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 2010

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.

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 announces the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 30 November 2010, together with the comparative figures in 2009 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 November 2010

	Notes	**2010** ***HK$'000***	2009 *HK$'000*
Turnover	4	**17,141**	14,980
Cost of sales		**(4,782)**	(3,941)
Gross profit		**12,359**	11,039
Other revenue	4	**1**	7
Other expense		**(309)**	(162)
Software research and development expenses		**(6,826)**	(6,161)
Selling and marketing expenses		**(1,254)**	(1,703)
Administrative expenses		**(6,739)**	(6,055)
Loss from operating activities	6	**(2,768)**	(3,035)
Finance costs	7	**(1,742)**	(1,629)
Loss before taxation		**(4,510)**	(4,664)
Taxation	8	**–**	–
Loss for the year		**(4,510)**	(4,664)
Other comprehensive income			
Exchange differences on translating foreign operations		**(241)**	(1,344)
Other comprehensive expenses for the year, net of tax		**(241)**	(1,344)
Total comprehensive expenses for the year		**(4,751)**	(6,008)
Loss for the year attributable to owners of the Company		**(4,510)**	(4,664)
Total comprehensive expenses for the year attributable to owners of the Company		**(4,751)**	(6,008)
Loss per share			
– Basic and diluted	9	**HK(2.81) cents**	HK(2.90) cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 30 November 2010

	Notes	2010 HK$'000	2009 HK$'000
Assets			
Non-current asset			
Property, plant and equipment		**552**	395
Current assets			
Work in progress		**577**	663
Trade and other receivables	11	**1,421**	1,307
Cash and cash equivalents		**6,490**	5,205
		8,488	7,175
Total assets		**9,040**	7,570
Capital and reserves			
Share capital	13	**16,059**	16,059
Reserves		**(63,353)**	(58,602)
Equity attributable to owners of the Company		**(47,294)**	(42,543)
Liabilities			
Non-current liabilities			
Promissory notes and interest payable to the related companies	14	**34,529**	29,842
Amount due to the former ultimate holding company	15	**–**	8,527
Amount due to a shareholder	15	**5,467**	–
Amount due to a related party	15	**3,927**	–
		43,923	38,369
Current liabilities			
Other payables and accruals	12	**6,291**	6,073
Deferred revenue		**4,008**	4,217
Amounts due to customers		**2,112**	1,454
		12,411	11,744
Total liabilities		**56,334**	50,113
Total equity and liabilities		**9,040**	7,570
Net current liabilities		**(3,923)**	(4,569)
Total assets less current liabilities		**(3,371)**	(4,174)
Net liabilities		**(47,294)**	(42,543)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 November 2010

	Attributable to owners of the Company					
	Share capital	**Share premium**	**Contributed surplus**	**Exchange reserve**	**Accumulated losses**	**Total equity**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 December 2008	16,059	106,118	37,600	(12,525)	(183,787)	(36,535)
Loss for the year	–	–	–	–	(4,664)	(4,664)
Other comprehensive expenses for the year	–	–	–	(1,344)	–	(1,344)
Total comprehensive expenses for the year	–	–	–	(1,344)	(4,664)	(6,008)
At 30 November 2009 and 1 December 2009	16,059	106,118	37,600	(13,869)	(188,451)	(42,543)
Loss for the year	–	–	–	–	(4,510)	(4,510)
Other comprehensive expenses for the year	–	–	–	(241)	–	(241)
Total comprehensive expenses for the year	–	–	–	(241)	(4,510)	(4,751)
At 30 November 2010	16,059	106,118	37,600	(14,110)	(192,961)	(47,294)

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 directors consider the Company's ultimate holding company to be Maximizer International Limited ("MIL"), a company incorporated in British Virgin Islands. The Group's former ultimate holding company, Maximizer Software Inc. ("MSI"), no longer held equity interest of MIL after 26 November 2010 which ceased to be the ultimate holding company of the Group.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments, which are measured at fair value as explained in the accounting policies set out in note 3 of annual report.

The Group incurred a net loss of approximately HK$4,510,000 and accumulated losses of approximately HK$192,961,000 for the year ended 30 November 2010. As at 30 November 2010, the Group's current liabilities exceeded its current assets by approximately HK$3,923,000 and net liabilities of approximately HK$47,294,000. 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, The City Place Trust ("CPT"), has also confirmed that it will not demand repayment of the amount due of approximately HK$5,467,000 within the next twelve months of the reporting date. Moreover, Maximizer (Barbados) Management Inc, the party owned by a non-executive director of the Company, has confirmed that it will not demand repayment of the amount due of approximately HK$3,927,000 within the next twelve months of the reporting date. Furthermore, Wickham Group Limited, the party connected to a non-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$7,341,000 until their maturity on 21 May 2012. Active Investments Capital Limited, 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 CAD$536,000 (approximately to HK$4,059,000), HK$20,127,000 and HK$3,002,000 until their maturity on 25 November 2012, 31 May 2012 and 25 May 2012 respectively. On 26 November 2010, Wickham Group Limited has agreed to extend the maturity dates of the promissory note with the amount of HK$4,634,000 together with the accrued interest of approximately HK$2,707,000 to 21 May 2012. On 26 November 2010, Active Investments Capital Limited have also agreed to extend the maturity dates of the promissory notes with the amounts of approximately CAD$485,000 (approximately to HK$3,697,000) together with the accrued interest of approximately CAD$51,000 (approximately to HK$362,000) and HK$18,205,000 together with the accrued interest of approximately HK$1,922,000 to 25 November 2012 and 31 May 2012 respectively. The Company has issued a new promissory note with the amount of HK$3,000,000 to Active Investments Capital Limited on 26 November 2010 with the accrued interest of approximately HK$2,000. The maturity date of the new promissory note is on 25 May 2012.

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 and when they fall due over the next twelve months. Accordingly, the directors 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 new standards, amendments 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 1 December 2009.

HKFRSs (Amendments)	Improvements to HKFRSs
HKFRSs (Amendments)	Improvements to HKFRSs 2009, except for the HKFRS 5 that is effective for annual periods beginning or 1 January 2010
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Share-based Payment – Vesting Conditions and Cancellations
HKFRS 3 (Revised)	Business Combinations
HKFRS 7 (Amendment)	Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 32 & HKAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKAS 39 (Amendment)	Eligible Hedged Items
HK(IFRIC) – Int 9 & HKAS 39 (Amendments)	Embedded Derivatives
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners
HK(IFRIC) – Int 18	Transfers of Assets from Customers
HK – Int 5	Presentation of Financial Statements – Classification by the borrower of a Term Loan that Contains a Repayment on Demand Clause

HKAS 1 (Revised) *Presentation of Financial Statements* has introduced terminology changes (including revised titles for the consolidated financial statements) and changes in the format and content of the consolidated financial statements.

HKFRS 8 *Operating Segment* is a disclosure standard that has not resulted in a change in presentation of the segment information (Note 5).

The amendments to HKFRS 7 *Financial Instruments: Disclosures* expand and amend the disclosures required in relation to fair value measurements and liquidity risk. The Group has not provided comparative information for the expanded disclosures in accordance with the transitional provision set out in the amendments.

HKFRS 3 (Revised) *Business Combinations* allows a choice on a transaction-by-transaction basis for the measurement of non-controlling interests at the date of acquisition (previously referred to as 'minority interests') either at fair value or at the non-controlling interests' share of recognised identifiable net assets of the acquiree. Consequently, goodwill recognised in respect of that acquisition reflects the impact of the difference between the fair value of the non-controlling interests and their share of recognised identifiable net assets of the acquiree.

The application of HKAS 27 (Revised) *Consolidated and Separated Financial Statements* has affected the Group's accounting policies regarding changes in the Group's ownership interests in its subsidiaries that do not result in loss of control. In prior years, in the absence of specific requirements in HKFRSs, increase in interests in existing subsidiaries were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognised, when appropriate; for decrease in interests in existing subsidiaries that did not involve a loss of control, the difference between the consideration received and the adjustment to the non-controlling interests was recognised in profit or loss. Under HKAS 27 (Revised) *Consolidated and Separated Financial Statements*, all such increases or decreases are dealt with in equity, with no impact on goodwill or profit or loss.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, HKAS 27 (Revised) *Consolidated and Separated Financial Statements* requires the Group to derecognised all assets, liabilities and non-controlling interests at their carrying amounts and to recognise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value of the date control is lost. The resulting difference is recognised as a gain or loss in the consolidated statement of comprehensive income.

Except as described above, the application of the new 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.

Impact of new and revised HKFRSs not yet effective

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)	Improvements to HKFRSs 2009[1]
HKFRSs (Amendment)	Improvements to HKFRSs 2010[5]
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters[2]
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters[4]
HKFRS 1 (Amendment)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters[7]

HKFRS 2 (Amendment)	Share-based Payment – Group Cash-settled Share-based Payment Transactions[2]
HKFRS 7 (Amendments)	Disclosure – Transfer of Financial Assets[7]
HKFRS 9	Financial Instruments[9]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[8]
HKAS 24 (Revised)	Related Party Disclosures[6]
HKAS 32 (Amendment)	Classification of Rights Issues[3]
HK(IFRIC) – Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement[6]
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments[4]

1 Effective for annual periods beginning on 1 January 2010, as appropriate
2 Effective for annual periods beginning on or after 1 January 2010
3 Effective for annual periods beginning on or after 1 February 2010
4 Effective for annual periods beginning on or after 1 July 2010
5 Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate
6 Effective for annual periods beginning on or after 1 January 2011
7 Effective for annual periods beginning on or after 1 July 2011
8 Effective for annual periods beginning on or after 1 January 2012
9 Effective for annual periods beginning on or after 1 January 2013

HKFRS 9 *Financial Instruments* (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 *Financial Instruments* (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in consolidated statement of comprehensive income.

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 design 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:

	2010	2009
	HK$'000	*HK$'000*
Turnover:		
Sales of computer software licences, software rental and provision of related services	**6,141**	5,630
Provision of maintenance services	**7,261**	6,612
Contract revenue	**2,754**	2,513
Sales of computer hardware	**985**	225
	17,141	14,980
Other revenue:		
Interest income on bank deposits	**1**	7

Other revenue is solely generated from loans and receivables (including cash and bank balances) in both 2010 and 2009.

5. SEGMENT INFORMATION

The Group has adopted HKFRS 8 Operating Segments with effect from 1 December 2009. HKFRS 8 is a disclosure standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker for the purposes of allocating resources to segments and assessing their performance. In contrast, the predecessor standard HKAS 14 Segment Reporting required an entity to identify two sets of segments (business and geographical), using a risks and returns approach. In the past, the Group's primary reporting segment was the business segment.

The Group was engaged in two business segments, Financial Solutions and CRM Solutions (formerly known as e-Finance and e-Business), during the year ended 30 November 2010 and 30 November 2009. The allocation of resources to segments is the same as previous year despite the change in segment names. 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	
	2010	2009	**2010**	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Turnover	**16,414**	14,202	**727**	778	**17,141**	14,980
Segment results	**4,443**	3,749	**(164)**	(574)	**4,279**	3,175
Other revenue					**1**	7
Exchange loss					**(309)**	(162)
Central administration costs					**(6,739)**	(6,055)
Finance costs					**(1,742)**	(1,629)
Loss before taxation					**(4,510)**	(4,664)
Taxation					**–**	–
Loss for the year					**(4,510)**	(4,664)

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the year (2009: Nil)

Segment results represents the profit/(loss), earned/(suffered) by each segment without allocation of other revenue, exchange 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	
	2010	2009	**2010**	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Assets and liabilities						
Segment assets	**3,459**	2,761	**274**	434	**3,733**	3,195
Unallocated assets					**5,307**	4,375
Consolidated total assets					**9,040**	7,570
Segment liabilities	**14,767**	13,723	**6,580**	6,103	**21,347**	19,826
Unallocated liabilities					**34,987**	30,287
Consolidated total liabilities					**56,334**	50,113

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 other receivables that are receivable by the investment holding companies).

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

Other segment information

	Financial Solutions		**CRM Solutions**		**Consolidated**	
	2010	2009	**2010**	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Other segment information						
Depreciation	**261**	284	**9**	17	**270**	301
Capital expenditure	**456**	54	**–**	–	**456**	54
Impairment loss recognised in respect of trade receivables	**72**	100	**–**	–	**72**	100

Geographical segments

The Group operates in two principal geographical areas – the People's Republic of China ("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**	
	2010	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
PRC	**141**	137	**255**	126
Hong Kong	**17,000**	14,843	**297**	269
	17,141	14,980	**552**	395

Information about major customers

No single customer contributed 10% or more to the Group's revenue for both 2010 and 2009.

6. LOSS FROM OPERATING ACTIVITIES

	2010	2009
	HK$'000	*HK$'000*
Loss from operating activities is stated at after charging:		
Auditors' remuneration	**205**	205
Impairment loss recognised in respect of trade receivables	**72**	100
Depreciation on owned property, plant and equipment	**270**	301
Exchange loss	**309**	162
Operating lease payments in respect of		
– land and buildings	**1,644**	1,691
– plant and equipment	**30**	29
Staff costs (excluding director's remuneration)		
– salaries and allowances	**12,667**	12,511
– retirement benefit costs	**412**	435
Cost of computer hardware sold	**827**	162

7. FINANCE COSTS

	2010	2009
	HK$'000	*HK$'000*
Interest on promissory notes		
– wholly repayable within five years *(Note 14)*	**1,534**	1,436
Interest on amount due to the former ultimate holding company		
– wholly repayable within five years *(Note 15)*	**208**	193
	1,742	1,629

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 (2009: Nil).

No provision for the PRC enterprise income taxes has been made during the year as the subsidiaries operated in the PRC had no assessable profits for the year (2009: Nil).

No Australian income tax has been provided by the Australian subsidiaries as they had no assessable profits for the year (2009: Nil).

The Group has tax losses arising in Hong Kong of approximately HK$69,326,000 (2009: HK$67,585,000) 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 the basic loss per share attributable to the owners of the Company is based on the following data:

	2010	2009
	HK$'000	*HK$'000*
Loss		
Loss for the purpose of basic loss per share (loss for the year attributable to the owners of the Company)	**(4,510)**	(4,664)

	2010	2009
Number of shares		
Weighted average number of shares for the purpose of basic loss per share	**160,590,967**	160,590,967
Basic loss per share	***HK*(2.81) *cents***	*HK*(2.90) *cents*

Diluted loss per share

Diluted loss per share for the year ended 30 November 2010 and 2009 were the same as the basic loss per share. 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.

10. DIVIDENDS

The directors do not recommend the payment of any dividend in respect of the year ended 30 November 2010 (2009: Nil).

11. TRADE AND OTHER RECEIVABLES

	2010	2009
	HK$'000	*HK$'000*
Trade receivables	**951**	865
Prepayment, deposits and other receivables	**470**	442
	1,421	1,307

The analysis of trade receivables were as follow:

	2010	2009
	HK$'000	*HK$'000*
Trade receivables	**2,648**	2,490
Less: Impairment loss recognised in respect of trade receivables	**(1,697)**	(1,625)
At 30 November 2010/2009	**951**	865

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:

	2010	2009
	HK$'000	*HK$'000*
Current	**549**	378
31 – 60 days	**164**	18
61 – 90 days	**32**	47
Over 90 days	**206**	422
	951	865

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

	2010	2009
	HK$'000	*HK$'000*
31 – 60 days	**164**	18
61 – 90 days	**32**	47
Over 90 days	**206**	422
	402	487

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:

	2010	2009
	HK$'000	*HK$'000*
At 1 December 2009/2008	**1,625**	1,525
Impairment loss recognised in respect of trade receivables	**72**	100
At 30 November 2010/2009	**1,697**	1,625

Included in provision for impairment loss recognised in respect of trade receivables are individually impaired trade receivables with balance of approximately HK$72,000 (2009: HK$100,000). The individually impaired receivables related to customers that were in financial difficulties and the directors assessed that the amounts are not expected to be recovered.

As at 30 November 2010, 45% of the trade receivables were due from the Group's top five customers. No other customers represent more than 10% of the total balance of trade receivables except from one individual customer which represents approximately HK$185,000 of the total balance.

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

	2010	2009
	HK$'000	*HK$'000*
Prepayment, deposits and other receivables	**880**	852
Less: Impairment loss recognised in respect of prepayment, deposits and other receivables	**(410)**	(410)
At 30 November 2010/2009	**470**	442

The directors of the Company had assessed the recoverability of prepayment, deposits and other receivables for the year ended 30 November 2010 and considered no further provision for impairment in respect of prepayment, deposits and other receivables is required. The directors of the Company consider that the fair value of the Group's prepayment, deposits and other receivables at the reporting date were approximate their carrying amount.

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.

12. OTHER PAYABLES AND ACCRUALS

	2010	2009
	HK$'000	*HK$'000*
Accruals	**1,951**	1,978
Receipt in advance	**3,235**	3,101
Other payables	**1,105**	994
	6,291	6,073

13. SHARE CAPITAL

	2010		2009	
	Number of shares	**Amount *HK$'000***	Number of shares	Amount *HK$'000*
Authorised:				
Ordinary shares of HK$0.1 each	**10,000,000,000**	**1,000,000**	10,000,000,000	1,000,000
Issued and fully paid:				
Ordinary shares of HK$0.1 each	**160,590,967**	**16,059**	160,590,967	16,059

14. PROMISSORY NOTES AND INTEREST PAYABLE TO THE RELATED COMPANIES

As at 30 November 2010, the promissory notes of HK$29,536,000 (2009: HK$26,383,000) payable to the related companies are interest bearing at Hong Kong prime rate (2009: Hong Kong prime rate).

Active Investments Capital Limited, 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 CAD$536,000 (approximately to HK$4,059,000) within the next twelve months of the reporting date. On 26 November 2010, Active Investments Capital Limited had agreed to further extend the maturity date of the promissory note in the amount of CAD$485,000 (approximately to HK$3,697,000) together with the accrued interest of approximately CAD$51,000 (approximately to HK$362,000) to 25 November 2012. Interest for the promissory note incurred during the current year was being approximately CAD$26,000 (approximately to HK$195,000) (2009: CAD$25,000 (approximately to HK$165,000)) *(Note 7)*.

Active Investments Capital Limited 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$20,127,000 within the next twelve months of the reporting date. On 26 November 2010, Active Investments Capital Limited had agreed to extend the maturity date of the promissory note in the amount of HK$18,205,000 together with the accrued interest of approximately HK$1,922,000 to 31 May 2012. Interest for the promissory note incurred during the current year was being approximately HK$980,000 (2009: HK$932,000) *(Note 7)*.

On 26 November 2010, the Company had issued a new promissory note in the amount of HK$3,000,000 payable to Active Investments Capital Limited, which was unsecured, interest bearing at the Hong Kong prime rate and will be repayable on 25 May 2012. Interest for the promissory note incurred during the current year was being approximately HK$2,000 (2009: Nil) *(Note 7)*.

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 interest related to the promissory note in the amount of approximately HK$7,341,000 within the next twelve months of the reporting date. On 26 November 2010, Wickham Group Limited had agreed to extend the maturity date of the promissory note in the amount of HK$4,634,000 together with the accrued interest of approximately HK$2,707,000 to 21 May 2012. Interest for the promissory note incurred during the current year was being approximately HK$357,000 (2009: HK$339,000) *(Note 7)*.

15. **AMOUNT DUE TO THE FORMER ULTIMATE HOLDING COMPANY / SHAREHOLDER / RELATED PARTY**

The amount due to the former ultimate holding company of approximately HK$9,394,000 was transferred to a shareholder and a related party of the Group on 26 November 2010. The amount represented mainly payables for development costs, purchases of software merchandise, royalty fee and expenses paid on behalf of the Group. The balances are unsecured and approximately HK$5,467,000 and HK$3,927,000 respectively of which carry interest at the annual Canadian prime rate as quoted by the Hong Kong and Shanghai Banking Corporation Limited plus 2% compounded monthly (2009: Annual Canadian prime rate as quoted by the Hong Kong and Shanghai Banking Corporation Limited plus 2% compounded monthly). The shareholder and the related party have confirmed that they will not demand repayment within the next twelve months of the reporting date Interest incurred to the former ultimate holding company during the current year was approximately HK$208,000 (2009: HK$193,000) *(Note 7)*.

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 2010 contains a modified auditors' opinion: –

"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$4,510,000 during the year ended 30 November 2010 and, as of that date, the Group's total liabilities exceeded its total assets by approximately HK$47,294,000. 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$17,141,000 for the year ended 30 November 2010, a 14% increase from approximately HK$14,980,000 for the same period of the previous year. Of the total turnover amount, HK$6,141,000 or 36% was generated from software license sales, HK$2,754,000 or 16% was generated from contract revenue, HK$7,261,000 or 42% was generated from maintenance services, and HK$985,000 or 6% was generated from sales of hardware. At 30 November 2010, the Group had approximately HK$8 million worth of contracts that were in progress. The net loss attributable to shareholders for the year ended 30 November 2010 was HK$4,510,000, whereas the Group recorded a net loss of approximately HK$4,664,000 for the same period of the previous year.

The operating expenditures amounted to HK$14,819,000 for the year ended 30 November 2010, a 6% increase from HK$13,919,000 for the corresponding period of the previous year. The increases were mainly attributed to overall increment in general administrative cost and company expansion in China during the 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$301,000 for the year ended 30 November 2009 to approximately HK$270,000 in the current fiscal year.

The Group did not have any amortisation expenses for the year ended 30 November 2010 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$6,826,000 in developing new modules for its OCTO Straight Through Processing ("STP") system.

At 30 November 2010, an additional provision for impairment of approximately HK$72,000 was carried in the statement of financial position 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$13,079,000 for the year ended 30 November 2010, remains stable compared to HK$12,946,000 for the same period of the previous year.

Operation Review

For the year ended 30 November 2010, Financial Solutions turnover is HK$16,414,000, an increase of 16% when compared to HK$14,202,000 for the same period of the previous year. During the year, following the Hong Kong stock market recovery and China economy expansion, the Group was able to sign new contracts with total contract sum of approximately 9 million for acquiring and implementing the Group's OCTOSTP Financial Solutions which were included several well known Chinese brokerage firms those has expand their new local operations in Hong Kong. Furthermore, the Group's project delivery also has a growth attributed to several customers have reactive their postponed projects during the year.

To focus on more marketing schemes to generate more new sales in the China market, the Group had increase its investment in China and hire more technical staffs to expand its operation in Shenzhen office. The Group continued to enhance the features of its brokerage trading solutions and equip itself to face challenge in the China market.

For the year ended 30 November 2010, CRM Solutions turnover is HK$727,000, a decrease of 7% when compared to HK$778,000 for the same period of previous year. The decrease was attributed to decrease in license sales of Maximizer products in the market. To exercise the cost control measure and concentrate its sale force resources, the Group ceased its Shanghai operation and maintains only Hong Kong CRM operation to focus on developing CRM market in Asian Pacific region. The Group continues its focus on marketing promotion activities in the region and believes that restructure of sales team lead to better management of CRM reseller networks in the market.

Prospects

Even though the Hong Kong stock market showed signs of recovery, such recovery also brings keen competition to the brokerage industry in Hong Kong. To assist our customers benefited from stock market recovery, the Group continued to stay firm on our core business and technology to develop innovative brokerage and financial systems and provide cost effective solutions to the market.

We aimed at reaching out to a more diversified customer base via seeking new opportunities in China market. To achieve this goal, we will engage more actively in marketing and promotional activities, and seek collaboration partners to provide more innovative business solutions. The directors believed that the Group has well diversified product range that is fitted to the market needs and it is well equipped to face challenges from the Asian market.

Corporate Governance Practices

The Stock Exchange has issued Code on Corporate Governance 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 2010.

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.

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 financial year ended 30 November 2010, 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 consolidated financial statements for the year ended 30 November 2010 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 (2009: 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. 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: 31 January 2011

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.