

abcmultiactive
abc Multiactive Limited
辰罡科技有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 8131)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2023**

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

GEM has been positioned as a market designed to accommodate small and mid-sized 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.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

*This announcement, for which the directors of abc Multiactive Limited (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

FINAL RESULTS

The board of directors (the “**Board**”) of abc Multiactive Limited (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 30 November 2023, together with the comparative figures in 2022 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 November 2023

		2023	2022
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	4	26,203	60,244
Cost of sales		(10,774)	(24,608)
Gross profit		15,429	35,636
Other gains or losses, net	5	(3,601)	3,739
Software research and development and operating expenses		(4,540)	(4,023)
Selling and marketing expenses		(4,342)	(12,955)
Administrative expenses		(8,526)	(8,372)
Allowance for expected credit losses (“ ECL ”) on trade receivables, net		(7,474)	(4,157)
Gain on issuance of a promissory note		458	365
Gain on derecognition of a promissory note		185	570
Gain on modification of promissory notes		945	–
(Loss)/profit from operating activities		(11,466)	10,803
Finance costs	8	(1,307)	(1,693)
(Loss)/profit before tax	7	(12,773)	9,110
Income tax expense	9	(9)	–
(Loss)/profit and total comprehensive (loss)/ income for the year attributable to owners of the Company		(12,782)	9,110
(Loss)/earnings per share			
– Basic	10	HK(2.69) cents	HK1.91 cents
– Diluted	10	HK(2.69) cents	HK1.52 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 November 2023

	<i>Notes</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Assets			
Non-current assets			
Property, plant and equipment		196	419
Right-of-use assets		91	1,774
Goodwill		1,100	1,100
Other intangible assets		236	354
		<u>1,623</u>	<u>3,647</u>
Current assets			
Trade and other receivables	12	28,323	43,839
Contract costs		743	1,402
Financial asset at fair value through profit or loss ("FVTPL")		4,908	8,461
Cash and cash equivalents		6,123	7,674
		<u>40,097</u>	<u>61,376</u>
Total assets		<u>41,720</u>	<u>65,023</u>
Capital and reserves			
Share capital	13	59,934	59,934
Reserves		(51,759)	(38,977)
Equity attributable to owners of the Company		<u>8,175</u>	<u>20,957</u>
Liabilities			
Non-current liabilities			
Promissory notes	14	13,307	11,166
Lease liabilities		69	564
		<u>13,376</u>	<u>11,730</u>
Current liabilities			
Trade and other payables and accruals	15	13,434	20,722
Contract liabilities		6,466	10,038
Lease liabilities		26	1,330
Amount due to a related company		223	235
Tax payables		20	11
		<u>20,169</u>	<u>32,336</u>
Total liabilities		<u>33,545</u>	<u>44,066</u>
Total equity and liabilities		<u>41,720</u>	<u>65,023</u>
Net current assets		<u>19,928</u>	<u>29,040</u>
Total assets less current liabilities		<u>21,551</u>	<u>32,687</u>
Net assets		<u>8,175</u>	<u>20,957</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 November 2023

	Attributable to owners of the Company					Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000 (Note 1)	Special reserve HK\$'000 (Note 2)	Accumulated losses HK\$'000	
As at 1 December 2021	59,934	129,427	37,600	8,530	(223,644)	11,847
Profit and total comprehensive income for the year	—	—	—	—	9,110	9,110
As at 30 November 2022 and 1 December 2022	59,934	129,427	37,600	8,530	(214,534)	20,957
Loss and total comprehensive loss for the year	—	—	—	—	(12,782)	(12,782)
As at 30 November 2023	59,934	129,427	37,600	8,530	(227,316)	8,175

Notes:

- The contributed surplus arises from a share for share exchange in acquiring a subsidiary. The amount represents the difference between the nominal value of the Company's shares issued and the fair value of net assets of the subsidiary.
- Special reserve comprises the gain accounted for as deemed capital contribution which arose from (i) the difference between the aggregate fair value of the convertible preference shares and convertible bond issued by the Company and the outstanding amounts of the promissory notes of the Company being settled, net of the related transactions costs, and (ii) waiver of interest of promissory notes by Maximizer International Limited, the former shareholder of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 November 2023

1. CORPORATE INFORMATION

abc Multiactive Limited (the “**Company**”) was incorporated in Bermuda on 2 March 2000 as an exempted company with limited liability under the Companies Act 1981 of Bermuda (as amended) and its shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The principal place of business of the Company is located at 8th Floor, Hong Kong Trade Centre, 161 Des Voeux Road Central, Hong Kong.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are sales of computer software licenses and provision of related services, computer software licenses leasing and provision of related services, provision of maintenance services, sales of computer hardware and related products and provision of fintech resources services.

The directors of the Company consider the Company’s immediate and ultimate holding company is Bravo Merit Management Groups Limited, a company incorporated in the British Virgin Islands and Mr. Leung Wai Ming is the ultimate controlling party of the Company.

The consolidated financial statements included the financial statements of the Company and its subsidiaries (collectively referred to as the “**Group**”). The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is the same as the functional currency of the Company. All values are rounded to the nearest thousand (“**HK\$’000**”) except when otherwise indicated.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and accounting principles generally accepted in Hong Kong. HKFRSs comprise Hong Kong Financial Reporting Standards (“**HKFRS**”), Hong Kong Accounting Standards (“**HKAS**”) and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) and with the disclosure requirements of the Hong Kong Companies Ordinance. Significant accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(a) Application of new and revised HKFRSs

The Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are effective for the annual period beginning on or after 1 December 2022 for the preparation of the consolidated Financial statements:

Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract
Amendments to HKFRS 3	Reference to the Conceptual Framework
Annual Improvements Project	Annual Improvements to HKFRS Standards 2018–2020
Amendments to Accounting Guideline 5	Merger Accounting for Common Control Combinations
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules (<i>note</i>)

Note: Entities are required to apply the temporary exception to account for deferred taxes related to Pillar two income taxes immediately upon the issuance of the Amendments, and to provide the new disclosures as set out in the Amendments for annual reporting periods beginning on or after 1 January 2023.

The application of the amendments to HKFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

(b) New and revised HKFRSs in issue but not yet effective

The Group has not applied any new and revised HKFRSs that have been issued but are not yet effective for the financial year beginning 1 December 2022. These new and revised HKFRSs include the following which may be relevant to the Group.

		Effective for accounting periods beginning on or after
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to HKAS 1	Non-current Liabilities with Covenants	1 January 2024
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
Amendments to HKAS 8	Definition of Accounting Estimates	1 January 2023
Amendments to HKAS 12	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	1 January 2023
Amendments to HKFRS 16	Lease Liability in a Sales and Leaseback	1 January 2024
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA
Hong Kong Interpretation 5 (Revised) Presentation of Financial Statements	Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2024
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to HKAS 21	Lack of Exchangeability	1 January 2025

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

(c) **New HKICPA guidance on the accounting implications of the abolition of the MPF-LSP offsetting mechanism**

In June 2022, the Hong Kong SAR Government (the “**Government**”) gazetted the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the “**Amendment Ordinance**”), which will come into effect from 1st May, 2025 (the “**Transition Date**”). Once the Amendment Ordinance takes effect, an employer can no longer use any of the accrued benefits derived from its mandatory contributions to mandatory provident fund (“**MPF**”) scheme to reduce the long service payment (“**LSP**”) in respect of an employee’s service from the Transition Date (the abolition of the “**offsetting mechanism**”). In addition, the LSP in respect of the service before the Transition Date will be calculated based on the employee’s monthly salary immediately before the Transition Date and the years of service up to that date.

In July 2023, the HKICPA published “Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong” that provides accounting guidance relating to the offsetting mechanism and the abolition of the mechanism. In particular, the guidance indicates that entities may account for the accrued benefits derived from mandatory MPF contributions that are expected to be used to reduce the LSP payable to an employee as deemed contributions by that employee towards the LSP.

Applying this approach, upon the enactment of the Amendment Ordinance in June 2022, it is no longer permissible to apply the practical expedient in paragraph 93(b) of HKAS 19 that previously allowed such deemed contributions to be recognised as reduction of service cost (negative service cost) in the period the contributions were made. Instead, these deemed contributions should be attributed to periods of service in the same manner as the gross LSP benefit. The Amendment Ordinance has no material impact on the Group’s LSP liability and staff cost.

4. REVENUE

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Disaggregation of revenue from contracts with customers		
Sales of computer software licenses and provision of related services	–	37,097
Computer software licenses leasing and provision of related services	3,576	3,123
Provision of maintenance services	11,711	12,025
Contract revenue	1,035	574
Sales of computer hardware and related products	416	72
Provision of fintech resources services		
– Secondment services	9,234	6,389
– Placement services	231	964
	<u>26,203</u>	<u>60,244</u>

Timing of revenue recognition

A point in time	647	38,133
Over time	25,556	22,111
	<u>26,203</u>	<u>60,244</u>

Performance obligations for contracts with customers

Details of performance obligations for contracts with customers are set out in consolidated financial statements.

Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 30 November 2023 and 2022 and expected timing of recognising revenue are as follows:

	Provision of maintenance services	
	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Within one year	5,597	7,087
More than one year but not more than two years	99	6,783
More than two years	–	589
	<u>5,696</u>	<u>14,459</u>

	Computer software licenses leasing and provision of related services	
	2023	2022
	HK\$'000	HK\$'000
Within one year	143	1,263
More than one year but not more than two years	–	232
	<u>143</u>	<u>1,495</u>

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its revenue contracts of (i) provision of fintech secondment services and (ii) contract revenue such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the revenue contracts of (i) provision of fintech secondment services and (ii) contract revenue that had an original expected duration of one year or less.

5. OTHER GAINS OR LOSSES, NET

	2023	2022
	HK\$'000	HK\$'000
Bank interest income	38	–
Write-off of property, plant and equipment	(161)	–
Fair value (loss)/gain on financial assets at FVTPL	(3,553)	2,834
Fair value gain on contingent consideration payable	–	50
Loss on disposal of financial assets at FVTPL	–	(15)
Government grants (<i>Note</i>)	–	803
Net exchange difference	12	1
Gain on lease modification	–	2
Gain on lease termination	63	–
Others	–	64
	<u>(3,601)</u>	<u>3,739</u>

Note:

The amount represents the receipts for Employment Support Scheme provided by the Hong Kong government. There were no unfulfilled conditions or contingencies relating to these government grants.

6. SEGMENT INFORMATION

The Group was engaged in two business segments, financial solutions (“**Financial Solutions**”) and fintech resources (“**Fintech Resources**”) during the years ended 30 November 2023 and 2022.

The executive directors of the Company, being the chief operating decision maker, regularly reviews the nature of their operations and the products and services. Each of the Group’s business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments.

Segment revenue and results

The following is an analysis of the Group’s revenue and results by reportable segment:

	Financial Solutions		Fintech Resources		Total	
	2023 HK\$’000	2022 HK\$’000	2023 HK\$’000	2022 HK\$’000	2023 HK\$’000	2022 HK\$’000
Revenue	<u>16,738</u>	52,891	<u>9,465</u>	7,353	<u>26,203</u>	60,244
Segment results	<u>(8,649)</u>	8,298	<u>1,582</u>	972	<u>(7,067)</u>	9,270
Gain on modification of promissory notes					945	–
Gain on derecognition of a promissory note					185	570
Gain on issuance of a promissory note					458	365
Gain on lease termination					63	–
Gain on lease modification					–	2
Loss on disposal of financial asset at FVTPL					–	(15)
Fair value (loss)/gain on financial assets at FVTPL					(3,553)	2,834
Fair value gain on contingent consideration payable					–	50
Central administration costs					(2,497)	(2,273)
Finance costs					<u>(1,307)</u>	<u>(1,693)</u>
(Loss)/profit before tax					<u>(12,773)</u>	9,110
Income tax expense					<u>(9)</u>	–
(Loss)/profit for the year					<u><u>(12,782)</u></u>	<u>9,110</u>

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the year (2022: Nil).

Segment results represent the profit/(loss) by each segment without allocation of gain on modification of promissory notes, gain on derecognition of a promissory note, gain on issuance of a promissory note, gain on lease modification, loss on disposal of financial assets at FVTPL, fair value (loss)/gain on financial assets at FVTPL, fair value gain on contingent consideration payable, central administration costs, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities

	Financial Solutions		Fintech Resources		Total	
	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
Assets and liabilities						
Segment assets	33,846	53,400	2,616	2,957	36,462	56,357
Unallocated assets					5,258	8,666
					<u>41,720</u>	<u>65,023</u>
Consolidated total assets						
Segment liabilities	18,367	28,684	907	1,434	19,274	30,118
Unallocated liabilities					14,271	13,948
					<u>33,545</u>	<u>44,066</u>
Consolidated total liabilities						

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

All assets are allocated to reportable segments other than financial asset at FVTPL and other unallocated head office and corporate assets.

All liabilities are allocated to reportable segments other than lease liabilities, promissory notes, tax payable, amount due to a related company, other unallocated head office and corporate liabilities.

Other segment information

	Financial Solutions		Fintech Resources		Total	
	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
Interest income	38	–	–	–	38	–
Depreciation on property, plant and equipment	161	124	–	–	161	124
Depreciation on right-of-use assets	1,166	1,449	–	–	1,166	1,449
Amortisation of other intangible assets	118	–	–	–	118	–
Additions to property, plant and equipment	99	358	–	–	99	358
Write-off of property, plant and equipment	161	–	–	–	161	–
Additions to right-of-use assets	–	2,620	–	–	–	2,620
Additions to other intangibles assets	–	354	–	–	–	354
Allowance for ECL on trade receivables, net	7,390	4,127	84	30	7,474	4,157
Income tax expense	–	–	9	–	9	–

Geographical segments

The Group's revenue is generated from Hong Kong and all of the Group's non-current assets are located in Hong Kong. Accordingly, no geographical segment information is presented.

Information about major customers

No single customer contributed 10% or more to the Group's revenue during the years ended 30 November 2023 and 2022.

7. (LOSS)/PROFIT BEFORE TAX

	2023	2022
	HK\$'000	HK\$'000
(Loss)/profit before tax arrived at after charging:		
Auditors' remuneration		
– Audit services	530	480
– Non-audit services	–	160
Depreciation on property, plant and equipment	161	124
Depreciation on right-of-use assets	1,166	1,449
Directors' emoluments	698	678
Staff costs (excluding directors' emoluments)		
– salaries and allowances	8,617	8,290
– retirement benefit costs	486	362
– commission expenses	604	866
Cost of computer hardware and related products sold	230	45
Allowance for ECL on trade receivables, net	7,474	4,157
Expenses relating to short-term lease	600	800
	<u> </u>	<u> </u>

8. FINANCE COSTS

	2023	2022
	HK\$'000	HK\$'000
Imputed interest expenses on promissory notes	1,229	1,583
Interest expenses on lease liabilities	78	110
	<u> </u>	<u> </u>
	1,307	1,693
	<u> </u>	<u> </u>

9. INCOME TAX EXPENSE

	2023	2022
	HK\$'000	HK\$'000
Current tax		
Hong Kong Profits Tax:		
– Provision for the year	20	–
– Over-provision in prior years	(11)	–
	<u> </u>	<u> </u>
	9	–
	<u> </u>	<u> </u>

Hong Kong Profits Tax has been provided at a rate of 16.5% (2022: 16.5%) on the estimated assessable profit for the year ended 30 November 2023, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime. For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements during the year ended 30 November 2022 since the Group's Hong Kong entities have sufficient tax losses brought forward to set off against their assessable profit or no assessable profit during the year ended 30 November 2022.

No overseas profits tax has been calculated for the entities of the Group that are incorporated in Bermuda as it is exempted from profit tax for the years ended 30 November 2023 and 2022.

The income tax expense for the year can be reconciled to the (loss)/profit before tax to the consolidated statement of profit or loss and other comprehensive income as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
(Loss)/profit before tax	<u>(12,773)</u>	<u>9,110</u>
Tax at Hong Kong Profits Tax rate of 16.5%	(2,108)	1,503
Tax effect of income that is not taxable	(270)	(761)
Tax effect of expenses that are not deductible	204	265
Tax effect of unrecognised temporary differences	1,821	687
Tax effect of utilisation of tax losses not previously recognised	(115)	(3,051)
Tax effect of tax losses not recognised	507	1,357
Tax effect of two-tiered profit tax rates regime	(19)	–
Over-provision in prior year	<u>(11)</u>	<u>–</u>
Income tax expense for the year	<u><u>9</u></u>	<u><u>–</u></u>

10. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<i>(Loss)/profit</i>		
(Loss)/profit for the purpose of basic (loss)/earnings per share attributable to owners of the Company	<u>(12,782)</u>	<u>9,110</u>
	2023	2022
<i>Number of shares</i>		
Weighted average number of shares for the purpose of basic (loss)/earnings per share	<u>475,813,216</u>	<u>475,813,216</u>

(b) **Diluted (loss)/earnings per share**

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<i>(Loss)/profit</i>		
(Loss)/profit for the purpose of basic earnings per share	<u>(12,783)</u>	<u>9,110</u>
	2023	2022
<i>Number of shares</i>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	475,813,216	475,813,216
Effect of dilutive potential ordinary shares:		
Convertible preference shares	<u>–</u>	<u>123,529,400</u>
Number of shares for the purpose of diluted earnings per share	<u>475,813,216</u>	<u>599,342,616</u>

The convertible preference shares do not have any dilutive effect in the calculation of diluted loss per share for the year ended 30 November 2023.

11. DIVIDENDS

The directors of the Company do not recommend the payment of any dividend in respect of the year ended 30 November 2023 (2022: Nil).

12. TRADE AND OTHER RECEIVABLES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade receivables	38,845	44,959
Less: Allowance for ECL	<u>(11,793)</u>	<u>(4,319)</u>
	27,052	40,640
Prepayments, deposits and other receivables	<u>1,271</u>	<u>3,199</u>
	<u>28,323</u>	<u>43,839</u>

The Group maintains a defined credit policy to assess the credit quality of each counterparty. The collection is closely monitored to minimise any credit risk associated with these trade receivables. The Group's trading terms with its customers are mainly based on credit. The Group allows a credit period range from 0 to 30 days (2022: 0 to 30 days) to its customers.

The following is an aged analysis of trade receivables, before net of allowance of ECL, presented based on invoice dates at the end of the reporting periods:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
0 – 30 days	1,082	1,144
31 – 60 days	296	660
61 – 90 days	547	308
91 to 180 days	598	8,801
181 to 360 days	1,190	22,576
Over 360 days	35,132	11,470
	<u>38,845</u>	<u>44,959</u>

13. SHARE CAPITAL

Authorised and issued share capital

	2023		2022	
	Number of shares	Amount <i>HK\$'000</i>	Number of shares	Amount <i>HK\$'000</i>
Authorised:				
<i>Ordinary shares</i>				
Ordinary shares of HK\$0.1 each				
At the beginning and the end of the year	<u>9,000,000,000</u>	<u>900,000</u>	<u>9,000,000,000</u>	<u>900,000</u>
<i>Non-voting convertible preference shares</i>				
Non-voting convertible preference shares of HK\$0.1 each				
At the beginning and the end of the year	<u>1,000,000,000</u>	<u>100,000</u>	<u>1,000,000,000</u>	<u>100,000</u>
Issued and fully paid:				
<i>Ordinary shares</i>				
Ordinary shares of HK\$0.1 each				
At the beginning and the end of the year	<u>475,813,216</u>	<u>47,581</u>	<u>475,813,216</u>	47,581
<i>Non-voting convertible preference shares</i>				
Non-voting convertible preference shares of HK\$0.1 each				
At the beginning and the end of the year	<u>123,529,400</u>	<u>12,353</u>	<u>123,529,400</u>	12,353
		<u>59,934</u>		<u>59,934</u>

Convertible preference shares

The holders of the convertible preference shares (“CPSs”) shall have no right to attend or vote at general meetings of the Company, unless a resolution is proposed to vary the rights attached to the CPSs or a resolution is proposed for the winding up of the Company. Subject to compliance with applicable terms, holders of CPSs shall not be entitled to any dividend or distribution except for a return of capital upon liquidation of the Company.

Each of the CPSs, without a maturity date, is convertible into one ordinary share of the Company at no additional consideration. Conversion of CPSs into ordinary shares of the Company, which has no expiry date, can be made at any time after the issuance of the CPSs by serving not less than 15 days’ prior written notice to the Company. The Company may redeem the CPSs in whole or in part at the par value at its option at any time during the conversion period.

Convertible preference shares were equity instruments of the Company and measured at initial recognition at fair value of HK\$0.123 per share based on the quoted price of the Company’s ordinary shares as at that date.

14. PROMISSORY NOTES

- (a) On 28 November 2019, a promissory note (the “**PN 1**”) was issued by the Company in favour of Active Investments Capital Limited (“**Active Investments**”), a company wholly owned by Mr. Samson Chi Yang Hui (“**Mr. Hui**”) (the former chief executive officer of the Company, the brother of Mr. Joseph Chi Ho Hui (the former chairman and former executive director of the Company) and the spouse of Ms. Clara Hiu Ling Lam (the former executive director of the Company) with a principal amount of HK\$8,000,000 denominated in Hong Kong Dollar. The purpose of the note was to provide sufficient working capital to cope with the Group’s development plan and improve the financial position of the Group. The PN 1 bore no interest and was matured on 1 March 2021.
- (b) On 26 November 2020, the Company signed an extension agreement of the PN 1 with Active Investments modifying the terms to extend the maturity date from 1 March 2021 to 1 June 2022. The extension of the PN 1 is considered as a substantial modification. As a result, PN 1 with a carrying amount of HK\$7,677,000 was derecognised and the modified promissory note (“**PN 2**”) was recognised at its fair value of HK\$6,144,000 at the date of the modification. The difference of approximately HK\$1,533,000 between the carrying amount of the PN 1 and the fair value of the PN 2 was recognised as a gain on derecognition of the promissory note in the consolidated statement of profit or loss and other comprehensive income during the year ended 30 November 2022. The fair value of the PN 2 with an extended maturity date are determined by the directors of the Company based on the valuation prepared by an independent qualified professional valuer to the Group.
- (c) On 26 November 2020, another new promissory note (the “**PN 3**”) was issued by the Company in favour of Active Investments with the principal amount of HK\$3,000,000 and denominated in Hong Kong Dollar for the purpose of providing sufficient working capital to cope with the Group’s development plan and improving the financial position of the Group. The PN 3 bore no interest and was matured on 1 June 2022.
- (d) On 29 November 2021, the Company signed extension agreements of the PN 2 and PN 3 (collectively referred to as “**2020 PNs**”) with Active Investments modifying the terms to extend the maturity date from 1 June 2022 to 1 June 2023. The extension of the 2020 PNs was considered as a substantial modification. As a result, 2020 PNs with a carrying amount of HK\$10,068,000 was derecognised and the modified promissory notes with extended maturity (“**2021 PNs**”) were recognised at their fair values of HK\$8,513,000 in total at the date of the modification. A difference of approximately HK\$1,555,000 between the carrying amount of the 2020 PNs and the fair value of the 2021 PNs was recognised as a gain on derecognition of the promissory notes in the consolidated statement of profit or loss and other comprehensive income during the year ended 30 November 2022. The fair values of the 2021 PNs are determined by the directors of the Company based on the valuation prepared by an independent qualified professional valuer to the Group.

- (e) On 29 November 2022, another new promissory note (the “**2022 PN 1**”) was issued by the Company in favour of Active Investments with the principal amount of HK\$2,000,000 and denominated in Hong Kong Dollar for the purpose of providing sufficient working capital to cope with the Group’s development plan and improving the financial position of the Group. The 2022 PN 1 shall bear no interest and will be matured on 1 June 2024. The difference of approximately HK\$365,000 between the fair value of the 2022 PN 1 at initial recognition and the principal amount of 2022 PN 1 was recognised in the consolidated statement of profit or loss and other comprehensive income during the year ended 30 November 2022.
- (f) On 29 November 2022, the Company signed an extension agreement of the 2021 PNs with Active Investments modifying the terms to extend maturity date from 1 June 2023 to 1 June 2024. The extension of the 2021 PNs is considered as substantial modification. As a result, 2021 PNs with a carrying amount of HK\$10,097,000 was derecognised and the modified promissory notes with extended maturity (“**2022 PNs 2**”) were recognised at their fair values of HK\$9,527,000 in total at the date of the modification. A variance of approximately HK\$570,000 between the carrying amount of the 2021 PNs and the fair value of the 2022 PNs 2 was recognised as a gain on derecognition of promissory note in the consolidated statement of profit or loss and other comprehensive income during the year ended 30 November 2022. The fair values of the 2022 PNs 2 are determined by the directors of the Company based on the valuation prepared by an independent qualified professional valuer to the Group.
- (g) On 28 August 2023, another new promissory note (the “**2023 PN 1**”) was issued by the Company in favour of Active Investments with a principal amount of HK\$2,500,000 denominated in Hong Kong Dollar for the purpose of providing sufficient working capital to cope with the Group’s development plan and improving the financial position of the Group. The 2023 PN 1 shall bear no interest and will be matured on 1 June 2025. A variance of approximately HK\$458,000 between the fair value and the principal amount of 2023 PN 1 at initial recognition of approximately HK\$458,000 was recognised in the consolidated statement of profit or loss and other comprehensive income during the year ended 30 November 2023.
- (h) On 22 September 2023, the Company signed an extension agreement of the 2022 PNs 2 with Active Investments modifying the terms to extend the maturity date from 1 June 2024 to 1 June 2025. The extension of the 2022 PNs 2 is considered as a non-substantial modification. A HK\$945,000 variance between the carrying amount of the 2022 PNs2 immediately before the modification and the present value of modified future cash flows of the 2022 PNs 2 discounted at the original effective interest rate was recognised as gain on modification of promissory notes in the consolidated statement of profit or loss and other comprehensive income during the year ended 30 November 2023.
- (i) On 22 September 2023, the Company signed an extension agreement of the 2022 PN 1 with Active Investments modifying the terms to extend the maturity date from 1 June 2024 to 1 June 2025. The extension of the 2022 PN 1 is considered as substantial modification. As a result, 2022 PN 1 with a carrying amount of HK\$1,824,000 was derecognised and the modified promissory notes with extended maturity (“**2023 PNs 2**”) were recognised at their fair values of HK\$1,639,000 in total at the date of the modification. A variance of approximately HK\$185,000 was recognised as a gain on derecognition of promissory note in the consolidated statement of profit or loss and other comprehensive income during the year ended 30 November 2023.

15. TRADE AND OTHER PAYABLES AND ACCRUALS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade payables	6,070	9,270
Accruals (<i>Note a</i>)	3,314	8,115
Other payables (<i>Note b</i>)	4,050	3,337
	<u>13,434</u>	<u>20,722</u>

Notes:

- a. The amount mainly represents accrued salaries, bonuses and sales commissions amounting to approximately HK\$1,752,000 (2022: HK\$6,369,000). An aggregated balance of approximately HK\$767,000 (2022: HK\$1,829,000) included in accrued salaries and bonuses was payable to Mr. Hui and the former company secretary of the Company.
- b. A balance of approximately HK\$4,050,000 (2022: HK\$3,333,000) included in other payables represents an amount due to Active Investments (2022: Mr. Hui). As at 30 November 2023 and 2022, the amounts due are unsecured, interest-free and repayable on demand.

The following is an aging analysis of trade payables, based on the invoice dates:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
0-60 days	600	–
61-365 days	1,800	8,400
Over 365 days	3,670	870
	<u>6,070</u>	<u>9,270</u>

The average credit period granted by suppliers is normally within 60-180 days (2022: 60 days).

BUSINESS REVIEW

Financial Review

The Group recorded a revenue of approximately HK\$26,203,000 for the year ended 30 November 2023 (the “Year”), decreased by 56.5% from that of approximately HK\$60,244,000 for the corresponding period last year. The net loss of the Group for the Year was approximately HK\$12,782,000, whereas the Group recorded a net profit of approximately HK\$9,110,000 for the corresponding period last year. Of the total revenue amount, (i) approximately HK\$3,576,000 or 13.6% was generated from sales of computer software licenses, computer software licenses leasing and provision of related services; (ii) approximately HK\$11,711,000 or 44.7% was generated from maintenance services; (iii) approximately HK\$1,035,000 or 3.9% was generated from contract revenue; (iv) approximately HK\$416,000 or 1.6% was generated from sales of computer hardware and related products; and (v) approximately HK\$9,465,000 or 36.1% was generated from fintech resources services. The decrease in total revenues were mainly attributed to (i) existing projects delayed delivery and launch by customers during the Year and (ii) due to the market uncertainty in Hong Kong brokerage market in 2023, many potential customers cut down or deferred their IT spending budget especially for new system purchases.

During the Year, the operating expenditures amounted to approximately HK\$17,408,000 for the Year, decreased by 31.3% when compared to approximately HK\$25,350,000 for the corresponding period last year. The decrease were mainly attributed to decrease in sales and marketing expenses and advertising expenses during the Year.

During the Year, the depreciation expenses on property, plant, and equipment was approximately HK\$161,000, increased by 29.8% when comparing to approximately HK\$124,000 for the same period last year. The reason of increase was mainly attributed to Hong Kong office relocation and additional spending on office renovation and purchase of office equipment during the Year.

The Group did not have any amortisation expenses during the Year.

Except for allowance for expected credit losses on trade receivables amount approximately HK\$7,474,000 as at 30 November 2023, the Group has no provision made for impairment of trade receivables during the Year.

Total staff costs (excluding directors’ remuneration) were approximately HK\$9,708,000 for the Year, a slightly increased by 1.2% when compared to that of approximately HK\$9,518,000 for the corresponding period last year.

The Group anticipates that software license, maintenance services and other professional services revenues will continue to provide a steady source of revenues and account for a significant amount of total revenues for the Group. The Group also intend to grow its operations further by committing significant time and resources to the maintenance and ongoing development of its core-solutions.

Operation Review

For the Year, the Group's revenue was approximately HK\$26,203,000, decreased by 56.5% when compared to that of approximately HK\$60,244,000 for the corresponding period last year. Of the total audited revenue, revenue of approximately HK\$15,287,000 represents sales of self-developed software, turnover of approximately HK\$10,500,000 was generated from Fintech resources services and turnover generated from resales of computer hardware and related products were approximately HK\$416,000.

Look forward to recovery of the global economy, it is hoped that the economy in Hong Kong would gradually recover in 2024. Therefore, the Group remains optimistic about the prospects of RegTech and IT related services. The Group will also reinforce its strategic initiatives and seeks new business opportunities to overcome the difficult operating environment.

Financial Solutions services

For the Year, RegTech solutions and related services has continued to contribute a positive outcome to the Group. However, more and more competitors and products step into the market, the competitions become more keen. The Group has put more effort to maintain the customers. Step into the year 2024, the Group also expected that RegTech solutions and related services continued its positive outcome to the Group. Except for sales of software licenses and provision of professional services on RegTech solutions, the Group also provides these new customers with annual maintenance services for these products, which greatly increases the Group's revenue from software licenses and maintenance services respectively. In the meantime, the Group is also in close negotiation with certain potential customers to implement its RegTech solutions and provision of professional services.

Except for RegTech solutions, provision of OCTOSTP system (“OCTOSTP”) and related services remain one of key source of revenue to the Group. The Group has consistently made significant strides in improving its businesses including strengthen its function of OCTOSTP to meet the functional needs of securities firms.

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 RegTech 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.

With more new products and innovative ideas going to be launched to the market, the Group is committed to enhance its marketing activities for promoting its products and services. The Group remains optimistic about the prospects of RegTech and IT related services. The Group will also reinforce its strategic initiatives and seeks new business opportunities to overcome the difficult operating environment.

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 has successfully acquired Leadership in 2021, the Group was able to expand the fintech resources services market, which 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 also achieved significant growth in revenue in fintech resources services segment during the Year. For the Year ended 30 November 2023, the Group's revenue generated from fintech resources was approximately HK\$9,465,000, with an increase of 28.7% when compared to that of approximately HK\$7,353,000 for the corresponding period last year. During the Year, the Group has secured the renewal secondment contract from existing customers and successfully gained recruitment service contracts from new customers.

Contingent Liabilities

The Group had no material contingent liabilities as at 30 November 2023 (2022: The Group had no material contingent liabilities).

Event after the Reporting Period

The Group did not have any significant events occurred after the reporting period.

Litigation

As at 30 November 2023, the Group had no material litigation (2022: Nil).

Prospects

Operational efficiency and increase its revenue growth will continue to be top priorities for the Group for 2024. 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.

With a more efficient infrastructure and our well experience in the financial industry, the Group can dedicate more research and development focus on its core-solutions improvement and upgrading and more new diversified solutions. To go further, RegTech product lines 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. Meanwhile, the Group will continue to keep up with the market trend and the industry requirements and also will explore new business opportunities and widen the Group's revenue stream from both existing and potential customers. It is the belief of the directors of the Company that the Group has well-diversified products and services range, its technology enables the delivery of robust, scalable and innovative business solutions into the market faster and at a lower cost than alternatives which maintains its market competitiveness and it is well equipped to face future challenges and believe that the Group will be strongly positioned to optimistic growth when market conditions improve.

To strive for the realization of the above initiatives, the Group will increase its focus on its research and development capabilities and also improve the quality of its sales and marketing team. The Group's sales and marketing team will also continue to maintain closer business relationships with existing customers, explore the market for potential customers and is committed to improving the sales performance for 2024.

Alongside with the continuing evolution and modification of business strategies to develop our existing businesses, the Group will continue to seek optimisation of its business portfolio by adjusting it to adapt to the changing business climate, trend and environment, and at the same time proactively exploring and exploiting every potentially profitable business, i.e. financial related services including but not limited to financial public relations services, and investment opportunity as well as new growth potentials, with the ultimate goal of developing its business to generate and maximize shareholders' value and return and maintain sustainable growth and prosperity.

Corporate Governance Practices

It is the belief of the Board of directors that corporate governance plays a vital part in maintaining the success of the Company. The Board cultivates good governance as the cornerstone of the Group's corporate culture, various measures have been adopted to ensure that a high level of corporate governance is maintained throughout the operation of the Group.

The Stock Exchange has issued the amendments on Corporate Governance Code (the "CG Code") contained in Appendix 15 of the GEM Listing Rules effective on 1 April 2012 and 1 January 2022 respectively which set out the principles and the code provisions which the Company is expected to apply and comply.

To comply with all the new and amended code provisions set out in the CG Code contained in Appendix 15 of the GEM Listing Rules, relevant amendments and adoptions has been adopted by the Company during the Year, except for the deviations from code provision D.1.2 and D.2.5 as explained below, none of the directors is aware of information that would reasonable indicate that the Company is not, or was not, for any parts of the accounting period for the year ended 30 November 2023, in compliance with the CG Code set out by the Stock Exchange in Appendix 15 to the GEM Listing Rules. The board will continue to review regularly and take appropriate actions to comply with the Code.

Financial Reporting

Code provision D.1.2 of the CG Code, 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 to enable the Board as a whole and each director to discharge their duties under rule 5.01 and chapter 17.

During the year ended 30 November 2023, rather than provide monthly updates, the management of the Company has provided to the Board quarterly updates with quarterly consolidated financial statement of the Company's performance, position and prospects in sufficient details during the regular Board meetings of the Company. In addition, the management has provided all members of the Board, in a timely manner, updates on any material changes to the performance, position and prospects of the Company and sufficient information for matters brought before the Board. The management discussion and analysis prepared by management and reviewed by the Board of the directors are included in this results announcement.

Internal Audit Function

Code Provision D.2.5 of the CG Code, stipulates that the Group should have an internal audit function. For the year ended 30 November 2023, the Group does not have an internal audit function from the date of Listing since 2000. Taking into account the size, nature and complexity of the operations in the future, the Group considers that the current organization structure and management could provide adequate risk management and internal control of the Group.

The Group has established the internal control committee since 2007. The internal control committee, comprising the executive directors, independent non-executive directors and management team of the Company are responsible to review the effectiveness of the Group's internal control system. There are established control procedures to identify, assess, control and report to each of the four major types of risks consisting of business and market risk, compliance risk, financial and treasury risk and operational risk. In addition, there is regular dialogue with the Group's external auditors so that both are aware of the significant factors which may affect their respective scope of work.

A review of the effectiveness of the Group's system of internal control was performed by external independent consultant. The examination consists of enquiry, discussion and validation through observation and inspection (if necessary). The result of the review has been reported to the Board and areas of improvement, if any, will be identified and appropriate measures will be put in place to manage the risks.

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. Mr. Wai Hing Chau, Mr. Hoi Yuen Ng and Ms. Ouyang Cai. Mr. Wai Hing Chau is the chairman of the audit committee.

The written terms of reference which describe the authorities and duties of the audit committee were prepared and adopted with reference to “A Guide for the Formation of an Audit Committee” published by the Hong Kong Institute of Certified Public Accountants. The 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 reporting year 2023, the audit committee held four meetings for the purpose of reviewing the Company’s reports and accounts, and providing advice and recommendations to the Board of directors. The minutes of the audit committee meeting are kept by the company secretary. Draft and final versions of minutes of the meetings should be sent to all committee members for their comment and records, within a reasonable time after the meeting.

The Group’s results for the year ended 30 November 2023 have been reviewed by the audit committee, which was of the opinion that the preparation of such results complied with the applicable accounting standard.

Purchase, sale or redemption of the Company’s listed securities

The Company has not redeemed any of its listed securities during the Year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company’s listed securities during the Year (2022: Nil).

SCOPE OF WORK OF MCMILLAN WOODS (HONG KONG) CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 30 November 2023 as set out in the Announcement have been agreed by the Group's auditors, McMillan Woods (Hong Kong) CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by McMillan Woods (Hong Kong) CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by McMillan Woods (Hong Kong) CPA Limited on the Announcement.

By order of the Board
Jinzhao HUANG
Executive Director

Hong Kong, 29 February 2024

As at the date of this announcement, the executive Directors are Mr. Ka Lun HWA and Mr. Jinzhao HUANG; and the independent non-executive Directors are Mr. Wai Hing CHAU, Mr. Hoi Yuen NG and Ms. Ouyang CAI.

*This announcement, for which the directors of 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 of Hong Kong Limited (the “**Stock Exchange**”) 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.*

This announcement will remain on the “Latest Listed Company Information” page of the GEM website for at least 7 days from the day of its posting and the website of the Company at www.hklistco.com.