

**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 2015**

**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 2015, together with the comparative figures in 2014 as follows:

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

*For the year ended 30 November 2015*

	Notes	2015 HK\$'000	2014 HK\$'000
Turnover	4	13,334	19,733
Cost of sales		<u>(2,389)</u>	<u>(2,723)</u>
Gross profit		10,945	17,010
Other revenue	4	23	88
Other losses and gains	5	(9,072)	257
Software research and development expenses		(4,881)	(4,598)
Selling and marketing expenses		(1,181)	(1,366)
Administrative expenses		<u>(7,667)</u>	<u>(6,869)</u>
(Loss)/profit from operating activities	8	(11,833)	4,522
Finance costs	9	<u>(2,394)</u>	<u>(2,465)</u>
(Loss)/profit before taxation		(14,227)	2,057
Taxation	10	<u>—</u>	<u>—</u>
(Loss)/profit for the year		<u>(14,227)</u>	<u>2,057</u>
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		158	528
Release of exchange reserve upon de-registration of subsidiaries		<u>13,351</u>	<u>—</u>
Other comprehensive income for the year, net of tax		<u>13,509</u>	<u>528</u>
<b>Total comprehensive (loss)/income for the year</b>		<u><b>(718)</b></u>	<u><b>2,585</b></u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME (CONTINUED)**

*For the year ended 30 November 2015*

	<i>Note</i>	<b>2015</b> <b>HK\$'000</b>	2014 HK\$'000
(Loss)/profit for the year attributable to owners of the Company		<b>(14,227)</b>	2,057
Total comprehensive (loss)/income for the year attributable to owners of the Company		<b>(718)</b>	2,585
<b>(Loss)/earnings per share</b>			
– Basic and diluted	11	<b>HK(5.91) cents</b>	HK0.86 cents

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*As at 30 November 2015*

	<i>Notes</i>	<b>2015</b> <b>HK\$'000</b>	2014 <i>HK\$'000</i>
<b>Assets</b>			
<b>Non-current asset</b>			
Property, plant and equipment		<u>198</u>	<u>93</u>
<b>Current assets</b>			
Trade and other receivables	13	<b>1,196</b>	1,352
Cash and cash equivalents		<b>3,526</b>	6,536
Amounts due from customers		<u>48</u>	<u>—</u>
		<u>4,770</u>	<u>7,888</u>
<b>Total assets</b>		<u><b>4,968</b></u>	<u>7,981</u>
<b>Capital and reserves</b>			
Share capital	15	<b>24,089</b>	24,089
Reserves		<u>(74,118)</u>	<u>(73,400)</u>
<b>Equity attributable to owners of the Company</b>		<u><b>(50,029)</b></u>	<u>(49,311)</u>
<b>Liabilities</b>			
<b>Non-current liability</b>			
Promissory notes and interest payables to the related companies	16	<u><b>48,859</b></u>	<u>47,534</u>
<b>Current liabilities</b>			
Other payables and accruals	14	<b>3,180</b>	5,305
Deferred revenue		<b>2,114</b>	3,570
Amount due to a related company	17	<b>225</b>	264
Amounts due to customers		<u>619</u>	<u>619</u>
		<u>6,138</u>	<u>9,758</u>
<b>Total liabilities</b>		<u><b>54,997</b></u>	<u>57,292</u>
<b>Total equity and liabilities</b>		<u><b>4,968</b></u>	<u>7,981</u>
<b>Net current liabilities</b>		<u><b>(1,368)</b></u>	<u>(1,870)</u>
<b>Total assets less current liabilities</b>		<u><b>(1,170)</b></u>	<u>(1,777)</u>
<b>Net liabilities</b>		<u><b>(50,029)</b></u>	<u>(49,311)</u>

# **CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

*For the year ended 30 November 2015*

	Attributable to owners of the Company					Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Exchange reserve HK\$'000	Accumulated losses HK\$'000	
At 1 December 2013	16,059	106,118	37,600	(14,237)	(205,169)	(59,629)
Profit for the year	–	–	–	–	2,057	2,057
Other comprehensive income for the year	–	–	–	528	–	528
Total comprehensive income for the year	–	–	–	528	2,057	2,585
Issue of ordinary shares upon rights issue	8,030	–	–	–	–	8,030
Expenses attributable to rights issue	–	(297)	–	–	–	(297)
At 30 November 2014 and 1 December 2014	24,089	105,821	37,600	(13,709)	(203,112)	(49,311)
Loss for the year	–	–	–	–	(14,227)	(14,227)
Other comprehensive income for the year	–	–	–	13,509	–	13,509
Total comprehensive income/ (loss) for the year	–	–	–	13,509	(14,227)	(718)
<b>At 30 November 2015</b>	<b>24,089</b>	<b>105,821</b>	<b>37,600</b>	<b>(200)</b>	<b>(217,339)</b>	<b>(50,029)</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 Clarendon House, 2 Church 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\$”), which is the same as the functional currency of the Company. 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 on the historical cost basis at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

As at 30 November 2015, the Group’s current liabilities exceeded its current assets by approximately HK\$1,368,000 and net liabilities of approximately HK\$50,029,000. 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.

Also, the directors of the Company are of the opinion that the Group will be able to finance its future financing requirements and working capital based on the following considerations:

- (a) On 25 November 2015, the promissory notes holder, Active Investments Capital Limited (“Active Investments”), which is the Company’s related company has agreed to extend the expiry date of the promissory notes together with the accrued interests with aggregate amount as at 30 November 2015 of approximately HK\$42,983,000 to 30 June 2017 (Note 16). Active Investments provides financial support for the continuing operations of the Company so as to enable it to meet its liabilities as they fall due and carry on its business without a significant curtailment of operations in the twelve months from 30 November 2015; and

- (b) On 25 November 2015, the promissory note holder, Wickham Group Limited (“Wickham”), which is the Company’s related company has agreed to extend the expiry date of the promissory note together with the accrued interest with aggregate amount as at 30 November 2015 of approximately HK\$5,876,000 to 30 June 2017 (Note 16).

In view of the above, the directors of the Company are of the opinion that there will be sufficient financial resources available to the Group to enable it to meet its liabilities as and when they fall due and to continue as a going concern. Accordingly, the directors of the Company have prepared the consolidated financial statements on a going concern basis.

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

In the current year, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations (“new and revised HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), which are effective for the Group’s financial year beginning on or after 1 December 2014.

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010-2012 Cycle
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011-2013 Cycle
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities
HKAS 19 (2011) (Amendments)	Defined Benefit Plans: Employee Contributions
HKAS 32 (Amendments)	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-Financial Assets
HKAS 39 (Amendments)	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) – Int 21	Levies

The application of the above new and revised HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012-2014 Cycle <sup>2</sup>
HKFRS 9	Financial Instruments <sup>3</sup>
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>2</sup>
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception <sup>2</sup>
HKFRS 11 (Amendments)	Accounting for Acquisition of Interests in Joint Operation <sup>2</sup>
HKFRS 14	Regulatory Deferral Accounts <sup>1</sup>
HKFRS 15	Revenue from contracts with customers <sup>3</sup>
HKAS 1 (Amendments)	Disclosure Initiative <sup>2</sup>
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation <sup>2</sup>
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants <sup>2</sup>
HKAS 27 (Amendments)	Equity Method in Separate Financial Statement <sup>2</sup>

<sup>1</sup> Effective for first annual HKFRS financial statements beginning on or after 1 January 2016, with earlier application permitted.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

The Group is in the process of assessing the potential impact of the above new and revised HKFRSs upon initial application but is not yet in a position to state whether the above new and revised HKFRSs will have a significant impact on the Group's results of operations and financial position.

#### **4. TURNOVER AND OTHER REVENUE**

The Group is principally engaged in the design and sales of computer software and provision of professional and maintenance services. 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:

	2015 HK\$'000	2014 HK\$'000
<b>Turnover:</b>		
Sales of computer software licences, software rental and provision of related services	2,855	9,584
Provision of maintenance services	6,078	6,216
Contract revenue	3,735	3,893
Sales of computer hardware	666	40
	<u>13,334</u>	<u>19,733</u>
<b>Other revenue:</b>		
Interest income on bank deposits	–	1
Rental income	–	87
Other	23	–
	<u>23</u>	<u>88</u>
<b>5. OTHER LOSSES AND GAINS</b>		
	2015 HK\$'000	2014 HK\$'000
Loss on disposal of property, plant and equipment	(24)	–
Reversal of impairment loss on trade receivables	–	12
Impairment loss recognised on trade receivables	–	(23)
Loss on de-registration of subsidiaries ( <i>Note 6</i> )	(12,393)	–
Written off of receipt in advance	2,332	–
Net exchange gain	1,013	268
	<u>(9,072)</u>	<u>257</u>

## 6. DE-REGISTRATION OF SUBSIDIARIES

On 11 November 2015, the Group de-registered wholly-owned subsidiaries in Australia, Multiactive Software Pty. Limited and Maximizer Software Pty. Limited.

### *Analysis of asset and liabilities over which control was lost*

	2015 HK\$'000
<b><u>Current asset</u></b>	
Prepayments	1
<b><u>Current liabilities</u></b>	
Deferred revenue	(950)
Accruals	(9)
	<hr/>
Net liabilities disposed of	(958)
	<hr/> <hr/>

The de-registered subsidiaries did not have significant contribution to the Group's revenue, loss and cash flow for the year ended 30 November 2015.

### *Loss on de-registration of subsidiaries*

	2015 HK\$'000
Net liabilities disposed of	958
Release of exchange reserve	(13,351)
	<hr/>
Loss on de-registration	(12,393)
	<hr/> <hr/>

## 7. SEGMENT INFORMATION

The Group was engaged in two business segments, Financial Solutions and CRM Solutions, during the years ended 30 November 2015 and 2014. The Group's 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	
	2015	2014	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover	<u>13,334</u>	<u>19,676</u>	<u>–</u>	<u>57</u>	<u>13,334</u>	<u>19,733</u>
Segment results	<u>4,883</u>	<u>10,978</u>	<u>–</u>	<u>57</u>	<u>4,883</u>	<u>11,035</u>
Other revenue					23	88
Loss on disposal of property, plant and equipment					(24)	–
Loss on de-registration of subsidiaries					(12,393)	–
Written off of receipt in advance					2,332	–
Net exchange gain					1,013	268
Central administration costs					(7,667)	(6,869)
Finance costs					(2,394)	(2,465)
(Loss)/profit before taxation					(14,227)	2,057
Taxation					–	–
(Loss)/profit for the year					<u>(14,227)</u>	<u>2,057</u>

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the year (2014: Nil).

Segment results represent the profit earned by each segment without allocation of other revenue, net exchange gain, loss on disposal of property, plant and equipment, loss on de-registration of subsidiaries, written off of receipt in advance, central administration costs, finance costs and taxation. This is the measure reported to the chief operating decision maker for the purposes of resources allocation and assessment of segment performance.

## Segment assets and liabilities

	Financial Solutions		CRM Solutions		Consolidated	
	2015	2014	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Assets and liabilities</b>						
Segment assets	3,254	4,971	144	212	3,398	5,183
Unallocated assets					1,570	2,798
					<u>4,968</u>	<u>7,981</u>
Consolidated total assets						
Segment liabilities	5,058	7,382	323	1,534	5,381	8,916
Unallocated liabilities					49,616	48,376
					<u>54,997</u>	<u>57,292</u>
Consolidated total liabilities						

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 payables, other payables and accruals borne by the investment holding companies).

## Other segment information

	Financial Solutions		CRM Solutions		Consolidated	
	2015	2014	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Other segment information</b>						
Depreciation on property, plant and equipment	61	64	–	1	61	65
Capital expenditure	192	13	–	–	192	13
Reversal of impairment loss on trade receivables	–	(12)	–	–	–	(12)
Impairment loss recognised in respect of trade receivables	–	23	–	–	–	23
	<u>–</u>	<u>23</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>23</u>

### Geographical segments

The Group operates in two principal geographical areas – the People’s Republic of China (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	
	2015 HK\$’000	2014 HK\$’000	2015 HK\$’000	2014 HK\$’000
PRC	–	–	–	32
Hong Kong	13,334	19,733	198	61
	<u>13,334</u>	<u>19,733</u>	<u>198</u>	<u>93</u>

### Information about major customers

Included in revenue arising from sales of Financial Solutions of approximately HK\$13,334,000 (2014: approximately HK\$19,676,000) are revenue of approximately HK\$4,204,000 (2014: approximately HK\$7,798,000) which arose from sales to the Group’s largest customers. No other single customer contributed 10% or more to the Group’s revenue for both years ended 2015 and 2014.

## 8. (LOSS)/PROFIT FROM OPERATING ACTIVITIES

	2015 HK\$’000	2014 HK\$’000
<b>The Group’s (loss)/profit from operating activities</b>		
<b>is arrived at after charging:</b>		
Auditors’ remuneration	250	250
Depreciation on property, plant and equipment	61	65
Operating lease payments in respect of		
– land and buildings	2,053	2,039
– plant and equipment	32	32
Staff costs (excluding directors’ remuneration)		
– salaries and allowances	9,446	8,970
– retirement benefit costs	359	341
Cost of computer hardware sold	453	22
	<u>453</u>	<u>22</u>

## 9. FINANCE COSTS

	2015 HK\$'000	2014 HK\$'000
Interest on promissory notes		
– wholly repayable within five years ( <i>Note 16</i> )	2,394	2,325
Interest on amount due to a shareholder		
– wholly repayable within five years ( <i>Note 17</i> )	–	140
	<u>2,394</u>	<u>2,465</u>

## 10. 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 profits for the year (2014: 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 (2014: Nil).

No Australian income tax has been provided by the Australian subsidiaries of the Group as they had no assessable profits for the year (2014: Nil).

The Group has tax losses arising in Hong Kong of approximately HK\$72,018,000 (2014: approximately to HK\$69,043,000) 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 (2014: Nil).

## 11. (LOSS)/EARNINGS PER SHARE

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

	2015 HK\$'000	2014 HK\$'000
<i>(Loss)/earnings</i>		
(Loss)/earnings for the purpose of basic (loss)/earnings per share ((loss)/profit for the year attributable to the owners of the Company)	<u>(14,227)</u>	<u>2,057</u>
<i>Number of shares</i>		
Weighted average number of shares for the purpose of basic (loss)/earnings per share	<u>240,886,450</u>	<u>239,278,848</u>
Basic (loss)/earnings per share	<u>HK(5.91) cents</u>	<u>HK0.86 cents</u>

The weighted average of ordinary shares for the purpose of calculating basic earnings per share for the year ended 30 November 2014 have been adjusted for the effects of rights issue completed on 27 January 2014.

The Group had no potentially dilutive ordinary shares in issue during the years ended 30 November 2015 and 2014. Diluted (loss)/earnings per share for the years ended 30 November 2015 and 2014 were the same as the basic (loss)/earnings per share.

## 12. DIVIDENDS

The directors of the Company do not recommend the payment of any dividend in respect of the year ended 30 November 2015 (2014: Nil).

## 13. TRADE AND OTHER RECEIVABLES

	2015 HK\$'000	2014 HK\$'000
Trade receivables	400	545
Prepayment, deposits and other receivables	<u>796</u>	<u>807</u>
	<u>1,196</u>	<u>1,352</u>

The analysis of trade receivables were as follow:

	<b>2015</b> <b>HK\$'000</b>	2014 <i>HK\$'000</i>
Trade receivables	<b>861</b>	2,165
Less: Impairment loss recognised in respect of trade receivables	<b>(461)</b>	(1,620)
	<hr/>	<hr/>
At 30 November	<b>400</b>	545
	<hr/> <hr/>	<hr/> <hr/>

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 a credit period range from 0 day to 30 days to its contract customers.

The following is an aged analysis of the trade receivables (based on invoice date), net of provision of impairment loss:

	<b>2015</b> <b>HK\$'000</b>	2014 <i>HK\$'000</i>
Current	<b>142</b>	409
31 – 60 days	<b>12</b>	14
61 – 90 days	<b>215</b>	–
Over 90 days	<b>31</b>	122
	<hr/>	<hr/>
	<b>400</b>	545
	<hr/> <hr/>	<hr/> <hr/>

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

	<b>2015</b> <b>HK\$'000</b>	2014 <i>HK\$'000</i>
31 – 60 days	<b>12</b>	14
61 – 90 days	<b>215</b>	–
Over 90 days	<b>31</b>	122
	<hr/>	<hr/>
	<b>258</b>	136
	<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 on trade receivables are as follows:

	<b>2015</b> <b>HK\$'000</b>	2014 <i>HK\$'000</i>
At 1 December	<b>1,620</b>	1,609
Reversal of impairment loss on trade receivables	–	(12)
Impairment loss recognised on trade receivables	–	23
Amount written off as uncollectible	<b>(1,159)</b>	–
	<hr/>	<hr/>
At 30 November	<b>461</b>	1,620
	<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\$Nil (2014: HK\$23,000). 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 2015, there are four (2014: five) customers who represent more than 10% of the total net balance of trade receivables and the amounted to approximately HK\$333,000 (2014: approximately to HK\$497,000).

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

	<b>2015</b> <b>HK\$'000</b>	2014 <i>HK\$'000</i>
Prepayment, deposits and other receivables	<b>1,206</b>	1,217
Less: Impairment loss recognised in respect of prepayment, deposits and other receivables	<b>(410)</b>	(410)
	<hr/>	<hr/>
At 30 November	<b>796</b>	807
	<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 2015 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.

#### 14. OTHER PAYABLES AND ACCRUALS

	2015 HK\$'000	2014 HK\$'000
Accruals	1,329	1,384
Receipt in advance	1,083	3,022
Other payables	768	899
	<u>3,180</u>	<u>5,305</u>

#### 15. SHARE CAPITAL

	2015		2014	
	Number of shares	Amount HK\$'000	Number of shares	Amount HK\$'000
<b>Authorised:</b>				
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>
<b>Issued and fully paid:</b>				
At 1 December, ordinary shares of HK\$0.1 each	240,886,450	24,089	160,590,967	16,059
Issue of new shares ( <i>Note (a)</i> )	<u>–</u>	<u>–</u>	<u>80,295,483</u>	<u>8,030</u>
At 30 November, ordinary shares of HK\$0.1 each	<u>240,886,450</u>	<u>24,089</u>	<u>240,886,450</u>	<u>24,089</u>

*Note:*

- (a) On 27 January 2014, the Company completed a rights issue of 80,295,483 ordinary shares of HK\$0.10 each at a subscription price of HK\$0.10 per share. Accordingly, the issued share capital of the Company has been increased from HK\$16,059,097 to HK\$24,088,645. These new shares rank pari passu in all respect with the existing shares. The net proceeds from rights issue used in working capital and repayment of loan.

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

As at 30 November 2015, the promissory notes payable to the related companies are interest bearing at Hong Kong prime rate for both years ended 30 November 2015 and 2014.

On 25 November 2015, Active Investments has agreed to extend the expiry date of the Hong Kong Dollar Denominated Promissory Note with the aggregate amount as at 30 November 2015 of approximately HK\$34,964,000 (included principal amount of HK\$25,705,000 and accrued interest of approximately HK\$9,259,000) to 30 June 2017. During the year, interest of approximately HK\$1,702,000 was charged to consolidated statement of profit or loss and other comprehensive income (2014: approximately HK\$1,619,000).

On 25 November 2015, Active Investments has agreed to extend the expiry date of the Canadian Dollar Denominated Promissory Note with the aggregate amount as at 30 November 2015 of approximately CAD1,316,000 (approximately to HK\$8,019,000) (included principal amount of CAD1,025,000 (approximately to HK\$5,935,000) and accrued interest of approximately CAD291,000 (approximately to HK\$2,084,000)) to 30 June 2017. During the year, interest of approximately CAD64,000 (approximately to HK\$406,000) was charged to consolidated statement of profit or loss and other comprehensive income (2014: CAD61,000 (approximately to HK\$434,000)).

On 25 November 2015, Wickham, a company owned by a close family member of an executive director of the Company, has agreed to extend the expiry date of promissory note with the aggregate amount as at 30 November 2015 of approximately HK\$5,876,000 (included principal amount of HK\$4,635,000 and accrued interest of approximately HK\$1,241,000) to 30 June 2017. During the year, interest of approximately HK\$286,000 was charged to consolidated statement of profit or loss and other comprehensive income (2014: approximately HK\$272,000).

#### **17. AMOUNT DUE TO A SHAREHOLDER/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 of amount due to a shareholder which carries interest at the annual Canadian prime rate as quoted by Hong Kong and Shanghai Banking Corporation Limited plus 2% compounded monthly and amount due to a related company are interest-free for both years ended 30 November 2015 and 2014.

On 30 September 2014, the Group has fully repaid the outstanding loan together with accrued interest in the amount of CAD833,000 (approximately to HK\$5,805,000) to The CPT, a shareholder of the Company. During the year ended 30 November 2014, the interest of amount due to a shareholder approximately HK\$140,000 was charged to consolidated statement of profit or loss and other comprehensive income.

## **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 2015 contains a modified auditors' opinion as follow:–

“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\$14,227,000 during the year ended 30 November 2015 and, as of that date, the Group's current liabilities exceeded its total assets by approximately HK\$1,170,000. 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\$13,334,000 for the year ended 30 November 2015 (the “Year”), decreased by 32% from approximately HK\$19,733,000 for the same period last year. Of the total turnover amount, approximately HK\$2,855,000 or 21% was generated from software license sales, approximately HK\$3,735,000 or 28% was generated from contract revenue, approximately HK\$6,078,000 or 46% was generated from maintenance services, and approximately HK\$666,000 or 5% was generated from sales of hardware. At 30 November 2015, the Group had approximately HK\$1,744,000 worth of contracts that were in progress. The net loss attributable to shareholders for the year ended 30 November 2015 was approximately HK\$14,227,000, which was combined of the audited gain on de-registered subsidiary liabilities of approximately HK\$958,000 and audited loss on foreign currency translation adjustment of approximately HK\$13.4 million, which charged from exchange reserve to profit and loss account due to the de-registration of Group's Australia subsidiaries during the Year, whereas the Group recorded a net profit of approximately HK\$2,057,000 for the same period last year.

The Group's operating expenditures for the Year amounted to approximately HK\$13,729,000, increased by 7% from approximately HK\$12,833,000 for the corresponding period last year. Such increase was mainly attributed to the increase in recruitment cost and staff payroll increment during the Year.

As a result of most of the properties, plants and equipment of the Group were fully depreciated, the depreciation expenses decreased from approximately HK\$65,000 for the same period last year to approximately HK\$61,000 for the Year.

The Group did not have any amortisation expenses during the Year, due to the write-off of the remaining amounts of goodwill and intellectual property rights at the end of the fiscal year 2002.

During the Year, the Group invested approximately HK\$4,881,000 in developing new modules for its OCTO Straight Through Processing (“STP”) system.

The Group has no provision made for impairment of trade receivables during the Year.

Total staff costs (excluding directors’ remuneration) were approximately HK\$9,805,000 for the Year, representing an increase of 5% from approximately HK\$9,311,000 for the same period last year. The increase was mainly attributed to an increase in headcount and salary increment in staff payroll.

### **Operation Review**

For the Year, the turnover from Financial Solutions is approximately HK\$13,334,000, a decrease of 32% when compared to approximately HK\$19,676,000 for the same period last year. The decrease in the turnover was mainly attributed to lesser software license sales during the Year comparing to the same period last year. Despite this, the Group managed to maintain a steady order flow from its customer services, including annual maintenance fees and software rental income. During the Year, the Group enhanced its customer service by successfully implementing the new Orient Central Gateway (“OCG”) and Shanghai-Hong Kong Stock Connect to the market. Furthermore, we succeeded in securing contracts from numbers of brokerage firms for upgrading their existing back office systems to our latest versions during the Year.

Following the new OCG and Shanghai-Hong Kong Stock connect were launched to the market during the Year, the Group is closely negotiating with new customers for the implementation of its OctoSTP trading system and we believe that the Group will benefit from its enhanced product line by the potential expand of its customer base.

The Group has always given priority to investing in the development of additional add-on modules for its OctoSTP trading system, as well as to enhancing its extensive array of solutions and capabilities through product development, in order to improve the ability to streamline and diversify its revenue stream.

### **Prospects**

To strengthen the competitiveness in the market, the Group will further focus on our core business and technology development with product functionality improvement and expansion in the service areas we offer to the customers. To channel our resources to the new business development area of high growth solutions will continue to be one of the top priorities of the Group for 2016. It is the belief of the directors that the Group has a well-diversified product range, which maintains its market competitiveness and it is well equipped to face future challenges.

Entering 2016, we target to strive for a better diversified business line by seeking new investment opportunities in the market. To achieve the goal, we will engage in seeking partners actively to cooperate in providing more innovative business solutions. We will also continue to deliver our quality service, as well as to improve our financial solution products for the continuous business growth of the Group.

### **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 effective on 1 April 2012 which set out the principles and the code provisions which the Company is expected to apply and comply.

To comply with all the 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, except for the deviations from code provision A.4.3 and C.1.2 as explained below, none of the directors is aware of information that would reasonable indicate that the Company is not, or was not, for any parts of the accounting period for the year ended 30 November 2015, in compliance with the CG Code and Report set out by the Stock Exchange in Appendix 15 to the GEM Listing Rules. The board will continue to review regularly and take appropriate actions to comply with the Code.

### ***Appointments, Re-election and Removal Director***

Code provision A.4.3 of the CG Code and Report, became effective on 1 April 2012, an independent non-executive director serves more than nine (9) years, his further appointment should be subject to a separate resolution to be approved by shareholders.

Mr. Kwong Sang LIU has served as an independent non-executive director of the Company for more than 9 years. Mr. Liu has demonstrated his ability to provide an independent view to the Company’s matters. Notwithstanding his years of service as an independent non-executive director of the Company, the Board is of the view that Mr. Liu is able to continue to fulfill his role as required and thus recommends him for re-election of the annual general meeting of the Company. Further, the Company is of the view of Mr. Liu meets the independence guidelines set out in Rule 5.09 of the GEM Listing Rules and is independent in accordance with the terms and guidelines. This deviated from the requirements of code provision A.4.3.

To comply with code provision A.4.3, Mr. Liu's further appointment has been proposed and approved by the shareholders at the annual general meeting of the Company held on 27 March 2015, and any further appointment is subject to a separate resolution to be approved by shareholders in each year.

### ***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 details.

During the year ended 30 November 2015, rather than provide monthly updates, the management of the Company has provided to the Board 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. The management discussion and analysis prepared by management and reviewed by the Board of the directors are included in this result announcement.

### **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. William Keith Jacobsen is the chairman of the audit committee for the year ended 30 November 2015.



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 2015, the audit committee held four 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 2015 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 (2014: 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	<i>(Executive Director)</i>
Ms. Clara Hiu Ling LAM	<i>(Executive Director)</i>
Mr. Kwong Sang LIU	<i>(Independent Non-executive Director)</i>
Mr. Edwin Kim Ho WONG	<i>(Independent Non-executive Director)</i>
Mr. William Keith JACOBSEN	<i>(Independent Non-executive Director)</i>

Hong Kong, 29 January 2016

*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).*