Annual Report 2011

abc Multiactive Limited

(Incorporated in Bermuda with limited liability)

Stock code:8131

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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Corporate Information

DIRECTORS

Executive Directors

Mr. Kau Mo HUI (re-designated on 14 July 2011)
Ms. Clara Hiu Ling LAM (appointed on 14 July 2011)

Non-executive Directors

Mr. Terence Chi Yan HUI
(re-designated on 14 July 2011)
Mr. Joseph Chi Ho HUI
(re-designated on 14 July 2011)

Independent Non-executive Directors

Mr. Kwong Sang LIU
Mr. Edwin Kim Ho WONG
Mr. William Keith JACOBSEN

QUALIFIED ACCOUNTANT

Mr. Siu Leong CHEUNG

COMPANY SECRETARY

Mr. Siu Leong CHEUNG

COMPLIANCE OFFICER

Mr. Kau Mo HUI (appointed on 14 July 2011)

AUTHORISED REPRESENTATIVES

Mr. Kau Mo HUI (appointed on 14 July 2011)
Mr. Siu Leong CHEUNG

AUDIT COMMITTEE

Mr. Kwong Sang LIU
Mr. Edwin Kim Ho WONG
Mr. William Keith JACOBSEN

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

Our Group has always committed to providing innovative financial brokerage and CRM solutions to support our customer's operational needs. With a proven track record and strong reputation, the Group has maintained a leading position in the Hong Kong market and continued to deliver our competitive products and high qualities professional services to customers.

During 2011, our team has instituted changes that have improved the Company's cost structure and positioned it to better compete in the years to come. Our ability to leverage our extensive industry experience and develop our intellectual assets to expand our solution offerings to our clients will continue to be our key to success.

On behalf of the Board, I would like to close by thanking our shareholders for their continued confidence and support, our board of directors, management team and every member of the dedicated staff for their hard work and significant contribution in the past years.

Kau Mo Hui
Chairman

Hong Kong, 3 February 2012

Management Discussion and Analysis

Financial Review

The Group recorded a turnover of approximately HK$16,808,000 for the year ended 30 November 2011, a 2% decrease from approximately HK$17,141,000 for the same period of the previous year. Of the total turnover amount, HK$6,860,000 or 41% was generated from software license sales, HK$2,265,000 or 13% was generated from contract revenue, HK$7,401,000 or 44% was generated from maintenance services, and HK$282,000 or 2% was generated from sales of hardware. At 30 November 2011, 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 2011 was HK$5,436,000, whereas the Group recorded a net loss of approximately HK$4,510,000 for the same period of the previous year.

The operating expenditures amounted to HK$15,892,000 for the year ended 30 November 2011, a 7% increase from HK$14,819,000 for the corresponding period of the previous year. The increases were mainly attributed to increase in headcounts and overall increment in payroll during the year.

As a result of the most of the property, plant and equipment in the Group was fully depreciated, depreciation expenses decreased from approximately HK$270,000 for the year ended 30 November 2010 to approximately HK$210,000 in the current fiscal year.

The Group did not have any amortisation expenses for the year ended 30 November 2011 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$7,985,000 in developing new modules for its OCTO Straight Through Processing ("STP") system.

During the year of 30 November 2011, an additional provision for impairment of approximately HK$3,000 was provided for 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$14,286,000 for the year ended 30 November 2011, a 9% increase from approximately HK$13,079,000 for the same period of the previous year. The increases were mainly attributed to increase in headcounts and overall salary increment during the year.

Management Discussion and Analysis

Operation Review

For the year ended 30 November 2011, Financial Solutions turnover is HK$15,587,000 , a decrease of 5% when compared to HK$16,414,000 for the same period of the previous year. The decrease was primarily due to a slowdown in the new contracts signed in 2011. During the year, the Group benefited from the new RMB Equity Trading Function Enhancement and new AMS3.8 system were launched in the stock trading market by the Stock Exchange of Hong Kong Limited, the Group was able to conclude more new sales contracts with the related brokerage firms to implement these new enhancement in 2011. To assist our customers to implement these enhancement and upgrade in the Hong Kong stock market, we have concentrated our resources in providing corresponding program changes and professional services to our customers in the second half year of 2011. As a result, the Group completed development and successfully implemented the new RMB Equity Trading Solution with the customers in the second quarter of 2011 and successfully assisted our customers to fulfill the Stock Exchange's market rehearsal for AMS3.8 system upgrade in the fourth quarter of 2011.

The Group continued to enhance the features of is brokerage trading solutions and focused on new modules development to assist our customers facing technological challenge in financial industry.

For the year ended 30 November 2011, CRM Solutions turnover is HK$1,221,000, an increase of 68% when compared to HK$727,000 for the same period of previous year. Reviewing 2011, the Group had signed 2 major sales contracts, one with well known Hong Kong airway company to upgrade its Maximizer licenses in their global outports and other with a European bank in its global branches to implement our Maximizer Enterprise version 11 CRM Solution in the second and fourth quarter respectively.

Furthermore, the newly version of Maximizer Enterprise 12 were launched in the market in the fourth quarter of 2011. It is benefit to strengthen our competitive ability. The Group continues its focus on marketing activities in the region to promote the Maximizer branding in Greater China and Asian markets.

Capital structure

As at 30 November 2011, 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.

Management Discussion and Analysis

At 30 November 2011, the Group's borrowings were repayable as follows:

	The Group Bank borrowings and overdrafts		The Group Other loans	
	2011	2010	**2011**	2010
	HK$'000	HK$'000	**HK$'000**	HK$'000
Within 1 year			**314**	–
Between 1 and 2 years	**–**	–	**47,229**	43,923
Between 2 and 5 years	**–**	–	**–**	–
Wholly repayable within 5 years	**–**	–	**47,543**	43,923
Over 5 years	**–**	–	**–**	–
	–	–	**47,543**	43,923

At 30 November 2011, the Group had outstanding of approximately CAD42,000 (approximately HK$314,000) due to Maximizer Software Inc ("MSI")., a related company of the Company. The amount due to MSI was mainly payables for purchases of software merchandise, royalty fee and expenses paid on behalf of the Group, which was unsecured and interest bearing at the annual Canadian prime rate as quoted by the Hong Kong and Shanghai Banking Corporation Limited plus 2% compounded monthly.

Approximately CAD746,000 (approximately HK$5,635,000) representing a loan from The City Place Trust, a shareholder of the 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. The City Place Trust had confirmed that they will not demand repayment within the next twelve months after 30 November 2011.

Approximately CAD528,000 (approximately HK$3,986,000) representing a loan from Maximizer (Barbados) Management Inc., a related party of the 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 (Barbados) Management Inc. had confirmed that they will not demand repayment within the next twelve months after 30 November 2011.

HK$4,634,000 representing a loan from Wickham Group Limited, a party connected to an Executive Director of the Company, which was unsecured, interest bearing at the Hong Kong prime rate and maturing on 31 May 2013.

Management Discussion and Analysis

At 30 November 2011, loans of amount CAD485,000, HK$18,205,000 and HK$3,000,000 are loans from Active Investments Capital Limited, a related company wholly owned by the Chief Executive Officer of the Company, which were unsecured, interest bearing at the Hong Kong prime rate and maturing on 31 May 2013. At 29 November 2011, HK$2,000,000 and CAD300,000 representing the two new loans were advanced from Active Investments Capital Limited, a related company wholly owned by the Chief Executive Officer of the Company, which were unsecured, interest bearing at the Hong Kong prime rate and maturing on 31 May 2013.

The Group expresses its gearing ratio as a percentage of borrowings and long term debts over total assets. As at 30 November 2011, the Group's gearing ratio was 6.87.

Pledge of Assets

The Group did not have any mortgage or charge over its assets at 30 November 2011.

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 and China subsidiaries which is denominated in Hong Kong dollars, it is the Group's policy for each operating entity to borrow in local currencies where necessary in order to minimise currency risk.

As at 30 November 2011, the Group did not have any foreign currency investments which have been hedged by currency borrowings and other hedging instruments.

Treasury policy

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

Contingent Liabilities

The Group and the Company had no material contingent liabilities as at 30 November 2011.

Significant Investments

The Group has not held any significant investment for the year ended 30 November 2011.

Major Events

As at 30 November 2011, 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 2011, the Group had employed 34 staffs in Hong Kong and 21 staffs in PRC China. Total staff costs for the year under review amounted to approximately HK$14,286,000.

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$550,000 (2010: HK$412,000). No forfeited contribution for the Group is available to reduce the contribution payable in the future years. Contributions to the scheme vest immediately.

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

Prospects

To maintain our competitiveness in the market, the Group will more focus on our core business and technology development to improve product functionality and expand service dimensions to our customers. We continue to channel our resources to business development in the high growth solutions area under operational efficiency; and resilience will continue to be top priorities for the Group for 2012.

We aimed at reaching out to a more diversified customer base via seeking new opportunities in Asian market. To achieve this goal, we will engage more actively in marketing and promotional activities, and seek collaboration partners to provide more innovative business solutions. The directors believed that the Group has a well diversified product range that is fitted to the market needs and it is well equipped to face challenges from the market.

Biographical Details of Directors and Senior Management

Executive Directors

Mr. Kau Mo HUI, aged 78, is the Executive Director, Chairman, Compliance Officer and Authorised Representative of the Company. Mr. Hui joined the Group in March 2000. Mr. Hui was re-designated from the Non-executive Director to the Executive Director and appointed as a Chairman, Compliance Officer and Authorised Representative on 14 July 2011. Mr. Hui is the Executive Director of China Railsmedia Corporation Limited which is a company listed on the main board of Stock Exchange. He is also a Director of Wickham Group Limited, a related party of the Company. Mr. Hui is the father of Mr. Terence Chi Yan Hui and Mr. Joseph Chi Ho Hui, both are the Non-executive Directors of the Company and Mr. Samson Chi Yang Hui, the Chief Executive Officer of the Company. Mr. Hui is also the father-in-law of Ms. Clara Hiu Ling Lam, an Executive Director of the Company.

Ms. Clara Hiu Ling LAM, aged 39, was appointed as Executive Director of the Company on 14 July 2011. Ms. Lam was graduated with a Bachelor's Degree in Economics from the Faculty of Arts of Simon Fraser University, British Columbia in 1994. She is the Legal Representative of two subsidiaries of the Company in China. Ms. Lam is currently the Director of Anaiss Enterprise Limited, a private company owned by Ms. Lam involved in the wedding garment wholesale and retail industry. Ms. Lam has solid management experience gained from a well known Hong Kong financial systems services provider and related businesses for more than 10 years.

Ms. Lam is the spouse of Mr. Samson Chi Yang Hui, the Chief Executive Officer of the Company and the sister-in-law of Mr. Terence Chi Yan Hui and Mr. Joseph Chi Ho Hui, the Non-executive Directors of the Company. She is also the daughter-in-law of Mr. Kau Mo Hui, the Chairman and Executive Director of the Company. Ms. Lam did not hold any directorship in any other public companies of which are listed on any securities market in Hong Kong or overseas in the past three years.

Non-executive Directors

Mr. Terence Chi Yan HUI, aged 48, joined the Group in March 2000. Mr. Hui was re-designated from the Executive Director to the Non-executive Director of the Company on 14 July 2011. On the same date, Mr. Hui also resigned as a Chairman, Compliance Officer and Authorised Representative 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 is also the Chairman of Vancouver-based, Maximizer Software Inc. ("MSI"), a related company 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. Hui is the son of Mr. Kau Mo Hui, the Executive Director and the Chairman of the Company and is also the brothers of Mr. Joseph Chi Ho Hui and Mr. Samson Chi Yang Hui.

Biographical Details of Directors and Senior Management

Mr. Joseph Chi Ho HUI, aged 41, joined the Group in November 2000. Mr. Hui was re-designated from the Executive Director to the Non-executive Director of the Company on 14 July 2011. 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 son of Mr. Kau Mo Hui, the Executive Director and the Chairman of the Company and is also the brothers of Mr. Terence Chi Yan Hui and Mr. Samson Chi Yang Hui.

Independent Non-executive Directors

Mr. Kwong Sang LIU, aged 50, has been practising as a certified public accountant in Hong Kong with more than 21 years of experience. Mr. Liu graduated with honours from the Hong Kong Polytechnic University with a bachelor degree in Accountancy and obtained the Master in Business Administration degree from the University of Linclon, the 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, the United Kingdom and a fellow member of the National Institute of Accountants, Australia. Mr. Liu is also a fellow member of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Taxation Institute of Hong Kong, a Certified Tax Adviser, and, a fellow member of the Society of Registered Financial Planners.

Mr. Liu acts as an Independent Non-executive Director of China Railsmedia Corporation Limited, of Polytec Asset Holdings Limited and of Dragonite International Limited, whose securities are listed on the main board of the Stock Exchange. Mr. Liu was also an Independent Non-executive Director of Tack Fat Group International Limited, whose securities are listed on the main board of The Stock Exchange of Hong Kong Limited. Mr. Liu became an Independent Non-executive Director of the Company in September 2004.

Mr. Edwin Kim Ho WONG, aged 38, graduated in Major of Economics from York University, Toronto. Mr. Wong is currently the founder and the Managing Director of a regional apparel trading and distributing company. Mr. Wong has solid management experience gained from one well known Hong Kong textile company specialized in OEM export textile industry and related business more than 12 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 45, was appointed as an Independent Non-executive Director, Audit Committee Member and Remuneration Committee Member of the Company on 10th July 2009. He graduated with a Bachelor of Laws from the University of Hong Kong and holds a Master degree of Business Administration from the University of British Columbia in Canada. Mr. JACOBSEN is currently a Managing Director, corporate finance of VMS Securities Limited. Mr. JACOBSEN has more than 18 years experience in corporate finance and business development for various firms and listed companies in Hong Kong. Mr. Jacobsen does not hold any other positions with the Company or its subsidiaries, but he is currently a Director of Gustavo International Limited and Maini Investments Limited, both are independent private companies. He is also an Independent Non-executive Director of Hycomm Wireless Limited, a company listed on the Stock Exchange of Hong Kong Limited (the "stock exchange") with the stock code 499. He is also an Executive Director of Wo Kee Hong (Holdings) Limited, a company listed on the Stock Exchange with the stock code 720. He was also an Independent Non-executive Director of King Stone Energy Group Limited, a company listed on the Stock Exchange with stock code 663 for the period from 26th September 2008 to 30th September 2011.

Senior Management

Mr. Samson Chi Yang HUI, aged 40, is the Chief Executive Officer of the Company. 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 16 years experience in managing real estate, trading, investment and IT businesses. Mr. Hui is the son of Mr. Kau Mo Hui, the Executive Director and the Chairman of the Company and is also the spouse of Ms. Clara Hiu Ling Lam, the Executive Director of the Company and is also the brothers of Mr. Terence Chi Yan Hui and Mr. Joseph Chi Ho Hui.

Mr. Siu Leong CHEUNG, aged 39, 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 15 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 2011.

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 2011 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 2011 (2010: 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 consolidated 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 22 and Note 16 to the consolidated financial statements.

Distributable reserves

As at 30 November 2011, 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 23 to the consolidated 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 (2010: Nil).

Directors

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

Executive Directors

Mr. Kau Mo Hui *(Chairman)*	(re-designated on 14 July 2011)
Ms. Clara Hiu Ling Lam	(appointed on 14 July 2011)

Non-executive Directors

Mr. Terence Chi Yan Hui	(re-designated on 14 July 2011)
Mr. Joseph Chi Ho Hui	(re-designated on 14 July 2011)

Independent Non-executive Directors

Mr. Kwong Sang Liu
Mr. Edwin Kim Ho Wong
Mr. William Keith Jacobsen

In accordance with Bye-laws 87 of the Company's bye-laws, Messr. Kau Mo Hui and Messr. William Keith Jacobsen will retire by rotation at the forthcoming AGM and, being eligible, offer themselves for re-elections.

In accordance with Bye-laws 86(2) of the Company's bye-laws, Ms. Clara Hiu Ling Lam would hold office only until the forthcoming AGM and, being eligible, offer herself for re-election.

Mr. Kwong Sang Liu, Mr. Edwin Kim Ho Wong and Mr. William Keith Jacobsen are Independent Non-executive Directors and were appointed for a three years term expiring on 30 June 2012; 28 August 2014 and 9 July 2012 respectively.

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 28 to the consolidated 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.

Report of the Directors

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.

Biographical details of directors and senior management

Details of biological details of directors and senior management are set out on pages 9 to 11 of this annual report.

Related party transactions

Details of the related party transactions of the Group are set out in Note 28 to consolidated financial statements.

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

At 30 November 2011, the interests and short positions of the directors and chief executives in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") as recorded in the register required to be kept under Section 352 of SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Rule 5.46 to 5.68 of the GEM Listing Rules were as follows:

Long positions in shares

a) The Company:

	Number of ordinary shares				
Name of director	**Personal interests**	**Family interests**	**Other interests**	**Total**	**Percentage of issued share capital**
Mr. Kau Mo Hui	–	99,201,110	–	99,201,110	61.78%

Note:

8,666,710 shares are held by Pacific East Limited ("PEL") and 90,534,400 shares held by Maximizer International Limited ("MIL"). Both PEL and MIL are wholly owned by The City Place Trust. Royal Bank of Canada Financial Corporation is the trustee of The City Place Trust. The City Place Trust is a discretionary trust and its beneficiaries include direct family members of Mr. Kau Mo Hui. The interests held by The City Place Trust are deemed to be part of the interest of Mr. Kau Mo Hui.

b) Associated Corporation:

Name of director	Number of common shares in Maximizer Software Inc. Personal interests	Family interests	Corporate interests	Total	Percentage of issued share capital
Mr. Kau Mo Hui	–	36,475,319	26,191,804	62,667,123	100%

Note:

Maximizer Software Inc. is held as to 58.2% by The City Place Trust and 41.8% indirectly held by Mr. Kau Mo Hui.

Long positions in underlying shares

a) The Company:

Options in the Company
(Unlisted and physically settled equity derivatives)

Name	Date of grant	Exercise price	Exercisable period	Number of options: Outstanding as at 1 December 2010	Lapsed during the year	Outstanding as at 30 November 2011
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:

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

Long positions in debentures

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

Short positions in shares

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

Short positions in underlying shares

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

Short positions in debentures

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

Save as disclosed above, as at 30 November 2011, none of the directors nor the chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register kept by the Company under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 of the GEM Listing Rules.

Interests discloseable under the SFO and substantial shareholder

At 30 November 2011, the following persons (other than the directors and chief executive of the Company) had interests and short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

Long positions in shares

Name	Capacity	Nature of interest	Number of ordinary shares	Percentage of issued share capital
Maximizer International Limited	Beneficial owner	Corporate	90,534,400	56.38%
Pacific East Limited	Beneficial owner	Corporate	8,666,710	5.40%
Royal Bank of Canada Financial Corporation *(note)*	Trustee	Corporate	99,201,110	61.78%

Note:

Royal Bank of Canada Financial Corporation is the trustee of The City Place Trust which owns Maximizer International Limited, which holds 56.38% interest in the Company and wholly owns Pacific East Limited, which holds 5.4% interest in the Company. The City Place Trust is a discretionary trust and its beneficiaries include direct family members of Mr. Kau Mo Hui.

Long positions in underlying shares

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

Short positions in shares

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

Short positions in underlying shares

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

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

Report of the Directors

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	30%

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

Purchases	
– the largest supplier	40%
– five largest suppliers combined	100%

Except for software merchandises purchased from Maximizer Software Inc, a related company of the Company, for resale as disclosed in Note 28 to the consolidated 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 2011.

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 capitalized

The Group has not capitalized 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 Rules 5.09 of the GEM Listing Rules and all Independent Non-executive Directors are considered to be independent.

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, a Non-executive Director of the Company, is also the chairman of MSI, a related company of the Company. MSI is held as to 58.2% by the City Place Trust, which is a discretionary trust and its beneficiaries include the direct family members of Mr. Kau Mo Hui, the Executive Director and the Chairman of the Company, whereas the remaining 41.8% is indirectly held by Mr. Kau Mo Hui. MSI is engaged in the business of the design and development of CRM Solutions, 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 MSI may complete 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
Kau Mo Hui
Executive Director

Hong Kong, 3 February 2012

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 2011.

THE BOARD

During the year ended 30 November 2011, the Board comprised two Executive Directors, two Non-executive Directors 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 2011, the Board held six meetings. Details of the attendance of individual Directors are as follows:

		Attendance
(a)	**Executive Directors**	
	Mr. Kau Mo HUI	6/6
	Ms. Clara Hiu Ling LAM	4/6
(b)	**Non-executive Directors**	2/6
	Mr. Terence Chi Yan HUI	2/6
	Mr. Joseph Chi Ho HUI	
(c)	**Independent Non-executive Directors**	
	Mr. Kwong Sang LIU	6/6
	Mr. Edwin Kim Ho WONG	4/6
	Mr. William Keith JACOBSEN	5/6

Ms. Clara Hiu Ling Lam, the Executive Director of the Group, is the spouse of Mr. Samson Chi Yang Hui, the Chief Executive Officer of the Group and the sister-in-law of Mr. Terence Chi Yan Hui and Mr. Joseph Chi Ho Hui, the Non-executive Directors of the Group. She is also the daughter-in-law of Mr. Kau Mo Hui, the Chairman and Executive Director of the Group; Mr. Terence Chi Yan Hui, the Non-executive Director of the Group, Mr. Joseph Chi Ho Hui, the Non-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 Chairman and the Executive Director of the Group. Save as disclosed above, there is no family or other material relationship among members of the Board.

Biographies, including relationships among members of the Board are shown on pages 9 to 11 under the section on "Biography of Directors and Senior Management".

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.

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.

BOARD PROCESS

Proposed regular board meeting dates for a year are informed to each director at the beginning at 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.

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

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.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The posts of Chairman and Chief Executive Officer ("CEO") are held separately by Mr. Kau Mo 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.

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 bibliographical 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.

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 2011.

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. 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 2011, 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. Kwong Sang LIU	1/1
Mr. Edwin Kim Ho WONG	1/1
Mr. William Keith JACOBSEN	1/1

AUDIT COMMITTEE

Pursuant to the GEM Listing Rules, an audit committee was established on 22 January 2001, comprising three Independent Non-executive Directors, namely Messrs. Kwong Sang Liu, Edwin Kim Ho Wong and William Keith Jacobsen. On 28 September 2004, Mr. Kwong Sang Liu was appointed as Independent Non-executive Director and member of audit committee of the Company. On 29 August 2008, Mr. Edwin Kim Ho Wong was appointed as Independent Non-executive Director and member of audit committee of the Company. Mr. William Keith Jacobsen was appointed as Independent Non-executive Director and member of audit committee of the Company on 10 July 2009. Mr. William Keith Jacobsen is the chairman of the audit committee for the year.

The written terms of reference which describe the authorities and duties of the audit committee were prepared and adopted with reference to "A Guide for the Formation of an Audit Committee" published by the Hong Kong Institute of Certified Public Accountants. The 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.

Corporate Governance Report

During the financial year ended 30 November 2011, the audit committee held four meetings for the purpose of reviewing the Company's reports and accounts, and providing advice and recommendations to the Board of Directors. The minutes of the audit committee meeting are kept by the Company Secretary.

The Group's results for the year ended 30 November 2011 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. Kwong Sang LIU	4/4
Mr. Edwin Kim Ho WONG	3/4
Mr. William Keith JACOBSEN	4/4

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 Page 27 to 28 of this Annual Report.

The independent auditors' report of the Group's consolidated financial statements for the year ended 30 November 2011 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$5,436,000 during the year ended 30 November 2011 and, as of that date, the Group's total liabilities exceeded its total assets by approximately HK$52,884,000. 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 and Chief Financial Officer. 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 2011, the review based on a framework which assesses the Group's internal control system into intangibles and intellectual property rights 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 report to the Board of Director and areas of improvement, if any, have been identified and appropriate measures have been put in place to manage the risks.

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 service was provided by external auditors of the Group for the year ended 30 November 2011.

Corporate Governance Report

DELEGATION BY THE BOARD

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 2011, 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 2011 to answer questions, if any, at the meeting.

HLB 國衛會計師事務所
Hodgson Impey Cheng

Chartered Accountants
Certified Public Accountants

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

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 91, which comprise the consolidated and company statements of financial position as at 30 November 2011, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

The directors of the Company are responsible for the preparation of these consolidated financial statements that give a true and fair view 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, and for such internal control as the directors determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion 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 about 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 of the consolidated financial statements that give a true and fair view 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 Group and the Company as at 30 November 2011, 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$5,436,000 during the year ended 30 November 2011 and, as of that date, the Group's total liabilities exceeded its total assets by approximately HK$52,884,000. 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, 3 February 2012

Consolidated Statement of Comprehensive Income

For the year ended 30 November 2011

	Notes	2011 HK$'000	2010 HK$'000
Turnover	8	**16,808**	17,141
Cost of sales		**(4,535)**	(4,782)
Gross profit		**12,273**	12,359
Other revenue	8	**85**	1
Other expense		**–**	(309)
Software research and development expenses		**(7,985)**	(6,826)
Selling and marketing expenses		**(1,307)**	(1,254)
Administrative expenses		**(6,600)**	(6,739)
Loss from operating activities	9	**(3,534)**	(2,768)
Finance costs	10	**(1,902)**	(1,742)
Loss before taxation		**(5,436)**	(4,510)
Taxation	11	**–**	–
Loss for the year		**(5,436)**	(4,510)
Other comprehensive loss, net of tax			
Exchange differences on translating foreign operations		**(154)**	(241)
Other comprehensive loss for the year, net of tax		**(154)**	(241)
Total comprehensive loss for the year		**(5,590)**	(4,751)
Loss for the year attributable to owners of the Company		**(5,436)**	(4,510)
Total comprehensive loss for the year attributable to owners of the Company		**(5,590)**	(4,751)
Loss per share			
– Basic and diluted	13	**HK(3.38) cents**	HK(2.81) cents

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

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

Consolidated Statement of Financial Position

As at 30 November 2011

	Notes	2011 HK$'000	2010 HK$'000
Assets			
Non-current asset			
Property, plant and equipment	17	**416**	552
Current assets			
Work in progress	19	**226**	577
Trade and other receivables	20	**811**	1,421
Cash and cash equivalents	21	**5,418**	6,490
		6,455	8,488
Total assets		**6,871**	9,040
Capital and reserves			
Share capital	22	**16,059**	16,059
Reserves	23(a)	**(68,943)**	(63,353)
Equity attributable to owners of the Company		**(52,884)**	(47,294)
Liabilities			
Non-current liabilities			
Promissory notes and interest payable to the related companies	24	**37,608**	34,529
Amount due to a shareholder	25	**5,635**	5,467
Amount due to a related party	25	**3,986**	3,927
		47,229	43,923
Current liabilities			
Other payables and accruals	26	**6,644**	6,291
Deferred revenue		**3,653**	4,008
Amount due to a related company	25	**314**	–
Amounts due to customers	19	**1,915**	2,112
		12,526	12,411
Total liabilities		**59,755**	56,334
Total equity and liabilities		**6,871**	9,040

Consolidated Statement of Financial Position

As at 30 November 2011

	Notes	2011 HK$'000	2010 HK$'000
Net current liabilities		**(6,071)**	(3,923)
Total assets less current liabilities		**(5,655)**	(3,371)
Net liabilities		**(52,884)**	(47,294)

Approved and authorised for issue by the Board of Directors on 3 February 2012 and signed on its behalf by:

Kau Mo Hui
Executive Director

Clara Hiu Ling Lam
Executive Director

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

Statement of Financial Position

As at 30 November 2011

	Notes	2011 HK$'000	2010 HK$'000
Assets			
Non-current asset			
Investments in subsidiaries	18	–	–
Current assets			
Prepayment	20	10	10
Cash and cash equivalents	21	5,144	5,297
		5,154	5,307
Total assets		5,154	5,307
Capital and reserves			
Share capital	22	16,059	16,059
Reserves	23(b)	(48,987)	(45,722)
Equity attributable to owners of the Company		(32,928)	(29,663)
Liabilities			
Non-current liability			
Promissory notes and interest payable to the related companies	24	37,608	34,529
Current liability			
Other payables and accruals	26	474	441
Total liabilities		38,082	34,970
Total equity and liabilities		5,154	5,307
Net current assets		4,680	4,866
Total assets less current liabilities		4,680	4,866
Net liabilities		(32,928)	(29,663)

Approved and authorised for issue by the Board of Directors on 3 February 2012 and signed on its behalf by:

Kau Mo Hui
Executive Director

Clara Hiu Ling Lam
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 2011

	Attributable to owners of the Company					
	Share capital	**Share premium**	**Contributed surplus**	**Exchange reserve**	**Accumulated losses**	**Total equity**
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 December 2009	16,059	106,118	37,600	(13,869)	(188,451)	(42,543)
Loss for the year	–	–	–	–	(4,510)	(4,510)
Other comprehensive loss for the year	–	–	–	(241)	–	(241)
Total comprehensive loss for the year	–	–	–	(241)	(4,510)	(4,751)
At 30 November 2010 and 1 December 2010	16,059	106,118	37,600	(14,110)	(192,961)	(47,294)
Loss for the year	–	–	–	–	(5,436)	(5,436)
Other comprehensive loss for the year	–	–	–	(154)	–	(154)
Total comprehensive loss for the year	–	–	–	(154)	(5,436)	(5,590)
At 30 November 2011	**16,059**	**106,118**	**37,600**	**(14,264)**	**(198,397)**	**(52,884)**

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

Consolidated Statement of Cash Flows

For the year ended 30 November 2011

	2011 HK$'000	2010 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	**(5,436)**	(4,510)
Adjustments for:		
Interest income	**(1)**	(1)
Interest expenses	**1,902**	1,742
Exchange (gain)/loss	**(84)**	309
Loss on disposal of property, plant and equipment	**–**	29
Depreciation	**210**	270
Impairment loss recognised in respect of trade and other receivables	**3**	72
Operating loss before working capital changes	**(3,406)**	(2,089)
Decrease in work in progress	**351**	86
Decrease/(increase) in trade and other receivables	**607**	(186)
Increase in amount due to the former ultimate holding company	**–**	867
Increase in amount due to a shareholder	**168**	–
Increase in amount due to a related party	**59**	–
Increase in amount due to a related company	**314**	–
(Decrease)/increase in amounts due to customers	**(197)**	658
Increase in other payables and accruals	**110**	10
Decrease in deferred revenue	**(355)**	(209)
Net cash used in operating activities	**(2,349)**	(863)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(64)**	(456)
Interest received	**1**	1
Net cash used in investing activities	**(63)**	(455)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advance from a related party through issue of a promissory note	**4,256**	3,000
Repayment of interest of a promissory note	**(2,797)**	–
Net cash generated from financing activities	**1,459**	3,000

Consolidated Statement of Cash Flows

For the year ended 30 November 2011

	2011 HK$'000	2010 HK$'000
Net (decrease)/increase in cash and cash equivalents	**(953)**	1,682
Cash and cash equivalents at the beginning of the year	**6,490**	5,205
Effects of exchange rate changes on the balance of cash held in foreign currencies	**(119)**	(397)
Cash and cash equivalents at the end of the year	**5,418**	6,490
Analysis of the balances of cash and cash equivalents		
Cash and bank balances	**5,418**	6,490

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

Notes to the Consolidated Financial Statements

For the year ended 30 November 2011

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 consolidated financial statements.

The directors of the Company consider the ultimate shareholder to be The City Place Trust ("CPT"), a trust incorporated in Bermuda.

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 amendments and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for the Group's financial year beginning on 1 December 2010.

HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKFRSs (Amendment)	Improvements to HKFRSs 2010 *
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First–time Adopters
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions
HKAS 32 (Amendment)	Classification of Rights Issues
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments

* Except for amendments that are effective for annual periods beginning on or after 1 January 2011.

The adoption of the new HKFRSs has had no material impact on the consolidated financial statements of the Group for the current or prior accounting periods.

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

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 issued in 2010[1]
HKFRS 1 (Amendment)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters[2]
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets[2]
HKFRS 7 (Amendments)	Disclosures – Offsetting Financial Assets and Financial Liabilities[5]
HKFRS 9	Financial Instruments[7]
HKFRS 10	Consolidated Financial Statements[5]
HKFRS 11	Joint Arrangements[5]
HKFRS 12	Disclosure of Interests in Other Entities[5]
HKFRS 13	Fair Value Measurement[5]
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income[4]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[3]
HKAS 19 (as revised in 2011)	Employee Benefits[5]
HKAS 24 (Revised)	Related Party Disclosures[1]
HKAS 27 (as revised in 2011)	Separate Financial Statements[5]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[5]
HKAS 32 (Amendments)	Presentation – Offsetting Financial Assets and Financial Liabilities[6]
HK(IFRIC) – Int 14 (Amendments)	Prepayment of a Minimum Funding Requirement[1]
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine[5]

1 Effective for annual periods beginning on or after 1 January 2011
2 Effective for annual periods beginning on or after 1 July 2011
3 Effective for annual periods beginning on or after 1 January 2012
4 Effective for annual periods beginning on or after 1 July 2012
5 Effective for annual periods beginning on or after 1 January 2013
6 Effective for annual periods beginning on or after 1 January 2014
7 Effective for annual periods beginning on or after 1 January 2015

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

HKFRS 9 *Financial Instruments* (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 *Financial Instruments* (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

- Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* ("HKAS 39") are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

- In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2015, with earlier application permitted.

The directors of the Company anticipate that HKFRS 9 will be adopted in the Group's consolidated financial statements for financial year ending 30 November 2016 and that the application of the new standard will have no significant impact on amounts reported in respect of the Group's financial assets and financial liabilities.

The amendments to HKFRS 7 *Disclosures – Transfer of Financial Assets* interest the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level continuing exposure in the asset. The amendments also require disclosures when transfers of financial assets are not evenly distributed throughout the period.

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

The directors of the Company do not anticipate that these amendments to HKFRS 7 will have a significant effect on the Group's disclosures. However, if the Group enters into any transactions involving transfers of financial assets in the future, disclosures regarding those transfers may be affected.

The amendments to HKAS 12 titled *Deferred Tax: Recovery of Underlying Assets* ("HKAS 12") mainly deal with the measurement of deferred tax for investment properties that are measured using the fair value model in accordance with HKAS 40 *Investment Property*. Based on the amendments, for the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties measured using the fair value model, the carrying amounts of the investment properties are presumed to be recovered through sale, unless the presumption is rebutted in certain circumstances. The executive committee members anticipate that the amendments to HKAS 12 will have no significant impact on the consolidated financial statements.

HKAS 24 *Related Party Disclosures* (Revised) modifies the definition of a related party and simplifies disclosures for government-related entities.

The disclosure exemptions introduced in HKAS 24 (Revised) do not affect the Group because the Group is not a government-related entity. However, disclosures regarding related party transactions and balances in these consolidated financial statements may be affected when the revised version of the standard is applied in future accounting periods because some counterparties that did not previously meet the definition of a related party may come within the scope of the standard.

HK(IFRIC)-Int 19 provides guidance regarding the accounting for the extinguishment of a financial liability by the issue of equity instruments. To date, the Group has not entered into transactions of this nature. However, if the Group does enter into any such transactions in the future, HK(IFRIC)-Int 19 will affect the required accounting. In particular, under HK(IFRIC)-Int 19, equity instruments issued under such arrangements will be measured at their fair value, and any difference between the carrying amount of the financial liability extinguished and the fair value of equity instruments issued will be recognised in profit or loss.

HKFRS 10 *Consolidated Financial Statements* builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. This standard replaces HK(SIC)-12 *Consolidation—Special Purpose Entities* and replaces parts of HKAS 27 *Consolidated and Separate Financial Statements*.

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

HKFRS 11 *Joint Arrangements* provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form (as is currently the case). The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities. HKFRS 11 supersedes HKAS 31 *Interests in Joint Ventures* and HK(SIC)-13 *Jointly Controlled Entities—Non-monetary Contributions by Venturers*.

HKFRS 12 *Disclosure of Interests in Other Entities* is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.

HKFRS 13 *Fair Value Measurement* improves consistency and reduces complexity by providing, for the first time, a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The requirements do not extend the use of fair value accounting, but provide guidance on how it should be applied where its use is already required or permitted by other standards within HKFRSs.

HK(IFRIC)-Int 20 *Stripping Costs in the Production Phase of a Surface Mine* clarifies the requirements for accounting for stripping costs in the production phase of a surface mine. It clarifies when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods.

The directors of the Company is in the process of assessing the potential impact of the new HKFRSs but is not yet in a position to determine whether the new HKFRSs will have a significant impact on how its results of operations and financial position are prepared and presented. The new HKFRSs may result in changes in the future as to how the results and financial position are prepared and presented.

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 the 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 ("HK$") and all values are rounded to the nearest thousand ("HK$'000") except when otherwise indicated.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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$5,436,000 and accumulated losses of approximately HK$198,397,000 for the year ended 30 November 2011. As at 30 November 2011, the Group's current liabilities exceeded its current assets by approximately HK$6,071,000 and net liabilities of approximately HK$52,884,000. 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 shareholder, CPT, has also confirmed that it will not demand repayment of the amount due of approximately HK$5,635,000 within the next twelve months of the reporting date.

Moreover, Maximizer (Barbados) Management Inc ("Maximizer (Barbados)"), a party owned by an Executive Director of the Company, has confirmed that it will not demand repayment of the amount due of approximately HK$3,986,000 within the next twelve months of the reporting date.

Furthermore, Wickham Group Limited ("Wickham"), a party connected to an 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$4,812,000 until their maturity on 31 May 2013.

Active Investments Capital Limited ("Active Investments"), 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 amounts of approximately Canadian dollars ("CAD") 564,000 (approximately to HK$4,228,000), HK$21,156,000, HK$3,156,000, HK$2,000,000 and CAD300,000 (approximately to HK$2,256,000) until their maturity on 31 May 2013.

On 26 November 2011, Wickham has agreed to extend the maturity date of the promissory note with the amount of HK$4,634,000 together with the accrued interest of approximately HK$178,000 to 31 May 2013. On 26 November 2011, Active Investments has also agreed to extend the maturity dates of the promissory notes with the amounts of approximately CAD485,000 (approximately to HK$3,649,000) together with the accrued interest of approximately CAD79,000 (approximately to HK$579,000), the amounts of approximately HK$18,205,000 together with the accrued interest of approximately HK$2,951,000 and the amounts of HK$3,000,000 together with the accrued interest of approximately HK$156,000 to 31 May 2013. The Company has issued promissory notes with the amount of HK$2,000,000 and CAD300,000 (approximately to HK$2,256,000) to Active Investments on 29 November 2011. The maturity date of the new promissory notes is on 31 May 2013. Further details, please refer to Note 24.

Notes to the Consolidated Financial Statements

For the year ended 30 November 2011

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of preparation (continued)

The directors of the Company 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 and when 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 statement of comprehensive income 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.

Non-controlling interests in subsidiaries are presented separated from the Group's equity therein.

Allocation of total comprehensive income to non-controlling interests
Total comprehensive income and expense of a subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in existing subsidiaries
Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Where certain assets of the subsidiary are measured at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the related assets (i.e. reclassified to profit or loss or transferred directly to retained earnings). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39 or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 and HKAS 19 *Employee Benefits* respectively;

- liabilities or equity instruments related to share-based payment transactions of the acquire or the replacement of an acquiree's share-based payment transactions with share-based payment transactions of the Group are measured in accordance with HKFRS 2 *Share-based Payment* ("HKFRS 2") at the acquisition date; and

- 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* are measured in accordance with that standard.

Goodwill is measure as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. If, after assessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquirer, the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or another measurement basis required by another standard.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations (continued)

Where the consideration the Group transfers in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and considered as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments being made against goodwill or gain on bargain purchase. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period about facts and circumstances that existed as of the acquisition date. Measurement period does not exceed one year form the acquisition date.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

Changes in the value of the previously held equity interest recognised in other comprehensive income and accumulated in equity before the acquisition date are reclassified to profit or loss when the Group obtains control over the acquiree.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsidiaries (continued)

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured at 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 non-controlling 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 consolidated statement of comprehensive income.

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 arising on an acquisition of a business is carried at cost less accumulated impairment losses, if any, and is presented separately in the consolidated statement of financial position.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated statement of comprehensive income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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) Rental income of computer software licenses and customised software is recognised at the due date of the rental income.

(iii) Revenue from the provision of maintenance services is recognised on a straight-line basis over the life of the related agreement.

(iv) 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.

(v) Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and interest rates applicable.

Construction contracts

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 end of the reporting period, 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. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Construction contracts (continued)

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as the amounts due to customers for contract work. Amounts received before the related work is performed are included in the consolidated statement of financial position, as a liability, as advances received. Amounts billed for work performed but not yet paid by the customer are included in the consolidated statement of financial position under trade and other receivables.

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.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Foreign currencies

In preparing the consolidated financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies (continued)

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences arising on a monetary item that forms part of the Group's net investment in a foreign operation, in which case, such exchange differences are recognised in other comprehensive income and accumulated in equity and will be reclassified from equity to profit or loss on disposal of the foreign operation. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which cases, the exchange differences are also recognised directly in other comprehensive income.

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group at the rate of exchange prevailing at the end of the reporting period, and their income and expenses are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity in exchange reserve.

On the disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss. In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in the foreign currency exchange reserve.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Retirement benefits scheme (continued)

(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 profit or loss 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.

(iv) The employees of the Group's subsidiaries which operate in the People's Republic of China ("PRC") are required to participate in a central pension scheme operated by the local municipal government. The contributions are charged to the consolidated statement of comprehensive income as they become payable in accordance with the rules of the central pension scheme.

Share-based payment arrangements

Share options granted by the Company to employees of the Group in an equity-settled share-based payment arrangement

For grants of share options that are conditional upon satisfying specified vesting conditions, the fair value of services received is determined by reference to the fair value of share options granted at the grant date and is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve.

For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained earnings.

Notes to the Consolidated Financial Statements

For the year ended 30 November 2011

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Borrowings costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

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 profit or loss because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes statement of comprehensive income 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 consolidated 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 reporting 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 profit or loss, except when it relates to items charged or credited directly to other comprehensive, in which case the deferred tax is also dealt with in other comprehensive income.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax (continued)

Current or deferred tax for the year is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

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.

The residual values and useful lives of items of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of the reporting period.

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 profit or loss.

Impairment of non-current assets

Non-current 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. Non-current 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 non-current assets' 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, non-current assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Notes to the Consolidated Financial Statements

For the year ended 30 November 2011

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 amounts due to customers.

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.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into loans and receivables. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other debtors, deposits and prepayments, amounts due from customers for contract work, other deposits and cash and bank balances) are measured at amortised cost using the effective interest method, less any impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Objective evidence of impairment could include:

– significant financial difficulty of the issuer or counterparty; or
– breach of contract, such as a default or delinquency in interest or principal payments; or
– it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
– the disappearance of an active market for that financial asset because of financial difficulties.

For loan and loans receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods (see the accounting policy below).

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

For financial assets measured at amortised cost, 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 through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

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

An equity instrument is any 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 other financial liabilities.

Other financial liabilities

Other financial liabilities (including other payables and accruals, amount due to a related company, amount due to a shareholder, amount due to a related party and promissory notes and interest payable to the related companies) are subsequently measured at amortised cost using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Derecognition (continued)

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset or retains a residual interest that does not result in the retention of substantially all the risks and rewards of ownership and the Group retains control), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Deferred revenue

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

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 the consolidated 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 consolidated financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

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;

(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.

4. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The Group

	2011 HK$'000	2010 HK$'000
Financial assets		
Loans and receivables (including cash and cash equivalent)	**5,815**	7,441
Financial liabilities		
Amortised cost	**50,895**	46,979

The Company

	2011 HK$'000	2010 HK$'000
Financial assets		
Loans and receivables (including cash and cash equivalent)	**5,144**	5,297
Financial liabilities		
Amortised cost	**37,778**	34,651

(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 currency 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 and foreign currency exchange rates.

Market risk exposures are measured by sensitivity analysis.

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

Notes to the Consolidated Financial Statements

For the year ended 30 November 2011

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 a shareholder, amount due to a related party, amount due to a related company, promissory notes and interest payable to the related companies, and is therefore exposed to cash flow interest rate risk (see Notes 24 and 25 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 Canadian and 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 taxation.

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

- loss before tax for the year ended 30 November 2011 would increase/decrease by approximately of HK$95,000 (2010: increase/decrease by HK$87,000). 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 HK$ 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 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.

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:

	2011	2010
	HK$'000	HK$'000
Assets:		
AUD	**2**	2
CAD	**3,129**	1,493
RMB	**179**	782
Liabilities:		
AUD	**13**	–
CAD	**15,840**	13,091
RMB	**434**	77

Sensitivity analysis on foreign currency risk management

The following table details the Group's sensitivity to a 5% increase and decrease in the HK$ 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 HK$ strengthen 5% against the relevant currency. For a 5% weakening of the HK$ against the relevant currency, there would be an equal and opposite impact on the profit, and the balances below would be positive.

Notes to the Consolidated Financial Statements

For the year ended 30 November 2011

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)

	2011 HK$'000	2010 HK$'000
Impact of AUD		
Profit or loss#	1	–
Impact of CAD		
Profit or loss*	636	580
Impact of RMB		
Profit or loss**	13	35

This is mainly attributable to the exposure outstanding on other receivables, other payables and accruals denominated in AUD.

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

** This is mainly attributable to the exposure outstanding on bank balances, other receivables and other payables 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 2011, 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 statement of financial position.

4. FINANCIAL INSTRUMENTS (CONTINUED)

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

Credit risk (continued)

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 reporting 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.

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 and the Company's liquidity risk management includes diversifying the funding sources. Internally generated cash flow and advances from related party and its ultimate shareholder are the general source of funds to finance the operation of the Group and the Company. The Group and the Company had net liabilities of approximately HK$52,884,000 and HK$32,928,000 as at 30 November 2011. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations. The shareholder and a related party will not demand repayment within the next twelve months of the reporting date.

The Group and the Company 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 and the Company 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.

The following tables detail the Group's and the Company'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 and the Company can be required to pay. The tables include both interest and principal cash flows.

Notes to the Consolidated Financial Statements

For the year ended 30 November 2011

4. FINANCIAL INSTRUMENTS (CONTINUED)

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

Liquidity risk (continued)

The Group

	Weighted average effective interest rate	At 30 November 2011				
		Within 1 year	2 to 5 years	Over 5 years	Total undiscounted cash flows	Total carrying amount
	%	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Non-derivative financial liabilities						
Promissory notes and interest payable to the related companies	5%	-	40,608	-	40,608	37,608
Amount due to a shareholder	4.5%	-	5,835	-	5,835	5,635
Amount due to a related party	4.5%	-	4,083	-	4,083	3,986
Amount due to a related company	4.5%	314	-	-	314	314
Other payables and accruals	-	3,352	-	-	3,352	3,352
		3,666	50,526	-	54,192	50,895

	Weighted average effective interest rate	At 30 November 2010				
		Within 1 year	2 to 5 years	Over 5 years	Total undiscounted cash flows	Total carrying amount
	%	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Non-derivative financial liabilities						
Promissory notes and interest payable to the related companies	5%	–	34,529	–	34,529	34,529
Amount due to a shareholder	4.5%	–	5,467	–	5,467	5,467
Amount due to a related party	4.5%	–	3,927	–	3,927	3,927
Other payables and accruals	–	3,056	–	–	3,056	3,056
		3,056	43,923	–	46,979	46,979

4. FINANCIAL INSTRUMENTS (CONTINUED)

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

Liquidity risk (continued)

The Company

	Weighted average effective interest rate	Within 1 year	2 to 5 years	Over 5 years	Total undiscounted cash flows	Total carrying amount
	At 30 November 2011					
	%	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**
Non-derivative financial liabilities						
Promissory notes and interest payable to the related companies	**5%**	**-**	**40,608**	**-**	**40,608**	**37,608**
Other payables and accruals	**-**	**170**	**-**	**-**	**170**	**170**
		170	**40,608**	**-**	**40,778**	**37,778**

	Weighted average effective interest rate	Within 1 year	2 to 5 years	Total Over 5 years	Total undiscounted cash flows	carrying amount
	At 30 November 2010					
	%	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Non-derivative financial liabilities						
Promissory notes and interest payable to the related companies	5%	–	34,529	–	34,529	34,529
Other payables and accruals	–	122	–	–	122	122
		122	34,529	–	34,651	34,651

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.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

1. Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

2. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

3. Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

No analysis is disclosed since the Group has no financial instruments that are measured subsequent to initial recognition at fair value at the end of the reporting period.

There were no transfers between Levels 1 and 2 in both years.

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 2010.

The capital structure of the Group consists of debts (which includes promissory notes and interest payable to the related companies, amount due to a shareholder and amount due to a related party), and equity attributable to owners 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 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.

	2011	2010
	HK$'000	HK$'000
Total debts	**47,229**	43,923
Total assets	**6,871**	9,040
Gearing ratio	**6.87**	4.85

The gearing ratio has increased during the year ended 30 November 2011 because the Group had issued two new promissory notes on 29 November 2011 and due to decrease in cash and cash equivalents of the Group during the year 2011.

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.

Notes to the Consolidated Financial Statements

For the year ended 30 November 2011

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

Critical accounting estimates and assumptions (continued)

Income tax

The Group is subject to income taxes in Hong Kong, PRC 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.

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 profit or loss. 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 profit or loss 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.

7. SEGMENT INFORMATION

The Group was engaged in two business segments, Financial Solutions and CRM Solutions, during the year ended 30 November 2011 and 30 November 2010. The chief operating decision maker regularly reviews the nature of their operations and the products and services. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments

Segment revenue and results

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

	Financial Solutions		**CRM Solutions**		**Consolidated**	
	2011	2010	**2011**	2010	**2011**	2010
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Turnover	**15,587**	16,414	**1,221**	727	**16,808**	17,141
Segment results	**3,002**	4,443	**(21)**	(164)	**2,981**	4,279
Interest income					**1**	1
Exchange gain/(loss)					**84**	(309)
Central administration costs					**(6,600)**	(6,739)
Finance costs					**(1,902)**	(1,742)
Loss before taxation					**(5,436)**	(4,510)
Taxation					**-**	–
Loss for the year					**(5,436)**	(4,510)

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the year (2010: Nil)

Segment results represents the profit/(loss) earned/(suffered) by each segment without allocation of other revenue, exchange loss, central administration costs, finance costs and taxation. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

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7. SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities

	Financial Solutions		CRM Solutions		Consolidated	
	2011	2010	**2011**	2010	**2011**	2010
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Assets and liabilities						
Segment assets	**1,673**	3,459	**44**	274	**1,717**	3,733
Unallocated assets					**5,154**	5,307
Consolidated total assets					**6,871**	9,040
Segment liabilities	**14,631**	14,767	**7,013**	6,580	**21,644**	21,347
Unallocated liabilities					**38,111**	34,987
Consolidated total liabilities					**59,755**	56,334

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

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

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

7. SEGMENT INFORMATION (CONTINUED)

Other segment information

	Financial Solutions		CRM Solutions		Consolidated	
	2011	2010	**2011**	2010	**2011**	2010
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Other segment information						
Depreciation	**204**	261	**6**	9	**210**	270
Capital expenditure	**60**	456	**4**	–	**64**	456
Impairment loss recognised in respect of trade receivables	**3**	72	**-**	–	**3**	72

Geographical segments

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

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

	Revenue from external customers		Non-current assets	
	2011	2010	**2011**	2010
	HK$'000	HK$'000	**HK$'000**	HK$'000
PRC	**-**	141	**197**	255
Hong Kong	**16,808**	17,000	**219**	297
	16,808	17,141	**416**	552

Information about major customers

No single customer contributed 10% or more to the Group's revenue for both year ended 30 November 2011 and 2010.

Notes to the Consolidated Financial Statements

For the year ended 30 November 2011

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:

	2011	2010
	HK$'000	HK$'000
Turnover:		
Sales of computer software licences, software rental and provision of related services	**6,860**	6,141
Provision of maintenance services	**7,401**	7,261
Contract revenue	**2,265**	2,754
Sales of computer hardware	**282**	985
	16,808	17,141
Other revenue:		
Interest income on bank deposits	**1**	1
Exchange gain	**84**	–
	85	1

Interest income is solely generated from loans and receivables (including cash and bank balances) for both year ended 30 November 2011 and 2010.

9. LOSS FROM OPERATING ACTIVITIES

	2011 HK$'000	2010 HK$'000
Loss from operating activities is stated after charging:		
Auditors' remuneration	**205**	205
Impairment loss recognised in respect of trade receivables	**3**	72
Depreciation on owned property, plant and equipment	**210**	270
Loss on disposal of property, plant and equipment	**-**	29
Exchange loss	**-**	309
Operating lease payments in respect of		
– land and buildings	**1,589**	1,644
– plant and equipment	**30**	30
Staff costs (excluding directors' remuneration)		
– salaries and allowances	**13,736**	12,667
– retirement benefit costs	**550**	412
Cost of computer hardware sold	**207**	827

10. FINANCE COSTS

	2011 HK$'000	2010 HK$'000
Interest on promissory notes		
– wholly repayable within five years (Note 24)	**1,668**	1,534
Interest on amount due to a shareholder/ a related party/a related company		
– wholly repayable within five years (Note 25)	**234**	208
	1,902	1,742

Notes to the Consolidated Financial Statements

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11. TAXATION

No provision for Hong Kong profits tax has been made as the Group either had no estimated assessable profits or had estimated tax losses brought forward to set off the estimated assessable profit for the year (2010: 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 (2010: Nil).

No Australian income tax has been provided by the Australian subsidiaries of the Group as they had no assessable profits for the year (2010: Nil).

The Group has tax losses arising in Hong Kong of approximately HK$69,928,830 (2010: HK$69,326,000) 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.

No income tax was recognised in other comprehensive income during the year (2010: Nil).

The charge for the year can be reconciled to the loss per profit or loss as follows:

The Group – 2011

	Hong Kong		Australia		The PRC		Total	
	HK$'000	%	HK$'000	%	HK$'000	%	HK$'000	%
Loss before taxation	(3,257)		34		(2,213)		(5,436)	
Tax at the applicable tax rate in the respective jurisdictions	(537)	(16.5%)	10	30%	(553)	(25%)	(1,080)	(19.9%)
Estimated tax effect of income and expenses not taxable or deductible for tax purposes	65	2.0%	(35)	(103%)	-	-	30	0.6%
Estimated tax effect of unrecognised temporary differences	11	0.3%	4	12%	1	0%	16	0.3%
Estimated tax effect of unrecognised tax losses	461	14.2%	21	61%	552	25%	1,034	19%
Tax charge at the effective tax rate for the year	-	-	-	-	-	-	-	-

11. TAXATION (CONTINUED)

The Group – 2010

	Hong Kong		Australia		The PRC		Total	
	HK$'000	%	HK$'000	%	HK$'000	%	HK$'000	%
Loss before taxation	(2,441)		(110)		(1,959)		(4,510)	
Tax at the applicable tax rate in the respective jurisdictions	(402)	(16.5%)	(33)	(30%)	(490)	(25%)	(925)	(20.5%)
Estimated tax effect of income and expenses not taxable or deductible for tax purposes	122	5.0%	(159)	(144.5%)	–	–	(37)	(0.8%)
Estimated tax effect of unrecognised temporary differences	(3)	(0.1%)	(18)	(16.4%)	8	0.4%	(13)	(0.3%)
Estimated tax effect of unrecognised tax losses	326	13.3%	210	190.9%	482	24.6%	1,018	22.5%
Estimated tax effect of utilisation of unrecognised tax losses from prior periods	(43)	(1.7%)	–	–	–	–	(43)	(0.9%)
Tax charge at the effective tax rate for the year	–	–	–	–	–	–	–	–

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$2,339,000 (2010: HK$2,149,000).

13. LOSS PER SHARE

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

	2011 HK$'000	2010 HK$'000
Loss		
Loss for the purpose of basic loss per share (loss for the year attributable to the owners of the Company)	**(5,436)**	(4,510)

	2011	2010
Number of shares		
Weighted average number of shares for the purpose of basic loss per share	**160,590,967**	160,590,967
Basic loss per share	**HK(3.38) cents**	HK(2.81) cents

Diluted loss per share for the year ended 30 November 2011 and 2010 were the same as the basic loss per share. The Company's outstanding share options were not included in the calculation of diluted loss per share because the effect of the Company's share options were anti-dilutive.

14. DIVIDENDS

The directors do not recommend the payment of any dividend in respect of the year ended 30 November 2011 (2010: Nil).

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
2011:				
Executive Directors				
Mr. Kau Mo Hui *(Note i)*	**-**	**-**	**-**	**-**
Mr. Terence Chi Yan Hui *(Note ii)*	**-**	**-**	**-**	**-**
Mr. Joseph Chi Ho Hui *(Note ii)*	**-**	**-**	**-**	**-**
Ms. Clara Hiu Ling Lam *(Note iii)*	**-**	**-**	**-**	**-**
Non-executive Directors				
Mr. Kau Mo Hui *(Note i)*	**-**	**-**	**-**	**-**
Mr. Terence Chi Yan Hui *(Note ii)*	**-**	**-**	**-**	**-**
Mr. Joseph Chi Ho Hui *(Note ii)*	**-**	**-**	**-**	**-**
Independent Non-executive Directors				
Mr. Kwong Sang Liu	**20**	**-**	**-**	**20**
Mr. Edwin Kim Ho Wong	**20**	**-**	**-**	**20**
Mr. William Keith Jacobsen	**20**	**-**	**-**	**20**
	60	**-**	**-**	**60**

Name of director	Director's fee HK$'000	Salaries and allowances HK$'000	Contribution to pension scheme HK$'000	Total HK$'000
2010:				
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	20	–	–	20
Mr. William Keith Jacobsen	20	–	–	20
	60	–	–	60

15. DIRECTORS' AND SENIOR MANAGEMENT EMOLUMENTS (CONTINUED)

(a) Directors' emoluments (continued)

Notes:

i Mr. Kau Mo Hui was re-designated from Non-executive Director to Executive Director on 14 July 2011.

ii Mr. Terence Chi Yan Hui and Mr. Joseph Chi Ho Hui were re-designated from Executive Directors to Non-executive Directors on 14 July 2011.

iii Ms. Clara Hiu Ling Lam was appointed as Executive Director on 14 July 2011.

No Executive Directors received individual emolument for the year ended 30 November 2011 and 2010.

No directors of the Company waived any emoluments during the year (2010: 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 (2010: 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 (2010: Nil). Details of the share option scheme were set out in Note 16 to the consolidated 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 (2010: Nil). The emoluments payable to the five (2010: five) individuals (the "Employees") during the year are as follows:

	2011	2010
	HK$'000	HK$'000
Basic salaries and allowances	**3,240**	2,630
Contribution to provident fund	**59**	57
	3,299	2,687

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, or as compensation for loss of office (2010: Nil).

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

	Number of employees	
	2011	2010
Nil to HK$1,000,000	**5**	5

16. EMPLOYEE BENEFITS

Retirement Benefit Scheme

Effective from 1 December 2000, the Group joined 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.

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.

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

Notes to the Consolidated Financial Statements

For the year ended 30 November 2011

16. EMPLOYEE BENEFITS (CONTINUED)

Equity compensation benefits (continued)

Share Option (continued)

Details of the share options granted by the Company pursuant to the Scheme and the options outstanding as at 30 November 2011 were as follows:

	Date of grant	Exercise price	Exercisable period	Options held as at 1 December 2010	Lapsed during the year	Options held as at 30 November 2011
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	535,507	(535,507)	–
	28 May 2001	HK$4.675	28 May 2002 to 27 May 2011	40,781	(40,781)	–

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. During the year, all options granted were expired and no outstanding options were noted as at the end of the reporting period.

According to the transitional provision of HKFRS 2, 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 2011 were granted before 7 November 2002 and vested in ten years from the date of granted.

Notes to the Consolidated Financial Statements

For the year ended 30 November 2011

17. PROPERTY, PLANT AND EQUIPMENT

The Group

	Leasehold improvements HK$'000	Furniture and fixtures HK$'000	Office equipment HK$'000	Total HK$'000
Cost:				
At 1 December 2009	134	374	6,487	6,995
Additions	135	75	246	456
Disposal	–	(32)	(246)	(278)
At 30 November 2010 and 1 December 2010	269	417	6,487	7,173
Additions	–	7	57	64
Exchange realignment	4	2	8	14
At 30 November 2011	273	426	6,552	7,251
Accumulated depreciation:				
At 1 December 2009	134	356	6,110	6,600
Charge for the year	17	14	239	270
Elimination on disposal	–	(22)	(227)	(249)
At 30 November 2010 and 1 December 2010	151	348	6,122	6,621
Charge for the year	29	18	163	210
Exchange realignment	–	–	4	4
At 30 November 2011	180	366	6,289	6,835
Net book value:				
At 30 November 2011	**93**	**60**	**263**	**416**
At 30 November 2010	118	69	365	552

Notes to the Consolidated Financial Statements

For the year ended 30 November 2011

18. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2011	2010
	HK$'000	HK$'000
Unlisted shares, at costs	**61,686**	61,686
Less: Impairment loss recognised in respect of the investments costs	**(61,686)**	(61,686)
	–	–

	The Company	
	2011	2010
	HK$'000	HK$'000
Amounts due from subsidiaries *(Note a)*	**69,401**	68,475
Less: Impairment loss recognised in respect of amounts due from subsidiaries *(Note b)*	**(69,401)**	(68,475)
	–	–

Notes:

(a) The amounts due from subsidiaries are unsecured, interest-fee 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:

	The Company	
	2011	2010
	HK$'000	HK$'000
At 1 December 2010/2009	**68,475**	67,036
Impairment loss recognised	**926**	1,439
At 30 November 2011/2010	**69,401**	68,475

The directors of the Company had reviewed the net asset values of the Company's subsidiaries for the year ended 30 November 2011 and considered approximately HK$926,000 (2010: HK$1,439,000) for impairment in values be made in respect of the amount due from subsidiaries to their net recoverable values.

18. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Particulars of the subsidiaries as at 30 November 2011 and 2010 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 share 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 *(Note a)*	The PRC	Registered capital HK$1,500,000	–	100%	Design and sales of computer software and provision of maintenance services
Maximizer Asia (Shanghai) Limited *(Note a)*	The PRC	Registered capital RMB100,000	–	100%	Sales of computer products and provision of maintenance services

Note (a): abc Multiactive (Shenzhen) Limited and Maximizer Asia (Shanghai) Limited were formed as a wholly-owned foreign enterprise in the PRC.

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

19. CONSTRUCTION CONTRACTS

	The Group	
	2011	2010
	HK$'000	HK$'000
Amounts due from customers for contract work	**226**	577
Amounts due to customers for contract work	**(1,915)**	(2,112)
	(1,689)	(1,535)

	The Group	
	2011	2010
	HK$'000	HK$'000
Contract costs incurred plus recognised profits less recognised losses to date	**1,870**	2,068
Less: Progress billings	**(3,559)**	(3,603)
	(1,689)	(1,535)

At 30 November 2011 and 2010, there were no retentions held by customers for contract works. Advances received from customers for contract work amounted to approximately HK$3,292,000 (2010: HK$3,235,000).

20. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2011	2010	**2011**	2010
	HK$'000	HK$'000	**HK$'000**	HK$'000
Trade receivables	**397**	951	**–**	–
Prepayment, deposits and other receivables	**414**	470	**10**	10
	811	1,421	**10**	10

20. TRADE AND OTHER RECEIVABLES (CONTINUED)

The analysis of trade receivables were as follow:

	The Group	
	2011	2010
	HK$'000	HK$'000
Trade receivables	**2,097**	2,648
Less: Impairment loss recognised in respect of trade receivables	**(1,700)**	(1,697)
At 30 November 2011/2010	**397**	951

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.

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

	The Group	
	2011	2010
	HK$'000	HK$'000
Current	**269**	549
31 – 60 days	**38**	164
61 – 90 days	**–**	32
Over 90 days	**90**	206
	397	951

20. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

	The Group	
	2011	2010
	HK$'000	HK$'000
31 – 60 days	**38**	164
61 – 90 days	**–**	32
Over 90 days	**90**	206
	128	402

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

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

	The Group	
	2011	2010
	HK$'000	HK$'000
At 1 December 2010/2009	**1,697**	1,625
Impairment loss recognised in respect of trade receivables	**3**	72
At 30 November 2011/2010	**1,700**	1,697

Included in provision for impairment loss recognised in respect of trade receivables are individually impaired trade receivables with balance of approximately HK$3,000 (2010: HK$72,000). 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.

As at 30 November 2011, 4% (2010: 45%) of the trade receivables were due from the Group's top five customers. Two individual customers exceeded 10% of the total balance of trade receivables which represents approximately HK$235,000 (2010: HK$185,000).

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	
	2011	2010
	HK$'000	HK$'000
Prepayment, deposits and other receivables	**824**	880
Less: Impairment loss recognised in respect of prepayment, deposits and other receivables	**(410)**	(410)
At 30 November 2011/2010	**414**	470

The directors of the Company had assessed the recoverability of prepayment, deposits and other receivables for the year ended 30 November 2011 and considered no further provision for impairment in respect of prepayment, deposits and other receivables is required.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

21. CASH AND CASH EQUIVALENTS

The Group included in the cash and cash equivalents as at 30 November 2011 and 2010 were amounts denominated in RMB of approximately RMB122,000 and RMB164,000 respectively. RMB is not freely convertible into other currencies, however, under PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorized to conduct foreign exchange business.

The Company's cash and cash equivalents as at 30 November 2011 and 2010 were CAD and HK$.

22. SHARE CAPITAL

	2011		2010	
	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
Issued and fully paid:				
Ordinary shares of HK$0.1 each	**160,590,967**	**16,059**	160,590,967	16,059

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 consolidated financial statements.

Notes to the Consolidated Financial Statements

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23. 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 consolidated 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 2009	106,118	37,600	(185,852)	(42,134)
Total comprehensive loss for the year	–	–	(3,588)	(3,588)
At 30 November 2010 and 1 December 2010	106,118	37,600	(189,440)	(45,722)
Total comprehensive loss for the year	–	–	(3,265)	(3,265)
At 30 November 2011	**106,118**	**37,600**	**(192,705)**	**(48,987)**

24. PROMISSORY NOTES AND INTEREST PAYABLE TO THE RELATED COMPANIES

The Group and the Company

As at 30 November 2011, the promissory notes of HK$33,744,000 (2010: HK$29,536,000) payable to the related companies are interest bearing at Hong Kong prime rate (2010: Hong Kong prime rate).

Active Investments, a related company owned by the Chief Executive Officer of the Company, has agreed that it will not demand repayment of the promissory note and the interest related to the promissory note in the amount of approximately CAD564,000 (approximately to HK$4,228,000) within the next twelve months of the reporting period. On 26 November 2011, Active Investments had agreed to further extend the maturity date of the promissory note in the amount of CAD485,000 (approximately to HK$3,649,000) together with the accrued interest of approximately CAD79,000 (approximately to HK$579,000) to 31 May 2013. Interest incurred during the current year was being approximately CAD28,000 (approximately to HK$217,000) (2010: CAD26,000, approximately to HK$195,000). (Note 10)

Active Investments has also agreed that it will not demand repayment of the promissory note and the interest related to the promissory note in the amount of approximately HK$21,156,000 within the next twelve months of the reporting period. On 26 November 2011, Active Investments 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$2,951,000 to 31 May 2013. Interest incurred during the current year was being approximately HK$1,029,000 (2010: HK$980,000). (Note 10)

Active Investments has also agreed that it will not demand repayment of the promissory note and the interest related to the promissory note in the amount of HK$3,156,000 within the next twelve months of the reporting period. On 26 November 2011, Active Investments had agreed to extend the maturity date of the promissory note in the amount of HK$3,000,000 together with the accrued interest of approximately HK$156,000 to 31 May 2013. Interest incurred during the current year was being approximately HK$154,000 (2010: HK$2,000). (Note 10)

On 29 November 2011, the Company had issued two promissory notes in the amount of HK$2,000,000 and CAD300,000 (approximately to HK$2,256,000) payable to Active Investments, which was unsecured, interest bearing at the Hong Kong prime rate and will not be repayable within the next eighteen months of 31 May 2013.

Furthermore, a party connected to an Executive Director of the Company, Wickham has also agreed that it will not demand repayment of the promissory note and the interest related to the promissory note in the amount of approximately HK$4,812,000 within the next twelve months of the reporting period. On 26 November 2011, Wickham 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$178,000 to 31 May 2013. The Group had repaid an incurred interest of approximately HK$2,797,000 during the year. Interest incurred during the current year was being approximately HK$268,000 (2010: HK$357,000). (Note 10)

24. PROMISSORY NOTES AND INTEREST PAYABLE TO THE RELATED COMPANIES (CONTINUED)

The Group and the Company

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

	The Group and the Company	
	2011	2010
	HK$'000	HK$'000
Promissory notes and interest payable to the related companies	**37,608**	34,529

25. AMOUNT DUE TO A SHAREHOLDER/A RELATED PARTY/A RELATED COMPANY

The Group

The amounts mainly represent payables for development costs, purchases of software merchandise, royalty fee and expenses paid on behalf of the Group. The balance are dominated in CAD which are unsecured and approximately HK$5,635,000 , HK$3,986,000 and HK$314,000 respectively 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 (2010: Annual Canadian prime rate as quoted by the Hong Kong and Shanghai Banking Corporation Limited plus 2% compounded monthly). The shareholder and the related party have confirmed that it will not demand repayment within the next twelve months of the reporting date.

26. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2011	2010	**2011**	2010
	HK$'000	HK$'000	**HK$'000**	HK$'000
Accruals	**2,221**	1,951	**304**	319
Receipt in advance	**3,292**	3,235	**–**	–
Other payables	**1,131**	1,105	**170**	122
	6,644	6,291	**474**	441

27. 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 2011, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	2011 HK$'000	2010 HK$'000
Within one year	**973**	1,410
In the second to fifth years inclusive	**72**	974
	1,045	2,384

The Company

The Company has no material operating lease commitment as at 30 November 2011 (2010: Nil).

28. MATERIAL RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in these consolidated financial statements, during the year ended 30 November 2011 and 2010, the Group had entered into the following material related party transactions which, in the opinion of the directors, were carried out in the operations 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 follows:

	2011 HK$'000	2010 HK$'000
Directors' emoluments	**60**	60

Notes to the Consolidated Financial Statements

For the year ended 30 November 2011

28. MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(b)

	2011 **HK$'000**	2010 HK$'000
Software merchandises purchased from Maximizer Software Inc. ("MSI") for resale *(Note (i))*	**83**	91
Interest paid to the related companies on promissory notes payables *(Note 24)*	**1,668**	1,534
Interest paid to MSI	**–**	208
Interest paid to CPT	**146**	–
Interest paid to Maximizer (Barbados)	**88**	–
Consultancy fee payable to a director *(Note (ii))*	**48**	48
Consultancy fee payable to Jinjiang Wing Hong *(Note (iii))*	**–**	24
Management fee income from Beijing Railsmedia *(Note (iv))*	**–**	32
Rental fee income received from Wing Hong Interior *(Note(v))*	**156**	52

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.

Mr. Terence Chi Yan Hui had interests in the transactions with MSI to the extent that he is the chairman of MSI and that issued shares of MSI are indirectly owned by his family as at 30 November 2011.

(ii) Consultancy fee was payable to Ms. Clara Hiu Ling Lam as the legal representative of the subsidiaries in PRC.

(iii) Monthly consultancy fee for Shanghai Office payable to Shanghai Jinjiang Wing Hong Contracting Co. Limited ("Jinjiang Wing Hong"). Mr. Kau Mo Hui and Mr. Kwong Sang Liu 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.

(iv) Monthly management fee income from Beijing Railsmedia Advertisement Company Limited ("Beijing Railsmedia"). Mr. Kau Mo Hui and Mr. Kwong Sang Liu are the Executive Director and the Independent Non-executive Director of China Railsmedia Corporation Limited, which is the ultimate holding company of Beijing Railsmedia.

(v) Monthly rental income from Wing Hong Interior Contracting Limited ("Wing Hong Interior"). Mr. Kau Mo Hui and Mr. Kwong Sang Liu are the Executive Director and the Independent Non-executive Director of China Railsmedia Corporation Limited, which is the ultimate holding company of Wing Hong Interior.

29. NON-CASH TRANSACTION

The Group did not have any non-cash transaction during the year ended 30 November 2011.

The amount due to the former ultimate holding company of approximately HK$9,394,000 was transferred to a shareholder and a related party of the Group on 26 November 2010. The balances are unsecured and approximately HK$5,467,000 and HK$3,927,000 respectively of which carry interest at the annual Canadian prime rate as quoted by the Hong Kong and Shanghai Banking Corporation Limited plus 2% compounded monthly.

30. CONTINGENT LIABILITIES

The Group and the Company had no material contingent liabilities as at 30 November 2011 (2010: Nil).

31. COMPARATIVE FIGURES

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

32. AUTHORISATION FOR ISSUE OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 3 February 2012.

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 2011, 2010, 2009, 2008 and 2007.

Results

	Year ended 30 November				
	2007 HK$'000 (Audited)	2008 HK$'000 (Audited)	2009 HK$'000 (Audited)	2010 HK$'000 (Audited)	**2011 HK$'000 (Audited)**
Turnover	18,194	17,851	14,980	17,141	**16,808**
Net loss for the year	(5,395)	(2,214)	(4,664)	(4,510)	**(5,436)**

Assets and Liabilities

	As at 30 November				
	2007 HK$'000 (Audited)	2008 HK$'000 (Audited)	2009 HK$'000 (Audited)	2010 HK$'000 (Audited)	**2011 HK$'000 (Audited)**
Total assets	5,821	8,310	7,570	9,040	**6,871**
Total liabilities	(41,157)	(44,845)	(50,113)	(56,334)	**(59,755)**
Shareholders' deficits	(35,336)	(36,535)	(42,543)	(47,294)	**(52,884)**

Notes:

1. The results of the Group for the year ended 30 November 2011 and 2010 are those set out on page 29 to 32 of this annual report.