) and its shares are listed on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The registered office of the Company is located at 26 Burnaby Street, Hamilton HM11, Bermuda. The principal place of business of the Company is located at 17/F, Regent Centre, 88 Queen’s Road Central, Central, Hong Kong.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are design and sales of computer software and provision of professional and maintenance services.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand (“HK\$’000”) except when otherwise indicated.

The directors of the Company consider the Company’s ultimate shareholder to be The City Place Trust (“CPT”), a trust incorporated in Bermuda.

## **2. BASIS OF PREPARATION**

The consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments that are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The Group incurred a net loss of approximately HK\$3,245,000 and accumulated losses of approximately HK\$201,642,000 for the year ended 30 November 2012. As at 30 November 2012, the Group’s current liabilities exceeded its current assets by approximately HK\$2,293,000 and net liabilities of approximately HK\$56,281,000. Notwithstanding the above results, the consolidated financial statements have been prepared on a going concern basis, the validity of which is dependent upon the success of the Group’s future operations, its ability to generate adequate cash flows in order to meet its obligations as and when fall due and its ability to refinance or restructure its borrowings such that the Group can meet its future working capital and financing requirements.

The shareholder, CPT, has also confirmed that it will not demand repayment of the amount due of approximately HK\$6,052,000 within the next twelve months of the reporting date.

Moreover, Maximizer (Barbados) Management Inc. (“Maximizer (Barbados)”), a party owned by close family member of an executive director of the Company, has confirmed that it will not demand repayment of the amount due of approximately HK\$4,217,000 within the next twelve months of the reporting date.

Furthermore, Wickham Group Limited (“Wickham”), a party owned by close family member of an executive director of the Company, has agreed that it will not demand repayment of the promissory note and the related interest in the total amount of approximately HK\$5,058,000 until their maturity on 31 May 2014.

Active Investments Capital Limited (“Active Investments”), a related company owned by the chief executive officer of the Company, has also agreed that it will not demand repayment of the promissory notes and the related interests in the total amounts of approximately Canadian dollars (“CAD”)593,000 (approximately to HK\$4,590,000), HK\$22,242,000, HK\$3,318,000, HK\$2,103,000, CAD315,000 (approximately to HK\$2,462,000), and CAD540,000 (approximately to HK\$4,217,000) until their maturity on 31 May 2014.

On 30 November 2012, Wickham has agreed to extend the maturity date of the promissory note with the amount of approximately HK\$4,634,000 together with the accrued interest of approximately HK\$424,000 to 31 May 2014. On 30 November 2012, Active Investments has also agreed to extend the maturity dates of the promissory notes with the amounts of CAD485,000 (approximately to HK\$3,787,000) together with the accrued interest of approximately CAD108,000 (approximately to HK\$803,000), the amounts of approximately HK\$18,205,000 together with the accrued interest of approximately HK\$4,037,000, the amounts of HK\$3,000,000 together with the accrued interest of approximately HK\$318,000, the amounts of HK\$2,000,000 together with the accrued interest of approximately HK\$103,000 and the amounts of CAD300,000 (approximately to HK\$2,343,000) together with the accrued interest of approximately CAD15,000 (approximately to HK\$119,000) to 31 May 2014. The Company has issued a new promissory note with the amount of CAD540,000 (approximately to HK\$4,217,000) to Active Investments on 28 November 2012. The maturity date of the new promissory note is on 31 May 2014.

The directors of the Company are confident that the Group’s future operations will be successful and able to generate sufficient cash flows in order to meet its obligations as and when they fall due over the next twelve months. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

### **3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS”)**

In the current year, the Group has applied for the first time, the following amended standards and interpretations (“new HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which are effective for the Group’s financial year beginning on 1 December 2011.

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010
HKFRS 1 (Amendment)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets
HKAS 24 (Revised)	Related Party Disclosures
HK(IFRIC) – Int 14 (Amendments)	Prepayment of a Minimum Funding Requirement

The application of these new HKFRSs had no material impact on the Group’s consolidated financial performance and positions for the current and prior years. Accordingly, no prior period adjustments had been required.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2009 to 2011 Cycle <sup>3</sup>
HKFRS 1 (Amendment)	First-time Adoption of HKFRSs – Government Loans <sup>3</sup>
HKFRS 7 (Amendments)	Disclosure – Offsetting Financial Assets and Financial Liabilities <sup>3</sup>
HKFRS 9 and HKFRS 7 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosures <sup>5</sup>
HKFRS 9	Financial Instruments <sup>5</sup>
HKFRS 10	Consolidated Financial Statements <sup>3</sup>
HKFRS 11	Joint Arrangements <sup>3</sup>
HKFRS 12	Disclosure of Interests in Other Entities <sup>3</sup>
HKFRS 13	Fair Value Measurement <sup>3</sup>
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Consolidated Financial Statements, Joint Arrangements and Disclosures of Interests in Other Entities – Transition Guidance <sup>3</sup>
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities <sup>4</sup>
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income <sup>2</sup>
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets <sup>1</sup>
HKAS 19 (as revised in 2011)	Employee Benefits <sup>3</sup>
HKAS 27 (as revised in 2011)	Separate Financial Statements <sup>3</sup>
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures <sup>3</sup>
HKAS 32 (Amendments)	Presentation – Offsetting Financial Assets and Financial Liabilities <sup>4</sup>
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2012

<sup>2</sup> Effective for annual periods beginning on or after 1 July 2012

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2013

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2014

<sup>5</sup> Effective for annual periods beginning on or after 1 January 2015

The directors of the Company is in the process of assessing the potential impact of the new HKFRSs but is not yet in a position to determine whether the new HKFRSs will have a significant impact on how its results of operations and financial position are prepared and presented. The new HKFRSs may result in changes in the future as to how the results and financial position are prepared and presented.

#### 4. TURNOVER AND OTHER REVENUE

The Group is principally engaged in the designing and sale of computer software and the provision of professional and maintenance services for such products. All significant intra-group transactions have been eliminated on consolidation.

An analysis of the Group's turnover and other revenue for the year is as follow:

	<b>2012</b> <i>HK\$'000</i>	2011 <i>HK\$'000</i>
<b>Turnover:</b>		
Sales of computer software licences, software rental and provision of related services	<b>5,361</b>	6,860
Provision of maintenance services	<b>7,027</b>	7,401
Contract revenue	<b>1,705</b>	2,265
Sales of computer hardware	<b>163</b>	282
	<u><b>14,256</b></u>	<u>16,808</u>
<b>Other revenue:</b>		
Interest income on bank deposits	<u><b>1</b></u>	<u>1</u>

Interest income is solely generated from loans and receivables (including cash and bank balances) for both years ended 30 November 2012 and 2011.

#### 5. OTHER GAINS AND LOSSES

	<b>2012</b> <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Gain on disposal of property, plant and equipment	<b>19</b>	–
Reversal of impairment loss on trade receivables	<b>106</b>	–
Impairment loss recognised in respect of trade receivables	<b>(38)</b>	(3)
Net foreign exchange (loss)/gain	<b>(408)</b>	84
	<u><b>(321)</b></u>	<u>81</u>



## 6. SEGMENT INFORMATION

The Group was engaged in two business segments, Financial Solutions and CRM Solutions, during the year ended 30 November 2012 and 30 November 2011. The chief operating decision maker regularly reviews the nature of their operations and the products and services. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments.

### Segment revenue and results

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

	Financial Solutions		CRM Solutions		Consolidated	
	2012	2011	2012	2011	2012	2011
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover	<b>13,798</b>	15,587	<b>458</b>	1,221	<b>14,256</b>	16,808
Segment results	<b>5,951</b>	3,002	<b>12</b>	(24)	<b>5,963</b>	2,978
Interest income					<b>1</b>	1
Gain on disposal of property, plant and equipment					<b>19</b>	–
Exchange (loss)/gain					<b>(408)</b>	84
Central administration costs					<b>(6,634)</b>	(6,597)
Finance costs					<b>(2,186)</b>	(1,902)
Loss before taxation					<b>(3,245)</b>	(5,436)
Taxation					<b>–</b>	–
Loss for the year					<b>(3,245)</b>	(5,436)

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the year (2011: Nil).

Segment results represents the profit earned/(loss suffered) by each segment without allocation of other revenue, exchange gain/loss, central administration costs, finance costs and taxation. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

**Segment assets and liabilities**

	Financial Solutions		CRM Solutions		Consolidated	
	2012	2011	2012	2011	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Assets and liabilities</b>						
Segment assets	1,472	1,673	47	44	1,519	1,717
Unallocated assets					8,001	5,154
Consolidated total assets					<u>9,520</u>	<u>6,871</u>
Segment liabilities	13,876	14,631	7,310	7,013	21,186	21,644
Unallocated liabilities					44,615	38,111
Consolidated total liabilities					<u>65,801</u>	<u>59,755</u>

For the purposes of monitoring segment performance and allocating resources between segments, the group's chief operating decision maker monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

All assets are allocated to reportable segments other than unallocated corporate assets (mainly include cash and cash equivalents that are used by the investment holding companies and prepayment that are prepaid by the investment holding companies).

All liabilities are allocated to reportable segments other than unallocated corporate liabilities (mainly include promissory notes and the related interest payable, other payables and accruals borne by the investment holding companies).

**Other segment information**

	Financial Solutions		CRM Solutions		Consolidated	
	2012	2011	2012	2011	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Other segment information</b>						
Depreciation	170	204	3	6	173	210
Capital expenditure	23	60	–	4	23	64
Reversal of impairment loss on trade receivables	(106)	–	–	–	(106)	–
Impairment loss recognised in respect of trade receivables	33	3	5	–	38	3
	<u>33</u>	<u>3</u>	<u>5</u>	<u>–</u>	<u>38</u>	<u>3</u>

## Geographical segments

The Group operates in two principal geographical areas – the PRC and Hong Kong.

The Group's revenue generated from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

	Revenue from external customers		Non-current assets	
	2012 HK\$'000	2011 HK\$'000	2012 HK\$'000	2011 HK\$'000
PRC	–	–	130	197
Hong Kong	14,256	16,808	141	219
	<u>14,256</u>	<u>16,808</u>	<u>271</u>	<u>416</u>

## Information about major customers

No single customer contributed 10% or more to the Group's revenue for both years ended 30 November 2012 and 2011.

## 7. LOSS FROM OPERATING ACTIVITIES

	2012 HK\$'000	2011 HK\$'000
<b>The Group's loss from operating activities is arrived at after charging:</b>		
Auditors' remuneration	205	205
Depreciation on owned property, plant and equipment	173	210
Operating lease payments in respect of		
– land and buildings	1,808	1,589
– plant and equipment	32	30
Staff costs (excluding directors' remuneration)		
– salaries and allowances	9,959	13,736
– retirement benefit costs	350	550
Cost of computer hardware sold	106	207
	<u>205</u>	<u>205</u>

## 8. FINANCE COSTS

	2012 HK\$'000	2011 HK\$'000
Interest on promissory notes		
– wholly repayable within five years (Note 16)	1,940	1,668
Interest on amount due to a shareholder/ a related party/a related company		
– wholly repayable within five years (Note 17)	246	234
	<u>2,186</u>	<u>1,902</u>

## 9. TAXATION

No provision for Hong Kong profits tax has been made as the Group either had no estimated assessable profits or had estimated tax losses brought forward to set off the estimated assessable profit for the year (2011: Nil).

No provision for the PRC income taxes has been made during the year as the subsidiaries operated in the PRC had no assessable profits for the year (2011: Nil).

No Australian income tax has been provided by the Australian subsidiaries of the Group as they had no assessable profits for the year (2011: Nil).

The Group has tax losses arising in Hong Kong of approximately HK\$63,956,505 (2011: HK\$69,928,830) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised due to the unpredictability of the future profit streams.

No income tax was recognised in other comprehensive income during the year (2011: Nil).

## 10. LOSS PER SHARE

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

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
<i>Loss</i>		
Loss for the purpose of basic loss per share (loss for the year attributable to the owners of the Company)	<u>(3,245)</u>	<u>(5,436)</u>
<i>Number of shares</i>		
Weighted average number of shares for the purpose of basic loss per share	<u>160,590,967</u>	<u>160,590,967</u>
Basic loss per share	<u>HK(2.02) cents</u>	<u>HK(3.38) cents</u>

Diluted loss per share for the year ended 30 November 2012 and 2011 were the same as the basic loss per share. For the year ended 30 November 2011, the Company's outstanding share options were not included in the calculation of diluted loss per share because the effect of the Company's outstanding share options were anti-dilutive.

## 11. DIVIDENDS

The directors of the Company do not recommend the payment of any dividend in respect of the year ended 30 November 2012 (2011: Nil).

## 12. TRADE AND OTHER RECEIVABLES

	<b>2012</b> <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Trade receivables	<b>342</b>	397
Prepayment, deposits and other receivables	<b>707</b>	414
	<u>1,049</u>	<u>811</u>

The analysis of trade receivables were as follow:

	<b>2012</b> <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Trade receivables	<b>1,974</b>	2,097
Less: Impairment loss recognised in respect of trade receivables	<b>(1,738)</b>	(1,700)
Add: Reversal of impairment loss on trade receivables	<b>106</b>	–
	<u>342</u>	<u>397</u>
At 30 November 2012/2011	<u><b>342</b></u>	<u>397</u>

The Group maintains a defined credit policy to assess the credit quality of each counterparty. The collection is closely monitored to minimise any credit risk associated with these trade debtors. The Group's trading terms with its customers are mainly based on product delivery and user acceptance. The Group allows an average credit period of 0 day to 30 days to its contract customers.

The following is an aged analysis of the trade receivables, net of provision of impairment loss:

	<b>2012</b> <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Current	<b>132</b>	269
31 – 60 days	<b>96</b>	38
61 – 90 days	–	–
Over 90 days	<b>114</b>	90
	<u>342</u>	<u>397</u>

The following is an aged analysis of the trade receivables which are past due but not impaired:

	<b>2012</b> <i>HK\$'000</i>	2011 <i>HK\$'000</i>
31 – 60 days	<b>96</b>	38
61 – 90 days	–	–
Over 90 days	<b>114</b>	90
	<hr/>	<hr/>
	<b>210</b>	128
	<hr/> <hr/>	<hr/> <hr/>

For the past due but not impaired trade receivables, although no collateral is held, the Group has assessed the credit worthiness, past payment history and substantial settlement after the reporting date, and considers that the amounts are still recoverable and no further credit provision is required in excess of allowance for doubtful debts. The Group seeks to maintain strict control over its outstanding trade receivables. Overdue balances are reviewed regularly by the management.

The movements in provision for impairment loss recognised in respect of trade receivables are as follows:

	<b>2012</b> <i>HK\$'000</i>	2011 <i>HK\$'000</i>
At 1 December 2011/2010	<b>1,700</b>	1,697
Reversal of impairment loss on trade receivables	<b>(106)</b>	–
Impairment loss recognised in respect of trade receivables	<b>38</b>	3
	<hr/>	<hr/>
At 30 November 2012/2011	<b>1,632</b>	1,700
	<hr/> <hr/>	<hr/> <hr/>

Included in provision for impairment loss recognised in respect of trade receivables are individually impaired trade receivables with balance of approximately HK\$38,000 (2011: HK\$3,000). The individually impaired receivables related to customers that were in financial difficulties and the directors of the Company assessed that the amounts are not expected to be recovered.

As at 30 November 2012, 66% (2011: 4%) of the trade receivables were due from the Group's top five customers. Three individual customers exceeded 10% of the total net balance of trade receivables which represents approximately HK\$225,000 (2011: HK\$235,000).

The movements in provision for impairment loss in respect of prepayment, deposits and other receivables are as follows:

	<b>2012</b> <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Prepayment, deposits and other receivables	<b>1,117</b>	824
Less: Impairment loss recognised in respect of prepayment, deposits and other receivables	<b>(410)</b>	(410)
	<hr/>	<hr/>
At 30 November 2012/2011	<b>707</b>	414
	<hr/> <hr/>	<hr/> <hr/>

The directors of the Company had assessed the recoverability of prepayment, deposits and other receivables for the year ended 30 November 2012 and considered no further provision for impairment in respect of prepayment, deposits and other receivables is required.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

### 13. AMOUNT DUE FROM A RELATED PARTY

Details of the amount due from a related party disclosed pursuant to Section 161B of the Hong Kong Companies Ordinance are as follows:

Name of a related party	<b>Maximum amount</b>		
	<b>outstanding during the year</b> <i>HK\$'000</i>	<b>2012</b> <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Wing Hong Interior Contracting Ltd.	<b>13</b>	<b>13</b>	–
	<hr/>	<hr/>	<hr/>

The related party was indirectly owned by close family member of an executive director of the Company.

The above amount due from a related party is unsecured, interest-free and repayable on demand.

### 14. OTHER PAYABLES AND ACCRUALS

	<b>2012</b> <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Accruals	<b>2,117</b>	2,221
Receipt in advance	<b>2,496</b>	3,292
Other payables	<b>1,411</b>	1,131
	<hr/>	<hr/>
	<b>6,024</b>	6,644
	<hr/> <hr/>	<hr/> <hr/>

## 15. SHARE CAPITAL

	2012		2011	
	Number of shares	Amount HK\$'000	Number of shares	Amount HK\$'000
Authorised:				
Ordinary shares of HK\$0.1 each	<u>10,000,000,000</u>	<u>1,000,000</u>	<u>10,000,000,000</u>	<u>1,000,000</u>
Issued and fully paid:				
Ordinary shares of HK\$0.1 each	<u>160,590,967</u>	<u>16,059</u>	<u>160,590,967</u>	<u>16,059</u>

## 16. PROMISSORY NOTES AND INTEREST PAYABLE TO THE RELATED COMPANIES

As at 30 November 2012, the promissory notes of HK\$38,186,000 (2011: HK\$33,744,000) payable to the related companies are interest bearing at Hong Kong prime rate (2011: Hong Kong prime rate).

Active Investments, a related company owned by the chief executive officer of the Company, has agreed that it will not demand repayment of the promissory note and the interest related to the promissory note in the amount of approximately CAD593,000 (approximately to HK\$4,590,000) within the next twelve months of the reporting period. On 30 November 2012, Active Investments had agreed to further extend the maturity date of the promissory note in the amount of CAD485,000 (approximately to HK\$3,787,000) together with the accrued interest of approximately CAD108,000 (approximately to HK\$803,000) to 31 May 2014. Interest incurred during the current year was being approximately CAD29,000 (approximately to HK\$224,000) (2011: approximately CAD28,000, approximately to HK\$217,000). (*Note 8*)

Active Investments has also agreed that it will not demand repayment of the promissory note and the interest related to the promissory note in the amount of approximately HK\$22,242,000 within the next twelve months of the reporting period. On 30 November 2012, Active Investments had agreed to extend the maturity date of the promissory note in the amount of approximately HK\$18,205,000 together with the accrued interest of approximately HK\$4,037,000 to 31 May 2014. Interest incurred during the current year was being approximately HK\$1,085,000 (2011: approximately HK\$1,029,000). (*Note 8*)

Active Investments has also agreed that it will not demand repayment of the promissory note and the interest related to the promissory note in the amount of approximately HK\$3,318,000 within the next twelve months of the reporting period. On 30 November 2012, Active Investments had agreed to extend the maturity date of the promissory note in the amount of HK\$3,000,000 together with the accrued interest of approximately HK\$318,000 to 31 May 2014. Interest incurred during the current year was being approximately HK\$162,000 (2011: approximately HK\$154,000). (*Note 8*)

Active Investments has also agreed that it will not demand repayment of the promissory note and the interest related to the promissory note in the amount of approximately HK\$2,103,000 within the next twelve months of the reporting period. On 30 November 2012, Active Investments had agreed to extend the maturity date of the promissory note in the amount of HK\$2,000,000 together with the accrued interest of approximately HK\$103,000 to 31 May 2014. Interest incurred during the current year was being approximately HK\$103,000 (2011: Nil). (*Note 8*)



Active Investments has also agreed that it will not demand repayment of the promissory note and the interest related to the promissory note in the amount of approximately CAD315,000 (approximately to HK\$2,462,000) within the next twelve months of the reporting period. On 30 November 2012, Active Investments had agreed to further extend the maturity date of the promissory note in the amount of CAD300,000 (approximately to HK\$2,343,000) together with the accrued interest of approximately CAD15,000 (approximately to HK\$119,000) to 31 May 2014. Interest incurred during the current year was being approximately CAD15,000 (approximately to HK\$119,000) (2011:Nil). (*Note 8*)

On 28 November 2012, the Company had issued a new promissory note in the amount of CAD540,000 (approximately to HK\$4,217,000) payable to Active Investments, which was unsecured, interest bearing at the Hong Kong prime rate and will not be repayable within the next eighteen months of 31 May 2014.

Furthermore, a party owned by close family member of an executive director of the Company, Wickham, has also agreed that it will not demand repayment of the promissory note and the interest related to the promissory note in the amount of approximately HK\$5,058,000 within the next twelve months of the reporting period. On 30 November 2012, Wickham had agreed to extend the maturity date of the promissory note in the amount of approximately HK\$4,634,000 together with the accrued interest of approximately HK\$424,000 to 31 May 2014. Interest incurred during the current year was being approximately HK\$247,000 (2011: approximately HK\$268,000). (*Note 8*)

#### **17. AMOUNT DUE TO A SHAREHOLDER/A RELATED PARTY/A RELATED COMPANY**

The amounts mainly represent payables for development costs, purchases of software merchandise, royalty fee and expenses paid on behalf of the Group. The balances are approximately HK\$6,052,000, HK\$4,217,000 and HK\$376,000 respectively. The balances are interest-free except for approximately HK\$3,136,000 and HK\$1,984,000 respectively of which carries interest at the annual Canadian prime rate as quoted by the Hong Kong and Shanghai Banking Corporation Limited plus 2% compounded monthly (2011: Annual Canadian prime rate as quoted by the Hong Kong and Shanghai Banking Corporation Limited plus 2% compounded monthly). The shareholder and the related parties have confirmed that it will not demand repayment within the next twelve months of the reporting period.

## **SUMMARY OF THE INDEPENDENT AUDITORS' REPORT ON THE GROUP'S CONSOLIDATED FINANCIAL STATEMENTS**

The independent auditors' report of the Group's consolidated financial statements for the year ended 30 November 2012 contains a modified auditors' opinion as follows:

“Without qualifying our opinion, we draw attention to Note 2 in the consolidated financial statements which indicates that the Group incurred a net loss of approximately HK\$3,245,000 during the year ended 30 November 2012 and, as of that date, the Group's total liabilities exceeded its total assets by approximately HK\$56,281,000. These conditions, along with other matters as set forth in Note 2 to the consolidated financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.”

### **BUSINESS REVIEW**

#### **Financial Review**

The Group recorded a turnover of approximately HK\$14,256,000 for the year ended 30 November 2012, a 15% decrease from approximately HK\$16,808,000 for the same period of the previous year. Of the total turnover amount, HK\$5,361,000 or 38% was generated from software license sales, HK\$1,705,000 or 12% was generated from contract revenue, HK\$7,027,000 or 49% was generated from maintenance services, and HK\$163,000 or 1% was generated from sales of hardware. At 30 November 2012, the Group had approximately HK\$2 million worth of contracts that were in progress. The net loss attributable to shareholders for the year ended 30 November 2012 was HK\$3,245,000, whereas the Group recorded a net loss of approximately HK\$5,436,000 for the same period of the previous year.

During the year, the Group continued to exercise prudent cost control measures by implementing staff cost and other expenses reduction measures in its Hong Kong and China operations to create a more efficient operational infrastructure. The operating expenditures amounted to approximately HK\$13,094,000 for the year ended 30 November 2012, 18% decreased from approximately HK\$15,892,000 for the corresponding period of the previous year.

As a result of the most of the property, plant and equipment in the Group was fully depreciated, depreciation expenses decreased from approximately HK\$210,000 for the year ended 30 November 2011 to approximately HK\$173,000 in the current fiscal year.

The Group did not have any amortisation expenses for the year ended 30 November 2012 due to the write-off of the remaining amounts of goodwill and intellectual property rights at the end of fiscal year 2002.

During the year, the Group invested approximately HK\$5,576,000 in developing new modules for its OCTO Straight Through Processing (“STP”) system.

During the year of 30 November 2012, an additional provision for impairment of approximately HK\$38,000 was provided for the long outstanding trade receivables. The directors were uncertain whether the amount would ultimately be collected due to the sluggish economy and considered that it was prudent to make such a provision.

Total staff costs (excluding directors' remuneration) are approximately HK\$10,309,000 for the year ended 30 November 2012, a 28% decrease from approximately HK\$14,286,000 for the same period of the previous year. The decrease was mainly attributed to headcount reductions during the year.

### **Operation Review**

For the year ended 30 November 2012, Financial Solutions turnover is HK\$13,798,000, a decrease of 11% when compared to HK\$15,587,000 for the same period of the previous year. The reasons of decreases were mainly attributed to descend from the provision of maintenance services and software rental income during the year and with various uncertainties under the global stocks market and economic climate clouded which resulted in slowdown of the Group's new sales contract signed with brokerage firms in the year 2012.

The Group continued to enhance the features of its OCTOSTP system and focused on new sales and marketing schemes to increase sales. During the year, the Group devised a leasing scheme to enable our existing customers to upgrade their DOS version systems to the latest OCTOSTP versions and completed development and successfully implemented its upgrade version with several customers.

To widen the Group's turnover channel scheme, the Group joins a Canadian based financial solution company's channel program as a Channel Partner in Hong Kong to promote its innovative OTC derivatives solutions. This solution provides software and services supporting the valuation, reporting and risk management of derivatives and fixed income portfolios to various enterprises. With the complementary strengths of the Group and this channel partner, the Group believed that it can assist our customers to develop effective risk analytics and risk management solutions. In the fourth quarter of 2012, the Group succeeded in signing a sales contract with one Taiwan insurance firm to implement its innovative OTC derivatives solutions.

Following several new securities trading platforms announced by the Stock Exchange in the second half year of 2012, the Group start development of new system upgrade to comply and integrate with Orion Central Gateway ("OCG") and Orion Market Data Platform ("OMD") in late 2012. To prepare for the development of OCG and OMD, the Group has concentrated our resources in developing trading tools for our customers to enjoy these new platforms which will be launched in the 2013.

For the year ended 30 November 2012, CRM Solutions turnover is HK\$458,000, a decrease of 62% when compared to HK\$1,221,000 for the same period of previous year. The decrease was due to our customers in CRM demand reduced which resulted in decrease in its turnover of the Group. During the year, the Group has entered into a new International Authorized Agent Agreement with Maximizer Software Inc. (“MSI”) for distribution rights of Maximizer Software products in the Asian Pacific region with effect from 1 August 2012. Under the new agreement, the Group will take a role of a business agent with putting more focus on the services level of Maximizer software products to customers. We believed that the changes will condense our resources in CRM Solutions business in the region and improve our competitiveness in the markets.

### **Prospects**

To maintain our competitiveness in the market, the Group will more focus on our core business and technology development to improve product functionality and expand service dimensions to our customers. We continue to channel our resources to business development in the high growth solutions area under operational efficiency; and resilience will continue to be top priorities for the Group for 2013. The directors believed that the Group has a well diversified product range that is fitted to the market needs and it is well equipped to face challenges from the market.

We aimed at reaching out to a more diversified business line via seeking new opportunities in Hong Kong and Asian market. To achieve this goal, we will engage more actively in seeking collaboration partners to provide more innovative business solutions.

### **Corporate Governance Practices**

It is the belief of the Board of Directors that corporate governance plays a vital part in maintaining the success of the Company. Various measures have been adopted to ensure that a high level of corporate governance is maintained throughout the operation of the Group.

The Stock Exchange has issued the amendments on Corporate Governance Code and Corporate Governance Report (the “CG Code and Report”) contained in Appendix 15 of the GEM Listing Rules which set out the principles and the code provisions which the Company is expected to apply and comply.

To comply with all the new code provisions set out in the CG Code and Report contained in Appendix 15 of the GEM Listing Rules, relevant amendments and adoptions has been adopted by the Company for the financial year ended 30 November 2012, except for the deviations from code provision C.1.2 as explained below. The board will continue to review regularly and take appropriate actions to comply with the Code.

## **Financial Reporting**

Code provision C.1.2 of the CG Code and Report, became effective on 1 April 2012, stipulates that management should provide all members of the Board with monthly updates giving balanced and understandable assessment of the Company's performance, position and prospects in sufficient detail.

During the period from 1 April 2012 to 30 November 2012, the management rather than providing monthly updates to all members of the Board. The management of the Company has provided to all directors quarterly updates with quarterly consolidated financial statement of the Company's performance, position and prospects in sufficient details during the regular Board meetings of the Company. In addition, the management has provided all members of the Board, in a timely manner, updates on any material changes to the performance, position and prospects of the Company and sufficient information for matters brought before the Board.

## **Audit Committee**

Pursuant to the GEM Listing Rules, an audit committee was established on 22 January 2001, comprising three independent non-executive directors, namely Messrs. Kwong Sang Liu, Edwin Kim Ho Wong and William Keith Jacobsen. On 28 September 2004, Mr. Kwong Sang Liu was appointed as independent non-executive director and member of audit committee of the Company. On 29 August 2008, Mr. Edwin Kim Ho Wong was appointed as independent non-executive director and member of audit committee of the Company. Mr. William Keith Jacobsen was appointed as independent non-executive director and member of audit committee of the Company on 10 July 2009. Mr. Edwin Kim Ho Wong is the chairman of the audit committee for the year.

The written terms of reference which describe the authorities and duties of the audit committee were prepared and adopted with reference to "A Guide for the Formation of an Audit Committee" published by the Hong Kong Institute of Certified Public Accountants. The terms of reference of the audit committee should also require it to review arrangement employees of the Company can use to raise concerns about possible improprieties in financial reporting, internal control or other matters. The audit committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action and to act as the key representative body for overseeing the Company's relations with the external auditor. The audit committee provides an important link between the board of directors and the Company's auditors in matters coming within the scope of the Group audit. It also reviews the financial reporting process and the adequacy and effectiveness of the Group's internal control system.

During the reporting year 2012, the audit committee held five meetings for the purpose of reviewing the Company's reports and accounts, and providing advice and recommendations to the Board of Directors. The minutes of the audit committee meeting are kept by the Company Secretary.

The Group's results for the year ended 30 November 2012 have been reviewed by the audit committee, which was of the opinion that the preparation of such results complied with the applicable accounting standard.

### **Purchase, Sale or Redemption of Listed Securities**

The Company has not redeemed any of its listed securities during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the year (2011: Nil).

By order of the Board  
**Joseph Chi Ho Hui**  
*Chairman*

As at the date of the announcement, the Board comprises the following directors:

Mr. Joseph Chi Ho HUI (*Executive Director*)  
Ms. Clara Hiu Ling LAM (*Executive Director*)  
Mr. Terence Chi Yan HUI (*Non-executive Director*)  
Mr. Kwong Sang LIU (*Independent Non-executive Director*)  
Mr. Edwin Kim Ho WONG (*Independent Non-executive Director*)  
Mr. William Keith JACOBSEN (*Independent Non-executive Director*)

Hong Kong, 1 February 2013

*This announcement will remain on the GEM website on the "Latest Company Announcements" page for at least 7 days from the day of its posting and the website of the Company at [www.hklistco.com](http://www.hklistco.com).*