

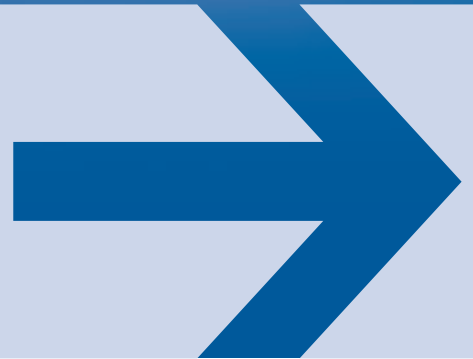


abc*multiactive*

abc Multiactive Limited

(Incorporated in Bermuda with limited liability)

Stock code:8131



2009 ANNUAL REPORT

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

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This 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 enquires, 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.



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Corporate Information

DIRECTORS

Executive Directors

Mr. Terence Chi Yan HUI

Mr. Joseph Chi Ho HUI

Non-executive Director

Mr. Kau Mo HUI

Independent Non-executive Directors

Mr. Ronald Kwok Fai POON
(resigned on 10 July 2009)

Mr. Kwong Sang LIU

Mr. Edwin Kim Ho WONG

Mr. William Keith JACOBSEN
(appointed on 10 July 2009)

QUALIFIED ACCOUNTANT

Mr. Siu Leong CHEUNG

COMPANY SECRETARY

Mr. Siu Leong CHEUNG

COMPLIANCE OFFICER

Mr. Terence Chi Yan HUI

AUTHORISED REPRESENTATIVES

Mr. Terence Chi Yan HUI

Mr. Siu Leong CHEUNG

AUDIT COMMITTEE

Mr. Ronald Kwok Fai POON
(resigned on 10 July 2009)

Mr. Kwong Sang LIU

Mr. Edwin Kim Ho WONG

Mr. William Keith JACOBSEN
(appointed on 10 July 2009)

BERMUDA RESIDENT REPRESENTATIVE

Mr. John Charles Ross COLLIS

BERMUDA DEPUTY RESIDENT REPRESENTATIVE

Mr. Anthony Devon WHALEY

AUDITORS

HLB Hodgson Impey Cheng
Chartered Accountants
Certified Public Accountants
31st Floor, Gloucester Tower
The Landmark
11 Pedder Street
Central, Hong Kong

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

17th Floor, Regent Centre
88 Queen's Road Central
Central
Hong Kong

BERMUDA PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Abacus Limited
26/F Tesbury Centre
28 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

Hang Seng Bank Limited
The Hong Kong and Shanghai
Banking Corporation Limited
Mevas Bank Limited

STOCK CODE

8131

WEBSITE

<http://www.abcmultiactive.com>



Chairman's Statement

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2009 was a challenging year for the Company. Uncertainties in financial markets have caused many brokerage firms making significant cut backs on their investments in technology infrastructure.

Our position as market leader in brokerage solution in Hong Kong was helped us weathered this historical global financial downturn. In this year, we continue to diversify our product offering range and implemented measures to optimize our operating expenses.

The Company continues to provide our clients with cost effective brokerage solution and CRM products to enhance their competitiveness in this market. Looking forward, we believe that China's long-term growth prospect remain strong in spite of the current global climate.

The Company will continue to pay close attention to opportunities in the China market. We are currently working with several Chinese local vendors to launch localized brokerage solutions to China market.

Based on signs of the local economy recovery in late 2009 and economic growth in China, we are cautiously optimize with the prospect of 2010, our cost competitive solutions and professional services will provide operating advantages to our clients to position for the economy recovery.

I would like to thank our board of directors, management team and our employees for their dedication and significant contribution in the past years. I would also like to express my sincere appreciation to all our fellow shareholders, customers and business partners for their continuous support and confidence in the Group.

Terence Chi Yan Hui

Chairman

Hong Kong, 9 February 2010



Management Discussion and Analysis

Financial Review

The Group recorded a turnover of approximately HK\$14,980,000 for the year ended 30 November 2009, a 16% decrease from approximately HK\$17,851,000 for the same period of the previous year. Of the total turnover amount, HK\$5,630,000 or 37% was generated from software license sales, HK\$2,513,000 or 17% was generated from contract revenue, HK\$6,612,000 or 44% was generated from maintenance services, and HK\$225,000 or 2% was generated from sales of hardware. At 30 November 2009, the Group had approximately HK\$6 million worth of contracts that were in progress. The net loss attributable to shareholders for the year ended 30 November 2009 was HK\$4,664,000, whereas the Group recorded a net loss of approximately HK\$2,214,000 for the same period of the previous year.

The operating expenditures amounted to HK\$13,919,000 for the year ended 30 November 2009, remains stable when compared to HK\$13,998,000 for the corresponding period of the previous year. During the year, the Group continued to exercise prudent cost control measures by implementing tight expenses measures in its regional operations.

As a result of the most of the property, plant and equipment in the Group was fully depreciated, depreciation expenses decreased from approximately HK\$328,000 for the year ended 30 November 2008 to approximately HK\$301,000 in the current fiscal year.

The Group did not have any amortisation expenses for the year ended 30 November 2009 due to the write-off of the remaining amounts of goodwill and intellectual property rights at the end of fiscal year 2002.

During the year, the Group invested approximately HK\$6,161,000 in developing new modules for its OCTO Straight Through Processing ("STP") system.

At 30 November 2009, an additional provision for impairment of approximately HK\$100,000 was carried in the balance sheet for of the long outstanding trade receivables. The directors were uncertain whether the amount would ultimately be collected due to the sluggish economy and considered that it was prudent to make such a provision.

Total staff costs (excluding directors' remuneration) are approximately HK\$12,946,000 for the year ended 30 November 2009, remains stable compared to HK\$13,254,000 for the same period of the previous year.

Operation Review

For the year ended 30 November 2009, e-Finance turnover is HK\$14,202,000, a decrease of 15% when compared to HK\$16,733,000 for the same period of the previous year. The decrease was mainly attributed to less new contract signed and slowdown in project delivery to customer as some of our project customers are suffering from financial tsunami and cut back on their investments in technology infrastructure. During the second quarter 2009, the Group cooperated with a PRC-based domestic stock information supplier to launch our new "ABC QianLong HK Equity Trading System" in the market and which, was successfully implemented to a subsidiary of a PRC-based bank. The ABC QiangLong HK Equity Trading System is an unique online integrated platform for browsing equity information and processing the order for Hong Kong equity stock trading with Chinese investors preferred interface. Following ABC QiangLong HK Equity Trading System was launched in the market; the Group can expand its customer's network in China.



Management Discussion and Analysis

Following the recent rebound in global stock market in the third quarter 2009, some of our customer commenced to reactive their expansion plan and are seeking for our cost competitive solutions to upgrade their brokerage and futures trading system. As a result, the Group had signed a sale contracts with a Japan brokerage firm to implement the Group's e-Finance well known OCTOSTP futures trading solutions in the last quarter of the year. Furthermore, the Group had set up a China business development team to explore more business opportunity in China. The Group is actively preparing itself to promote its OCTOSTP solutions to China market.

During the year, e-Business turnover is HK\$778,000, a decrease of 30% when compared to HK\$1,118,000 for the same period of previous year. The decrease was attributed to decrease in sales of Maximizer CRM products as some of its customer would like to holdup the expansion budget as effect by the worldwide economy declined during the year 2009.

During the year, the Group continues its focus on marketing activities in the region to promote the Maximizer branding in Greater China market.

Capital structure

As at 30 November 2009, the total issued share capital of the Company was HK\$16,059,097 divided into 160,590,967 ordinary shares of HK\$0.10 each.

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 30 November 2009, the Group's borrowings were repayable as follows:

	The Group			
	Bank borrowings and overdrafts		Other loans	
	2009	2008	2009	2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Within 1 year	-	-	-	-
Between 1 and 2 years	-	-	29,842	27,908
Between 2 and 5 years	-	-	-	-
	-----	-----	-----	-----
Wholly repayable within 5 years	-	-	29,842	27,908
Over 5 years	-	-	-	-
	-----	-----	-----	-----
	-	-	29,842	27,908
	=====	=====	=====	=====



Management Discussion and Analysis

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At 30 November 2009, the Group had outstanding borrowings of approximately HK\$8,527,000 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 2009); 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 2011; CAD485,000 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 25 November 2011; 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 2011. The Group expresses its gearing ratio as a percentage of borrowings and long term debts over total assets. As at 30 November 2009, the Group's gearing ratio was 5.07.

Pledge of Assets

The Group did not have any mortgage or charge over its assets at 30 November 2009.

Exposure to fluctuations 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 minimise currency risk.

As at 30 November 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 30 November 2009.

Significant Investments

The Group has not held any significant investment for the year ended 30 November 2009.

Major Events

As at 30 November 2009, the Group had no material capital commitments and no future plans for material investments or capital assets.



Management Discussion and Analysis

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 30 November 2009, the Group had employed 42 staffs in Hong Kong and 23 staffs in PRC China. Total staff costs for the year under review amounted to approximately HK\$12,946,000.

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 funds and is expensed as incurred. During the year, the retirement benefit scheme contributions borne by the Group amounted to HK\$435,000 (2008: HK\$439,000). No forfeited contribution for the Group is available to reduce the contribution payable in the future years. Contributions to the scheme vest immediately.

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.

Based on signs of the local economy recovery and economic growth in China, the Company will continue to provide our clients with cost effective brokerage solution and CRM products to enhance their competitiveness in this market.



Biographical Details of Directors and Senior Management

Executive directors

Mr. Terence Chi Yan HUI, aged 46, is the executive director, Chairman and Compliance Officer of the Company. He received his Bachelor Degree in Physics from the University of California – Berkeley in USA and earned a Master Degree in Electrical Engineering from Santa Clara University in USA. Mr. Hui joined the Group in March 2000.

Mr. Hui is also the chairman of Vancouver-based, Maximizer Software Inc. ("MSI"), the major shareholder of the Company. He is the president and chief executive officer of Concord Pacific Developments Inc., a leading real estate development company in Canada.

Mr. Joseph Chi Ho HUI, aged 39, is the executive director of the Company and joined the Group in November 2000. He received his undergraduate degree in Electrical Engineering from the University of British Columbia in Canada and earned a Master's Degree in Electrical Engineering from Stanford University in USA. Mr. Hui is the Vice President of Research and Development in Maximizer Software Inc. where he is responsible for directing the vision and development of the Maximizer line of products. Mr. Hui is the brother of Mr. Terence Chi Yan Hui

Non-executive director

Mr. Kau Mo HUI, aged 76, joined the Group in March 2000. He is the executive director of China Railsmedia Corporation Limited is a company listed on the main board of Stock Exchange. Mr. Hui is the father of Mr. Terence Chi Yan Hui and Mr. Joseph Chi Ho Hui.

Independent non-executive directors

Mr. Kwong Sang LIU, aged 48, has been practising as certified public accountant in Hong Kong with more than 19 years of experience. Mr. Liu graduated with honours from Hong Kong Polytechnic University with Bachelor degree in Accountancy and obtained the Master in Business Administration degree from the University of Lincoln, United Kingdom. He is an associate member of the Institute of Chartered Accountants in England and Wales, a fellow member of the Association of Chartered Certified Accountants, a fellow member of the Institute of Financial Accountants and a fellow member of the National Institute of Accountants, Australia. Mr. Liu is also a fellow member of Hong Kong Institute of Certified Public Accountants, a fellow member of the Taxation Institute of Hong Kong, a fellow member of the Society of Registered Financial Planners. Mr. Liu does not hold any other positions in the Company or other members of the Group or its subsidiaries. Mr. Liu is currently the independent non-executive director of Polytec Asset Holdings Limited and China Railsmedia Corporation Limited, which are companies listed on the main board of the Stock Exchange. Mr. Liu became an independent non-executive director of the Company in September 2004.

Mr. Edwin Kim Ho WONG, aged 35, graduated in Major of Economics from York University, Toronto. Mr. Wong served as the key management of one well known Hong Kong textile company especially in OEM export business. Currently, Mr. Wong is the Managing Director of a retailing business in Hong Kong and Mainland China. Mr. Wong has a solid management experience gained from textile industry and related business more than 11 years. Mr. Wong became an independent non-executive director of the Company in August 2008.



Biographical Details of Directors and Senior Management

Mr. William Keith JACOBSEN, aged 43, graduated with a Bachelor of Laws from the University of Hong Kong and holds a Master of Business Administration degree from the University of British Columbia, Vancouver. Mr. Jacobsen is currently a director of a corporate finance advisory firm, Athens Capital Limited. Mr. Jacobsen has more than 16 years experience in corporate finance and business development having worked for various corporate finance firms and listed companies in Hong Kong. Mr. Jacobsen does not hold any other positions with the Company or other members of the Group or its subsidiaries. Mr. Jacobsen is currently an independent non-executive director of Hycomm Wireless Limited and Yun Sky Chemical (International) Holdings Limited, which are companies listed on the main board of the Stock Exchange. Mr. Jacobsen became an independent non-executive director of the Company in July 2009.

Senior management

Mr. Samson Chi Yang HUI, aged 38, is the Chief executive officer of the Group. He is responsible for initiating and leading negotiations for mergers and acquisitions of the Group, as well as managing the Group's regional sales and marketing activities. He has over 14 years experience in managing real estate, trading, investment and IT businesses. Mr. Hui is the brother of Mr. Terence Chi Yan Hui and Mr. Joseph Chi Ho Hui.

Mr. Siu Leong CHEUNG, aged 37, joined the Company in August 2003. Mr. Cheung is the qualified accountant, company secretary, authorised representative, and authorised representative for the acceptance of process in Hong Kong. Mr. Cheung is an associated member of both the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He is responsible for the day-to-day accounting and related matters of the Company. Mr. Cheung had worked in the auditing, accounting, and financial field for more than 13 years.



Report of the Directors

The directors have pleasure in submitting their report together with the audited financial statements of abc Multiactive Limited (hereinafter referred to as the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") for the year ended 30 November 2009.

Principal activities

The principal activity of the Company is investment holding. The activities of its subsidiaries are set out in Note 18 to the financial statements. There was no significant change in its activities during the year.

Segment information

An analysis of the Group's performance for the year by business and geographical segments is set out in Note 7 to the financial statements.

Results and appropriation

The results of the Group for the year ended 30 November 2009 and the state of affairs of the Group and the Company at that date are set out in the financial statements on pages 29 to 32.

The directors do not recommend payment of any dividend in respect of the year ended 30 November 2009 (2008: Nil).

Property, plant and equipment

Details of the movements in property, plant and equipment of the Group during the year are set out in Note 17 to the financial statements.

Share capital and share option

Details of the movements in the Company's share capital during the year and details of the Company's share option scheme are set out in Note 21 and Note 16 to the financial statements.

Distributable reserves

As at 30 November 2009, the Company has no distributable reserve calculated under the Companies Act 1981 of Bermuda (as amended) and the Company's bye-laws.

Reserves

Details of movements in the reserves of the Company and the Group during the year are set out in Note 22 to the financial statements and in the consolidated statement of changes in the equity, respectively.

Pre-emptive rights

There are no provisions for pre-emptive rights under the Company's bye-laws and there was no restriction against such rights under the laws of Bermuda.

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 (2008: Nil).



Report of the Directors

Directors

The directors of the Company during the year and up to the date of this report were:

Executive Directors

Mr. Terence Chi Yan Hui (**Chairman**)

Mr. Joseph Chi Ho Hui

Non-executive Director

Mr. Kau Mo Hui

Independent non-executive Directors

Mr. Ronald Kwok Fai Poon (resigned on 10 July 2009)

Mr. Kwong Sang Liu

Mr. Edwin Kim Ho Wong

Mr. William Keith Jacobsen (appointed on 10 July 2009)

In accordance with Bye-laws 87 of the Company's bye-laws, Messr. Terence Chi Yan Hui and Messr. Joseph Chi Ho Hui retire by rotation and, being eligible, offers themselves for re-election.

In accordance with Bye-laws 86(2) of the Company's bye-laws, Messr. William Keith Jacobsen will hold office only until the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

Mr. Kwong Sang Liu and Mr. Edwin Kim Ho Wong are independent non-executive directors and were appointed for a three years term expiring on 30 June 2012 and 28 August 2011 respectively. Mr. William Keith Jacobsen is independent non-executive director and was appointed for a three years term expiring on 9 July 2012.

Directors' services contracts

None of the directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than the statutory compensation.

Directors' interests in contracts

The directors' interests in contracts are set out in Note 27 to the financial statements. Apart from the foregoing, no other contracts of significance in relation to the Group's business to which the Company, its holding companies or its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year. Furthermore, there was no contract of significance for the provision services to the Company or any of its subsidiaries by a controlling shareholder or any of its subsidiaries.

Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.



Report of the Directors

Biographical details of directors and senior management

Details of biological details of directors and senior management are set out on pages 8 to 9 of this annual report.

Connected/related party transactions

Details of the connected/related party transactions of the Group are set out in Note 27 to the financial statements.

Directors' and chief executives' interests and short positions in the shares, underlying shares and debentures

At 30 November 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 Rules 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.



Report of the Directors

b) Associated Corporation:

Name of directors	Number of common shares in Maximizer Software Inc.				Percentage of issued share capital
	Personal interests	Family interests	Corporate interests	Total	
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 Multiactive Technologies Partnership.

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.

Multiactive Technologies Partnership holds 4,586,306 shares of Maximizer Software Inc., representing approximately 7.31% of the issued share capital of Maximizer Software Inc.. The interest in Multiactive Technologies Partnership is owned as to 1% by Multiactive Technologies Inc., a company controlled by Mr. Terence Chi Yan Hui and 99% by 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.

Report of the Directors

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 year	Outstanding as at 30 November 2009
Director						
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.



Report of the Directors

b) Associated Corporation:

				Options in Maximizer Software Inc.		
				(Unlisted and physically settled equity derivatives)		
				Number of options		
Name of directors	Date of grant	Exercise price	Exercisable period	At 1 December 2008	Lapsed during the year	At 30 November 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	11 December 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.



Report of the Directors

Save as disclosed above, as at 30 November 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 Rule 5.46 of the GEM Listing Rules.

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Interests disclosable under the SFO and substantial shareholder

At 30 November 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 (note 1)	Beneficial owner	Corporate	90,534,400	56.38%
Maximizer Software Inc. (note 1)	Interest of a controlled corporation	Corporate	90,534,400	56.38%
The City Place Trust (note 2)	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.



Report of the Directors

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.

Major customers and suppliers

The percentages of sales for the year attributable to the Group's major customers are as follows:

Sales

– the largest customer	8%
– five largest customers combined	34%

The percentages of purchases for the year attributable to the Group's major suppliers are as follows:

Purchases

– the largest supplier	34%
– five largest suppliers combined	95%

Except for software merchandises purchased from Maximizer Software Inc., the major shareholder of the Company, for resale as disclosed in Note 27 to financial statements, none of the Directors, their respective associates and shareholders of the Company (which to the knowledge of the Directors own more than 5% of the issued capital of the Company) had any interest in any of five largest customers and suppliers of the Group for the financial year ended 30 November 2009.

Sufficiency of public float

As at the date of this report, based on information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirm that the Company maintained the amount of public float as required under the GEM Listing Rules.

Interest capitalised

The Group has not capitalised any interest during the year.

Independence of independent non-executive directors

The Company confirmed that annual confirmations of independence were received from each of the Company's independent non-executive directors pursuant to Rule 5.09 of the GEM Listing Rules and all independent non-executive directors are considered to be independent.



Report of the Directors

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 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.

Auditors

Messrs HLB Hodgson Impey Cheng will retire, and being eligible, offer themselves for re-appointment. A resolution will be submitted to the annual general meeting to re-appoint Messrs HLB Hodgson Impey Cheng as auditors of the Company.

On behalf of the Board

Terence Chi Yan Hui

Executive Director

Hong Kong, 9 February 2010



Corporate Governance Report

It is the belief of the Board of Directors that corporate governance plays a vital part in maintaining the success of the Company. Various measures have been adopted to ensure that a high level of corporate governance is maintained throughout the operation of the Group.

The Company has complied with all the code provisions set out in Appendix 15 – Code on Corporate Governance Practices (“CG Code”) of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) for the financial year ended 30 November 2009.

THE BOARD

During the year ended 30 November 2009, the Board comprised two executive directors, one non-executive director and three independent non-executive directors. The Company has received from each of the independent non-executive directors an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules and considers that all the independent non-executive directors to be independent.

The Board schedules four meetings a year at approximately quarterly intervals. In addition, special Board meetings are held as necessary. During the financial year ended 30 November 2009, the Board held 4 meetings. Details of the attendance of individual Directors are as follows:

Attendance

(a) Executive Directors	
Mr. Terence Chi Yan HUI	2/4
Mr. Joseph Chi Ho HUI	4/4
(b) Non-executive Director	
Mr. Kau Mo HUI	1/4
(c) Independent Non-executive Directors	
Mr. Ronald Kwok Fai POON (resigned on 10 July 2009)	0/4
Mr. Kwong Sang LIU	4/4
Mr. Edwin Kim Ho WONG	3/4
Mr. William Keith JACOBSEN (appointed on 10 July 2009)	2/4

Mr. Terence Chi Yan Hui (the Chairman of the Group), Mr. Joseph Chi Ho Hui (Executive Director of the Group) and Mr. Samson Chi Yang Hui (the Chief Executive Officer of the Group) are brothers and sons of Mr. Kau Mo Hui (the Non-executive Director of the Group). Save as disclosed above, there is no family or other material relationship among members of the Board.

Proposed regular Board meeting dates for a year are informed to each director at the beginning of the year. Formal notice of at least 14 days will be given in respect of a regular meeting. For special Board meeting, reasonable notice will be given. Directors participated, either in person or through other electronic means of communication in the Board meetings.



Corporate Governance Report

Directors are given opportunity to include matters in the agenda for regular Board meeting. Directors have access to the advice and service of the Company Secretary to ensure that board procedures, and all applicable rules and regulations, are followed.

Details of the meeting and the matters considered by the Board and decisions reached, including any concerns raised by directors or dissenting views expressed are record in the Minutes of Board Meetings. Minutes of Board meeting and Board committees meeting are kept by the Company Secretary. Minutes are open for inspection at any reasonable time on reasonable notice by any director. There is a procedure agreed by the Board to enable directors, upon reasonable request, to seek independent professional advice.

ROLES OF DIRECTORS

The Board assumes responsibility for leadership and control of the Company and is collectively responsible for promoting the success of the Group. The principle roles of the Board are:

- to lay down the Group's objectives, strategies and policies;
- to monitor operating and financial performance; and
- to set appropriate policies to manage risks in pursuit of the Group's strategic objectives.

The Board has delegated the day-to-day operation responsibility to the management under the supervision of the Chief Executive Officer and various Board committees.

BOARD PROCESS

The Board of Directors meets regularly at least 4 times every year. The Directors participated in person or through electronic means of communication. All notices of board meetings were given to all Directors, who were given an opportunity to include matters in the agenda for discussion. The finalised agenda and accompanying board papers were sent to all Directors at least 3 days prior to the meeting.

During regular meetings of the Board, the Directors discuss the overall strategy as well as the operation and financial performance of the Group. The Board has reserved for its decision or consideration matters covering overall Group strategy, major acquisitions and disposals, annual budgets, annual and interim results, approval of major capital transactions and other significant operational and financial matters. All Directors are kept informed on a timely basis of major changes that may affect the Group's businesses, including relevant rules and regulations. Directors can also seek independent professional advice in performing their duties at the Company's expense, if necessary. The Company Secretary records the proceedings of each board meeting in detail by keeping detailed minutes, including all decisions by the Board together with concerns raised and dissenting views expressed (if any). All minutes are open for inspection at any reasonable time on request by any Director.



Corporate Governance Report

Directors' Responsibility for the Financial Statements

The following statement, which sets out the responsibility of Directors in relation to the financial statements, should be read in conjunction with, but distinguished from, the Independent Auditors' Report on page 27 which acknowledges the reporting responsibility of the Group's Auditor.

Annual Report and Accounts

The Directors acknowledge their responsibility for the preparation of the Annual Report and financial statements of the Company to ensure that these financial statements give a true and fair presentation in accordance with Hong Kong Companies Ordinance and the applicable accounting standards.

Accounting Policies

The Directors consider that in preparing the financial statements, the Group applies appropriate accounting policies that are consistently adopted and makes judgements and estimates that are reasonable and prudent in accordance with the applicable accounting standards.

Accounting Records

The Directors are responsible for ensuring that the Group keeps accounting records which disclose the financial position of the Group upon which financial statements of the Group could be prepared in accordance with the Group's accounting policies.

Safeguarding Assets

The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities within the Group.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The posts of Chairman and Chief Executive Officer ("CEO") are held separately by Mr. Terence Chi Yan HUI and Mr. Samson Chi Yang HUI respectively. This segregation ensures a clear distinction between the Chairman's responsibility to manage the Board and the CEO's responsibility, with support by the senior management, to manage the Company's business, including the implementation of major strategies and initiatives adopted by the Board.

BOARD COMPOSITION

The composition of the Board is set out on page 2 under the paragraph headed "Directors" with category of executive, non-executive and independent non-executive directors.

Biographies, including relationships among members of the Board are shown on pages 8 to 9 under the section on "Biographical Details of Directors and Senior Management".



Corporate Governance Report

NOMINATION OF DIRECTORS

The Board is responsible for the formulation of nomination policies, making recommendations to shareholders on directors standing for re-election, providing sufficient biographical details of directors to enable shareholders to make an informed decision on the re-election, and where necessary, nominating appropriate persons to fill causal vacancies or as additions to the Board. The Chairman from time to time reviews the composition of the Board with particular regard to ensuring that there is an appropriate number of directors on the Board independent of management. He also identified and nominates qualified individuals for appointment as new directors of the Company.

New directors of the Company will be appointed by the Board. The Board will take into consideration criteria such as expertise, experience, integrity and commitment when considering new director appointments.

APPOINTMENTS, RE-ELECTION AND REMOVAL

All Independent Non-executive Directors are appointed for a specific term of not more than 3 years. All Directors, including the chairman are required to retire from office by rotation and are subject to re-election by shareholders at annual general meeting at least once every 3 years.

Under the Company's Bye-laws, one-third of the Directors, must retire and be eligible for re-election at each annual general meeting. As such, no director has a term of appointment longer than 3 years.

RESPONSIBILITIES OF DIRECTORS

Every newly appointed director, if any, is ensured to have a proper understanding on the operations and business of the Group and fully aware of his responsibilities under the relevant applicable legal and regulatory requirements. The senior management and the Company Secretary will conduct such briefing as is necessary to update the Board with legal and regulatory developments, business and market changes and the strategic development of the Group to facilitate the performance of their duties.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Rules 5.48 to 5.67 to the GEM Listing Rules as its own code of conduct for dealings in securities of the Company by the Directors (the "Code"). The Company, having made specific enquiry of all Directors, confirms that its Directors have complied with the required standard set out in the Code during the financial year ended 30 November 2009.



Corporate Governance Report

SUPPLY OF AND ACCESS TO INFORMATION

In respect of regular board meetings, an agenda of the meeting and the accompanying board papers are sent in full to all Directors at least 3 days before the intended date of a meeting. Board papers are circulated to the Directors to ensure that they have adequate information before the meeting for any ad hoc projects.

The Management has obligation to supply the Board and the committees with adequate information in a timely manner to enable it to make informed decisions. Where any director requires more information than is volunteered by management, each director has separate and independent access to the Company's senior management for inquiry or additional information.

All directors are entitled to have access to board papers and related materials. Such materials are prepared to enable the Board to make informed decisions on matters placed before it.

REMUNERATION COMMITTEE

The Company established a Remuneration Committee which is primarily responsible for making recommendations to the Board regarding the Group's policy and structure for remuneration of Directors and senior management and determine the specific remuneration packages of all executive directors and senior management of the Company.

The Remuneration Committee comprises Mr. Ronald Kwok Fai Poon, Mr. Kwong Sang Liu, Mr. Edwin Kim Ho Wong and Mr. William Keith Jacobsen, and is chaired by Mr. Edwin Kim Ho Wong.

During the financial year ended 30 November 2009, one meeting of Remuneration Committee was held with attendance of individual members as set out below to review and consider the specific remuneration packages of the Company's executive directors and senior management.

Attendance

Mr. Ronald Kwok Fai POON (resigned on 10 July 2009)	0/1
Mr. Kwong Sang LIU	1/1
Mr. Edwin Kim Ho WONG	1/1
Mr. William Keith JACOBSEN (appointed on 10 July 2009)	0/1

FINANCIAL REPORTING

The Management has provided such explanation and information to the Board and will enable the Board to make an informed assessment of the financial and other information put before the Board for approval. The Directors acknowledge their responsibility to prepare the financial statements for each financial year, which give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period.

The Board is aware that their responsibility to present a balanced, clear and understandable assessment extends to annual, interim and quarterly reports, and other financial disclosures required under the GEM Listing Rules, and reports to regulators as well as to information required to be disclosed pursuant to statutory requirements.



Corporate Governance Report

A statement by the auditors about their reporting responsibilities is included in the Independent Auditors' Report on pages 27 to 28.

AUDIT COMMITTEE

Pursuant to the GEM Listing Rules, an audit committee was established on 22 January 2001, comprising three independent non-executive directors, namely Messrs. Kwong Sang Liu, Edwin Kim Ho Wong and William Keith Jacobsen. At 28 September 2004, Mr. 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. Mr. William Keith Jacobsen was appointed as independent non-executive director and member of audit committee of the Company at 10 July 2009. Mr. Edwin Kim Ho Wong is the chairman of the audit committee.

Mr. Ronald Kwok Fai Poon was the audit committee member when it was established on 22 January 2001. At 10 July 2009, Mr. Ronald Kwok Fai Poon resigned as an independent non-executive director, member of audit committee and member of remuneration committee of the Company due to other business engagements which require more of his dedication. On the same date, Mr. William Keith Jacobsen was appointed as an independent non-executive director, member of audit committee and member of remuneration committee of the Company to fill the vacancy cause by the resignation of Mr. Ronald Kwok Fai Poon.

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

During the financial year ended 30 November 2009, the audit committee held four meeting for the purpose of reviewing the Company's reports and accounts, and providing advice and recommendations to the Board of Directors. The minutes of the audit committee meeting are kept by the Company Secretary.

The Group's audited consolidated financial statements for the year ended 30 November 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.

Attendance

Mr. Ronald Kwok Fai POON (resigned on 10 July 2009)	1/4
Mr. Kwong Sang LIU	4/4
Mr. Edwin Kim Ho WONG	4/4
Mr. William Keith JACOBSEN (appointed on 10 July 2009)	2/4



Corporate Governance Report

DIRECTORS' AND AUDITORS' RESPONSIBILITIES FOR THE ACCOUNTS

The Board is responsible for presenting a balanced, clear and comprehensible assessment of the Group's performance and prospects. The Directors are responsible for the preparation of accounts which give a true and fair view of the state of affairs and of the results and cash flows of the Group on a going concern basis. The Company's accounts are prepared in accordance with all relevant statutory requirements and applicable accounting standards. The Directors are responsible for ensuring that appropriate accounting policies are selected and applied consistently and that judgments and estimates made are prudent and reasonable. The Directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group. The responsibilities of the auditors for the accounts are set out in the Independent Auditors' Report on pages 27 to 28 of this Annual Report.

The independent auditors' report of the Group's consolidated financial statements for the year ended 30 November 2009 contains a modified auditors' opinion:

"Without qualifying our opinion, we draw attention to Note 3 in the consolidated financial statements which indicates that the Group incurred a net loss of approximately HK\$4,664,000 during the year ended 30 November 2009 and, as of that date, the Group's total liabilities exceeded its total assets by approximately HK\$42,543,000. These conditions, along with other matters as set forth in Note 3 to the consolidated financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern."

INTERNAL CONTROL

The Directors are responsible for the internal control of the Group and for reviewing its effectiveness.

The internal control system of the Group comprises of a comprehensive organisational structure and delegation of authorities assigned to individuals based on experience and business need.

Control procedures have been designed to safeguard assets against unauthorised use and disposition; ensure compliance with relevant laws, rules and regulations; ensure proper maintenance of accounting records for provision of reliable financial information used within the business or for publication; and to provide reasonable assurance against material misstatement, loss or fraud.

The overall risk management functions of the Group are under responsibility of the Internal Control Committee, comprising the Executive Directors, Chief Executive Officer, Chief Financial Officer and Operation Director. 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.

The Group does not have internal audit department, but the Internal Control Review Committee, comprising the Executive Directors and Independent non-executive Directors are responsible to review the effectiveness of the Group's internal control system. 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 covering all key controls, including financial, operational and compliance and risk management controls, is conducted annually. For the year ended 30 November 2009, the review based on a framework which assesses the Group's internal control system into treasury and compliance cycle against control environment, risk management and control and monitoring activities on all major business and operational processes. The examination consisted of enquiry, discussion and validation through observation and inspection (if necessary). The result of the review has been reported to the Board of Director and areas of improvement have been identified and appropriate measures have been put in place to manage the risks.



Corporate Governance Report

AUDITORS' REMUNERATION

The fees in relation to the audit and other services provided to the Company and its subsidiaries by external auditors of the Group, amounted approximately to HK\$205,000. No non-audit services were provided by external auditors of the Group for the year ended 30 November 2009.

DELEGATION BY THE BOARD

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The Board is primarily responsible for overall strategy and direction for the Group and overseeing the Group's businesses and providing leadership in strategic issues. The management is delegated to manage the day-to-day businesses of the Group.

When the Board delegates aspect of its management and administration functions to management, clear directions would be given as to the power of management, in particular, the circumstances where management should report back to the Board before making decisions or entering into any commitments on behalf of the Group.

Principal functions that are specifically delegated by the Board to the management include (i) implementation of corporation strategy and policy initiatives; (ii) provision of management reports to the Board in respect of Group's performance, financial position and prospects; and (iii) day-to-day management of the Group.

BOARD COMMITTEE

The Board established certain Board committees with specific written terms of reference which deal clearly with the committee's authority and duties and require the committees to report back on their decisions or recommendations.

COMMUNICATION WITH SHAREHOLDERS

In respect of each separate issue at the general meeting held during the year ended 30 November 2009, separate resolution has been proposed by the Chairman of that meeting. The Chairman of the Board and member of Audit Committee attended the annual general meeting held on 25 March 2009 to answer questions, if any, at the meeting.



Independent Auditors' Report



Chartered Accountants
Certified Public Accountants

31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF abc MULTIACTIVE LIMITED

(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of abc Multiactive Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 29 to 83, which comprise the consolidated and company balance sheets as at 30 November 2009, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the consolidated financial statements

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.



Independent Auditors' Report

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and true and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 30 November 2009 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material uncertainty concerning going concern basis of accounting

Without qualifying our opinion, we draw attention to Note 3 in the consolidated financial statements which indicates that the Group incurred a net loss of approximately HK\$4,664,000 during the year ended 30 November 2009 and, as of that date, the Group's total liabilities exceeded its total assets by approximately HK\$42,543,000. These conditions, along with other matters as set forth in Note 3 to the consolidated financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

HLB Hodgson Impey Cheng

Chartered Accountants
Certified Public Accountants

Hong Kong, 9 February 2010



Consolidated Income Statement

For the year ended 30 November 2009

	Notes	2009 HK\$'000	2008 HK\$'000
Turnover	8	14,980	17,851
Cost of sales		(3,941)	(5,375)
Gross profit		11,039	12,476
Other revenue	8	7	7
Other (expense)/income	9	(162)	878
Software research and development expenses		(6,161)	(6,081)
Selling and marketing expenses		(1,703)	(1,724)
Administrative expenses		(6,055)	(6,193)
Loss from operating activities	9	(3,035)	(637)
Finance costs	10	(1,629)	(1,577)
Loss before taxation		(4,664)	(2,214)
Taxation	11	-	-
Loss for the year attributable to equity holders of the Company		(4,664)	(2,214)
Loss per share			
– Basic and diluted	13	HK(2.90) cents	HK(1.38) cents
Dividends	14	-	-

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All of the Group's operations are classed as continuing.

The accompanying notes form an integral part of these financial statements.



Consolidated Balance Sheet

At 30 November 2009

	Notes	2009 HK\$'000	2008 HK\$'000
Assets			
Non-current asset			
Property, plant and equipment	17	395	634
Current assets			
Work in progress	19	663	1,124
Trade and other receivables	20	1,307	1,424
Cash and cash equivalents		5,205	5,128
		7,175	7,676
Total assets		7,570	8,310
Capital and reserves			
Share capital	21	16,059	16,059
Reserves	22(a)	(58,602)	(52,594)
Equity attributable to equity holders of the Company		(42,543)	(36,535)
Liabilities			
Non-current liabilities			
Promissory notes and interest payable to the related companies	23	29,842	27,908
Amount due to the ultimate holding company	24	8,527	6,872
		38,369	34,780
Current liabilities			
Trade and other payables	25	6,073	5,985
Deferred revenue		4,217	2,913
Amounts due to customers	19	1,454	1,167
		11,744	10,065
Total liabilities		50,113	44,845
Total equity and liabilities		7,570	8,310



Consolidated Balance Sheet

At 30 November 2009

<i>Notes</i>	2009	2008
	HK\$'000	HK\$'000
Net current liabilities	(4,569)	(2,389)
Total assets less current liabilities	(4,174)	(1,755)
Net liabilities	(42,543)	(36,535)

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Approved and authorised for issue by the Board of Directors on 9 February 2010 and signed on its behalf by:

Terence Chi Yan Hui
Executive Director

Joseph Chi Ho Hui
Executive Director

The accompanying notes form an integral part of these financial statements.



Balance Sheet

At 30 November 2009

	Notes	2009 HK\$'000	2008 HK\$'000
Assets			
Non-current asset			
Investments in subsidiaries	18	—	—
Current assets			
Prepayment	20	10	10
Cash and cash equivalents		4,172	3,626
		4,182	3,636
Total assets		4,182	3,636
Capital and reserves			
Share capital	21	16,059	16,059
Reserves	22(b)	(42,134)	(40,744)
Equity attributable to equity holders of the Company		(26,075)	(24,685)
Liabilities			
Non-current liability			
Promissory notes and interest payable to the related companies	23	29,842	27,908
Current liabilities			
Other payables and accruals	25	415	413
Total liabilities		30,257	28,321
Total equity and liabilities		4,182	3,636
Net current assets		3,767	3,223
Total assets less current liabilities		3,767	3,223
Net liabilities		(26,075)	(24,685)

Approved and authorised for issue by the Board of Directors on 9 February 2010 and signed on its behalf by:

Terence Chi Yan Hui
Executive Director

Joseph Chi Ho Hui
Executive Director

The accompanying notes form an integral part of these financial statements.



Consolidated Statement of Changes in Equity

For the year ended 30 November 2009

	Attributable to equity holders of the Company					Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Exchange reserve HK\$'000	Accumulated losses HK\$'000	
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	-	-	-	1,015	-	1,015
Loss for the year	-	-	-	-	(2,214)	(2,214)
At 30 November 2008 and 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	-	-	-	(1,344)	-	(1,344)
Loss for the year	-	-	-	-	(4,664)	(4,664)
At 30 November 2009	16,059	106,118	37,600	(13,869)	(188,451)	(42,543)

The accompanying notes form an integral part of these financial statements.



Consolidated Cash Flow Statement

For the year ended 30 November 2009

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	2009 HK\$'000	2008 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(4,664)	(2,214)
Adjustments for:		
Interest income	(7)	(7)
Interest expenses	1,629	1,577
Depreciation	301	328
Unrealised exchange difference	(847)	1,015
Impairment loss recognised in respect of trade receivables	100	29
Operating (loss)/gain before working capital changes	(3,488)	728
Decrease in work in progress	461	47
Decrease in trade and other receivables	17	362
Increase/(decrease) in amount due to the ultimate holding company	1,462	(1,225)
Increase/(decrease) in amounts due to customers	287	(52)
Increase in trade and other payables	81	172
Increase in deferred revenue	1,304	170
Net cash generated from operating activities	124	202
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(54)	(148)
Interest received	7	7
Net cash used in investing activities	(47)	(141)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advance from a related party through issue of a promissory note	-	3,046
Net cash generated from financing activities	-	3,046
Net increase in cash and cash equivalents	77	3,107
Cash and cash equivalents at the beginning of the year	5,128	2,021
Cash and cash equivalents at the end of the year	5,205	5,128
Analysis of the balances of cash and cash equivalents		
Cash and bank balances	5,205	5,128

The accompanying notes form an integral part of these financial statements.



Notes to Financial Statements

For the year ended 30 November 2009

1. CORPORATE INFORMATION

The Company was incorporated in Bermuda on 2 March 2000 as an exempted company with limited liability under the Companies Act 1981 of Bermuda (as amended) and its shares are listed on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The principal place of business of the Company is located at 17/F, Regent Centre, 88 Queen's Road Central, Central, Hong Kong.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are set out in Note 18 to the financial statements.

The directors consider the Company's ultimate holding company to be Maximizer Software Inc. ("MSI"), a company incorporated in Canada and listed on the Toronto Stock Exchange. On 11 December 2009, MSI has completed a privatisation exercise and following the completion of the privatisation, the shares of MSI were delisted from the Toronto Stock Exchange on 15 December 2009.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS")

In the current year, the Group has applied for the first time, the following new interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for the Group's financial year beginning 1 December 2008.

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

The application of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.



Notes to Financial Statements

For the year ended 30 November 2009

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS") (CONTINUED)

Impact of new and revised HKFRSs not yet effective

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs ¹
HKFRSs (Amendments)	Improvements to HKFRSs 2009 ²
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters ⁷
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate ³
HKFRS 2 (Amendment)	Share-based Payment – Vesting Conditions and Cancellations ³
HKFRS 2 (Amendment)	Share-based Payment – Group Cash-settled Share-based Payment Transactions ⁷
HKFRS 3 (Revised)	Business Combinations ⁵
HKFRS 7 (Amendment)	Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments ³
HKFRS 8	Operating Segments ³
HKFRS 9	Financial Instruments ¹¹
HKAS 1 (Revised)	Presentation of Financial Statements ³
HKAS 23 (Revised)	Borrowing Costs ³
HKAS 24 (Revised)	Related Party Disclosures ¹⁰
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ⁵
HKAS 32 & HKAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation ³
HKAS 32 (Amendment)	Classification of Rights Issues ⁸
HKAS 39 (Amendment)	Eligible Hedged Items ⁵
HK(IFRIC) – Int 9 & HKAS 39 (Amendments)	Embedded Derivatives ⁴
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate ³
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners ⁵
HK(IFRIC) – Int 18	Transfers of Assets from Customers ⁶
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments ⁹



Notes to Financial Statements

For the year ended 30 November 2009

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS”) (CONTINUED)

Impact of new and revised HKFRSs not yet effective (Continued)

- ¹ Effective for annual periods beginning on or after 1 January 2009 except for the amendments to HKFRS 5 – effective for annual periods beginning on or after 1 July 2009
- ² Effective for annual periods beginning on or after 1 January 2009, 1 July 2009 or 1 January 2010, as appropriate
- ³ Effective for annual periods beginning on or after 1 January 2009
- ⁴ Effective for annual periods ending on or after 30 June 2009
- ⁵ Effective for annual periods beginning on or after 1 July 2009
- ⁶ Effective for transfers of assets from customers received on or after 1 July 2009
- ⁷ Effective for annual periods beginning on or after 1 January 2010
- ⁸ Effective for annual periods beginning on or after 1 February 2010
- ⁹ Effective for annual periods beginning on or after 1 July 2010
- ¹⁰ Effective for annual periods beginning on or after 1 January 2011
- ¹¹ Effective for annual periods beginning on or after 1 January 2013

The application of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after 1 December 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent’s ownership interest in a subsidiary. The directors of the Company is in the process of assessing the potential impact of these new HKFRSs but is not yet in a position to determine whether these new HKFRSs will have a significant impact on how its results of operations and financial position are prepared and presented. These new HKFRSs may result in changes in the future as to how the results and financial position are prepared and presented.



Notes to Financial Statements

For the year ended 30 November 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs, which is a collective term that includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by HKICPA, and accounting principles generally accepted in Hong Kong. In addition, the consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Growth Enterprise Market ("GEM") of the Stock Exchange (the "GEM Listing Rules") and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand ("HK\$'000") except when otherwise indicated.

A summary of significant accounting policies adopted by the Group in the preparation of the financial statements is set out below:

Basis of preparation

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

The Group incurred a net loss of approximately HK\$4,664,000 and accumulated losses of approximately HK\$188,451,000 for the year ended 30 November 2009. As at 30 November 2009, the Group's current liabilities exceeded its current assets by approximately HK\$4,569,000 and net liabilities of approximately HK\$42,543,000. Notwithstanding the above results, the consolidated financial statements have been prepared on a going concern basis, the validity of which is dependent upon the success of the Group's future operations, its ability to generate adequate cash flows in order to meet its obligations as and when fall due and its ability to refinance or restructure its borrowings such that the Group can meet its future working capital and financing requirements.

The ultimate holding company, MSI, has also confirmed that it will not demand repayment of the amount due of approximately HK\$8,527,000 within the next twelve months from the balance sheet date. Furthermore, Wickham Group Limited, the party connected to a non-executive director of the Company, has agreed that it will not demand repayment of the promissory note and the related interest in the total amount of approximately HK\$6,984,000 until their maturity on 21 May 2011. Active Investments Capital Limited, a related company owned by the chief executive officer of the Company, has also agreed that it will not demand repayment of the promissory notes and the related interests in the total amount of approximately CAD510,000 and HK\$19,147,000 respectively until their maturity on 25 November 2011 and 31 May 2011 respectively. On 27 November 2009, Wickham Group Limited has agreed to extend the maturity dates of the promissory note with the amount of HK\$4,634,000 together with the accrued interest of approximately HK\$2,350,000 to 21 May 2011. On 27 November 2009, Active Investments Capital Limited has also agreed to extend the maturity dates of the promissory notes with the amounts of approximately CAD485,000 together with the accrued interest of approximately CAD25,000 and HK\$18,205,000 together with the accrued interest of approximately HK\$942,000 to 25 November 2011 and 31 May 2011 respectively. Further details, please refer to Note 23.



Notes to Financial Statements

For the year ended 30 November 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of preparation (Continued)

The directors are confident that the Group's future operations will be successful and able to generate sufficient cash flows in order to meet its obligations as they fall due over the next twelve months. Accordingly, the directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries which are the entities controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Business combinations

The acquisition of business is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKFRS 3 *Business Combinations* are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in the consolidated income statement.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.



Notes to Financial Statements

For the year ended 30 November 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Company, directly or indirectly, has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

In the financial statements of the Company, the investments in subsidiaries are stated at cost less provision for impairment losses. The results of subsidiaries are accounted by the Company on the basis of dividend received and receivable.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share the net identifiable assets of the acquired subsidiary/associate/jointly controlled entity at the date acquisition. Goodwill on acquisitions of subsidiaries and jointly controlled entities is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

Property, plant and equipment

Property, plant and equipment, comprising leasehold improvements, furniture and fixtures and office equipment, are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment, less their estimated realisable value, if any, over their estimated useful lives. The principal annual rates used for this purpose are 20% to 33.3%.

Major costs incurred in restoring property, plant and equipment to their normal working condition to allow continued use of the overall asset are capitalised and depreciated over their expected useful lives. Improvements are capitalised and depreciated over their expected useful lives to the Group.



Notes to Financial Statements

For the year ended 30 November 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment (Continued)

The residual values and useful lives of items of property, plant and equipment are reviewed, and adjusted if appropriate, at each balance sheet date.

The gain or loss on disposal or retirement of an item of property, plant and equipment is the different between the net sale proceeds and the carrying amount of the relevant assets, and is recognised in the consolidated income statement.

Deferred revenue

Deferred revenue represents the proportion of revenue which relates to the unexpired period of the maintenance service agreements as at the year end.

Work in progress

Work in progress is recorded at the amount of the costs incurred plus recognised profits less the sum of recognised losses and progress billings. Where progress billings exceed contract costs incurred plus recognised profits less recognised losses, the surplus is treated as an amount due to customers.

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

Cash and cash equivalents

Cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.



Notes to Financial Statements

For the year ended 30 November 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, and reliable estimate of the amount of the obligation can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligations.

Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably. A contingent liability is not recognised but is disclosed in the notes to financial statements. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group. Contingent assets are not recognised but are disclosed in the notes to financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation, which are at least tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Financial instruments

Financial assets in the scope of HKAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, and available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group considers whether a contract contains an embedded derivative when the Group first becomes a party to it. The embedded derivatives are separated from the host contract which is not measured at fair value through profit or loss when the analysis shows that the economic characteristics and risks of embedded derivatives are not closely related to those of the host contract.



Notes to Financial Statements

For the year ended 30 November 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at the balance sheet date.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Gains or losses on investments held for trading are recognised in the income statement.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are subsequently carried at amortised cost using the effective interest method. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. The Group designated certain debt securities as held-to-maturity investments. At each balance sheet date subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy in respect of impairment loss on financial assets below).

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets in listed and unlisted equity securities that are designated as available-for-sale or are not classified in any of the other two categories. After initial recognition, available-for-sale financial assets are measured at fair value, with gains or losses recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity are included in the income statement.

When the fair value of unlisted equity securities cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such securities are stated at cost less any impairment losses.



Notes to Financial Statements

For the year ended 30 November 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Fair value

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business at the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; a discounted cash flow analysis; and other valuation models.

Impairment of financial assets

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

Assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate, being the effective interest rate computed at initial recognition. The carrying amount of the asset is reduced either directly or through the use of an allowance account. The amount of the impairment loss is recognised in the income statement.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the income statement to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Group will not be able to collect all of the amounts due under the original terms of an invoice. The carrying amount of the receivables is reduced through the use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.



Notes to Financial Statements

For the year ended 30 November 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (Continued)

Assets carried at cost

If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimate future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

Available-for-sale financial assets

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the income statement, is transferred from equity to the income statement. Impairment losses on equity instruments classified as available-for-sale are not reversed through the income statement.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Group retains the rights to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, where the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.



Notes to Financial Statements

For the year ended 30 November 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derecognition of financial assets (Continued)

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Group are classified accordingly to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is a contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The Group's financial liabilities are generally classified into financial liabilities at fair value through profit or loss and financial liabilities at amortised costs.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are classified into (i) financial liabilities held for trading and (ii) those designated as at fair value through profit or loss on initial recognition.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial liability forms part of a group of financial assets or financial liabilities or both which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

At each balance sheet date subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value recognised directly in the income statement in the period in which they arise.

Financial liabilities at amortised cost

Financial liabilities including trade and other payables and interest-bearing loans advanced from shareholders are initially stated at fair value less directly attributable transaction costs and are subsequently measured at amortised cost, using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process.



Notes to Financial Statements

For the year ended 30 November 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying value of the financial liability derecognised and the consideration paid is recognised in the income statement.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the income statement.

Software research and development costs

Software research and development costs are expensed as incurred. Costs incurred on development projects relating to the design and testing of new or improved software products are recognised as an intangible asset where the technical feasibility and intention of completing the software product under development has been demonstrated and the resources are available to do so, costs are identifiable and there is an ability to sell or use the asset that will generate probable future economic benefits. Such development costs are recognised as an asset and amortised on a straight-line basis over a period of not more than 5 years to reflect the pattern in which the related economic benefits are recognised. Development costs that do not meet the above criteria are expensed as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. During the year, all software research and development costs have been expensed.

Revenue recognition

Revenue is provided when it is probable that economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (i) Revenue from the sale of computer software licenses and the provision of related services where there are no significant post-delivery obligations is recognised upon the satisfactory completion of installation, which generally coincides with the time when the computer products are delivered to the customers.
- (ii) Where the Group enters into contracts with customers which entail the development of customised software with significant post-delivery service support, revenue from the development of customised software is recognised in the consolidated income statement by reference to the stage of completion of customisation work, including post-delivery service support, at the balance sheet date.



Notes to Financial Statements

For the year ended 30 November 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (Continued)

(iii) When the outcome of a construction contract can be estimated reliably, revenue from a fixed price contract is recognised using the percentage of completion method, measured by reference to the percentage of contract costs incurred to date to estimated total contract costs for the contract; and revenue from a cost plus contract is recognised by reference to the recoverable costs incurred during the period plus an appropriate proportion of the total fee, measured by reference to the proportion that costs incurred to date bear to the estimated total costs of the contract.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable.

- (iv) Rental income of computer software licenses and customised software is recognised at the due date of the rental income.
- (v) Revenue from the provision of maintenance services is recognised on a straight-line basis over the life of the related agreement.
- (vi) Revenue from the sale of computer hardware is recognised on the transfer of risks and rewards ownership, which generally coincides with the time when the goods are delivered to customers and the title has passed.
- (vii) Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and interest rates applicable.

Borrowings costs

Borrowing costs are interests and other costs incurred in connection with the borrowing of funds. All borrowings costs are charged to the income statement in the year in which they are incurred.

Operating leases

Leases in which a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are expensed in the income statement on a straight-line basis over the period of the lease.



Notes to Financial Statements

For the year ended 30 November 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies translation

(i) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in HK dollars, which is the Company's functional and presentation currency.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges or qualifying net investment hedges.

Translation differences on non-monetary items, such as equity instruments held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation difference on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

(iii) *Group companies*

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.



Notes to Financial Statements

For the year ended 30 November 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes income statement items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investment in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the liability is settled or the asset realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Related parties transactions

A party is considered to be related to the Group if:

- (a) the party, directly or indirectly through one or more intermediaries, (i) controls, is controlled by, or is under common control with, the Group; (ii) has an interest in the Group that gives it significant influence over the Group; or (iii) has joint control over the Group;
- (b) the party is an associate;
- (c) the party is a jointly-controlled entity;



Notes to Financial Statements

For the year ended 30 November 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related parties transactions (Continued)

- (d) the party is a member of the key management personnel of the Group or its parent;
- (e) the party is a close member of the family of any individual referred to in (a) or (d);
- (f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
- (g) the party is a post-employment benefit plan for the benefit of the employees of the Group, or of any entity that is a related party of the Group.

A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Retirement benefits scheme

- (i) Salaries, annual bonuses, paid annual leave, leave passage and the cost to the Group of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.
- (ii) The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. The MPF Scheme has operated since 1 December 2000. Contributions are made based on a percentage of the employees' basic salaries and are charged to the consolidated income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund.
- (iii) Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.



Notes to Financial Statements

For the year ended 30 November 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Retirement benefits scheme (Continued)

- (iv) The Company and its ultimate holding company, MSI, each operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of group's operation comprising the companies and their respective subsidiaries. The fair value of the employee services received in exchange for the grant of the options is recognised as expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. At each balance sheet date, the Company revises its estimates of the number of share options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity in the balance sheet will be made over the remaining vesting periods.

The proceeds received, net of any directly attributable transaction costs, are credited to share capital and share premium accounts when the share options are exercised and when the restricted share awards are vested.

Share options granted under the Company's share option scheme are not expensed as the options were all vested and not subject to requirements of HKFRS 2. Further details of the new policy are set out in Note 16.

Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

In accordance with the Group's internal financial reporting, the Group has determined that business segments be presented as the primary reporting format and geographical segments as the secondary reporting format.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group enterprises within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

Segment assets consist primarily of property, plant and equipment, intangible assets, inventories, work in progress, receivables and operating cash. Segment capital expenditure is the total cost incurred during the period to acquire segment assets (both tangible and intangible) that are expected to be used for more than one year.



Notes to Financial Statements

For the year ended 30 November 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Segment reporting (Continued)

Unallocated items mainly comprise financial and corporate assets, interest-bearing loans, borrowings, tax balances, corporate and financing expenses.

Sales are based on the country in which the customer is located. Total assets and capital expenditure are based on where the assets are located.

4. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2009	2008
	HK\$'000	HK\$'000
Financial assets:		
Loans and receivables (including cash and cash equivalent)	6,070	6,097
Financial liabilities:		
Amortised cost	41,341	38,408

(b) Financial risk management objectives and policies

The main risks arising from the Group's financial instruments are market risk (including interest rate risk and foreign exchange risk), credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Market risk

The Group's activities expose it primarily to the financial risks of changes in interest rates, foreign currency exchange rates and equity prices.

Market risk exposures are measured by sensitivity analysis.

There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk.



Notes to Financial Statements

For the year ended 30 November 2009

4. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

Cash flow interest rate risk management

The Group has variable-rate borrowings including amount due to the ultimate holding company, and promissory notes and interest payable to the related companies, and is therefore exposed to cash flow interest rate risk (see Notes 23 and 24 for details). The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of Hong Kong prime rate.

The followings demonstrate the sensitivity to a reasonable possible change in interest rates with all other variable held constant, of the Group's loss before tax.

If the floating rates had been 50 basis points higher/lower, the Group's:

- loss before tax for the year ended 30 November 2009 would increase/decrease by approximately of HK\$81,000 (2008: increase/decrease by HK\$79,000). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

Foreign currency risk management

The Group operates mainly in Hong Kong, primarily with respect to the Hong Kong dollars ("HKD") and Renminbi ("RMB"). The Group is exposed to foreign currency risk arising from translating the intercompany balance with its foreign subsidiaries, which are denominated in Australian dollars ("AUD") and Canadian dollars ("CAD") other than the functional currency of the Group. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.



Notes to Financial Statements

For the year ended 30 November 2009

4. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

Foreign currency risk management (Continued)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	2009	2008
	HK\$'000	HK\$'000
Assets:		
AUD	219	183
CAD	3,565	3,046
RMB	65	–
	—————	—————
Liabilities:		
AUD	3,679	1,961
CAD	9,734	7,956
RMB	43	–
	—————	—————

Sensitivity analysis on foreign currency risk management

The following table details the Group's sensitivity to a 5% increase and decrease in the Hong Kong dollars against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes outstanding foreign currency denominated monetary items, and adjusts their translation at the year end for a 5% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower. A negative number below indicates a decrease in profit where the Hong Kong dollars strengthen 5% against the relevant currency. For a 5% weakening of the Hong Kong dollars against the relevant currency, there would be an equal and opposite impact on the profit, and the balances below would be positive.



Notes to Financial Statements

For the year ended 30 November 2009

4. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

Foreign currency risk management (Continued)

Sensitivity analysis on foreign currency risk management (Continued)

	2009	2008
	HK\$'000	HK\$'000
Impact of AUD		
Profit or loss#	173	89
	=====	=====
Impact of CAD		
Profit or loss*	308	246
	=====	=====
Impact of RMB		
Profit or loss**	1	-
	=====	=====

This is mainly attributable to the exposure outstanding on bank balances and amount due to the ultimate holding company denominated in AUD.

* This is mainly attributable to the exposure outstanding on bank balances, promissory notes payable and amount due to the ultimate holding company denominated in CAD.

** This is mainly attributable to the exposure outstanding on bank balances denominated in RMB.

The Group's sensitivity to foreign currency has increased during the current year mainly due to the increase in foreign currency denominated monetary assets and liabilities.

Credit risk

As at 30 November 2009, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated balance sheet.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The Group has set the policies in place to ensure that transactions are made to customers with an appropriate credit history and the Group performs period credit evaluations of its customers. In addition, the Group reviews the recoverable amount of each individual trade debt and debt investments at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.



Notes to Financial Statements

For the year ended 30 November 2009

4. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. The Group's liquidity risk management includes diversifying the funding sources. Internally generated cash flow and advances from related companies and its ultimate holding company are the general source of funds to finance the operation of the Group. The Group had net liabilities of approximately HK\$42,543,000 as at 30 November 2009. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations. The Group has also obtained financial support from its ultimate holding company.

The Group has laid down an appropriate liquidity risk management framework for the management of the short, medium and long-term funding and liquidity management requirements, which is reviewed regularly by the directors. The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and maintains a conservative level of long-term funding to finance its short-term financial assets.

Notes to Financial Statements

For the year ended 30 November 2009

4. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

The following tables detail the Group's remaining contractual maturity for its financial liabilities which are included in the maturity analysis provided internally to the key management personnel for the purpose of managing liquidity risk. For non-derivative financial liabilities, the table reflects the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

	Weighted average effective interest rate %	At 30 November 2009				Total carrying amount HK\$'000
		Within 1 year HK\$'000	2 to 5 years HK\$'000	Over 5 years HK\$'000	Total undiscounted cash flows HK\$'000	
Non-derivative financial liabilities						
Promissory notes and interest payable to the related companies	5%	-	31,171	-	31,171	29,842
Amount due to the ultimate holding company	4.5%	-	8,890	-	8,890	8,527
Trade and other payables	-	2,972	-	-	2,972	2,972
		2,972	40,061	-	43,033	41,341

	Weighted average effective interest rate %	At 30 November 2008				Total carrying amount HK\$'000
		Within 1 year HK\$'000	2 to 5 years HK\$'000	Over 5 years HK\$'000	Total undiscounted cash flows HK\$'000	
Non-derivative financial liabilities						
Promissory notes and interest payable to the related companies	5.48	-	27,908	-	27,908	27,908
Amount due to the ultimate holding company	7.04	-	6,872	-	6,872	6,872
Trade and other payables	-	3,628	-	-	3,628	3,628
		3,628	34,780	-	38,408	38,408



Notes to Financial Statements

For the year ended 30 November 2009

4. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Fair value of financial instruments

The fair value of financial assets and financial liabilities are determined as follows:

- (i) the fair value of financial assets and financial liabilities (including derivative instruments) with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices and ask prices respectively; and
- (ii) the fair value of other financial assets and financial liabilities (including derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions as input. For an option-based derivative, the fair value is estimated using option pricing mode (for example, Black-Scholes model and Binomial option pricing model).

The directors consider that the carrying amounts of financial assets and financial liabilities recorded in the consolidated financial statements approximate their fair values.

5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that its subsidiaries will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2008.

The capital structure of the Group consists of debts (which includes promissory notes and interest payable to the related companies and amount due to the ultimate holding company), and equity attributable to equity holders of the Company, comprising issued share capital, reserves and accumulated losses.

The directors of the Company review the capital structure annually. As part of this review, the directors of the Company assess the annual budget prepared by management of the Company. Based on the proposed annual budget, the directors of the Company consider the cost of capital and the risks associated with each class of capital. The directors of the Company also balance its overall capital structure through the issue of new promissory note payable to its related companies.

The Group's overall strategy in capital management remains unchanged during the year.



Notes to Financial Statements

For the year ended 30 November 2009

5. CAPITAL RISK MANAGEMENT (CONTINUED)

During the year ended 30 November 2009, the capital structure of the Group mainly consists of debts (which include promissory notes and interest payable to the related companies and amount due to the ultimate holding company), cash and cash equivalents and equity attributable to owners of the Company (comprising issued share capital, share premium, contributed surplus, exchange reserves and accumulated losses). The Directors of the Company consider the cost of capital and the risks associated with each class of capital to monitor its capital structure on the basis of a gearing ratio. The Group has a target gearing ratio of 4-10. This ratio is expressed by as a percentage of borrowings and long term debts over total assets.

	2009	2008
	HK\$'000	HK\$'000
Total debts	38,369	34,780
Total assets	7,570	8,310
Gearing ratio	5.07	4.19

The gearing ratio has increased during the year ended 30 November 2009 because of no repayment of promissory notes and interest payable to the related companies and amount due to the ultimate holding company during the year.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgment are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk in causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Income tax

The Group is subject to income taxes in Hong Kong, mainland China and Australia. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.



Notes to Financial Statements

For the year ended 30 November 2009

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

Critical accounting estimates and assumptions (Continued)

Impairment of property, plant and equipment

In accordance with HKAS 16, the Group estimates the useful lives of property, plant and equipment in order to determine the amount of depreciation expenses to be recorded. The useful lives are estimated at the time the asset is acquired based on historical experience, the expected usage, wear and tear of the assets, as well as technical obsolescence arising from changes in the market demands or service output of the assets. The Group also performs annual reviews on whether the assumptions made on useful lives continue to be valid. The Group tests annually whether the assets have suffered any impairment. The recoverable amount of an asset or a cash generating unit is determined based on value-in-use calculations which require the use of assumptions and estimates.

Impairment of trade receivables

The aging profile of trade receivables is reviewed on a regular basis to ensure that the trade debtor balances are collectible and follow up actions are promptly carried out if the agreed credit periods have been exceeded. However, from time to time, the Group may experience delays in collection. Where recoverability of trade debtor balances are called into doubts, specific provisions for trade receivable are made based on credit status of the customers, the aged analysis of the trade receivable balances and write-off history. Certain receivables may be initially identified as collectible, yet subsequently become uncollectible and result in a subsequent write-off of the related receivable to the income statement. Changes in the collectability of trade receivables for which provision are not made could affect the results of operations.

Development of customised software

Revenue from development of customised software is recognised in the consolidated income statement by reference to the stage of completion method which requires estimation made by management. The Group's management estimates the contract costs, outcome and expected cost to complete the contracts based on the budgets prepared for the contracts. Because of the nature of the activities, management reviews and revises the estimates of both contract outcome and expected costs to complete in the budget prepare for each contract as the contract progress. Any revisions to estimates of contract outcomes and expected costs completion would affect contract revenue recognition. Should expected costs to complete exceed contract revenue, a provision for contract loss would be recognised.



Notes to Financial Statements

For the year ended 30 November 2009

7. 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.

Segment information is presented by way of the Group's primary segment reporting basis, by business segment. For the years ended 30 November 2009 and 2008, the Group was primarily engaged in two business segments: (a) eFinance; and (b) eBusiness.

In determining the Group's geographical segments, revenues 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.

Inter-segment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Segment assets consist primarily of property, plant and equipment, work in progress, trade and other receivables, and cash and cash equivalents.

Segment liabilities comprise operating liabilities.

Unallocated assets and liabilities comprise items such as corporate borrowings.

Business segments

The Group's operating business 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 the other business segments.

	eFinance		eBusiness		Consolidated	
	2009 HK\$'000	2008 HK\$'000	2009 HK\$'000	2008 HK\$'000	2009 HK\$'000	2008 HK\$'000
Turnover	14,202	16,733	778	1,118	14,980	17,851
Segment results	3,749	5,284	(574)	(644)	3,175	4,640
Other revenue					7	7
Exchange (loss)/gain					(162)	878
Corporate and other unallocated expenses					(6,055)	(6,162)
Loss from operating activities					(3,035)	(637)
Finance costs					(1,629)	(1,577)
Loss before taxation					(4,664)	(2,214)
Taxation					-	-
Loss for the year					(4,664)	(2,214)



Notes to Financial Statements

For the year ended 30 November 2009

7. SEGMENT INFORMATION (CONTINUED)

Business segments (Continued)

	eFinance		eBusiness		Consolidated	
	2009 HK\$'000	2008 HK\$'000	2009 HK\$'000	2008 HK\$'000	2009 HK\$'000	2008 HK\$'000
Assets and liabilities						
Segment assets	2,761	4,045	434	415	3,195	4,460
Unallocated assets					4,375	3,850
Consolidated total assets					7,570	8,310
Segment liabilities	13,723	11,738	6,103	4,766	19,826	16,504
Unallocated liabilities					30,287	28,341
Consolidated total liabilities					50,113	44,845

	eFinance		eBusiness		Consolidated	
	2009 HK\$'000	2008 HK\$'000	2009 HK\$'000	2008 HK\$'000	2009 HK\$'000	2008 HK\$'000
Other segment information						
Depreciation	284	309	17	19	301	328
Capital expenditure	54	140	-	8	54	148
Impairment loss recognised in respect of trade receivables	100	-	-	29	100	29



Notes to Financial Statements

For the year ended 30 November 2009

7. SEGMENT INFORMATION (CONTINUED)

Geographical segments

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

	2009				
	Segment turnover HK\$'000	Segment results HK\$'000	Segment assets HK\$'000	Segment liabilities HK\$'000	Capital expenditure HK\$'000
Hong Kong and other Asian countries	14,980	(5,039)	7,351	46,434	54
Australia and New Zealand	-	375	219	3,679	-
	14,980	(4,664)	7,570	50,113	54
	17,851	(2,017)	8,128	41,894	148
	-	(197)	182	2,951	-
	17,851	(2,214)	8,310	44,845	148



Notes to Financial Statements

For the year ended 30 November 2009

8. 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. All significant intra-group transactions have been eliminated on consolidation.

An analysis of the Group's turnover and other revenue for the year is as follow:

	2009	2008
	HK\$'000	HK\$'000
Turnover:		
Sales of computer software licences, software rental and provision of related services	5,630	8,615
Provision of maintenance services	6,612	5,702
Contract revenue	2,513	2,620
Sales of computer hardware	225	914
	14,980	17,851
Other revenue:		
Interest income on bank deposits	7	7

9. LOSS FROM OPERATING ACTIVITIES

	2009	2008
	HK\$'000	HK\$'000
Loss from operating activities is stated after charging:		
Auditors' remuneration	205	205
Impairment loss recognised in respect of trade receivables	100	29
Depreciation on owned property, plant and equipment	301	328
Operating lease payments in respect of		
– land and buildings	1,691	1,236
– plant and equipment	29	29
Staff costs (excluding director' remuneration)		
– salaries and allowances	12,511	12,815
– retirement benefit costs	435	439
Cost of computer hardware sold	162	740



Notes to Financial Statements

For the year ended 30 November 2009

9. LOSS FROM OPERATING ACTIVITIES (CONTINUED)

and after crediting:

Other (expense)/income:

Exchange (loss)/gain

2009	2008
HK\$'000	HK\$'000
(162)	878
=====	=====

10. FINANCE COSTS

Interest on promissory notes

– wholly repayable within five years

Interest on amount due to the ultimate holding company

– wholly repayable within five years

2009	2008
HK\$'000	HK\$'000
1,436	1,327
193	250
=====	=====
1,629	1,577
=====	=====

11. TAXATION

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

No provision for the PRC income taxes has been made during the year as the subsidiaries operated in the PRC had no assessable profits for the year (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 year (2008: Nil).

The Group has tax losses arising in Hong Kong of approximately HK\$67,585,000 (2008: HK\$71,552,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised due to the unpredictability of the future profit streams.

The charge for the year can be reconciled to the loss per consolidated income statement as follows:

Notes to Financial Statements

For the year ended 30 November 2009

11. TAXATION (CONTINUED)

The Group – 2009

	Hong Kong		Australia		The PRC		Total	
	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%
Loss before taxation	(3,576)		376		(1,464)		(4,664)	
Tax at the applicable tax rate in the respective jurisdictions	(590)	(16.5%)	113	30.0%	(366)	(25.0%)	(843)	(18.1%)
Estimated tax effect of income and expenses not taxable or deductible for tax purposes	158	4.4%	(73)	(19.4%)	-	-	85	1.8%
Estimated tax effect of unrecognised temporary differences	32	0.9%	(17)	(4.5%)	10	0.7%	25	0.5%
Estimated tax effect of unrecognised tax losses	443	12.4%	-	-	356	24.3%	799	17.1%
Estimated tax effect of utilisation of unrecognised tax losses from prior periods	(43)	(1.2%)	(23)	(6.1%)	-	-	(66)	(1.3%)
Tax charge at the effective tax rate for the year	-	-	-	-	-	-	-	-

The Group – 2008

	Hong Kong		Australia		The PRC		Total	
	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%
Loss before taxation	(766)		(197)		(1,251)		(2,214)	
Tax at the applicable tax rate in the respective jurisdictions	(126)	(16.5%)	(59)	(30.0%)	(321)	(25.7%)	(506)	(22.8%)
Estimated tax effect of income and expenses not taxable or deductible for tax purposes	(20)	(2.6%)	45	22.9%	-	-	25	1.1%
Estimated tax effect of unrecognised temporary differences	20	2.6%	(6)	(3.1%)	9	0.8%	23	1.0%
Estimated tax effect of unrecognised tax losses	384	50.1%	20	10.2%	312	24.9%	716	32.3%
Estimated tax effect of utilisation of unrecognised tax losses from prior periods	(258)	(33.6%)	-	-	-	-	(258)	(11.6%)
Tax charge at the effective tax rate for the year	-	-	-	-	-	-	-	-

Notes to Financial Statements

For the year ended 30 November 2009

12. NET LOSS FOR THE YEAR

The net loss for the year dealt with in the financial statements of the Company amounted to approximately HK\$1,390,000 (2008: net loss of HK\$1,796,000).

13. LOSS PER SHARE

The calculation of the basic loss per share attributable to the ordinary equity holders of the Company is based on the following data:

	2009	2008
	HK\$'000	HK\$'000
<i>Loss</i>		
Loss for the purpose of basic loss per share (loss for the year attributable to the equity holders of the Company)	(4,664)	(2,214)
	<u><u> </u></u>	<u><u> </u></u>
<i>Number of shares</i>		
Weighted average number of shares for the purpose of basic loss per share	160,590,967	160,590,967
	<u><u> </u></u>	<u><u> </u></u>
Basic loss per share	HK(2.90) cents	HK(1.38) cents
	<u><u> </u></u>	<u><u> </u></u>

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

14. DIVIDENDS

The directors do not recommend the payment of any dividend in respect of the year ended 30 November 2009 (2008: Nil).



Notes to Financial Statements

For the year ended 30 November 2009

15. DIRECTORS' AND SENIOR MANAGEMENT EMOLUMENTS

(a) Directors' emoluments

The remunerations, pension and compensation arrangements paid/payable to the directors and past directors for their services on the Company were as follows:

Name of director	Director's Fee HK\$'000	Salaries and allowances HK\$'000	Contribution to pension scheme HK\$'000	Total HK\$'000
2009:				
Executive directors				
Mr. Terence Chi Yan Hui	-	-	-	-
Mr. Joseph Chi Ho Hui	-	-	-	-
Non-executive director				
Mr. Kau Mo Hui	-	-	-	-
Independent non-executive directors				
Mr. Kwong Sang Liu	20	-	-	20
Mr. Edwin Kim Ho Wong (Note 1)	20	-	-	20
Mr. William Keith Jacobsen (Note 3)	5	-	-	5
Mr. Ronald Kwok Fai Poon (Note 4)	15	-	-	15
	60	-	-	60

Name of director	Director's Fee HK\$'000	Salaries and allowances HK\$'000	Contribution to pension scheme HK\$'000	Total HK\$'000
2008:				
Executive directors				
Mr. Terence Chi Yan Hui	-	-	-	-
Mr. Joseph Chi Ho Hui	-	-	-	-
Non-executive director				
Mr. Kau Mo Hui	-	-	-	-
Independent non-executive directors				
Mr. Ronald Kwok Fai Poon	20	-	-	20
Mr. Kwong Sang Liu	20	-	-	20
Mr. Edwin Kim Ho Wong (Note 1)	10	-	-	10
Mr. Clifford Sau Man Ng (Note 2)	10	-	-	10
	60	-	-	60



Notes to Financial Statements

For the year ended 30 November 2009

15. DIRECTORS' AND SENIOR MANAGEMENT EMOLUMENTS (CONTINUED)

(a) Directors' emoluments (Continued)

Notes:

1. Mr. Edwin Kim Ho Wong was appointed on 29 August 2008.
2. Mr. Clifford Sau Man Ng was resigned on 29 August 2008.
3. Mr. William Keith Jacobsen was appointed on 10 July 2009.
4. Mr. Ronald Kwok Fai Poon was resigned on 10 July 2009.

No executive directors received individual emolument for the year ended 30 November 2009 (2008: No executive directors received individual emolument).

No directors of the Company waived any emoluments during the year (2008: Nil).

During the year, no emoluments were paid by the Group to the directors as an inducement to join, or upon joining the Group, or as compensation for loss of office (2008: Nil).

During the year, no options were granted to the executive directors under the share option scheme approved by the shareholders of the Company on 22 January 2001 (2008: Nil). Details of the share option scheme were set out in Note 16 to the financial statements.

(b) Five highest paid individuals

No director of the Company was included in the five highest paid individuals in the Group for the year (2008: Nil). The emoluments payable to the five (2008: five) individuals (the "Employees") during the year are as follows:

	2009	2008
	HK\$'000	HK\$'000
Basic salaries and allowances	2,797	2,961
Contribution to provident fund	60	60
	<hr/>	<hr/>
	2,857	3,021
	<hr/> <hr/>	<hr/> <hr/>

During the year, no emoluments were paid by the Group to any of the Employees as an inducement to join, or upon joining the Group (2008: Nil).



Notes to Financial Statements

For the year ended 30 November 2009

15. DIRECTORS' AND SENIOR MANAGEMENT EMOLUMENTS (CONTINUED)

(b) Five highest paid individuals (Continued)

The number of the Employees whose emoluments fell within the following bands is as follow:

	Number of employees	
	2009	2008
Nil to HK\$1,000,000	5	5

16. EMPLOYEE BENEFITS

Retirement Benefit 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. No forfeited contribution is available to reduce the contribution payable in the future years. Contributions to the scheme vest immediately. Contributions totalling HK\$33,000 (2008: HK\$35,000) were payable to the funds at year end and are included in other payables.

Equity compensation benefits

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 on 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.



Notes to Financial Statements

For the year ended 30 November 2009

16. EMPLOYEE BENEFITS (CONTINUED)

Equity compensation benefits (Continued)

Share Option (Continued)

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 30 November 2009 were as follows:

	Date of grant	Exercise price	Exercisable period	Options held as at 1 December 2008	Lapsed during the year	Options held as at 30 November 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 30 November 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 30 November 2009 were granted before 7 November 2002 and vested in ten years from the date of granted.



Notes to Financial Statements

For the year ended 30 November 2009

17. PROPERTY, PLANT AND EQUIPMENT

The Group

	Leasehold improvements	Furniture and fixtures	Office equipment	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Cost:				
At 1 December 2007	134	365	6,269	6,768
Additions	–	6	142	148
Exchange realignment	–	1	13	14
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 November 2008 and 1 December 2008	134	372	6,424	6,930
Additions	–	1	53	54
Exchange realignment	–	1	10	11
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 November 2009	134	374	6,487	6,995
	<hr/>	<hr/>	<hr/>	<hr/>
Accumulated depreciation:				
At 1 December 2007	112	338	5,516	5,966
Charge for the year	22	8	298	328
Exchange realignment	–	1	1	2
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 November 2008	134	347	5,815	6,296
Charge for the year	–	9	292	301
Exchange realignment	–	–	3	3
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 November 2009	134	356	6,110	6,600
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value:				
At 30 November 2009	–	18	377	395
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 30 November 2008	–	25	609	634
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>



Notes to Financial Statements

For the year ended 30 November 2009

18. INVESTMENTS IN SUBSIDIARIES

Unlisted shares, at costs
Less: Impairment loss recognised in respect of the investments costs

The Company	
2009	2008
HK\$'000	HK\$'000
61,686	61,686
(61,686)	(61,686)
<u> </u>	<u> </u>
-	-
<u> </u>	<u> </u>

Amounts due from subsidiaries (*Note a*)
Less: Impairment loss recognised in respect of amounts
due from subsidiaries (*Note b*)

The Company	
2009	2008
HK\$'000	HK\$'000
67,036	67,582
(67,036)	(67,582)
<u> </u>	<u> </u>
-	-
<u> </u>	<u> </u>

Notes:

- (a) The amounts due from subsidiaries are unsecured, interest-free and have no fixed terms of repayment.
- (b) The movements in provision for impairment loss in respect of amounts due from subsidiaries are as follows:

At 1 December 2008/2007
Impairment loss recognised
Reversal of impairment loss

At 30 November 2009/2008

The Company	
2009	2008
HK\$'000	HK\$'000
67,582	67,682
-	683
(546)	(783)
<u> </u>	<u> </u>
67,036	67,582
<u> </u>	<u> </u>

Note: The directors of the Company had reviewed the net asset values of the Company's subsidiaries for the year ended 30 November 2009 and considered no provision (2008: HK\$683,000) for impairment in values be made in respect of the amounts due from subsidiaries to their net recoverable values. The reversal of impairment loss was due to the repayment from the subsidiaries.



Notes to Financial Statements

For the year ended 30 November 2009

18. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Particulars of the subsidiaries as at 30 November 2009 are as follows:

Name of subsidiary	Place of incorporation/ operation	Particulars of issued share capital	Proportion of nominal value of issued shares held by the Company		Principal activities
			Directly	Indirectly	
abc Multiactive (Hong Kong) Limited	Hong Kong	300,000 ordinary shares of HK\$1.00 each	100%	–	Design and sales of computer software and provision of maintenance services
ABC Enterprise Limited	Hong Kong	1 ordinary share of HK\$1.00 each	100%	–	Dormant
Maximizer Asia Limited	Hong Kong	10,000 ordinary shares of HK\$1.00 each	100%	–	Sale of computer products and provision of maintenance services
Multiactive Software Pty. Limited ("abc Australia")	Australia	100,000 ordinary shares of A\$1.00 each	99.99%	0.01%	Dormant
Maximizer Software Pty. Limited	Australia	1 ordinary share of A\$1.00 each	–	100%	Dormant
abc Multiactive (Shenzhen) Limited (<i>Note a</i>)	The People's Republic of China	Registered capital HK\$100,000	–	100%	Design and sales of computer software and provision of maintenance services
Maximizer Asia (Shanghai) Limited (<i>Note a</i>)	The People's Republic of China	Registered capital RMB100,000	–	100%	Sales of computer products and provision of maintenance services

Note (a): abc Multiactive (Shenzhen) and Maximizer Asia (Shanghai) Limited were formed as a wholly-owned foreign enterprise in the People's Republic of China.

None of the subsidiaries issued debt securities during the year or at the year end.



Notes to Financial Statements

For the year ended 30 November 2009

19. CONSTRUCTION CONTRACTS

Amounts due from customers for contract work
Amounts due to customers for contract work

The Group	
2009	2008
HK\$'000	HK\$'000
663	1,124
(1,454)	(1,167)
(791)	(43)

Contract costs incurred plus recognised profits less
recognised losses to date
Less: Progress billings

The Group	
2009	2008
HK\$'000	HK\$'000
2,121	2,127
(2,912)	(2,170)
(791)	(43)

At 30 November 2009 and 2008, there were no retentions held by customers for contract works. Advances received from customers for contract work amounted to HK\$3,088,000 (2008: HK\$3,208,000).

20. TRADE AND OTHER RECEIVABLES

Trade receivables
Prepayment, deposits and
other receivables

The Group		The Company	
2009	2008	2009	2008
HK\$'000	HK\$'000	HK\$'000	HK\$'000
865	969	-	-
442	455	10	10
1,307	1,424	10	10

The analysis of trade receivables were as follow:

Trade receivables
Less: Impairment loss recognised in respect of
trade receivables

The Group	
2009	2008
HK\$'000	HK\$'000
2,490	2,494
(1,625)	(1,525)
865	969

At 30 November 2009/2008

The Group maintains a defined credit policy to assess the credit quality of each counterparty. The collection is closely monitored to minimise any credit risk associated with these trade debtors. The Group's trading terms with its customers are mainly based on product delivery and user acceptance. The Group allows an average credit period of 0 day to 30 days to its contract customers.



Notes to Financial Statements

For the year ended 30 November 2009

20. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

	The Group	
	2009	2008
	HK\$'000	HK\$'000
Current	378	215
31 – 60 days	18	14
61 – 90 days	47	10
Over 90 days	422	730
	<hr/> 865 <hr/>	<hr/> 969 <hr/>

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

	The Group	
	2009	2008
	HK\$'000	HK\$'000
31 – 60 days	18	14
61 – 90 days	47	10
Over 90 days	422	730
	<hr/> 487 <hr/>	<hr/> 754 <hr/>

For the past due but not impaired trade receivables, although no collateral is held, the Group has assessed the credit worthiness, past payment history and substantial settlement after the balance sheet date, and considers that the amounts are still recoverable and no further credit provision is required in excess of allowance for doubtful debts. The Group seeks to maintain strict control over its outstanding trade receivables. Overdue balances are reviewed regularly by the management.

The movements in provision for impairment loss on trade receivables are as follows:

	The Group	
	2009	2008
	HK\$'000	HK\$'000
At 1 December 2008/2007	1,525	1,496
Impairment loss recognised in respect of trade receivables	100	29
	<hr/> 1,625 <hr/>	<hr/> 1,525 <hr/>

Included in provision for impairment loss recognised in respect of trade receivables are individually impaired trade receivables with balance of approximately HK\$100,000 (2008: HK\$29,000). The individually impaired receivables related to customers that were in financial difficulties and the directors assessed that the amounts are not expected to be recovered.



Notes to Financial Statements

For the year ended 30 November 2009

20. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

	The Group	
	2009	2008
	HK\$'000	HK\$'000
Prepayment, deposits and other receivables	852	865
Less: Impairment loss recognised in respect of prepayment, deposits and other receivables	(410)	(410)
	<hr/>	<hr/>
At 30 November 2009/2008	442	455
	<hr/> <hr/>	<hr/> <hr/>

The directors of the Group had assessed the recoverability of prepayment, deposits and other receivables for the year ended 30 November 2009 and considered no provision for impairment in respect of prepayment, deposits and other receivables is required. The directors of the Company consider that the fair value of the Group's prepayment, deposits and other receivables at the balance sheet date were approximate their carrying amount.

21. SHARE CAPITAL

	2009		2008	
	Number of shares	Amount HK\$'000	Number of shares	Amount HK\$'000
Authorised:				
Ordinary shares of HK\$0.1 each	10,000,000,000	1,000,000	10,000,000,000	1,000,000
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Issued and fully paid:				
Ordinary shares of HK\$0.1 each	160,590,967	16,059	160,590,967	16,059
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Note:

The Company operates a share option scheme, further details of which are set out under the heading "Equity compensation benefits" in Note 16 to the financial statements.



Notes to Financial Statements

For the year ended 30 November 2009

22. RESERVES

(a) The Group

The amounts of the Group's reserves and the movement therein for the current and prior years are presented in the consolidated statement of changes in equity on page 33 of the financial statements.

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. Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus shall not be distributed to the shareholders if there are reasonable grounds for believing that:

- (i) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or
- (ii) the realisable value of the Company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.

(b) The Company

	Share premium	Contributed surplus	Accumulated losses	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 December 2007	106,118	37,600	(182,666)	(38,948)
Loss for the year	–	–	(1,796)	(1,796)
At 30 November 2008 and 1 December 2008	106,118	37,600	(184,462)	(40,744)
Loss for the year	–	–	(1,390)	(1,390)
At 30 November 2009	106,118	37,600	(185,852)	(42,134)



Notes to Financial Statements

For the year ended 30 November 2009

23. PROMISSORY NOTES AND INTEREST PAYABLE TO THE RELATED COMPANIES

The Group and the Company

As at 30 November 2009, the promissory notes of HK\$26,383,000 (2008: HK\$25,885,000) payable to the related companies are interest bearing at Hong Kong prime rate (2008: Hong Kong prime rate).

On 26 November 2008, the Company had issued a promissory note in the amount of CAD485,000 payable to Active Investments Capital Limited, a related company 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. On 27 November 2009, Active Investments Capital Limited had agreed to extend the maturity date of the promissory note in the amount of CAD485,000 together with the accrued interest of approximately CAD25,000 to 25 November 2011.

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 were cancelled and a new promissory note was issued by the Company in favour of Active Investments Capital Limited in the principal loan amount of HK\$18,205,000 under the original terms and conditions, which was unsecured, interest bearing at the Hong Kong prime rate (2008: Hong Kong prime rate) and will not repayable on or before 31 May 2010. Active Investments Capital Limited have also agreed that it will not demand repayment of the two promissory notes and interests related to the promissory notes in the total amount of approximately HK\$22,858,000 within the next twelve months of the balance sheet date. On 27 November 2009, Active Investments Capital Limited had agreed to extend the maturity date of the promissory note in the amount of HK\$18,205,000 together with the accrued interest of approximately HK\$942,000 to 31 May 2011.

Furthermore, a party connected to a non-executive director of the Company, Wickham Group Limited, has also agreed that it will not demand repayment of the promissory note and the interest related to the promissory notes in the amount of approximately HK\$6,984,000 within the next twelve months of the balance sheet date. On 27 November 2009, Wickham Group Limited had agreed to extend the maturity date of the promissory note in the amount of HK\$4,634,000 together with the accrued interest of approximately HK\$2,350,000 to 21 May 2011.

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

	The Group and the Company	
	2009	2008
	HK\$'000	HK\$'000
Promissory notes and interest payable to the related companies	29,842	27,908

24. AMOUNT DUE TO THE ULTIMATE HOLDING COMPANY

The Group

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 approximately HK\$4,410,000 (2008: HK\$3,829,000) 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 of the balance sheet date.



Notes to Financial Statements

For the year ended 30 November 2009

25. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2009 HK\$'000	2008 HK\$'000	2009 HK\$'000	2008 HK\$'000
Trade payables	-	12	-	-
Accruals	1,978	1,779	312	291
Receipt in advance	3,101	3,222	-	-
Other payables	994	972	103	122
	6,073	5,985	415	413

As at 30 November 2009, the aged analysis of the trade payables was as follows:

	The Group	
	2009 HK\$'000	2008 HK\$'000
0 – 30 days	-	12

26. OPERATING LEASES COMMITMENTS

The Group

As lessee

The Group leases certain of its office and office equipment under operating leases arrangements which are negotiated and fixed for a term of two years.

As at 30 November 2009, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	2009 HK\$'000	2008 HK\$'000
Within one year	1,131	1,687
In the second to fifth year inclusive	71	1,227
	1,202	2,914

The Company

The Company has no material operating lease commitment as at 30 November 2009 (2008: Nil).



Notes to Financial Statements

For the year ended 30 November 2009

27. MATERIAL RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in these financial statements, during the years ended 30 November 2009 and 2008, the Group had entered into the following material related party transactions which, in the opinion of the directors, were carried out on normal commercial terms and in the normal course of the Group's business:

(a) Key management personnel remuneration

Remuneration for key management personnel, including amounts paid to the Group's directors as disclosed in Note 15 is as follow:

	2009 HK\$'000	2008 HK\$'000
Directors' emoluments	60	60

(b)

	2009 HK\$'000	2008 HK\$'000
Software merchandises purchased from MSI for resale (Note (i))	103	204
Interest payable to a shareholder on promissory notes payables (Note 23)	-	961
Interest payable to the related companies on promissory notes payables (Note 23)	1,436	366
Interest payable to MSI (Note 24)	193	250
Consultancy fee payable to a related party	48	48
Consultancy fee payable to Jinjiang Wing Hong (Note (ii))	41	39
Management fee income received from Beijing Railsmedia (Note (iii))	17	-

Notes:

- (i) 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.



Notes to Financial Statements

For the year ended 30 November 2009

27. MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(b) (Continued)

Notes: (Continued)

(i) (Continued)

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 as at 30 November 2009.

(ii) Monthly consultancy 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, which is the ultimate holding company of Jinjiang Wing Hong.

(iii) Monthly management fee income received from Beijing Railsmedia Advertisement Company Limited ("Beijing Railsmedia"). Mr. Hui Kau Mo and Mr. Liu Kwong Sang are the executive director and the independent non-executive director of China Railsmedia Corporation Limited, which is the ultimate holding company of Beijing Railsmedia.

28. CONTINGENT LIABILITIES

The Group and the Company had no material contingent liabilities as at 30 November 2009 (2008: Nil).

29. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to confirm with the current year's presentation.

30. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 9 February 2010.



Financial Summary

Five Year Financial Summary

The following table summarised the audited results, assets and liabilities of the Group for the five years ended 30 November 2009, 2008, 2007, 2006 and 2005.

Results

	Year ended 30 November				2009 HK\$'000 (Audited)
	2005 HK\$'000 (Audited)	2006 HK\$'000 (Audited)	2007 HK\$'000 (Audited)	2008 HK\$'000 (Audited)	
Turnover	22,094	16,210	18,194	17,851	14,980
Net loss for the year	(3,820)	(1,211)	(5,395)	(2,214)	(4,664)

Assets and Liabilities

	As at 30 November				2009 HK\$'000 (Audited)
	2005 HK\$'000 (Audited)	2006 HK\$'000 (Audited)	2007 HK\$'000 (Audited)	2008 HK\$'000 (Audited)	
Total assets	8,063	6,297	5,821	8,310	7,570
Total liabilities	(34,269)	(36,042)	(41,157)	(44,845)	(50,113)
Shareholders' deficits	(26,206)	(29,745)	(35,336)	(36,535)	(42,543)

Note:

- The results of the Group for the years ended 30 November 2009 and 2008 are those set out on pages 29 to 32 of this annual report.