



abc *multiactive*

abc Multiactive Limited

(Incorporated in Bermuda with limited liability)

Stock code:8131



2009 INTERIM REPORT

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

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This report, for which the directors of abc Multiactive Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange for the purpose of giving information with regard to abc Multiactive Limited. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.



INTERIM RESULTS

The board of directors (the "Board") of abc Multiactive Limited (the "Company") presents the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (the "Group") for the three months and six months ended 31 May 2009, together with the comparative figures.

The unaudited turnover of the Group for the three months and six months ended 31 May 2009 was HK\$3,773,000 and HK\$7,133,000, respectively (Three months and six months ended 31 May 2008: HK\$5,127,000 and HK\$9,184,000, respectively). The unaudited net loss for the three months and six months ended 31 May 2009 was HK\$1,446,000 and HK\$3,179,000, respectively (Three months and six months ended 31 May 2008: net loss of HK\$7,000 and HK\$1,541,000, respectively). Unaudited basic loss per share for the three months and six months ended 31 May 2009 was HK\$0.90 cents and HK\$1.98 cents, respectively (Three months and six months ended 31 May 2008: basic loss per share of HK\$0.004 cents and HK\$0.96 cents, respectively.)



CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE THREE MONTHS AND SIX MONTHS ENDED 31 MAY 2009

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		(Unaudited) Three months ended 31 May		(Unaudited) Six months ended 31 May	
	Note	2009 HK\$'000	2008 HK\$'000	2009 HK\$'000	2008 HK\$'000
Turnover	3	3,773	5,127	7,133	9,184
Cost of sales		(1,002)	(1,216)	(2,108)	(2,791)
Gross profit		2,771	3,911	5,025	6,393
Other revenue	3	4	2	6	5
Software research and development expenses		(1,518)	(1,594)	(3,073)	(3,070)
Royalty expenses		-	-	(1)	(15)
Selling and marketing expenses		(483)	(352)	(954)	(839)
Administrative expenses		(1,553)	(1,660)	(3,100)	(3,281)
Unrealised exchange (loss)/gain		(263)	74	(283)	92
Operating (loss)/profit	5	(1,042)	381	(2,380)	(715)
Finance costs	6	(404)	(388)	(799)	(826)
Loss before taxation		(1,446)	(7)	(3,179)	(1,541)
Taxation	7	-	-	-	-
Loss for the period		(1,446)	(7)	(3,179)	(1,541)
		HK cents	HK cents	HK cents	HK cents
Basic loss per share	9	(0.90)	(0.004)	(1.98)	(0.96)



CONDENSED CONSOLIDATED BALANCE SHEET

AT 31 MAY 2009 AND 30 NOVEMBER 2008

		(Unaudited) 31 May 2009 HK\$'000	(Audited) 30 November 2008 HK\$'000
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment		506	634
Current assets			
Work in progress	10	1,306	1,124
Trade and other receivables	11	1,433	1,424
Cash and cash equivalents		4,479	5,128
		7,218	7,676
Total assets		7,724	8,310
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		16,059	16,059
Reserves	15	(56,288)	(52,594)
Total equity		(40,229)	(36,535)



	Note	(Unaudited) 31 May 2009 HK\$'000	(Audited) 30 November 2008 HK\$'000
LIABILITIES			
Non-current liabilities			
Promissory notes and interest payable to the related companies	13	28,611	27,908
Amount due to the ultimate holding company	14	8,169	6,872
		36,780	34,780
Current liabilities			
Trade and other payables	12	7,134	6,850
Deferred revenue		2,761	2,048
Amount due to customers	10	1,278	1,167
		11,173	10,065
Total liabilities		47,953	44,845
Total equity and liabilities		7,724	8,310
Net current liabilities		(3,955)	(2,389)
Total assets less current liabilities		(3,449)	(1,755)
Net liabilities		(40,229)	(36,535)



CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 31 MAY 2009

	(Unaudited)	
	Six months ended 31 May	
	2009 HK\$'000	2008 HK\$'000
Net cash (used in)/generated from operating activities	(634)	555
Net cash used in investing activities	(15)	(60)
Net (decrease)/increase in cash and cash equivalents	(649)	495
Cash and cash equivalents at the beginning of period	5,128	2,021
Cash and cash equivalents at the end of period	4,479	2,516
Analysis of balances of cash and cash equivalents:		
Cash and bank balances	4,479	2,516



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 MAY 2009

	Group					
	(Unaudited) Issued share capital HK\$'000	(Unaudited) Share premium HK\$'000	(Unaudited) Contributed surplus HK\$'000	(Unaudited) Exchange reserve HK\$'000	(Unaudited) Accumulated losses HK\$'000	(Unaudited) Total HK\$'000
Balance as at						
1 December 2007	16,059	106,118	37,600	(13,540)	(181,573)	(35,336)
Exchange difference arising on translation of financial statements of foreign subsidiaries	-	-	-	(227)	-	(227)
Loss for the period	-	-	-	-	(1,541)	(1,541)
As at 31 May 2008	<u>16,059</u>	<u>106,118</u>	<u>37,600</u>	<u>(13,767)</u>	<u>(183,114)</u>	<u>(37,104)</u>
Balance as at						
1 December 2008	16,059	106,118	37,600	(12,525)	(183,787)	(36,535)
Exchange difference arising on translation of financial statements of foreign subsidiaries	-	-	-	(515)	-	(515)
Loss for the period	-	-	-	-	(3,179)	(3,179)
As at 31 May 2009	<u>16,059</u>	<u>106,118</u>	<u>37,600</u>	<u>(13,040)</u>	<u>(186,966)</u>	<u>(40,229)</u>



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Basis of preparation

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

The unaudited consolidated results for the six months ended 31 May 2009 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 2008, except for the adoption of certain new and revised Hong Kong Financial Reporting Standards ("HKFRS") and Hong Kong Accounting Standards ("HKAS") as disclosed in note 2 below.

2. Impact of new HKFRSs and HKASs

The Hong Kong Institute of Certified Public Accountants ("HKICPA") has issued a number of new and revised HKFRSs and HKASs which are effective for accounting periods commencing on or after 1 January 2008. 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 that are effective for the six months ended 31 May 2009.

These HKFRSs are effective for annual periods beginning on or after 1 January 2008:

HK(IFRIC) – Int 12	Service Concession Arrangements ¹
HK(IFRIC) – Int 13	Customer Loyalty Programmes ²
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction ¹
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation ³

¹ Effective for annual periods beginning on or after 1 January 2008

² Effective for annual periods beginning on or after 1 July 2008

³ Effective for annual periods beginning on or after 1 October 2008



3. Turnover and other revenue

The Group is principally engaged in the designing and sale of computer software and the provision of professional and maintenance services for such products. An analysis of the Group's turnover and other revenue is as follow:

	(Unaudited) Three months ended 31 May		(Unaudited) Six months ended 31 May	
	2009 HK\$'000	2008 HK\$'000	2009 HK\$'000	2008 HK\$'000
Turnover				
Sales of computer software licences, software rental and provision of related services	2,213	3,656	3,935	5,720
Provision of maintenance services	1,551	1,451	3,056	2,709
Sales of computer hardware	9	20	142	755
	<u>3,773</u>	<u>5,127</u>	<u>7,133</u>	<u>9,184</u>
Other revenue				
Bank interest income	4	2	6	5
	<u>4</u>	<u>2</u>	<u>6</u>	<u>5</u>

4. Segment information

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

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of other business segments. Summary details of the business segments are as follows:

- (a) e-Finance; and
- (b) e-Business.

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



(a) **Business segments**

	(Unaudited)					
	Six months ended 31 May					
	e-Finance		e-Business		Consolidated	
2009	2008	2009	2008	2009	2008	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Turnover	6,682	8,728	451	456	7,133	9,184
Segment results	1,325	2,845	(328)	(376)	997	2,469
Other revenue					6	5
Exchange (loss)/gain					(283)	92
Unallocated expenses					(3,100)	(3,281)
Loss from operating activities					(2,380)	(715)
Finance costs					(799)	(826)
Loss before taxation					(3,179)	(1,541)
Taxation					-	-
Loss for the period					(3,179)	(1,541)
Segment assets	2,848	3,435	581	623	3,429	4,058
Unallocated assets					4,295	2,367
Total assets					7,724	6,425
Segment liabilities	12,913	13,145	5,831	5,759	18,744	18,904
Unallocated liabilities					29,209	24,625
Total liabilities					47,953	43,529
Other segment Information:						
Depreciation	147	155	10	9	157	164
Capital expenditure	21	62	-	3	21	65



(b) Geographical segments

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

	(Unaudited)				
	Six months ended 31 May 2009				
Segment turnover	Segment loss	Segment assets	Segment liabilities	Capital expenditure	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong and other Asian countries	7,133	(3,317)	7,501	44,490	21
Australia and New Zealand	–	138	223	3,463	–
	<u>7,133</u>	<u>(3,179)</u>	<u>7,724</u>	<u>47,953</u>	<u>21</u>

	(Unaudited)				
	Six months ended 31 May 2008				
Segment turnover	Segment loss	Segment assets	Segment liabilities	Capital expenditure	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong and other Asian countries	9,184	(1,700)	6,117	39,606	65
Australia and New Zealand	–	159	308	3,923	–
	<u>9,184</u>	<u>(1,541)</u>	<u>6,425</u>	<u>43,529</u>	<u>65</u>



5. Operating (loss)/profit

	(Unaudited) Three months ended 31 May		(Unaudited) Six months ended 31 May	
	2009 HK\$'000	2008 HK\$'000	2009 HK\$'000	2008 HK\$'000
(Loss)/profit from operating activities is stated after charging the following:				
Unrealised exchange loss	664	–	635	–
Depreciation on owned property, plant and equipment	78	82	157	164
Operating leases payments in respect of				
– land and buildings	438	261	855	521
– plant and equipment	8	8	24	16
Staff costs (excluding directors' remuneration)				
– salaries and allowances	3,174	3,428	6,377	6,567
– retirement benefits costs	111	112	224	216
Cost of computer hardware sold	7	15	107	609
	<hr/>	<hr/>	<hr/>	<hr/>
and after crediting:				
Unrealised exchange gain	401	74	352	92
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

6. Finance costs

	(Unaudited) Three months ended 31 May		(Unaudited) Six months ended 31 May	
	2009 HK\$'000	2008 HK\$'000	2009 HK\$'000	2008 HK\$'000
Interest on promissory notes				
– wholly repayable within five years	357	318	703	682
Interest on amount due to the ultimate holding company				
– wholly repayable within five years	47	70	96	144
	<hr/>	<hr/>	<hr/>	<hr/>
	404	388	799	826
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>



7. Taxation

No provision for Hong Kong and China profits tax has been made as the Group had either no estimated assessable profits or had tax losses brought forward to set off the estimated assessable profit for the period (2008: Nil).

No Australian income tax has been provided by the Australian subsidiaries of the Group as they had estimated tax losses brought forward to set off the estimated assessable profit for the period (2008: Nil).

The potential unaudited deferred tax asset of HK\$13,045,000 (As at 31 May 2008: HK\$14,105,000) relating to tax losses available for carry forward and other timing differences as at 31 May 2009 has not been recognized due to the unpredictability of the future profit streams.

8. Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 31 May 2009 (2008: Nil).

9. Basic loss per share

The calculation of unaudited basic loss per share for the three months and six months ended 31 May 2009 was based on the unaudited net loss for the period of approximately HK\$1,446,000 and HK\$3,179,000, respectively (Three months and six months ended 31 May 2008: net loss of HK\$7,000 and HK\$1,541,000, respectively), and the weighted average of 160,590,967 (2008: 160,590,967) ordinary shares of HK\$0.10 each in issue during the period.

Diluted loss per share equal basic loss per share because there were no potential dilutive shares outstanding during the period.

10. Construction contracts

	(Unaudited) 31 May 2009 HK\$'000	(Audited) 30 November 2008 HK\$'000
Amounts due from customers for contract work	1,306	1,124
Amounts due to customers for contract work	(1,278)	(1,167)
	28	(43)
<hr/>		
	(Unaudited) 31 May 2009 HK\$'000	(Audited) 30 November 2008 HK\$'000
Contract costs incurred plus recognised profits	2,397	2,127
less recognised losses to date	(2,369)	(2,170)
Less: Progress billings	28	(43)
	28	(43)



11. Trade and other receivables

	(Unaudited) 31 May 2009 HK\$'000	(Audited) 30 November 2008 HK\$'000
Trade receivables	2,429	2,494
Less: impairment loss recognised in respect of trade receivables	(1,525)	(1,525)
Trade receivables – net	904	969
Prepayments, deposits and other receivables	529	455
	1,433	1,424

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

	(Unaudited) 31 May 2009 HK\$'000	(Audited) 30 November 2008 HK\$'000
Current	136	215
31 – 60 days	163	14
61 – 90 days	400	10
Over 90 days	205	730
	904	969

The Group's trading terms with its customers are mainly based on product delivery and user acceptance. The Group allows an average credit period of 0 day to 30 days to its contract customers.

Included in the Group's trade receivables balance are debtors with a carrying amount of approximately HK\$768,000 (30 November 2008: HK\$754,000) which are past due at the reporting date for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances. The Group seeks to maintain strict control over its outstanding trade receivables. Overdue balances are reviewed regularly by the management.

The directors of the Group had assessed the recoverability of prepayments, deposits and other receivables for the six months ended 31 May 2009 and considered no provision for impairment in respect of prepayments, deposits and other receivables to their recoverable values. (30 November 2008: Nil).



12. Trade and other payables

	(Unaudited) 31 May 2009 HK\$'000	(Audited) 30 November 2008 HK\$'000
Trade payables	12	12
Accruals	3,009	2,644
Receipts in advance	3,126	3,222
Other payables	987	972
	<hr/> 7,134 <hr/>	<hr/> 6,850 <hr/>

As at 31 May 2009, the aged analysis of the trade payables was as follows:

	(Unaudited) 31 May 2009 HK\$'000	(Audited) 30 November 2008 HK\$'000
Current	12	12
31 – 60 days	–	–
61 – 90 days	–	–
Over 90 days	–	–
	<hr/> 12 <hr/>	<hr/> 12 <hr/>

13. Promissory notes and interest payable to the related companies

As at 31 May 2009, the unaudited promissory notes of HK\$25,885,000 payable to the related companies are interest bearing at Hong Kong prime rate (2008: Hong Kong prime rate).

A related company owned by the chief executive officer of the Company, Active Investments Capital Limited, has agreed that it will not demand repayment of the promissory note in the amount of CAD\$485,000 (approximately HK\$3,046,000) and interest related to the promissory note in the total amount of approximately HK\$3,125,000 within the next twenty four months of 26 November 2008. On 27 November 2008, Active Investments Capital Limited had agreed to extend the maturity date of the promissory note in the amount of HK\$18,205,000 to 31 May 2010 and also agreed that it will not demand repayment of the promissory note and interest related to the promissory note in the total amount of approximately HK\$18,674,000 within the next twelve months after 30 November 2008.

Furthermore, the parties connected to the non-executive director of the Company, Wickham Group Limited, has also agreed that it will not demand repayment of the promissory note and the interest related to the promissory note in the amount of approximately HK\$6,812,000 within the next twelve months after 30 November 2008. On 27 November 2008, Wickham Group Limited had agreed to extend the maturity date of the promissory note in the amount of HK\$4,634,000 to 21 May 2010.



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

	(Unaudited) 31 May 2009 HK\$'000	(Audited) 30 November 2008 HK\$'000
Promissory notes and interest payable to the related companies	28,611	27,908

The directors of the Company considered that the carrying amounts of long-term borrowings approximate to their fair value.

14. Amount due to the ultimate holding company

The amount due to the ultimate holding company represents mainly payables for development costs, purchases of software merchandise, royalty fee and expenses paid on behalf of the Group. The balance is unsecured and HK\$8,169,000 of which carries interest at the annual Canadian prime rate as quoted by the Hong Kong and Shanghai Banking Corporation Limited plus 2% compounded monthly (2008: Annual Canadian prime rate as quoted by the Hong Kong and Shanghai Banking Corporation Limited plus 2% compounded monthly). The ultimate holding company has confirmed that it will not demand repayment within the next twelve months after 30 November 2008.

15. Reserves

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

16. Related parties transactions

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

	(Unaudited) Six months ended 31 May 2009 HK\$'000	2008 HK\$'000
Software merchandises purchased from MSI for resale <i>(note a)</i>	70	81
Interest payable to a shareholder on promissory notes payable <i>(note b)</i>	–	500
Interest payable to the related companies on promissory notes payable <i>(note 13)</i>	703	182
Interest payable to MSI <i>(note 14)</i>	96	144
Operating leases payable to Jinjiang Wing Hong <i>(note c)</i>	20	18
Consultancy fee payable to a related party	24	24



Note:

- (a) The Group purchased software, in the normal course of business, from MSI for re-sale in accordance with a Products Sales Agreement and a Supplemental Products Sales Agreement entered into between the Company and MSI on 5 February 2004 and 28 June 2004 respectively. The Supplemental Products Sales Agreement was expired on 31 May 2006. Subsequent to the expire date, MSI has confirmed that the pricing of the product cost remains at 25% of the gross license revenue, that is in accordance with the terms and conditions specified in the 5 February 2004 Product Cost Agreement and the subsequent 28 June 2004 Amendment (the "Product Cost Agreements") entered into between the Company and MSI.

Mr. Terence Chi Yan Hui had interests in the transactions with MSI to the extent that he is the chairman of MSI and that approximately 70% of the issued shares of MSI are indirectly owned by his family through a trust agreement, partnership interest and personal holdings.

- (b) On 27 November 2008, two old promissory notes of amount HK\$9,500,000 and HK\$3,000,000 and their related interests with the amount of HK\$5,705,000 payable to Pacific East Limited, a shareholder of the Company, were cancelled and a new promissory note was issued by the Company in favour of Active Investments Capital Limited, a related company owned by the chief executive officer of the Company, in the principal loan amount HK\$18,205,000 under the original terms and conditions.
- (c) Monthly rental fee for Shanghai Office payable to Shanghai Jinjiang Wing Hong Contracting Co. Limited ("Jinjiang Wing Hong"). Mr. Hui Kau Mo and Mr. Liu Kwong Sang are the executive director and the independent non-executive director of China Railsmedia Corporation Limited (formerly known as Wing Hong (Holdings) Limited), which is the ultimate holding company of Jinjiang Wing Hong.



MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

The Group recorded an unaudited turnover of approximately HK\$3,773,000 for the three months ended 31 May 2009, a 26% decrease from approximately HK\$5,127,000 for the corresponding period of the previous year. Of the total unaudited turnover amount, HK\$2,213,000 or 59% was generated from software license sales and professional service income, HK\$1,551,000 or 41% was generated from maintenance services and HK\$9,000 was generated from computer hardware sales. As at 31 May 2009, the Group had approximately HK\$7 million worth of contracts that were in progress. The unaudited net loss attributable to shareholders for the three months ended 31 May 2009 was HK\$1,446,000 whereas the Group recorded an unaudited net loss of approximately HK\$7,000 for the same period of the previous year.

During the period, the Group continued to exercise prudent cost control measures by implementing tight expenses measures in its regional operations. As a result, the unaudited operating expenditures amounted to HK\$3,554,000 for the three months ended 31 May 2009, remains stable compared to HK\$3,606,000 for the corresponding period of the previous year.

At a result of the most of the property, plant and equipment in the Group was fully depreciated during the period, unaudited depreciation expenses decreased from approximately HK\$82,000 for the three months ended 31 May 2008 to approximately HK\$78,000 in the current period.

During the current period, the Group invested approximately HK\$1,518,000 in developing new modules for its OCTO Straight Through Processing ("STP") system.

As at 31 May 2009, a provision of approximately HK\$1,525,000 was made for impairment of trade receivables. The directors were uncertain whether the amount would ultimately be collected and considered that it was prudent to make such a provision.

Total unaudited staff costs (excluding directors' remuneration) are approximately HK\$3,285,000 for the three months ended 31 May 2009, a 7% decrease from approximately HK\$3,540,000 for the previous period, remains stable compared to the same period of the previous year.



Liquidity and Financial Resources

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

At 31 May 2009, the Group's borrowings were repayable as follows:

	Bank borrowings and overdrafts		Other loans	
	(Unaudited) 31 May 2009 HK\$'000	(Audited) 30 November 2008 HK\$'000	(Unaudited) 31 May 2009 HK\$'000	(Audited) 30 November 2008 HK\$'000
Within 1 year	-	-	25,486	-
Between 1 and 2 years	-	-	3,125	27,908
Between 2 and 5 years	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Wholly repayable within 5 years	-	-	28,611	27,908
Over 5 years	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	28,611	27,908
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

At 31 May 2009, the Group had unaudited outstanding borrowings of approximately HK\$8,169,000 representing a current account with Maximizer Software Inc., the ultimate holding company, which was unsecured and interest bearing at the annual Canadian prime rate as quoted by the Hong Kong and Shanghai Banking Corporation Limited plus 2% compounded monthly (Maximizer Software Inc. has confirmed that it will not demand repayment of the current account within twelve months from 30 November 2008); HK\$4,634,000 representing a loan from Wickham Group Limited, a party connected to a non-executive director of the Company, which was unsecured, interest bearing at the Hong Kong prime rate and maturing on 21 May 2010; CAD\$485,000 representing a loan from Active Investments Capital Limited, a related company wholly owned by the chief executive officer of the Company, which was unsecured, interest bearing at the Hong Kong prime rate and will not be repayable within the next twenty four months of 26 November 2008; and approximately HK\$18,205,000 representing a loan from Active Investments Capital Limited, a related company wholly owned by the chief executive officer of the Company, which was unsecured, interest bearing at the Hong Kong prime rate and maturing on 31 May 2010. The Group expresses its gearing ratio as a percentage of borrowings and long term debts over total assets. As at 31 May 2009, the Group's gearing ratio was 4.76.



Pledge of Assets

The Group did not have any mortgage or charge as at 31 May 2009.

Exposure to Fluctuation in Exchange Rates and Related Hedges

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

As at 31 May 2009, the Group did not have any foreign currency investments which have been hedged by currency borrowings and other hedging instruments.

Treasury Policy

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

Contingent Liabilities

The Group and the Company had no material contingent liabilities as at 31 May 2009.

Significant Investments

The Group has not held any significant investment for the three months ended 31 May 2009 and made no material acquisitions or disposals during the current period.

Major Events

As at 31 May 2009, the Group had no material capital commitments and no future plans for material investments or capital assets.

Employee and Remuneration Policy

The directors believe that the quality of its employees is the most important factor in sustaining the Group's growth and improving its profitability. The Group's remuneration package is structured with reference to the individual performance, working experience and prevailing salary levels in the market. In addition to basic salaries and mandatory provident fund, staff benefits include medical coverage scheme and share options. As at 31 May 2009, the Group had employed 45 staffs in Hong Kong and 22 staffs in PRC China. Total staff costs for the three months ended 31 May 2009 under review amounted to approximately HK\$3,285,000.



As at 31 May 2009, 19 employees had completed the required number of years of service under the Employment Ordinance (the "Ordinance") to be eligible for long service payments on termination of their employment with the Group. The Group is only liable to make such payments where termination meets the required circumstances specified in the Ordinance. The estimated maximum amount of such payment is approximately HK\$1,245,000.

Pension Scheme

Effective from 1 December 2000, the Group joined the Mandatory Provident Fund Scheme (the "MPF Scheme") for all of its employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is registered with the Mandatory Provident Fund Authority under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) in Hong Kong. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rules of the MPF Scheme, the Group and its employees are each required to make contributions to the MPF Scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$20,000.

The retirement benefit scheme cost charged to the income statement represents contributions payable by the Group to the retirement funds and is expensed as incurred. For the three months ended 31 May 2009, the unaudited retirement benefit scheme contributions borne by the Group amounted to HK\$111,000 (2008: HK\$112,000). No forfeited contribution for the Group is available to reduce the contribution payable in the future years. Contributions to the scheme vest immediately.

Share Option

On 22 January 2001, the shareholders of the Company approved a share option scheme (the "Scheme") under which its board of directors may, at its discretion, invite full-time employees of the Company or any of its subsidiaries, including directors, who spend not less than twenty-five hours per week in providing services to the Group, to take up options to subscribe for ordinary shares in the Company. The maximum number of shares in respect of which options may be granted under the Scheme shall not exceed 10% of the issued share capital of the Company from time to time. No employee can be granted an option under the Scheme which, if exercised in full, would result in such an employee becoming entitled to subscribe for such number of shares that would exceed 25% of the aggregate number of shares for the time being issued and issuable under the Scheme. The subscription price will be determined by the Company's board of directors and will be the highest of (i) the nominal value of the shares, (ii) the quoted closing price of the Company's shares on the trade day immediately preceding the date of offer of the options, and (iii) the average of the quoted closing price of the Company's shares for the



five trading days immediately preceding the date of offer of the options. The Scheme was adopted on 22 January 2001 (the "Adoption Date") and is valid and effective for a period of ten years commencing on the Adoption Date. Any options granted under the Scheme expire ten years from the date of grant and are exercisable over four years, with one quarter exercisable on each anniversary date from the date of grant. A nominal value of HK\$1.00 is payable on acceptance of each grant of options.

No further options can be granted under the Scheme until the new requirements of Chapter 23 of the GEM Listing Rules are complied with.

Details of the share options granted by the Company pursuant to the Scheme and the options outstanding as at 31 May 2009 were as follows:

	Date of grant	Exercise price	Exercisable period	Options held as at 1 December 2008	Lapsed during the period	Options held as at 31 May 2009
Executive directors	17 April 2001	HK\$3.625	17 April 2002 to 16 April 2011	480,000	–	480,000
	28 May 2001	HK\$4.675	28 May 2002 to 27 May 2011	48,000	–	48,000
Continuous contracts employees	17 April 2001	HK\$3.625	17 April 2002 to 16 April 2011	875,100	–	875,100
	28 May 2001	HK\$4.675	28 May 2002 to 27 May 2011	74,740	–	74,740

These options expire ten years from the date of grant and are exercisable over four years from the date of grant, with one quarter of the options granted exercisable on each anniversary date from the date of grant.

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.

The exercise in full of the above options outstanding as at 31 May 2009 would, under the present capital structure of the Company, result in the issue of 1,477,840 additional ordinary shares of HK\$0.10 each.



According to the transitional provision of HKFRS 2, Share-based Payment, the Group applies HKFRS 2 to share options granted after 7 November 2002 and had not yet vested on 1 December 2005. The adoption of this standard did not result in any significant changes to the amounts of disclosures in the financial statements as the share options outstanding on 31 May 2009 were granted before 7 November 2002 and vested in ten years from the date of granted and before the annual periods beginning on 1 December 2008.

Operation Review

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For the three months ended 31 May 2009, e-Finance unaudited turnover is HK\$3,518,000, a decrease of 26% when compared to HK\$4,773,000 for the corresponding period of the previous year. The decrease was mainly attributed to slowdown in the new contracts signed during the period as effect by the decline in the Asian stock markets. For the three months ended 31 May 2009, the Group had signed a new contract to implement its OCTOSTP Futures solution with one Japanese brokerage firm. The Group continues to promote its OCTOSTP securities trading solutions to Asia region banks and global securities firms in the Asian regions. Furthermore, the Group is actively preparing itself to promote its OCTOSTP solutions to China market and closely working with China partners. Recently, the Group cooperated with a PRC-based domestic stock information supplier to launch out "ABC QianLong HK Equity Trading System", which was successfully installed and implemented to a subsidiary of a PRC-based bank. "ABC QianLong HK Equity Trading System" is a unique online integrated platform for browsing HK equity information and processing the order for HK Equity stock trading in Hong Kong and Mainland China. The integrated interface is absolutely fit for mainland China investors and also allows our customers to expand their business in China.

For the three months ended 31 May 2009, e-Business unaudited turnover is HK\$255,000, a 28% decrease compared to HK\$354,000 for the same period of the previous year. The decrease was attributed to decrease in sales of Maximizer CRM products in the market. During the period, the Group continues its focus on marketing activities in the region and builds up a stronger reseller channel in Greater China market.

Prospects

The Group will continue to focus on the Group's fundamentals to achieve profitability. Considering the keen competition in Hong Kong e-Finance market, the Group will be more proactive in seeking for overseas opportunities and develop more financial solutions that fit for Greater China region. The directors believed that the Group has well diversified product range that is fitted to the global market needs and it is well equipped to face new challenges from the overseas markets.



The Group believes the growth of CRM market in the Asian region especially in Greater China region still under its development stage. Following the launch of new version of Maximizer CRM solutions in the period, the Group will continue to promote Maximizer CRM brand name in the region by attending regional exhibitions and effective marketing campaign.

While the global economic downturn has shaken the confidence of market and put the financial industry on alert over the slowdown in demand and decline in business volume, the Company will continue to provide our clients with cost effective brokerage solution and CRM products to enhance their competitiveness in this market.

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

At 31 May 2009, 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

a) *The Company:*

Name of director	Number of ordinary shares			Total	Percentage of issued share capital
	Personal interests	Family interests	Corporate interests		
Mr. Kau Mo Hui	-	8,666,710 ⁽¹⁾	-	8,666,710	5.40%

Note:

- These shares are held by Pacific East Limited, which is wholly owned by The City Place Trust. The City Place Trust is a discretionary trust and its beneficiaries are Mr. Chi Yung Hui and Ms. Yuen Lam Chu. Mr. Chi Yung Hui and Ms. Yuen Lam Chu are, respectively, the son and spouse of Mr. Kau Mo Hui. The interests held by Mr. Chi Yung Hui and Ms. Yuen Lam Chu are deemed to be part of the interest of Mr. Kau Mo Hui.



b) *Associated Corporation:*

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Name of directors	Number of ordinary shares in Maximizer Software Inc.			Total	Percentage of issued share capital
	Personal interests	Family interests	Corporate interests		
Mr. Terence Chi Yan Hui	2,237,153	–	–	2,237,153	3.57%
Mr. Joseph Chi Ho Hui	17,295	10,000 ⁽¹⁾	–	27,295	0.04%
Mr. Kau Mo Hui	70,000	41,061,625 ⁽²⁾	–	41,131,625	65.63%

Notes:

1. These shares are held by Mr. Joseph Chi Ho Hui's spouse, Ms. Susanna Chow. The interest held by Ms. Susanna Chow is deemed to be part of the interest of Mr. Joseph Chi Ho Hui.
2. These shares are held by The City Place Trust and Adex Enterprises Inc.

The City Place Trust holds 36,475,319 shares of Maximizer Software Inc. representing approximately 58.20% of the issued share capital of Maximizer Software Inc. The City Place Trust is a discretionary trust and its beneficiaries are Mr. Chi Yung Hui and Ms. Yuen Lam Chu. Mr. Chi Yung Hui and Ms. Yuen Lam Chu are, respectively, the son and spouse of Mr. Kau Mo Hui. The interests held by Mr. Chi Yung Hui and Ms. Yuen Lam Chu are deemed to be part of the interest of Mr. Kau Mo Hui.

Adex Enterprises Inc. holds 4,586,306 shares of Maximizer Software Inc. representing approximately 7.31% of the issued share capital of Maximizer Software Inc. Adex Enterprises Inc., a company controlled by Ms. Yuen Lam Chu. Mr. Terence Chi Yan Hui and Ms. Yuen Lam Chu are, respectively, the son and spouse of Mr. Kau Mo Hui. The interests held by Ms. Yuen Lam Chu are deemed to be part of the interest of Mr. Kau Mo Hui.



Long positions in underlying shares

a) *The Company:*

Options in the Company						
(Unlisted and physically settled equity derivatives)						
Name	Date of grant	Exercise price	Exercisable period	Number of options		
				Outstanding as at 1 December 2008	Lapsed during the period	Outstanding as at 31 May 2009
Directors						
Mr. Terence Chi Yan Hui	17 April 2001	HK\$3.625	17 April 2002 to 16 April 2011	480,000	–	480,000
	28 May 2001	HK\$4.675	28 May 2002 to 27 May 2011	48,000	–	48,000
Chief Executive						
Mr. Samson Chi Yang Hui	17 April 2001	HK\$3.625	17 April 2002 to 16 April 2011	172,800	–	172,800
	28 May 2001	HK\$4.675	28 May 2002 to 27 May 2011	17,280	–	17,280

These options expire ten years from the date of grant and are exercisable over four years from the date of grant, with one quarter of the options granted exercisable on each anniversary date from the date of grant.

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:*

Options in Maximizer Software Inc.
(Unlisted and physically settled equity derivatives)

Name of directors	Date of grant	Exercise price	Exercisable period	Number of options		
				At 1 December 2008	Lapsed during the period	At 31 May 2009
Mr. Terence Chi Yan Hui	31 August 2006	CAN\$0.10	31 August 2006 to 30 August 2013	350,000	-	350,000
Mr. Joseph Chi Ho Hui	18 March 2002	CAN\$0.14	18 March 2002 to 17 March 2009	25,000	(25,000)	-
	31 August 2006	CAN\$0.10	31 August 2006 to 30 August 2013	100,000	-	100,000

These options expire seven years from the date of grant and are exercisable over four years from the date of grant, with one quarter of the options granted exercisable on the first anniversary date and the balance exercisable in an equal number monthly over the remaining three years.

Long positions in debentures

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

Short positions in shares

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

Short positions in underlying shares

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



Short positions in debentures

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

Save as disclosed above, as at 31 May 2009, none of the directors nor the chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register kept by the Company under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 of the GEM Listing Rules.

INTERESTS DISCLOSEABLE UNDER THE SFO AND SUBSTANTIAL SHAREHOLDER

At 31 May 2009, 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 <i>(note 1)</i>	Beneficial owner	Corporate	90,534,400	56.38%
Maximizer Software Inc. <i>(note 1)</i>	Interest of a controlled corporation	Corporate	90,534,400	56.38%
The City Place Trust <i>(note 2)</i>	Trustee	Corporate	99,201,110	61.78%
Pacific East Limited	Beneficial owner	Corporate	8,666,710	5.40%

Notes:

1. Maximizer International Limited is a wholly owned subsidiary of Maximizer Software Inc.
2. The City Place Trust holds 36,475,319 shares of Maximizer Software Inc. representing approximately 58.20% of the issued share capital of Maximizer Software Inc. The City Place Trust also wholly owns Pacific East Limited, which directly holds 8,666,710 shares of the Company.



Long positions in underlying shares

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

Short positions in shares

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

Short positions in underlying shares

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

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

DIRECTORS' INTEREST IN COMPETING BUSINESS

Set out below is information disclosed pursuant to Rule 11.04 of the GEM Listing Rules:

Mr. Terence Chi Yan Hui, the Chairman and an executive director of the Company, is also the chairman of Maximizer Software Inc. ("MSI"). MSI is engaged in the business of the design and development of e-business and CRM software, and has operations in North America, Europe, Pacific Region and South America. MSI and the Group share the same product lines including, Maximizer, Maximizer Enterprise, Maximizer CRM, ecBuilder and their respective product lines. The directors believe that the business of MSI and possible future businesses conducted by Maximizer International Limited, which is a wholly owned subsidiary of MSI may compete with the business of the Group.

In addition, Mr. Terence Chi Yan Hui is involved in a range of business and investment activities that include companies involved in technology investments and incubation. The directors believe that these businesses may, in some respects, compete with the business of the Group.

Save as disclosed above, none of the directors or the initial management shareholders is interested in any business that competes with or is likely to compete with the business of the Group.



AUDIT COMMITTEE

Pursuant to the GEM Listing Rules, an audit committee, comprising three independent non-executive directors, namely Messrs. Ronald Kwok Fai Poon and Kwong Sang Liu and Edwin Kim Ho Wong, was established on 22 January 2001. Messrs. Ronald Kwok Fai Poon was the audit committee member when it was established on 22 January 2001. At 28 September 2004, Kwong Sang Liu was appointed as independent non-executive director and member of audit committee of the Company. At 29 August 2008, Mr. Edwin Kim Ho Wong was appointed as independent non-executive director and member of audit committee of the Company.

The written terms of reference which describe the authorities and duties of the audit committee were prepared and adopted with reference to "A Guide for the Formation of an Audit Committee" published by the Hong Kong Institute of Certified Public Accountants. The audit committee provides an important link between the board of directors and the Company's auditors in matters coming within the scope of the Group audit. It also reviews the financial reporting process and the adequacy and effectiveness of the Group's internal control system.

During the six months ended 31 May 2009, the audit committee held two meetings for the purpose of reviewing the Company's reports and accounts, and providing advice and recommendations to the Board of Directors. The minutes of the audit committee meeting are kept by the Company Secretary.

The Group's unaudited consolidated results for the three months ended 31 May 2009 have been reviewed by the audit committee, which was of the opinion that the preparation of such results complied with the applicable accounting standard.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

During the six months ended 31 May 2009, the Company had adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings. The Company also had made specific enquiry of all directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by directors.

CODE ON CORPORATE GOVERNANCE PRACTICE

None of the directors is aware of information that would reasonably indicate that the Company is not, or was not, for any part of the accounting period for the six months ended 31 May 2009, in compliance with the Code on Corporate Governance Practice set out by the Stock Exchange in Appendix 15 to the Listing Rules.



PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 31 May 2009, 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
Terence Chi Yan Hui
Chairman

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As at the date of this report, the Board comprises the following directors:

Mr. Terence Chi Yan HUI	<i>(Executive Director)</i>
Mr. Joseph Chi Ho HUI	<i>(Executive Director)</i>
Mr. Kau Mo HUI	<i>(Non-executive Director)</i>
Mr. Ronald Kwok Fai POON	<i>(Independent Non-executive Director)</i>
Mr. Kwong Sang LIU	<i>(Independent Non-executive Director)</i>
Mr. Edwin Kim Ho WONG	<i>(Independent Non-executive Director)</i>

Hong Kong, 30 June 2009