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 2007

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. 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 and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

The Stock Exchange takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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 for the purpose of giving information with regard to abc Multiactive Limited. The directors, having made all reasonable enquires, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement 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 announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

* *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 (the "Group") for the year ended 30 November 2007, together with the comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 30 November 2007

	Notes	**2007** *HK$'000*	2006 *HK$'000*
Turnover	4	**18,194**	16,210
Cost of sales		**(6,345)**	(5,051)
Gross profit		**11,849**	11,159
Other revenue	4	**44**	68
Other income	6	**–**	2,194
Software research and development expenses		**(6,209)**	(5,325)
Selling and marketing expenses		**(1,906)**	(2,024)
Administrative expenses		**(7,175)**	(5,275)
(Loss)/profit from operating activities	6	**(3,397)**	797
Finance costs	7	**(1,998)**	(2,008)
Loss before taxation		**(5,395)**	(1,211)
Taxation	8	**–**	–
Loss for the year		**(5,395)**	(1,211)
Attributable to equity holders of the Company		**(5,395)**	(1,211)
Loss per share			
Basic and diluted	9	**HK (3.36) cents**	HK (0.75) cents
Dividends	10	**–**	–

CONSOLIDATED BALANCE SHEET

At 30 November 2007

	Notes	**2007** **HK$'000**	2006 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**802**	710
Current assets			
Work in progress		**1,171**	852
Trade and other receivables	11	**1,827**	1,651
Cash and bank balances		**2,021**	3,084
		5,019	5,587
Total assets		**5,821**	6,297
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	13	**16,059**	16,059
Reserves		**(51,395)**	(45,804)
Total equity		**(35,336)**	(29,745)
LIABILITIES			
Non-current liabilities			
Promissory notes and interest payable to a shareholder		**17,245**	15,979
Promissory note and interest payable to a related company		**6,290**	5,829
Amount due to the ultimate holding company		**7,847**	6,077
		31,382	27,885
Current liabilities			
Trade and other payables and accruals	12	**6,678**	4,930
Deferred revenue		**1,878**	2,056
Amounts due to customers		**1,219**	1,171
		9,775	8,157
Total liabilities		**41,157**	36,042
Total equity and liabilities		**5,821**	6,297
Net current liabilities		**(4,756)**	(2,570)
Total assets less current liabilities		**(3,954)**	(1,860)
Net liabilities		**(35,336)**	(29,745)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 November 2007

		Reserves				
	Issued share capital	**Share premium**	**Contributed surplus**	**Exchange reserve**	**Accumulated losses**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 December 2005	16,059	106,118	37,600	(11,016)	(174,967)	(26,206)
Exchange difference arising on translation of financial statements of foreign subsidiaries	–	–	–	(2,328)	–	(2,328)
Loss for the year	–	–	–	–	(1,211)	(1,211)
At 30 November 2006 and 1 December 2006	16,059	106,118	37,600	(13,344)	(176,178)	(29,745)
Exchange difference arising on translation of financial statements of foreign subsidiaries	–	–	–	(196)	–	(196)
Loss for the year	–	–	–	–	(5,395)	(5,395)
At 30 November 2007	**16,059**	**106,118**	**37,600**	**(13,540)**	**(181,573)**	**(35,336)**

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 HM 11, 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 Group's principal activities were design and sales of computer software and provision of maintenance services.

The directors consider the Company's ultimate holding company to be Maximizer Software Inc. ("MSI"), which was incorporated in Canada and listed on the Toronto Stock Exchange.

2. **BASIS OF PREPARATION**

The measurement basis used in the preparation of the financial statements is historical cost convention.

The Group incurred losses of approximately HK$5,395,000 and HK$1,211,000 for the year ended 30 November 2007 and 2006 respectively. As at 30 November 2007, the Group's current liabilities exceeded its current assets by approximately HK$4,756,000 and net liabilities of approximately HK$35,336,000. Notwithstanding the above results, the 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.

A shareholder of the Company, Pacific East Limited, has confirmed that it will not demand repayment of its promissory notes and the related promissory notes interests in the amount of approximately HK$12,500,000 and HK$4,745,000 respectively within the next twelve months of the balance sheet date. On 30 November 2007, Pacific East Limited has agreed to extend the maturity dates of the promissory notes amounts of HK$9,500,000 and HK$3,000,000 to 22 May 2009 and 31 May 2009 respectively. The ultimate holding company, MSI, has also confirmed that it will not demand repayment of the amount due of approximately HK$7,847,000 within the next twelve months of the balance sheet date. Furthermore, a party connected to a non-executive director of the Company, Wickham Group Limited, has also agreed that it will not demand repayment of the promissory note and the related promissory notes interests in the amount of approximately HK$4,634,000 and HK$1,656,000 respectively within the next twelve months of the balance sheet. On 30 November 2007, Wickham Group Limited has agreed to extend the maturity date of the promissory note amount of HK$4,634,000 to 21 May 2009.

The directors 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 they fall due over the next twelve months. Accordingly, the directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS")

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("the HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The consolidated financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand (HK$'000) except otherwise indicated.

In the current year, the Group has applied, for the first time, a number of new standards, amendments and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") which are either effective for accounting periods beginning on or after 1 December 2006. The new HKFRSs adopted by the Company in the financial statements are set out as follows:

HKAS 19 (Amendment)	Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures
HKAS 21 (Amendment)	The Effects of changes in Foreign Exchange Rates – Net Investment in a Foreign Operation
HKAS 39 (Amendment)	The Fair Value Option
HKAS 39 (Amendment)	Cash Flow Hedge Accounting of Forecast Intragroup Transactions
HKAS 39 & HKFRS 4 (Amendments)	Financial Guarantee Contracts
HKFRS 6	Exploration for and Evaluation of Mineral Resources
HK(IFRIC) – Int 4	Determining whether an Arrangement contains a Lease
HK(IFRIC) – Int 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
HK(IFRIC) – Int 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment
HK(IFRIC) – Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies
HK(IFRIC) – Int 8	Scope of HKFRS 2
HK(IFRIC) – Int 9	Reassessment of Embedded Derivatives
HK(IFRIC) – Int 10	Interim Financial Reporting and Impairment

The adoption of these new and revised standards and interpretation has had no material effect on these financial statements.

The Group has not early adopted the following new HKFRSs that have been issued but are not yet effective. The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position. These new HKFRSs may result in changes in the future as to how the results and financial position are prepared and presented.

HKAS 1 (Amendment)	Capital Disclosures[1]
HKAS 1 (Amendment)	Presentation of Financial Statements[2]
HKAS 23 (Revised)	Borrowing Costs[2]
HKFRS 7	Financial Instruments: Disclosures[1]
HKFRS 8	Operating Segments[2]
HK(IFRIC) – Int 11	HKFRS 2 – Group and Treasury Share Transactions[3]
HK(IFRIC) – Int 12	Service Concession Arrangements[4]
HK(IFRIC) – Int 13	Customer Loyalty Programmes[5]
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction[4]

[1] Effective for annual periods beginning on or after 1 January 2007
[2] Effective for annual periods beginning on or after 1 January 2009
[3] Effective for annual periods beginning on or after 1 March 2007
[4] Effective for annual periods beginning on or after 1 January 2008
[5] Effective for annual periods beginning on or after 1 July 2008

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

	2007	2006
	HK$'000	*HK$'000*
Turnover:		
Sales of computer software licences, software rental and provision of related services	**7,846**	7,960
Provision of maintenance services	**5,013**	4,599
Contract revenue	**2,160**	2,262
Sales of computer hardware	**3,175**	1,389
	18,194	16,210
Other revenue:		
Bank interest income	**40**	50
Sundry income	**4**	18
	44	68
	18,238	16,278

5. SEGMENT INFORMATION

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. 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 other business segments. Summary details of the business segments are as follows:

(a) eFinance; and
(b) eBusiness.

In determining the Group's geographical segments, turnover and results are attributed to the segments based on the location of the customers and assets are attributed to the segments based on the location of the assets.

(a) Business segments

	eFinance		eBusiness		Consolidated	
	2007	2006	**2007**	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Turnover	**17,314**	15,240	**880**	970	**18,194**	16,210
Segment result	**4,482**	4,618	**(749)**	(1,102)	**3,733**	3,516
Other revenue					**44**	68
Exchange (loss)/gain					**(952)**	2,045
Unallocated expenses					**(6,222)**	(4,832)
(Loss)/profit from operating activities					**(3,397)**	797
Finance costs					**(1,998)**	(2,008)
Loss before taxation					**(5,395)**	(1,211)
Taxation					**–**	–
Loss for the year					**(5,395)**	(1,211)

	eFinance		eBusiness		Consolidated	
	2007	2006	**2007**	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment assets	**3,750**	2,969	**803**	627	**4,553**	3,596
Unallocated assets					**1,268**	2,701
Total assets					**5,821**	6,297
Segment liabilities	**11,789**	6,323	**5,384**	7,471	**17,173**	13,794
Unallocated liabilities					**23,984**	22,248
Total liabilities					**41,157**	36,042
Other segment information:						
Depreciation	**268**	159	**17**	11	**285**	170
Gain on disposal of property, plant and equipment	**–**	–	**–**	149	**–**	149
Capital expenditure	**359**	549	**18**	22	**377**	571

(b) Geographical segments

The Group's segment turnover, segment result, segment assets, segment liabilities and capital expenditure for the year, analysed by geographical market, are as follows:

	2007				
	Segment turnover	**Segment loss**	**Segment assets**	**Segment liabilities**	**Capital expenditure**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Hong Kong and other Asian counties	18,194	(4,921)	5,524	37,374	377
Australia and New Zealand	–	(474)	297	3,783	–
	18,194	(5,395)	5,821	41,157	377

	2006				
	Segment turnover	Segment profit/(loss)	Segment assets	Segment liabilities	Capital expenditure
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Hong Kong and other Asian counties	16,211	(3,418)	5,863	32,792	571
Australia and New Zealand	(1)	2,207	434	3,250	–
	16,210	(1,211)	6,297	36,042	571

6. (LOSS)/PROFIT FROM OPERATING ACTIVITIES

	2007	2006
	HK$'000	*HK$'000*
(Loss)/profit from operating activities is stated after charging:		
Auditors' remuneration	**294**	258
Impairment loss recognised in respect of trade and other receivables	**72**	427
Depreciation on owned property, plant and equipment	**285**	170
Operating lease payments in respect of		
– land and buildings	**974**	595
– plant and equipment	**–**	30
Staff costs (excluding directors' remuneration)		
– salaries and allowances	**12,810**	10,928
– retirement benefit costs	**453**	431
Cost of computer hardware sold	**2,334**	1,075
Exchange loss	**952**	–
and after crediting:		
Other income:		
Exchange gain	**–**	2,045
Gain on disposal of property, plant and equipment	**–**	149
	–	2,194

7. FINANCE COSTS

	2007	2006
	HK$'000	*HK$'000*
Interest on promissory notes		
– wholly repayable within five years	**1,727**	1,655
Interest on amount due to the ultimate holding company		
– wholly repayable within five years	**271**	353
	1,998	2,008

8. TAXATION

No provision for Hong Kong profits tax has been made as the Group had either no estimated assessable profits or had estimated tax losses brought forward to set off the estimated assessable profit for the year (2006: Nil).

No Australian income tax has been provided by an Australian subsidiary of the Group as the Australia subsidiary incurred a taxation loss for the year.

The Group has tax losses arising in Hong Kong of approximately HK$70,121,000 (2006: HK$66,572,000) 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.

9. LOSS PER SHARE

The calculation of basic loss per share is based on the following data:

	2007	2006
Loss for the year for the purpose of basic loss per share (in HK$'000)	**(5,395)**	(1,211)
Weighted average of ordinary shares for the purpose of basic loss per share	**160,590,967**	160,590,967
Basic loss per share	**HK (3.36) cents**	HK (0.75) cents

10. DIVIDENDS

The directors do not recommend the payment of any dividend in respect of the year ended 30 November 2007 (2006: Nil).

11. TRADE AND OTHER RECEIVABLES

	Group	
	2007	2006
	HK$'000	*HK$'000*
Trade receivables *(Note a)*	**1,376**	993
Prepayments, deposits and other receivables *(Note c)*	**451**	658
	1,827	1,651

The analysis of trade receivables were as follow:

	Group	
	2007	2006
	HK$'000	*HK$'000*
Trade receivables as at 30 November 2007/2006	**2,872**	2,513
Less: Impairment loss recognised in respect of trade receivables *(Note b)*	**(1,496)**	(1,520)
At 30 November 2007/2006	**1,376**	993

The following is an aging analysis of the trade receivables at the balance sheet dates:

	Group	
	2007	2006
	HK$'000	*HK$'000*
Current	**156**	69
31 – 60 days	**640**	431
61 – 90 days	**42**	109
Over 90 days	**538**	384
	1,376	993

Notes:

(a) The directors of the Company considered that the carrying amounts of trade and other receivables approximate to their fair value.

(b) The movements in provision for impairment loss on trade receivables are as follows:

	Group	
	2007	2006
	HK$'000	*HK$'000*
At 1 December 2006/2005	**1,520**	1,498
Exchange realignment	**–**	5
Reversal of impairment loss	**(96)**	(5)
Impairment loss recognised in respect of trade receivables *(Note d)*	**72**	22
At 30 November 2007/2006	**1,496**	1,520

(c) The analysis of of prepayment, deposit and other receivables are as follows:

	Group	
	2007	2006
	HK$'000	*HK$'000*
At 30 November 2007/2006	**861**	1,068
Impairment loss recognised in respect of prepayments, deposits and other receivables *(Note d)*	**(410)**	(410)
At 30 November 2007/2006	**451**	658

(d) The directors of the Group had assessed the recoverability of trade and other receivables for the year ended 30 November 2007 and considered provision for impairment in values be made in respect of trade and other receivables to their recoverable values.

12. TRADE AND OTHER PAYABLES

	Group	
	2007	2006
	HK$'000	*HK$'000*
Trade payables	**1**	12
Accruals	**3,092**	2,221
Receipt in advance	**2,412**	1,712
Other payables	**1,173**	985
	6,678	4,930

As at 30 November 2007, the aging analysis of the trade payables was as follows:

	Group	
	2007	2006
	HK$'000	*HK$'000*
Current	**–**	–
31 – 60 days	**–**	12
61 – 90 days	**–**	–
Over 90 days	**1**	–
	1	12

13. SHARE CAPITAL

	2007		2006	
	Number of shares	**Amount HK$'000**	Number of shares	Amount HK$'000
Authorised:				
Ordinary shares of HK$0.10 each	10,000,000,000	1,000,000	10,000,000,000	1,000,000
Issued and fully paid:				
Ordinary shares of HK$0.10 each	160,590,967	16,059	160,590,967	16,059

BUSINESS REVIEW

Financial Review

The Group recorded a turnover of approximately HK$18,194,000 for the year ended 30 November 2007, a 12% increase from approximately HK$16,210,000 for the same period of the previous year. Of the total turnover amount, HK$7,846,000 or 43% was generated from software license sales, HK$2,160,000 or 12% was generated from contract revenue, HK$5,013,000 or 28% was generated from maintenance services, and HK$3,175,000 or 17% was generated from sales of hardware. At 30 November 2007, the Group had approximately HK$6,993,000 worth of contracts that were in progress. The net loss attributable to shareholders for the year ended 30 November 2007 was HK$5,395,000, whereas the Group recorded a net loss of approximately HK$1,211,000 for the same period of the previous year. Excluded the effect on unrealised exchange difference arose from the appreciation of the Australian dollar in the last year, the Group's overall overheads for the year were increased due to expansion of research and development centre in China, payroll and rental increment.

The operating expenditures (excluded exchange loss) amounted to HK$14,338,000 for the year ended 30 November 2007, a 14% increase from HK$12,624,000 for the corresponding period of the previous year. The increases were mainly attributed to company expansion in China overall increment in payroll and rental expenditure during the year.

As a result of the Group invested additional computer hardware and office equipment during the year 2007, depreciation expenses increased from approximately HK$170,000 for the year ended 30 November 2006 to approximately HK$285,000 in the current fiscal year.

The Group did not have any amortisation expenses for the year ended 30 November 2007 due to the write-off of the remaining amounts of goodwill and intellectual property rights at the end of fiscal year 2002.

During the current period, the Group invested approximately HK$6,209,000 in developing new modules for its OCTO Straight Through Processing ("STP") system.

At 30 November 2007, a provision for impairment of approximately HK$1,496,000 was carried in the balance sheet for of 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$13,263,000 for the year ended 30 November 2007, a 17% increase from approximately HK$11,359,000 for the same period of the previous year. The increase was mainly due attributed to salary adjustment and increase in headcount in Hong Kong and China during the current year.

Operation Review

For the year ended 30 November 2007, eFinance turnover is HK$17,314,000, an increase of 14% when compared to HK$15,240,000 for the same period of the previous year.

During the year, the Group continues to promote its OCTOSTP securities trading solutions to local banks and global securities firms in the Asian Pacific region. During the year, the Group was able to sign new contracts (excluding hardware sales) with total contract sum of approximately HK$8,823,000 for acquiring and implementing the Group's eFinance well known OCTOSTP solutions which were included contracts with a new Taiwan brokerage firm and Hong Kong branch of French bank to implement their OCTOSTP solution. Benefited from the increased stock trading in the Asian region and global stock markets, the brokerage firms are willing to increase and upgrade their trading and settlement system and hardware infrastructure to support higher securities trading volume in the markets. As a result, the Group had approximately HK$3,175,000 hardware sales contracts in the year 2007, an increase of 129% when compared to HK$1,389,000 for the same period of previous year.

During the year, eBusiness turnover is HK$880,000, a decrease of 9% when compared to HK$970,000 for the same period of previous year. Hong Kong operation continues to focus on development CRM market in Greater China region and other Asian countries, as a result, the Group had signed a new contract with one Hong Kong airway company to expand its usage of Maximizer product for 400 seats and one Germany logistic company in its Hong Kong branch to purchase nearly 60 seats of Maximizer Enterprise 9.5. During the year, the newly version of Maximzier CRM 10 were launched in the market. The Group continues to expand the market coverage of CRM software and focus on built up the stronger reseller channel in Greater China market. The Group's Shanghai subsidiary had successfully established its resellers network throughout China including Shanghai, Nanjing, Guangzhou and Shenzhen to promote Maximizer CRM software.

As at 30 November 2007, the Group had no material capital commitments and no future plans for material investments or capital assets.

Prospects

The Group will continue to focus on the Group's fundamentals to achieve profitability. Considering the keen competition in Hong Kong eFinance market, the Group will more proactive in seeking for overseas opportunities and focus on development of new financial solutions to diversify the Group's eFinance product coverage in the market. The directors believed that the Group is well equipped to face new challenge from the overseas market.

The Group believes the growth of CRM market in the Asian region especially in Greater China region is prosperous. The Group will continue to focus on development of CRM market in the region by expanding its sales team and recruitment of more resellers.

The directors believe that the Group is well positioned for growth, as the Group's integrated multi-product systems for eFinance and eBusiness will offer customers the tools to expand their operations and services as the economy continues to improve.

Corporate Governance Practices

The Stock Exchange has issued Code on Corporate Goverance Practices (the "Code") as set out in Appendix 15 of the GEM Listing Rules which are effective for accounting periods beginning on or after 1 January 2005.

The Company has complied with all the code provisions set out in Appendix 15 – Code on Corporate Governance Practices ("CG Code") of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") for the financial year ended 30 November 2007.

Audit Committee

Pursuant to the GEM Listing Rules, an audit committee, comprising three independent non-executive directors, namely Messrs. Ronald Kwok Fai Poon, Clifford Sau Man Ng and Kwong Sang Liu, was established on 22nd January 2001. Messrs. Ronald Kwok Fai Poon and Clifford Sau Man Ng were the audit committee members when it was established on 22nd January 2001. At 28th September 2004, Kwong Sang Liu was appointed as independent non-executive director and member of audit committee of the Company.

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 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 year ended 30 November 2007, the audit committee held four meeting 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 audited condensed financial statements for the year ended 30 November 2007 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 (2006: Nil).

By order of the Board
Terence Chi Yan Hui
Chairman

Mr. Terence Chi Yan HUI *(Executive Director)*
Mr. Joseph Chi Ho HUI *(Executive Director)*
Mr. Kau Mo HUI *(Non-executive Director)*
Mr. Ronald Kwok Fai POON *(Independent Non-executive Director)*
Mr. Clifford Sau Man NG *(Independent Non-executive Director)*
Mr. Kwong Sang LIU *(Independent Non-executive Director)*

Hong Kong, 15 February 2008

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