

abcmultiactive
abc Multiactive Limited
辰罡科技有限公司*

(Incorporated in Bermuda with limited liability)
(Stock Code: 8131)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 31 MAY 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 enquiries, 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

INTERIM RESULTS

The board of directors (the “Board”) of abc Multiactive Limited (the “Company”) presents the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (the “Group”) for the three months and six months ended 31 May 2015, together with the comparative figures.

The unaudited turnover of the Group for the three months and six months ended 31 May 2015 was HK\$3,448,000 and HK\$6,534,000 respectively (Three months and six months ended 31 May 2014: HK\$2,630,000 and HK\$5,095,000 respectively). The unaudited net loss for the three months and six months ended 31 May 2015 was HK\$1,328,000 and HK\$2,640,000 respectively (Three months and six months ended 31 May 2014: net loss of HK\$2,038,000 and HK\$3,550,000 respectively). Unaudited basic loss per share for the three months and six months ended 31 May 2015 was HK\$0.55 cents and HK\$1.10 cents, respectively (Three months and six months ended 31 May 2014: basic loss per share of HK\$0.85 cents and HK\$1.55 cents respectively.)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and six months ended 31 May 2015

		(Unaudited) Three months ended 31 May		(Unaudited) Six months ended 31 May	
		2015	2014	2015	2014
	Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover	3	3,448	2,630	6,534	5,095
Cost of sales		(627)	(542)	(1,425)	(1,043)
Gross profit		2,821	2,088	5,109	4,052
Other revenue	3	–	9	–	18
Software research and development expenses		(1,277)	(1,149)	(2,451)	(2,355)
Selling and marketing expenses		(364)	(217)	(817)	(443)
Administrative expenses		(1,891)	(1,810)	(3,881)	(3,863)
Unrealised exchange (loss)/gain		(19)	(337)	586	269
Loss from operating activities	5	(730)	(1,416)	(1,454)	(2,322)
Finance costs	6	(598)	(622)	(1,186)	(1,228)
Loss before taxation		(1,328)	(2,038)	(2,640)	(3,550)
Taxation	7	–	–	–	–
Loss for the period		(1,328)	(2,038)	(2,640)	(3,550)

		(Unaudited) Three months ended 31 May		(Unaudited) Six months ended 31 May	
		2015	2014	2015	2014
	Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Other comprehensive income					
<i>Item that may be reclassified subsequently to profit or loss:</i>					
Exchange differences on translating foreign operations		<u>27</u>	<u>(36)</u>	<u>115</u>	<u>(24)</u>
Other comprehensive income for the period, net of tax		<u>27</u>	<u>(36)</u>	<u>115</u>	<u>(24)</u>
Total comprehensive loss for the period		<u>(1,301)</u>	<u>(2,074)</u>	<u>(2,525)</u>	<u>(3,574)</u>
Loss for the period attributable to owners of the Company		<u>(1,328)</u>	<u>(2,038)</u>	<u>(2,640)</u>	<u>(3,550)</u>
Total comprehensive loss for the period attributable to owners of the Company		<u>(1,301)</u>	<u>(2,074)</u>	<u>(2,525)</u>	<u>(3,574)</u>
		<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>
Loss per share					
– Basic and diluted	9	<u>(0.55)</u>	<u>(0.85)</u>	<u>(1.10)</u>	<u>(1.55)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 May 2015 and 30 November 2014

		(Unaudited) 31 May 2015 HK\$'000	(Audited) 30 November 2014 HK\$'000
	Notes		
ASSETS			
Non-current asset			
Property, plant and equipment		229	93
Current assets			
Trade and other receivables	11	889	1,352
Cash and cash equivalents		4,721	6,536
		5,610	7,888
Total assets		5,839	7,981
Capital and reserves			
Share capital		24,089	24,089
Reserves	15	(75,925)	(73,400)
Equity attributable to owners of the Company		(51,836)	(49,311)
LIABILITIES			
Non-current liabilities			
Promissory notes and interest payable to the related companies	13	48,101	47,534
		48,101	47,534

		(Unaudited) 31 May 2015 <i>HK\$'000</i>	(Audited) 30 November 2014 <i>HK\$'000</i>
	<i>Notes</i>		
Current liabilities			
Other payables and accruals	12	5,075	5,305
Deferred revenue		3,328	3,570
Amount due to a related company	14	241	264
Amount due to customers	10	930	619
		9,574	9,758
Total liabilities		57,675	57,292
Total equity and liabilities		5,839	7,981
Net current liabilities		(3,964)	(1,870)
Total assets less current liabilities		(3,735)	(1,777)
Net liabilities		(51,836)	(49,311)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 May 2015

	(Unaudited)	
	Six months ended	
	31 May	
	2015	2014
	HK\$'000	HK\$'000
Net cash used in operating activities	(1,654)	(3,284)
Net cash used in investing activities	(161)	–
Net cash generated from financing activities	<u>–</u>	<u>8,030</u>
Net (decrease)/increase in cash and cash equivalents	(1,815)	4,746
Cash and cash equivalents at the beginning of period	<u>6,536</u>	<u>2,296</u>
Cash and cash equivalents at the end of period	<u>4,721</u>	<u>7,042</u>
Analysis of balances of cash and cash equivalents:		
Cash and bank balances	<u>4,721</u>	<u>7,042</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 May 2015

	Attributable to owners of the Company					
	(Unaudited) Share capital <i>HK\$'000</i>	(Unaudited) Share premium <i>HK\$'000</i>	(Unaudited) Contributed surplus <i>HK\$'000</i>	(Unaudited) Exchange reserve <i>HK\$'000</i>	(Unaudited) Accumulated losses <i>HK\$'000</i>	(Unaudited) Total equity <i>HK\$'000</i>
At 1 December 2013	16,059	106,118	37,600	(14,237)	(205,169)	(59,629)
Issue of ordinary shares upon rights issue	8,030	–	–	–	–	8,030
Loss for the period	–	–	–	–	(3,550)	(3,550)
Other comprehensive loss for the period	–	–	–	(24)	–	(24)
At 31 May 2014	<u>24,089</u>	<u>106,118</u>	<u>37,600</u>	<u>(14,261)</u>	<u>(208,719)</u>	<u>(55,173)</u>
At 1 December 2014	24,089	105,821	37,600	(13,709)	(203,112)	(49,311)
Loss for the period	–	–	–	–	(2,640)	(2,640)
Other comprehensive income for the period	–	–	–	115	–	115
At 31 May 2015	<u>24,089</u>	<u>105,821</u>	<u>37,600</u>	<u>(13,594)</u>	<u>(205,752)</u>	<u>(51,836)</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The unaudited accounts have been prepared in accordance with accounting principles generally accepted in Hong Kong and complied with accounting standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). They are prepared under the historical cost convention.

The unaudited consolidated results for the six months ended 31 May 2015 have not been audited by the Company’s auditors, but have been reviewed by the Company’s audit committee.

The accounting policies and basis of preparation used in the preparation of the unaudited consolidated results are consistent with those used in the Company’s annual financial statements for the year ended 30 November 2014, except for the adoption of certain new and revised Hong Kong Financial Reporting Standards (“HKFRS”) and Hong Kong Accounting Standards (“HKAS”) as disclosed in note 2 below.

2. IMPACT OF NEW HKFRSs AND HKASs

The Hong Kong Institute of Certified Public Accountants (“HKICPA”) has issued a number of new and revised HKFRSs and HKASs which are effective for accounting periods commencing on or after 1 January 2014. The Group has adopted, for the first time for the current year’s financial statements. Except for in certain cases, giving rise to new and revised accounting policies and additional disclosures, the adoption of these new and revised standards and interpretation has had no material effect on these financial statements.

Changes in accounting policies

HKFRSs and HKASs that are effective for the six months ended 31 May 2015:

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010-2012 Cycle ³
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011-2013 Cycle ²
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities ¹
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
HKAS 19 (2011) (Amendments)	Defined benefit plans: Employee Contribution ²
HKAS 32 (Amendments)	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities ¹
HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-Financial Assets ¹
HKAS 39 (Amendments)	Novation of Derivatives and Continuation of Hedge Accounting ¹
HK(IFRIC) – Int 21	Levis ¹

¹ Effective for annual periods beginning on or after 1 January 2014

² Effective for annual periods beginning on or after 1 July 2014

³ Effective for annual periods beginning on or after 1 July 2014, with limited exceptions

3. TURNOVER AND OTHER REVENUE

The Group is principally engaged in the designing and sales 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 three months and six months ended 31 May 2015 is as follows:

	(Unaudited) Three months ended 31 May		(Unaudited) Six months ended 31 May	
	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000
Turnover				
Sales of computer software licences, software rental and provision of related services	1,882	1,392	2,862	2,108
Provision of maintenance services	1,566	1,238	3,170	2,972
Sales of computer hardware	—	—	502	15
	<u>3,448</u>	<u>2,630</u>	<u>6,534</u>	<u>5,095</u>
Other revenue				
Interest income on bank deposits	—	—	—	—
Rental income	—	9	—	18
	<u>—</u>	<u>9</u>	<u>—</u>	<u>18</u>

4. SEGMENT INFORMATION

The Group was engaged in two business segments, Financial Solutions and CRM Solutions during the six months ended 31 May 2015 and 31 May 2014. 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:

	(Unaudited)					
	Six months ended 31 May					
	Financial Solutions		CRM Solutions		Consolidated	
	2015	2014	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover	6,534	5,037	–	58	6,534	5,095
Segment results	1,841	1,196	–	58	1,841	1,254
Other revenue					–	18
Exchange gain					586	269
Central administration costs					(3,881)	(3,863)
Finance costs					(1,186)	(1,228)
Loss before taxation					(2,640)	(3,550)
Taxation					–	–
Loss for the period					(2,640)	(3,550)

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

Segment results represent the profit earned by each segment without allocation of other revenue, exchange gain, 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

	(Unaudited)					
	Six months ended 31 May					
	Financial Solutions		CRM Solutions		Consolidated	
	2015	2014	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Assets and liabilities						
Segment assets	3,700	1,146	159	75	3,859	1,221
Unallocated assets					1,980	7,149
Consolidated total assets					5,839	8,370
Segment liabilities	7,527	13,151	1,365	2,695	8,892	15,846
Unallocated liabilities					48,783	47,697
Consolidated total liabilities					57,675	63,543

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

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

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

(Unaudited)						
Six months ended 31 May						
Financial Solutions			CRM Solutions		Consolidated	
2015	2014		2015	2014	2015	2014
HK\$'000	HK\$'000		HK\$'000	HK\$'000	HK\$'000	HK\$'000
Other segment information						
Depreciation	24	39	1	1	25	40
Capital expenditure	161	–	–	–	161	–
Impairment loss recognized in respect of trade receivables	–	12	–	–	–	12

Geographical segments

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

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

	(Unaudited) Revenue from external customers		(Unaudited) Non-current assets	
	Six months ended 31 May		Six months ended 31 May	
	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
PRC	–	–	28	36
Hong Kong	6,534	5,095	201	70
	<u>6,534</u>	<u>5,095</u>	<u>229</u>	<u>106</u>

Information about major customers

Two (2) customers contributed 10% or more to the Group's revenue for the six months ended 31 May 2015 (2014: one (1) customer).

5. LOSS FROM OPERATING ACTIVITIES

	(Unaudited) Three months ended 31 May		(Unaudited) Six months ended 31 May	
	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
The Group's loss from operating activities is arrived at after charging:				
Depreciation on owned property, plant and equipment	14	18	25	40
Impairment loss on trade receivables	–	12	–	12
Operating leases payments in respect of				
– land and buildings	523	421	1,040	927
– plant and equipment	7	8	14	16
Staff costs (excluding directors' remuneration)				
– salaries and allowances	2,473	2,227	4,932	4,525
– retirement benefits costs	101	81	194	165
Cost of computer hardware sold	–	–	316	9
Unrealised exchange loss	19	337	–	–
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
and after crediting:				
Unrealised exchange gain	–	–	586	269
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

6. FINANCE COSTS

	(Unaudited) Three months ended 31 May		(Unaudited) Six months ended 31 May	
	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000
Interest on promissory notes				
– wholly repayable within five years	598	580	1,186	1,145
Interest on amount due to a shareholder				
– wholly repayable within five years	–	42	–	83
	<u>598</u>	<u>622</u>	<u>1,186</u>	<u>1,228</u>

7. 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 period (2014: Nil).

No provision for the PRC income taxes has been made during the period as the subsidiaries operated in the PRC had no assessable profits for the period (2014: Nil).

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

The potential unaudited deferred tax asset of approximately HK\$16,373,000 (As at 31 May 2014: approximately HK\$18,748,000) relating to tax losses available for carry forward and other timing differences as at 31 May 2015 has not been recognized due to the unpredictability of the future profit streams.

8. DIVIDENDS

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 31 May 2015 (2014: Nil).

9. LOSS PER SHARE

The calculation of basic loss per share attributable to the owners of the Company for the three months and six months ended 31 May 2015 is based on the unaudited net loss for the period of approximately HK\$1,328,000 and HK\$2,640,000 respectively (For the three months and six months ended 31 May 2014: net loss of HK\$2,038,000 and HK\$3,550,000 respectively), and on the weighted average number of 240,886,450 ordinary shares for both three months and six months ended 31 May 2015 (For the three months and six months ended 31 May 2014: 240,886,450 and 228,815,657 ordinary shares respectively) of HK\$0.10 each in issue during the period.

Diluted loss per share

The Group has no potentially dilutive ordinary shares in issue during the three months and six months ended 31 May 2015 and 2014. Diluted loss per share for the three months and six months ended 31 May 2015 and 2014 were the same as the basic loss per share.

10. CONSTRUCTION CONTRACTS

	(Unaudited) 31 May 2015 HK\$'000	(Audited) 30 November 2014 HK\$'000
Amounts due to customers for contract work	(930)	(619)
	(930)	(619)
	(Unaudited) 31 May 2015 HK\$'000	(Audited) 30 November 2014 HK\$'000
Contract costs incurred plus recognised profits less recognised losses to date	353	1,205
Less: Progress billings	(1,283)	(1,824)
	(930)	(619)

11. TRADE AND OTHER RECEIVABLES

	(Unaudited) 31 May 2015 HK\$'000	(Audited) 30 November 2014 HK\$'000
Trade receivables	1,718	2,165
Less: impairment loss recognised in respect of trade receivables	(1,620)	(1,620)
Add: Reversal of impairment loss on trade receivables	–	–
	98	545
Trade receivables – net	98	545
Prepayment, deposits and other receivables	791	807
	889	1,352

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

	(Unaudited) 31 May 2015 HK\$'000	(Audited) 30 November 2014 HK\$'000
Current	42	409
31 – 60 days	28	14
61 – 90 days	25	–
Over 90 days	3	122
	<u>98</u>	<u>545</u>

The Group maintains a defined credit policy to assess the credit quality of each counterparty. The collection is closely monitored to minimize 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 which are past due but not impaired:

	(Unaudited) 31 May 2015 HK\$'000	(Audited) 30 November 2014 HK\$'000
31 – 60 days	28	14
61 – 90 days	25	–
Over 90 days	3	122
	<u>56</u>	<u>136</u>

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.

12. OTHER PAYABLES AND ACCRUALS

	(Unaudited) 31 May 2015 HK\$'000	(Audited) 30 November 2014 HK\$'000
Accruals	1,075	1,384
Receipt in advance	3,309	3,022
Other payables	691	899
	<u>5,075</u>	<u>5,305</u>

13. PROMISSORY NOTES AND INTEREST PAYABLE TO THE RELATED COMPANIES

As at 31 May 2015, the promissory notes payable to the related companies are interest bearing at Hong Kong prime rate for both three months and six months ended 31 May 2015 and 2014.

On 21 November 2014, Active Investments Capital Limited (“Active Investments”), a related company owned by the chief executive officer of the Company, has agreed to extend the expiry date of the Hong Kong Dollar Denominated Promissory Note with the aggregate amount of approximately HK\$34,100,000 (including principal amount of approximately HK\$25,705,000 and accrued interest of approximately HK\$8,395,000) to 30 June 2016. During the six months ended 31 May 2015, interest of approximately HK\$838,000 was charged to condensed consolidated statement of profit or loss and other comprehensive income (2014: HK\$797,000). (Note 6)

On 21 November 2014, Active Investments has also agreed to extend the expiry date of the Canadian Dollar Denominated Promissory Note with the aggregate amount of approximately CAD1,283,000 (approximately to HK\$8,271,000) including principal amount of CAD1,025,000 (approximately to HK\$6,386,000) and accrued interest of approximately CAD258,000 (approximately to HK\$1,885,000) to 30 June 2016. During the six months ended 31 May 2015, interest of approximately CAD32,000 (approximately to HK\$207,000) was charged to condensed consolidated statement of profit or loss and other comprehensive income (2014: CAD30,000 approximately to HK\$214,000). (Note 6)

On 21 November 2014, Wickham Group Limited (“Wickham”), a company owned by a close family member of an executive director of the Company, has agreed to extend the expiry date of Hong Kong Dollar Denominated promissory note with the aggregate amount of approximately HK\$5,730,000 (including principal amount of HK\$4,634,000 and accrued interest of approximately HK\$1,096,000) to 30 June 2016. During the six months ended 31 May 2015, interest of approximately HK\$141,000 was charged to condensed consolidated statement of profit or loss and other comprehensive income (2014: HK\$134,000). (Note 6)

The carrying amounts of the non-current borrowings are as follows:

	(Unaudited)	(Audited)
	31 May	30 November
	2015	2014
	HK\$'000	HK\$'000
Promissory notes and interest payable to the related companies	48,101	47,534

14. AMOUNT DUE TO 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 amount due to a related company is interest-free for both six months ended 31 May 2015 and 2014.

15. RESERVES

The amounts of the Group's unaudited reserves and the movements therein for the current and the same period of previous year are presented in the consolidated statement of changes in equity of the financial statements.

16. RELATED PARTIES TRANSACTIONS

In addition to the transactions and balances detailed elsewhere in the consolidated financial statement during the period, the Group had entered into the following significant related party transactions which were carried out on normal commercial terms and in the normal course of the Group's business:

	(Unaudited)	
	Six months ended 31 May	
	2015	2014
	HK\$'000	HK\$'000
Interest paid to the related companies on promissory notes payable (<i>note 13</i>)	1,186	1,145
Interest paid to a shareholder	–	83
Consultancy fee payable to a director (<i>note a</i>)	24	24
Rental fee income received from:		
Adagio Management (<i>note b</i>)	–	18
Havilland Investments (<i>note c</i>)	–	18
Laurie Investments (<i>note d</i>)	–	18

Notes:

- (a) Consultancy fee was payable to Ms. Clara Hiu Ling Lam as the legal representative of the subsidiaries in PRC.
- (b) Monthly rental income from Adagio Management Limited (“Adagio Management”). Mr. Samson Chi Yang Hui, the chief executive officer of the Company, is the director of and has direct interest of Adagio Management.
- (c) Monthly rental income from Havilland Investments Limited (“Havilland Investments”). Mr. Samson Chi Yang Hui, the chief executive officer of the Company, is the director of and has direct interest of Havilland Investments.
- (d) Monthly rental income from Laurie Investments Limited (“Laurie Investments”). Mr. Samson Chi Yang Hui, the chief executive officer of the Company, is the director of and has direct interest of Laurie Investments.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

The Group recorded an unaudited turnover of approximately HK\$3,448,000 for the three months ended 31 May 2015, a 31% increase from approximately HK\$2,630,000 for the corresponding period of the previous year. Of the total unaudited turnover amount, approximately HK\$1,882,000 or 55% was generated from software license sales and professional service income and approximately HK\$1,566,000 or 45% was generated from maintenance services. As at 31 May 2015, the Group had approximately HK\$2.7 million worth of contracts that were in progress. The unaudited net loss attributable to shareholders for the three months ended 31 May 2015 was HK\$1,328,000 whereas the Group recorded an unaudited net loss of approximately HK\$2,038,000 for the same period of the previous year.

During the period, the unaudited operating expenditures amounted to approximately HK\$3,532,000 for the three months ended 31 May 2015, a 11% increase from approximately HK\$3,176,000 for the corresponding period of the previous year. The increases were mainly attributed to increase in headcount and salary increment in staff payroll.

As a result of the most of the property, plant and equipment in the Group was fully depreciated, unaudited depreciation expenses decreased from approximately HK\$18,000 for the three months ended 31 May 2014 to approximately HK\$14,000 in the current period.

During the current period, the Group invested approximately HK\$1,277,000 in developing new modules for its OCTO Straight Through Processing (“STP”) system.

For the three months ended 31 May 2015, the Group has no provision made for impairment of trade receivables.

Total unaudited staff costs (excluding directors' remuneration) are approximately HK\$2,574,000 for the three months ended 31 May 2015, a 11% increase from approximately HK\$2,308,000 for the same period of the previous year. The increase was mainly attributed to overall salary increment of staff during the period.

Liquidity and Financial Resources

The Group operates a conservative set of treasury policies to ensure that no unnecessary risks are taken with the Group's assets. No investments other than cash and other short-term bank deposits are currently permitted.

As at 31 May 2015, the Group's borrowings were repayable as follows:

	Bank borrowings and overdrafts		Other loans	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	31 May	30 November	31 May	30 November
	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Within 1 year	–	–	241	264
Between 1 and 2 years	–	–	48,101	47,534
Between 2 and 5 years	–	–	–	–
Wholly repayable within				
5 years	–	–	48,342	47,798
Over 5 years	–	–	–	–
	–	–	48,342	47,798

At 31 May 2015, the Group had an outstanding of approximately CAD39,000 (approximately HK\$241,000) due to Maximizer Services Inc. ("MSI"), a related company of the Company. The amount due to MSI was mainly payables for purchases of software merchandise, royalty fee and expenses paid on behalf of the Group, which was unsecured and interest-free.

Approximately HK\$4,634,000 representing a loan from Wickham Group Limited, a party owned by close family member of an executive director of the Company, which was unsecured, interest bearing at the Hong Kong prime rate and maturing on 30 June 2016.

At 31 May 2015, loans of amount CAD1,025,000 (approximately HK\$6,386,000) and approximately HK\$25,705,000 are loans from Active Investments Capital Limited, a related company wholly owned by the chief executive officer of the Company, which were unsecured, interest bearing at the Hong Kong prime rate and maturing on 30 June 2016.

The Group expresses its gearing ratio as a percentage of borrowings and long term debts over total assets. As at 31 May 2015, the Group's gearing ratio was 8.2.

Pledge of Assets

The Group did not have any mortgage or charge as at 31 May 2015.

Exposure to Fluctuation in Exchange Rates and Related Hedges

All the Group's assets, liabilities and transactions are denominated either in Hong Kong dollars, Renminbi, Canadian dollars or Australian dollars. Except for the current account between the Company and its Australian and China subsidiaries which is denominated in Hong Kong dollars, it is the Group's policy for each operating entity to borrow in local currencies where necessary in order to minimise currency risk.

As at 31 May 2015, the Group did not have any foreign currency investments which have been hedged by currency borrowings and other hedging instruments.

Treasury Policy

Cash and bank deposits of the Group are either in HK dollars, Renminbi, and Canadian dollars. The Group conducts its core business transaction mainly in HK dollars, such that the Group did not use any derivative instruments to hedge its foreign currency exposure as the Group considered its foreign currency exposure is insignificant.

Contingent Liabilities

The Group had no material contingent liabilities as at 31 May 2015.

Material Acquisitions, Disposal of Subsidiaries and Affiliated Companies

On 21 November 2014, the Board has published a voluntary announcement to liquidate and dissolve its Australia subsidiaries of the Company, Multiactive Software Pty Limited and Maximizer Software Pty Limited. As at 31 May 2015, the application of the liquidation of Australia subsidiaries of the Company to the Australia Corporation Law of Australian Securities and Investments Commission is in the process. The financial position of its Australia subsidiaries is included in the unaudited consolidated result of the Company for the three months and six months ended 31 May 2015.

Except for disclosed above, the Group did not have any material acquisitions and disposals of subsidiaries and affiliated companies.

Significant Investments

The Group has not held any significant investment for the three months ended 31 May 2015.

Major Events

As at 31 May 2015, the Group had no material capital commitments and no future plans for material investments or capital assets.

Employee and Remuneration Policy

The directors believe that the quality of its employees is the most important factor in sustaining the Group's growth and improving its profitability. The Group's remuneration package is structured with reference to the individual performance, working experience and prevailing salary levels in the market. In addition to basic salaries and mandatory provident fund, staff benefits include medical coverage scheme. As at 31 May 2015, the Group had employed 23 staffs in Hong Kong and 2 staffs in PRC China. Total staff costs for the three months ended 31 May 2015 under review amounted to approximately HK\$2,574,000.

As at 31 May 2015, 10 employees had completed the required number of years of service under the Employment Ordinance (the "Ordinance") to be eligible for long service payments on termination of their employment with the Group. The Group is only liable to make such payments where termination meets the required circumstances specified in the Ordinance. The estimated maximum amount of such payment is approximately HK\$502,000.

Pension Scheme

Effective from 1 December 2000, the Group joined the Mandatory Provident Fund Scheme (the “MPF Scheme”) for all of its employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is registered with the Mandatory Provident Fund Authority under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) in Hong Kong. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the revised rules of the MPF Scheme on 1 June 2014, the Group and its employees are each required to make contributions to the MPF Scheme at 5% of the employees’ relevant income, subject to a cap of monthly relevant income of HK\$30,000.

The retirement benefit scheme cost charged to the income statement represents contributions payable by the Group to the funds and is expensed as incurred. For the three months ended 31 May 2015, the unaudited retirement benefit scheme contributions borne by the Group amounted to approximately HK\$101,000 (2014: approximately HK\$81,000). No forfeited contribution for the Group is available to reduce the contribution payable in the future years. Contributions to the scheme vest immediately.

The employees of the Group’s subsidiaries which operate in PRC are required to participate in a central pension scheme operated by the local municipal government. The contributions are charged to the consolidated statement of profit or loss and other comprehensive income as they become payable in accordance with the rules of the central pension scheme.

Operation Review

For the three months ended 31 May 2015, Financial Solutions unaudited turnover is HK\$3,448,000, an increase of 32% when compared to HK\$2,617,000 for the corresponding period of the previous year. Such increases were mainly due to successfully completed some of work in progress projects to customers in 2015 and ascend from rental income earned from the rental of software licenses to customers during the period. Benefited from currently Hong Kong and PRC stock market expansion, more brokerage firms would like to upgrade their existing stock trading solutions. For the three months ended 31 May 2015, the Company successfully secured contracts sum of approximately HK\$2 million for the implementation of OCTOSTP solutions.

The Group continues focusing on the development of the new modules and its products improvement on our core business on Financial Solutions markets to generate more sales and pay close attention to opportunities in diversified solution products.

Prospects

To maintain our competitiveness in the market, the Group will focus more on our core business and technology development to improve product functionality and expand service dimensions to our customers. To channel our resources to new business development in the high growth solutions area will continue to be top priorities for the Group for 2015. The directors believed that the Group has a well-diversified product range that is fitted to the market needs and it is well equipped to face challenges from the market.

Moving forward, we aimed at reaching out to a more diversified business line via seeking new opportunities in Hong Kong and Asian market. To achieve this goal, we will engage more actively in seeking collaboration partners to provide more innovative business solutions. We also continue to improve operational effectiveness in order to drive our business for continued growth.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

At 31 May 2015, the interests and short positions of the directors and chief executives in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under Section 352 of SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Rule 5.46 to 5.68 of the GEM Listing Rules were as follows:

Long positions in shares

No long positions of directors and chief executives in the shares of the Company and its associated corporations were recorded in the register or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules.

Long positions in underlying shares*a) The Company:*

All options of the Company granted were expired on 27 May 2011.

No long positions of directors and chief executives in the underlying shares of the Company were recorded in the register or as otherwise notified to the Company and the Stock Exchange pursuant to rule 5.46 of the GEM Listing Rules.

No further options can be granted under the Company's share option scheme adopted on 22 January 2001 until the new requirements of Chapter 23 of the GEM Listing Rules are complied with.

b) Associated Corporation:

No long position of directors and chief executives in the underlying shares of the Associated Corporation were recorded in the register or as otherwise notified to the Company and the Stock Exchange pursuant to rule 5.46 of the GEM Listing Rules.

Long positions in debentures

No long positions of directors and chief executives in the debentures of the Company and its associated corporations were recorded in the register or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules.

Short positions in shares

No short positions of directors and chief executives in the shares of the Company and its associated corporations were recorded in the register or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules.

Short positions in underlying shares

No short positions of directors and chief executives in the underlying shares of the equity derivatives of the Company and its associated corporations were recorded in the register or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules.

Short positions in debentures

No short positions of directors and chief executives in the debentures of the Company and its associated corporations were recorded in the register.

Save as disclosed above, as at 31 May 2015, none of the directors nor the chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register kept by the Company under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 of the GEM Listing Rules.

INTERESTS DISCLOSEABLE UNDER THE SFO AND SUBSTANTIAL SHAREHOLDER

At 31 May 2015, the following persons (other than the directors and chief executive of the Company) had interests and short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

Long positions in shares

Name	Capacity	Nature of interest	Number of ordinary shares	Percentage of issued share capital
Maximizer International Limited	Beneficial owner	Corporate	140,992,968	58.53%
Pacific East Limited	Beneficial owner	Corporate	13,160,673	5.46%
Royal Bank of Canada Financial Corporation (Note)	Trustee	Corporate	154,153,641	63.99%

Note:

Royal Bank of Canada Financial Corporation is the trustee of The City Place Trust which owns Maximizer International Limited, which holds 58.53% interest in the Company and wholly owns Pacific East Limited, which holds 5.46% interest in the Company. The City Place Trust is a discretionary trust and its beneficiaries include direct family members of Mr. Kau Mo Hui, but not include Mr. Joseph Chi Ho Hui and Ms. Clara Hiu Ling Lam or any of their respective spouse or minor child. Mr. Kau Mo Hui is the father of Mr. Joseph Chi Ho Hui, an executive director of the Company, and Mr. Samson Chi Yang Hui, the chief executive officer of the Company. Mr. Kau Mo Hui is also the father-in-law of Ms. Clara Hiu Ling Lam, an executive director of the Company.

Long positions in underlying shares

No long positions of other persons and substantial shareholders in the underlying shares of equity derivatives of the Company were recorded in the register.

Short positions in shares

No short positions of other persons and substantial shareholders in the shares of the Company were recorded in the register.

Short positions in underlying shares

No short positions of other persons and substantial shareholders in the underlying shares of equity derivatives of the Company were recorded in the register.

Apart from the foregoing, no other interests required to be recorded in the register kept under Section 336 of the SFO have been notified to the Company.

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.

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 auditors. 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 six months ended 31 May 2015, the audit committee held two meetings for the purpose of reviewing the Company's reports and accounts, and providing advice and recommendations to the Board. The minutes of the audit committee meeting are kept by the Company Secretary.

The Group's unaudited results for the three months ended 31 May 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.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

During the six months ended 31 May 2015, the Company had adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings. The Company also had made specific enquiry of all directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by directors.

CORPORATE GOVERNANCE CODE

The Company is committed to maintain and ensure high standards of corporate governance code. Except for the deviations as explained below, none of the directors is aware of information that would reasonably indicate that the Company is not, or was not, for any part of the accounting period for the six months ended 31 May 2015, in compliance with the Corporate Governance Code (the "CG Code") set out by the Stock Exchange in Appendix 15 to the GEM Listing Rules.

Appointments, Re-election and Removal of Director

Code provision A.4.3 of the CG Code, 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 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 six months ended 31 May 2015, rather than 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 interim results announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 31 May 2015, the Company has not redeemed any of its listed securities. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the period.

COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current period's presentation.

By order of the Board
Joseph Chi Ho HUI
Chairman

As at the date of this 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, 3 July 2015

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.