

**THIRD QUARTERLY RESULTS ANNOUNCEMENT  
FOR THE NINE MONTHS ENDED 31 AUGUST 2021**

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

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*This announcement, for which the directors of abc Multiactive Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquires, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

\* For identification purposes only

## RESULTS

The board of directors (the “**Board**”) of abc Multiactive Limited (the “**Company**”) presents the unaudited consolidated financial statements of the Company and its subsidiaries (the “**Group**”) for the three months and nine months ended 31 August 2021, together with the comparative figures.

		(Unaudited) Three months ended 31 August		(Unaudited) Nine months ended 31 August	
		2021	2020	2021	2020
	Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	3	17,092	4,021	33,217	8,664
Cost of sales		(7,371)	(1,729)	(12,374)	(2,583)
Gross profit		9,721	2,292	20,843	6,081
Software research and development and operating expenses		(1,127)	(789)	(2,623)	(2,066)
Selling and marketing expenses		(686)	(344)	(2,384)	(911)
Administrative expenses		(1,674)	(1,294)	(5,954)	(5,772)
Unrealised exchange gain/(loss)		8	(11)	(8)	(1)
Profit/(loss) from operating activities	4	6,242	(146)	9,874	(2,669)
Finance costs	5	(1,142)	(1,080)	(3,625)	(3,020)
Profit/(loss) before taxation		5,100	(1,226)	6,249	(5,689)
Income tax credit	6	1,194	116	1,467	346
<b>Profit/(loss) and total comprehensive income/(loss) for the period</b>		<b>6,294</b>	<b>(1,110)</b>	<b>7,716</b>	<b>(5,343)</b>
Profit/(loss) and total comprehensive income/(loss) for the period attributable to owners of the Company		<b>6,294</b>	<b>(1,110)</b>	<b>7,716</b>	<b>(5,343)</b>
		HK cents	HK cents	HK cents	HK cents
<b>Earnings/(loss) per share</b>	7				
– Basic		1.92	(0.37)	2.49	(1.77)
– Diluted		1.55	(0.37)	2.32	(1.77)

## NOTES:

### 1. BASIS OF PREPARATION

The unaudited consolidated financial statements 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”). The unaudited consolidated financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinances and GEM Listing Rules. They are prepared under the historical cost convention.

The unaudited consolidated results for the nine months ended 31 August 2021 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 2020, except for the adoption of certain new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) and Hong Kong Accounting Standards (“HKASs”) as disclosed in note 2 below.

### 2. IMPACT ON NEW HKFRSs AND HKASs

The HKICPA has issued a number of new and revised HKFRSs and HKASs which are effective for accounting periods commencing on or after 1 January 2020. 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 nine months ended 31 August 2021:

HKAS 1 and HKAS 8 (Amendments)	Definition of Material <sup>2</sup>
HKFRS 3 (Amendments)	Definition of a Business <sup>1</sup>
HKFRS 9, HKAS 39 and HKFRS 7 (Amendments)	Interest Rate Benchmark Reform <sup>2</sup>
HKFRS 16 (Amendments)	COVID-19-Related Rent Concession <sup>3</sup>

<sup>1</sup> *Effective for business combination and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.*

<sup>2</sup> *Effective for annual periods beginning on or after 1 January 2020.*

<sup>3</sup> *Effective for annual periods beginning on or after 1 June 2020.*

The Group has not applied the new and revised HKFRSs and HKASs, which have been issued but are not yet effective. The Group is in the process of making an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs and HKASs would have a material impact on its results of operations and financial position.

### 3. REVENUE

The Group is principally engaged in the design and sales of computer software licenses; computer software licenses leasing and provision of related services; provision of maintenance services; sales of computer hardware and related products; provision of fintech resources services and overseas mortgage loan consultancy services. All significant intra-group transactions have been eliminated on consolidation.

An analysis of the Group's revenue for the three months and nine months ended 31 August 2021 is as follows:

	(Unaudited) Three months ended 31 August		(Unaudited) Nine months ended 31 August	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Disaggregation of revenue from contracts with customers</b>				
Sales of computer software licenses, computer software licenses leasing and provision of related services	13,269	1,879	22,950	3,590
Provision of maintenance services	931	1,124	2,908	3,437
Sales of computer hardware and related products	814	649	3,425	802
Provision of fintech resources services	2,043	270	3,854	688
Provision of overseas mortgage loan consultancy services	35	99	80	147
	<u>17,092</u>	<u>4,021</u>	<u>33,217</u>	<u>8,664</u>
<b>Timing of revenue recognition</b>				
A point in time	849	748	3,505	949
Over time	16,243	3,273	29,712	7,715
	<u>17,092</u>	<u>4,021</u>	<u>33,217</u>	<u>8,664</u>

As at the date of this announcement, the Group has not less than 95 contracts in relation to the computer software licenses, leasing, maintenance and provision of related services with a total contract sum of approximately HK\$72 million. The Group also expects to have revenue of approximately HK\$28 million for the three months ending 30 November 2021, subject to the delivery of products and services to end customers. As such, the expected revenue of the Group for the year ending 30 November 2021 is estimated at not less than approximately HK\$60 million.

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

	(Unaudited) Three months ended 31 August		(Unaudited) Nine months ended 31 August	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Profit/(loss) from operating activities is arrived at after charging/(crediting):</b>				
Depreciation on property, plant and equipment	23	28	68	140
Depreciation on right-of-use assets	298	550	895	563
Expense relating to short-term lease	–	–	–	1,290
Directors' remuneration	15	15	45	45
Staff costs (excluding directors' remuneration)				
– salaries and allowances	3,714	2,232	8,972	6,065
– retirement benefit costs	132	81	344	239
Cost of computer hardware and related products sold	763	639	3,263	743
Expenses relating to acquisition of a subsidiary	–	–	1,128	–
Unrealised exchange (gain)/loss	(8)	11	8	1

#### 5. FINANCE COSTS

	(Unaudited) Three months ended 31 August		(Unaudited) Nine months ended 31 August	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Imputed interest expenses on promissory note	415	290	1,185	832
Imputed interest expenses on convertible bond	706	702	2,362	2,097
Interest expenses on lease liability	21	88	78	91
	<b>1,142</b>	<b>1,080</b>	<b>3,625</b>	<b>3,020</b>

## 6. INCOME TAX CREDIT

	(Unaudited) Three months ended		(Unaudited) Nine months ended	
	31 August 2021 HK\$'000	31 August 2020 HK\$'000	31 August 2021 HK\$'000	31 August 2020 HK\$'000
<b>Current tax</b>				
– Hong Kong Profits Tax	15	–	15	–
<b>Deferred tax</b>				
– Credit for the period	(1,209)	(116)	(1,482)	(346)
	<u>(1,194)</u>	<u>(116)</u>	<u>(1,467)</u>	<u>(346)</u>

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

As at 31 August 2021, the Group has unaudited tax losses arising in Hong Kong of approximately HK\$62,278,000. (As at 31 August 2020: approximately HK\$75,594,000) can be carried forward indefinitely for offsetting against future taxable profits of the companies in which the losses arose, except for one of the subsidiaries which Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong for the nine months ended 31 August 2021 since the amount involved upon implementation of the two-tiered profits tax rates regime was considered as insignificant.

## 7. EARNINGS/(LOSS) PER SHARE

On 18 August 2021, a total of 174,705,154 ordinary shares of the Company were issued and allotted to Maximizer International Limited at the conversion price of HK\$0.17 per share upon conversion of convertible bond. The weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings/(loss) per share for the three months and nine months ended 31 August 2021 have been adjusted for the effects of conversion of convertible bond on 18 August 2021.

### a) Basic

The calculation of basic earnings per share attributable to owners of the Company for the three months and nine months ended 31 August 2021 is based on the unaudited net profit for the period of approximately HK\$6,294,000 and HK\$7,716,000 respectively (For the three months and nine months ended 31 August 2020: unaudited net loss of approximately HK\$1,110,000 and HK\$5,343,000 respectively), and the weighted average number of 327,693,629 ordinary shares and 310,034,603 ordinary shares respectively (2020: 301,108,062 ordinary share).

**b) Diluted**

The calculation of diluted earnings per share attributable to owners of the Company for the three months and nine months ended 31 August 2021 is based on the unaudited net profit for the period of approximately HK\$7,000,000 and HK\$10,078,000 respectively, adjusted to reflect the interest and effect on the convertible bonds and the weighted average number of ordinary shares outstanding has assumed the exercise of all potentially dilutive ordinary shares.

The calculation of diluted loss per share for the three months and nine months ended 31 August 2020 did not assume the exercise of potentially dilutive ordinary shares as the exercise of potentially dilutive ordinary shares is anti-dilutive.

**8. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

*For the nine months ended 31 August 2021*

	Attributable to owners of the Company						
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Contributed surplus <i>HK\$'000</i>	Special reserve <i>HK\$'000</i>	Convertible bond reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
As at 1 December 2019 as originally presented	42,464	113,656	37,600	10,828	11,830	(238,595)	(22,217)
Loss and total comprehensive loss for the period	—	—	—	—	—	(5,343)	(5,343)
As at 31 August 2020	<u>42,464</u>	<u>113,656</u>	<u>37,600</u>	<u>10,828</u>	<u>11,830</u>	<u>(243,938)</u>	<u>(27,560)</u>
As at 1 December 2020	42,464	113,656	37,600	10,828	11,830	(241,582)	(25,204)
Conversion of convertible bond ( <i>Note</i> )	17,470	12,229	—	2,450	(11,830)	—	20,319
Profit and total comprehensive income for the period	—	—	—	—	—	7,716	7,716
As at 31 August 2021	<u>59,934</u>	<u>125,885</u>	<u>37,600</u>	<u>13,278</u>	<u>—</u>	<u>(233,866)</u>	<u>2,831</u>

*Note:*

On 18 August 2021, Maximizer International Limited (“**MIL**”) fully exercised the conversion rights attached to the convertible bonds in respect of the principal amount of approximately HK\$29,700,000. Pursuant to the conversion price of HK\$0.17 per ordinary share, the Company allotted and issued a total number of 174,705,154 ordinary shares to MIL.

## 9. ACQUISITION OF A SUBSIDIARY

On 4 January 2021, abc Fintech Recruiters Limited (the “**Purchaser**”), a wholly-owned subsidiary of the Company and the Vendors entered into the Acquisition Agreement (the “**Acquisition**”), pursuant to which the Purchaser has conditionally agreed to acquire and the Vendors have conditionally agreed to sell the entire issued shares of Leadership Solutions Limited (“**Leadership**”) for a consideration of HK\$4,200,000, of which HK\$2,600,000 was settled by cash and the remaining balance of HK\$1,600,000 (the “**Contingent consideration**”) shall be considered as earn-out amount and shall be settled in accordance with the accumulated gross profit achievement within 18 months after the completion of the Acquisition. The Acquisition was completed on 31 March 2021.

Leadership is an IT contractor resourcing firm with long track record of providing high quality IT professionals to clients ranging from finance service, IT industries and universities.

The fair value of identifiable assets and liabilities of Leadership as at the completion date of Acquisition on 31 March 2021 were as follows:

<b>Net assets acquired:</b>	<i>HK\$'000</i>
Trade and other receivables	1,102
Tax recoverable	22
Cash and cash equivalent	743
Other payables and accruals	(139)
Contract liabilities	(170)
	<u>1,558</u>
<b>Total consideration and goodwill on Acquisition:</b>	<i>HK\$'000</i>
Cash consideration	2,600
Contingent consideration payable ( <i>Note (i)</i> )	500
Shortfall in net assets value paid by the Vendors ( <i>Note (ii)</i> )	(442)
	<u>2,658</u>
Total consideration	2,658
Less: Fair value of net assets acquired	<u>(1,558)</u>
	<u>1,100</u>
<b>Net cash outflow on Acquisition:</b>	<i>HK\$'000</i>
Cash consideration paid	2,158
Less: Cash and cash equivalents acquired	<u>(743)</u>
	<u>1,415</u>

*Notes:*

- (i) The fair value of contingent consideration payable was determined with reference to the valuation performed by an independent valuer.
- (ii) Pursuant to the Acquisition Agreement, as the net assets value (“NAV”) of Leadership calculated with reference to the Completion Accounts is less than HK\$2,000,000, the Vendors have paid to the Group the shortfall amount in cash on a dollar for dollar basis as at 31 May 2021.

Goodwill arose in the Acquisition of Leadership of approximately HK\$1,100,000 was attributable to expected synergies, revenue growth and future development of Leadership in the fintech resources business sector.

Since the Acquisition date, Leadership recorded an unaudited revenue of approximately HK\$2,989,000 and also recorded an unaudited net profit of approximately HK\$88,000 for the results of five months ended 31 August 2021.

Upon the completion of Acquisition, approximately acquisition-related expenditures of HK\$1,128,000 have been charged to the consolidated profit or loss accounts of the Group for the nine months ended 31 August 2021.

#### **INTERIM DIVIDEND**

The Board does not recommend the payment of an interim dividend for the nine months ended 31 August 2021 (2020: Nil).

## Prospects

Operational efficiency and revenue growth will continue to be top priorities for the Group for 2021. In the coming year, the directors expect to be able to gain the benefits from its efforts spent on new products development and marketing promotion.

As at the date of this announcement, the Group has not less than 95 contracts in relation to the computer software licenses, leasing, maintenance and provision of related services with a total contract sum of approximately HK\$72 million. The Group also expects to have revenue of approximately HK\$28 million for the three months ending 30 November 2021, subject to the delivery of products and services to end customers. As such, the expected revenue of the Group for the year ending 30 November 2021 is estimated at not less than approximately HK\$60 million.

With a more efficient infrastructure and our well experience in the financial industry, the Group can dedicate more research and development focus on its OCTOSTP improvement and upgrading and more new diversified solutions. In 2020, “FinReg Innovative Tools” marks an important milestone as it has been successfully launched to the market and were well recognised by our customers. To go further this year, “FinReg Innovative Tools” would be the cornerstone of innovative RegTech solutions in the securities brokerage industry in Hong Kong since more companies put emphasis on regulatory compliance and look for appropriate RegTech solutions. The Group will continue to keep up with the market trend and the industry requirements, also will explore new business opportunities and widen the Group’s revenue stream from both existing and potential customers.

Besides, based on the Group’s experience on sourcing computer hardware and solutions and existing relationship with its customers, the Group believes that it is capable to extend its customer base to other departments of the brokerage houses and banks as well as explore its sale and business product team to approach other financial or non-financial corporations in Hong Kong. It is the belief of the directors of the Company that the Group has well-diversified products and services range, which maintains its market competitiveness and it is well equipped to face future challenges and believe that the Group will be strongly positioned to grow when market conditions improve.

Looking forward, innovation and advanced technology development will be the key to maintain competitive advantage. Thus, market demand for IT professionals remains strong. The Group believes that the market of fintech resources service has considerable potential. By leveraging on the knowledge and experience of the Group’s IT professionals in financial industry and to enlarge the scale of operation through acquisition to provide IT secondment and recruitment services as a strong backing, the Group is well positioned to capitalise the growing trend.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial Review

The Group recorded an unaudited revenue of approximately HK\$17,092,000 for the three months ended 31 August 2021 (the “**period**”), increased by 325% from approximately HK\$4,021,000 for the corresponding period last year. Of the total unaudited revenue amount, (i) approximately HK\$13,269,000 or 78% was generated from sales of computer software licenses, computer software licenses leasing and provision of related services; (ii) approximately HK\$931,000 or 5% was generated from maintenance services; (iii) approximately HK\$814,000 or 5% was generated from sales of computer hardware and related products; (iv) approximately HK\$2,043,000 or 12% was generated from fintech resources services and (v) approximately HK\$35,000 was generated from overseas mortgage loan consultancy services. The unaudited net profit attributable to owners of the Company for the three months ended 31 August 2021 was approximately HK\$6,294,000, in which after charging approximately HK\$1,142,000 imputed interest expenses on convertible bond and promissory notes and interest expenses on lease liabilities, whereas the Group recorded an unaudited net loss of approximately HK\$1,110,000 for the corresponding period last year after deducting the imputed interest of approximately HK\$1,080,000.

During the period, although the Group continued to exercise prudent cost control measures by implementing tight expenses measures in its operations, the operating expenditures increased in line with the increase in operations. The unaudited operating expenditures amounted to approximately HK\$3,487,000 for the three months ended 31 August 2021, increased by 44% when compared to approximately HK\$2,427,000 for the corresponding period last year. The increases were mainly attributed to increase in sales and marketing expenses to cope with the Group’s diversified business expansion plans, decrease in development cost capitalised upon the successful launch of “FinReg Innovative Tools” (“**FinReg**”) and the absence of subsidies granted to the Group under the Employment Support Scheme (the “**ESS**”) launched by the Government of the Hong Kong Special Administrative Region as compared to the corresponding period last year.

During the period, the unaudited depreciation expenses on right-of-use assets was approximately HK\$298,000. The unaudited depreciation expenses on property, plant, and equipment was approximately HK\$23,000, remained stable when compared to approximately HK\$28,000 for the corresponding period last year.

Total unaudited staff costs (excluding directors’ remuneration) are approximately HK\$3,846,000 for the three months ended 31 August 2021, an 66% increase from approximately HK\$2,313,000 for the corresponding period last year. The increase was mainly attributed to increase in headcount of secondment staff after the Acquisition of Leadership.

On 18 August 2021, Maximizer International Limited (“**Maximizer**”) fully exercised the conversion rights attached to the convertible bond in respect of the principal amount of approximately HK\$29,700,000. Pursuant to the conversion price of HK\$0.17 per ordinary share, the Company allotted and issued a total number of 174,705,154 ordinary shares to Maximizer.

As a result of the conversion of convertible bond and the profit generated during the period, the Group's liquidity position improved significantly from net liabilities of approximately HK\$25,204,000 as at 30 November 2020 to unaudited net assets of approximately HK\$2,831,000 as at 31 August 2021. The management has discussed with the auditors and reasonably believe that no audit qualification or emphasis of matters paragraph in relation to going concern will be arose in our future financial reports as long as the Group has net assets position at the end of the financial reporting period.

## **Operation Review**

For the three months ended 31 August 2021, the unaudited revenue was approximately HK\$17,092,000, increased by 325% from approximately HK\$4,021,000 for the corresponding period last year. Of the total unaudited revenue, revenue of approximately HK\$14,200,000 represented sales of self-developed software, revenue of approximately HK\$2,078,000 was generated from fintech resources services and overseas mortgage loan consultancy services and revenue generated from resales of computer hardware and the third parties' products were approximately HK\$814,000.

The prolonged outbreak of "COVID-19" pandemic continues to bring uncertainties to market. The business environment remains difficult and challenging. However, as more people got vaccinated and the pandemic was temporarily contained, it is hoped that the economy in Hong Kong would gradually recover in 2021. Therefore, the Group remains optimistic about the prospects of RegTech and IT related services.

Striving for expanding and diversifying its business lines to keep competition in the market and to achieve sustainable growth remain the top priorities of the Group. The Group reinforces its strategic initiatives and seeks new business opportunities to overcome the difficult operating environment.

### ***Financial Solutions services***

Provision of OCTOSTP system and related services ("**Financial Solutions**") remains the key source of revenue to the Group. The Group has consistently made significant strides in improving its businesses including upgrade of OCTOSTP system, expansion of product base and customer base and strengthening the sales and marketing activities. In view of increasing awareness of regulatory compliance driven by the rapid development of financial industry, the Group captured the business opportunities of this promising market by devoting more resources to improve and enhance its FinReg that helps customers deal with trade surveillance and anti-money laundering monitoring related to securities trading activities with automation to ease their operation burden of regulatory compliance. The Group has also expanded its FinReg peripheral product lines in 2021, including the completed development of new solutions, FinReg KYC+ and FinReg Check, which were successfully launched to the market in the second quarter of 2021. The Group endeavors to promote our well known RegTech solutions, FinReg to more potential customers. It has registered as a member of RegTech Association of Hong Kong so as to support and promote RegTech business in Hong Kong. During the reporting period, FinReg continued its growth momentum that the Group has secured sales contracts for the implementation of FinReg with not less than 10 new customers from various sizeable brokerage firms and financial institutions. The Group was also in close negotiation with a vase number of potential customers to implement our Financial Solutions including but not limited to RegTech solutions. The Group is confident that it will enhance the Group's profitability in the coming future.

With more new products and innovative ideas going to be launched to the market, the Group is committed to continuously enhance its marketing activities for promoting its products and services. The Group has regularly carried out Facebook live broadcasting, organized webinars and seminars with business partners and strengthened its digital social media platform to provide customers latest product development of the Group and boosts customer interaction.

The Group keeps on organizing a number of webinars and seminars which created a great exposure for the Group to broaden its customer base and business partnership. For instance, the Group organized an event “abc RegTech Solution Day” on 20 July 2021 with several partners from different business sectors such as bank, professional advisory and IT services providers to share the recent development and insight of RegTech solutions. The Group has received good responses from the participants who have shown interests in FinReg and peripheral products. Sales contract was gained from a new customer and the Group was in close negotiation with various potential customers. In September 2021, the Group has also organized two webinars to bring more comprehensive topics for our customers.

Benefiting from the effort of proactive sales and marketing activities and the Group has accumulated successful experience in implementation of FinReg, it was well recognised by customers. In addition, a new executive director, Mr. Lau Ka Wing (“**Mr. Lau**”) was appointed, who has solid experience in financial industry and extensive networks with professional parties, including but not limited to assets management houses, securities firms and some non-financial corporations. Mr. Lau has strong capability in sales and marketing and he will lead the team to further broaden the Group’s customer base, enrich the Group’s product base and explore new business opportunities.

Following the successful launch of FinReg to the market and through above strategic initiatives, the Group was able to reap benefits in 2021 from completion of above new products development and the efforts of sales and marketing. The Group has achieved substantial growth in terms of customers, contracts and the total contracts sum as attributed from Financial Solutions services during the period.

### ***Fintech resources services***

In light of the market trend to adopt technologies to improve work efficiency and the growing demand of IT professionals due to rapid development of fintech, the Group targeted to expand the market of fintech resources services, which mainly provides secondment and support services of IT professionals and recruitment services for customers. Backed by the expertise and experience of the Group’s IT professionals in financial industry and with the dedicated effort of our sales and marketing team, the Group performed stably with recurring revenue from customers. For the nine months ended 31 August 2021, the Group has secured renewal contract from existing customers and successfully gained new contract from new customers, including a leading contactless smart card payment operator to provide recruitment services.

To further achieve larger market share and broaden its customer base, upon completion of the Acquisition of Leadership, it enables the Group to generate synergies in terms of revenue upside and operation efficiencies as with wider spectrum of customers and shared resources. The Group achieved healthy growths in revenue in fintech resources services segment. For the three months ended 31 August 2021, the Group recorded revenue from fintech resources services segment of approximately HK\$2,043,000, a triple-digit increment in revenue when compared to approximately HK\$270,000 for the corresponding period last year.

### ***Computer hardware and related products***

Though COVID-19 had adversely affect different business sectors in Hong Kong, it had accelerated technology development especially in aspects of remote working, cloud solutions and telecommunications and created customer demand for IT related products and services. The Group was benefited from this area and generated more revenue by facilitating customers' needs on IT infrastructure and software solutions. As at the date of this announcement, the Group has signed sales contracts of computer hardware and third parties products including contracts signed with several new non-financial customers for providing services ranging from system server, back up service and network security and electronic products. The Group has recorded revenue from computer hardware and related products of approximately HK\$814,000 for the three months ended 31 August 2021, increased by 25% when compared to approximately HK\$649,000 for the corresponding period last year.

Together with solid experience and intelligence of the Group and business partners, the Group believes that the cooperation with partners can create synergy effect for both parties. Since 2019, the Group has cooperated with not less than ten new business partners to introduce various products and solutions.

More information on the Group's development and expansion plan are set out below in this announcement.

## **SUPPLEMENTARY INFORMATION FOR THE NINE MONTHS ENDED 31 AUGUST 2021**

The Board wishes to supplement the shareholders of the Company additional information in respect of the expansion plans of the Group.

### **Expansion Plans of the Group**

The Group will further focus on its core business and technology development with product functionality improvement and expansion in the service areas offered to the customers. The Group has explored and will dig in to every business opportunity to keep its competitiveness and sustainability. Therefore, the Group has been implementing following expansion and development plans with the goal to improve its business performance.

**(1) Sales of Computer Software Licences, Computer Software Licenses Leasing and Provision of Related Services**

The Group's flagship product: OCTOSTP (Order routing, Credit control, Transaction settlement and Online trading) is primarily designed to provide advanced solution for front and back-office trading in brokerage houses and securities divisions of local and international banks in Hong Kong.

The Group intends to expand this segment by (i) upgrade of OCTOSTP system; (ii) expansion of customer base; (iii) expansion of product base and (iv) strengthen of media promotion platform. Details of which are set out below.

*(i) Upgrade of OCTOSTP system*

The Group has been developing additional value-added products and service extensions during recent years. It has devoted its resources in developing the new C# version of its core brokerage settlement system (i.e. OCTOSTP) since 2018. The C# version is an upgrade version of OCTOSTP Equity Back Office System to replace the old Visual Basic version. It is built upon and tightly integrated with the Group's core system and provided specifically enhanced functionality, better technical performance and improved stabilization. The Group is well-positioned to further promote its upgraded system and attract new customers and also will launch the rental plan for new C# version of OCTOSTP to the market. The Group targets to sign more sales contracts for its OCTOSTP system for this year.

*(ii) Expansion of customer base*

Historically, the Group mainly focused its sales on brokerage houses and securities division of banks in Hong Kong. To broaden its customer base, the Group has been expanding its customer base to non-financial institutions and asset management houses and insurance company as well.

The Group has also been carrying out marketing campaigns through holding seminars and participating in exhibitions regularly to approach new and potential customers to broaden its customer base. Since 2019, the Group actively hosted seminars and webinars to promote the Group's new products and services to brokerage houses and assets management houses. The Group has also made full use of online platform actively to provide customers with information about the Group's latest development and services. The Group has regularly held Facebook live broadcasting with business partners or Facebook videos. Satisfactory feedbacks and responses were received from a number of customers who have indicated their interests in the Group's new products and services. The Group will keep up promoting our well known RegTech solutions FinReg to the market and is confident that FinReg will enhance the Group's profitability in the coming future.

*(iii) Expansion of product base*

In order to strengthen the Group's competitiveness, the Group has also dedicated resources to improve and enhance FinReg that helps customers deal with risk management and compliance of regulatory rules related to securities trading activities with automation and efficiencies. The Group managed to expand its customer base and secured contracts for the implementation of FinReg with a number of new and existing customers from various sizeable brokerage firms. Overall, sales from FinReg was increased notably and contributed a positive outcome to the Group. Meanwhile, the Group was also in close negotiation with a vase number of potential customers.

Moreover, since regulatory compliance in financial industry is becoming more important, the Group has seen the market potential of RegTech and would dedicate more resources on the development of RegTech to provide customers with tailored RegTech solutions, aiming at providing protections for financial institution customers against risks and non-compliance effectively.

FinReg and its peripheral product lines are more comprehensive that help customers to improve business performance with efficiency and automation. It has certain new and advanced functionalities including (i) automated Know Your Customer system ("**FinReg KYC+ system**"), an integrated technology platform that efficiently manages KYC policies and regulatory compliance requirements and enables online account opening; (ii) customer management system, a modular solution for enhancement of customer service and customer data management since it provides a collaboration platform connected to multi-operation systems and enables users to manage their clients' database within one solution across various functions; (iii) wealth management system, which focus on the digital transformation of the daily operation of the wealth management industry; and (iv) FinReg Check is also providing customer ongoing name screening, customer risk profile monitoring and search report filing library.

*(iv) Strengthen of media promotion platform*

In order to promote the Group's ongoing products and services and introduction of its new products, the Group has strengthened the media promotion platform by revamped the Company's website, established the Company Facebook page "abc Fintech World" and through its Facebook live and YouTube channel respectively. The Group considers that the revamped website and through Company Facebook and YouTube media will provide a better interface with competitive contents to its existing and potential customers, and is able to align with the Group's latest developments to enhance and sustain its competitiveness. The Group has cooperated with several business partners through its Facebook live to promote its ongoing products and services. The Group also targets to cooperate with various business partners to promote its ongoing products and services through the Company Facebook live regularly. Since 2020, the Group has hosted twelve live webinars with business partners including a well-known multinational company with its sound AI driven solution; a popular web conferencing service provider; a famous global company providing risk data, financial information publications, business news and data capabilities; a fast-growing and quality bespoke governance, risk and compliance consulting firm and an international audit, tax and advisory firm.

Apart from webinars, the Group recently organized an event “abc RegTech Solution Day” with several partners on 20 July 2021 to reach more potential customers and boost sales of FinReg and its peripheral products through sharing the recent development and insight of RegTech solutions. Good responses were received from participants who have shown interests in FinReg and peripheral products after attending the event. Sales contract was gained from new customer and the Group was in close negotiation with various potential customers.

**(2) *Provision of Overseas Mortgage Loan Consultancy Services***

In light of steady demand on resolving mortgage matters which include sourcing overseas mortgage and seeking for approval after committing into purchase agreement with the property developer from overseas property investors in Hong Kong, the Group commenced a new mortgage loan consultancy service to give the overseas property investors in Hong Kong one stop solution to choose the right package with a reputation of having high bank loan approval success rates. To implement the new business, the Group makes use of existing developed mobile apps architecture for further development of mortgage loan application platform for customer services handling. Due to the impact of COVID-19, the sales progress of overseas mortgage loan consultancy service showed a slowdown. However, the Group continues to promote its services through the Company’s Facebook page “Canada Mortgage”.

**(3) *Provision of Maintenance Services***

The provision of maintenance services is part and parcel of the direct sale of OCTOSTP and FinReg. After the direct purchase by the customers, the customers are required to pay a software maintenance fee to the Group. Should the segment of sales of computer software licences, software rental and provision of related services be expanded, the performance of this segment would improve accordingly.

**(4) *Sales of Computer Hardware and Related Products***

The Group intends to expand this segment by (i) expansion of customer base; (ii) expansion of product base; Details of which are set out below.

*(i) Expansion of customer base*

Historically, the Group mainly provided the computer hardware and general software to brokerage houses and securities division of banks in Hong Kong. By leveraging the Group's experience and resources, the Group has expanded its customer base to non-financial related customers. Also, the Group became a business partner with one leading enterprise and distributor in the mobile and wireless arena in Hong Kong and Mainland China to sell its mobility products which enable the Group to generate more revenue from computer hardware and electronic products. As at the date of this announcement, the Group has signed sales contracts of computer hardware and third parties products including contracts signed with several new non-financial customers for providing services ranging from system server, back up service and network security and electronic products. The Group has recorded revenue of approximately HK\$814,000 for the three months ended 31 August 2021, increased stably by 25% when compared to approximately HK\$649,000 for the corresponding period last year.

The Group has expanded its sales and marketing team which actively approach other departments of brokerage houses and banks by warm call. As at the date of this announcement, the Group is in negotiation with several customers for the sales of computer hardware and related products.

*(ii) Expansion of product base*

Together with solid experience and intelligence of the Group and business partners, the Group believes that the cooperation with partners can create synergy effect for both parties. Since 2019, the Group has cooperated with not less than ten new business partners to introduce various products and solutions such as cloud services, network security solutions, compliance solutions, IT managing service, scanning and storage solutions, CCTV solutions, mobile application design services, active back-up solution and video conferencing solution that enable the Group to provide more innovative business solutions to its customers. Among all, one is a famous global company providing risk data, financial information publications, business news and data capabilities. It has integrated its financial information solutions with the Group's FinReg Innovative Tools. Furthermore, the Group became a business partner with one leading enterprise in the mobile and wireless arena in Hong Kong and Mainland China to sell its mobility products.

**(5) Provision of Fintech Resources Services**

The Group believes that there is a great business opportunity in fintech resources services segment because the rapid development of fintech, big data analytics, artificial intelligence and cyber security in various sectors has raised tremendous demand of IT personnel with comprehensive knowledge and experience on relevant aspects. Besides, under the current uncertain business environment, many companies are hesitated in expanding and trying to find ways to ease their operation burden. Therefore, the Group takes a proactive role to offer solutions to the potential customers with agility, flexibility and cost effective management by providing customers with more flexible on-demand workforce arrangement, IT support and related consultancy services.

To further expand the fintech resources services segment and to broaden the customer base, the Group acquired Leadership on 31 March 2021. For details of the Acquisition, please refer to the announcement and circular of the Company dated 4 January 2021 and 31 March 2021 respectively. Upon completion of the Acquisition, it enables the Group to enhance its scale of operations and sustainability of the business by acquiring an IT contractor resourcing company with long track record in the field and offering secondment services in IT industry in Hong Kong, taking into account the following factors: (i) the horizontal acquisition will enhance the Group's footage in the IT secondment service industry and broaden its customer base since the principal activity of Leadership is in line with one of the principal business activities of the Group; and (ii) it is expected that the IT outsourcing industry will continue to expand and the manpower requirements of this sector is growing.

For the nine months ended 31 August 2021, the Group has secured renewal contract from existing customer and successfully gained new contracts from new customers for the provision of secondment and recruitment services.

The Group expects that the demand of IT specialists will continue to grow. The Group targets to sign more secondment contracts and to generate more revenue from fintech resources services segment. The Group will continue to expand this segment by (i) recruitment of human resource professional; (ii) cooperation with headhunt companies; (iii) make use of recruitment portals and (iv) participating in Career Fair. Details of which are set out below.

*(i) Recruitment of human resource professional*

The Group has recruited human resource staff to source and identify IT professionals from time to time with the intention to provide the customers with suitable candidates on time.

*(ii) Cooperation with headhunt companies*

The Group has engaged several recruitment agencies to source and identify more professionals for secondment and recruitment services. The Group will continue to corporate with various recruitment agencies through the Company's Facebook live to promote its services.

*(iii) Recruitment portals*

The Group has also begun to publish recruitment advertisements on well-known recruitment portals including jobsDB, CTgoodjobs, SCMP online, Indeed and LinkedIn etc. to expand its pool of IT professional candidates for the customers.

*(iv) Participating in Career Fair*

The Group has also participated in career fairs. Career fair enables the Group to meet a large pool of potential candidates from the crowd which is considered to be a cost effective approach.

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

As at 31 August 2021, 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 August 2021, 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 SHAREHOLDERS

As at 31 August 2021, 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	339,499,095	71.35%
Pacific East Limited	Beneficial owner	Corporate	16,450,838	3.46%
DGM Trust Corporation (Note)	Trustee	Corporate	355,949,933	74.81%

*Note:*

DGM Trust Corporation is the trustee of The City Place Trust which wholly owns Maximizer International Limited, which holds 71.35% interest in the Company and wholly owns Pacific East Limited, which holds 3.46% interest in the Company. The City Place Trust is a discretionary trust and its beneficiaries include certain family members of Mr. Kau Mo Hui, but do not include Mr. Joseph Chi Ho Hui or Ms. Clara Hiu Ling Lam or any of their respective spouses 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**

On 22 November 2018, pursuant to the conditional subscription agreement dated 28 August 2018 (as supplemented and amended by a supplemental agreement dated 10 October 2018) entered into between the Company and Maximizer International Limited (“MIL”):

1. 123,529,400 convertible preference shares were issued by the Company to MIL. Based on the initial conversion price of HK\$0.17 per new ordinary share upon the exercise of the conversion rights attaching to each the convertible preference share, a maximum number of 123,529,400 new ordinary shares shall be allotted and issued upon full exercise of the conversion rights attaching to the convertible preference shares.
2. five-year unlisted convertible bond with nil interest rate in the principal amount of HK\$29,699,876.20 was issued by the Company to MIL. Based on the initial conversion price of HK\$0.17 per new ordinary share upon the exercise of the conversion rights attaching to the convertible bond, a maximum number of 174,705,154 new ordinary shares shall be allotted and issued upon full exercise of the conversion rights attaching to the convertible bond.

On 18 August 2021, MIL fully exercised the conversion rights attached to the convertible bonds in respect of the principal amount of approximately HK\$29,700,000. Pursuant to the conversion price of HK\$0.17 per ordinary share, the Company allotted and issued a total number of 174,705,154 ordinary shares to MIL.

Except for disclosed above, 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. Edwin Kim Ho Wong is the chairman of the audit committee for the year.

The written terms of reference which describe the authorities and duties of the audit committee were prepared and adopted with reference to “A Guide for the Formation of an Audit Committee” published by the Hong Kong Institute of Certified Public Accountants. The terms of reference of the audit committee should also require it to review arrangement employees of the Company can use to raise concerns about possible improprieties in financial reporting, internal control or other matters. The audit committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action and to act as the key representative body for overseeing the Company’s relations with the external 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 nine months ended 31 August 2021, the audit committee held three meetings for the purpose of reviewing the Company’s reports and financial statements, 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 unaudited results for the three months ended 31 August 2021 have been reviewed by the audit committee, which was of the opinion that the preparation of such results complied with the applicable accounting standard.

## **ADDITIONAL INFORMATION**

Your attention is drawn to the additional information set to the matters under Rule 17.26 of the GEM Listing Rules which was disclosed in the announcements by the Company dated 15 March 2021, 23 March 2021, 13 July 2021, 14 July 2021 and 22 July 2021. On 23 June 2021, the Group’s representatives attended the Review Hearing of the GEM Listing Committee and on 17 September 2021, the Group’s representatives attended another hearing of the Listing Review Committee. Up to the date of this announcement, the Group has not yet received the formal decision from the Listing Review Committee. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the nine months ended 31 August 2021, 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.

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. Ka Wing LAU	<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, 15 October 2021

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