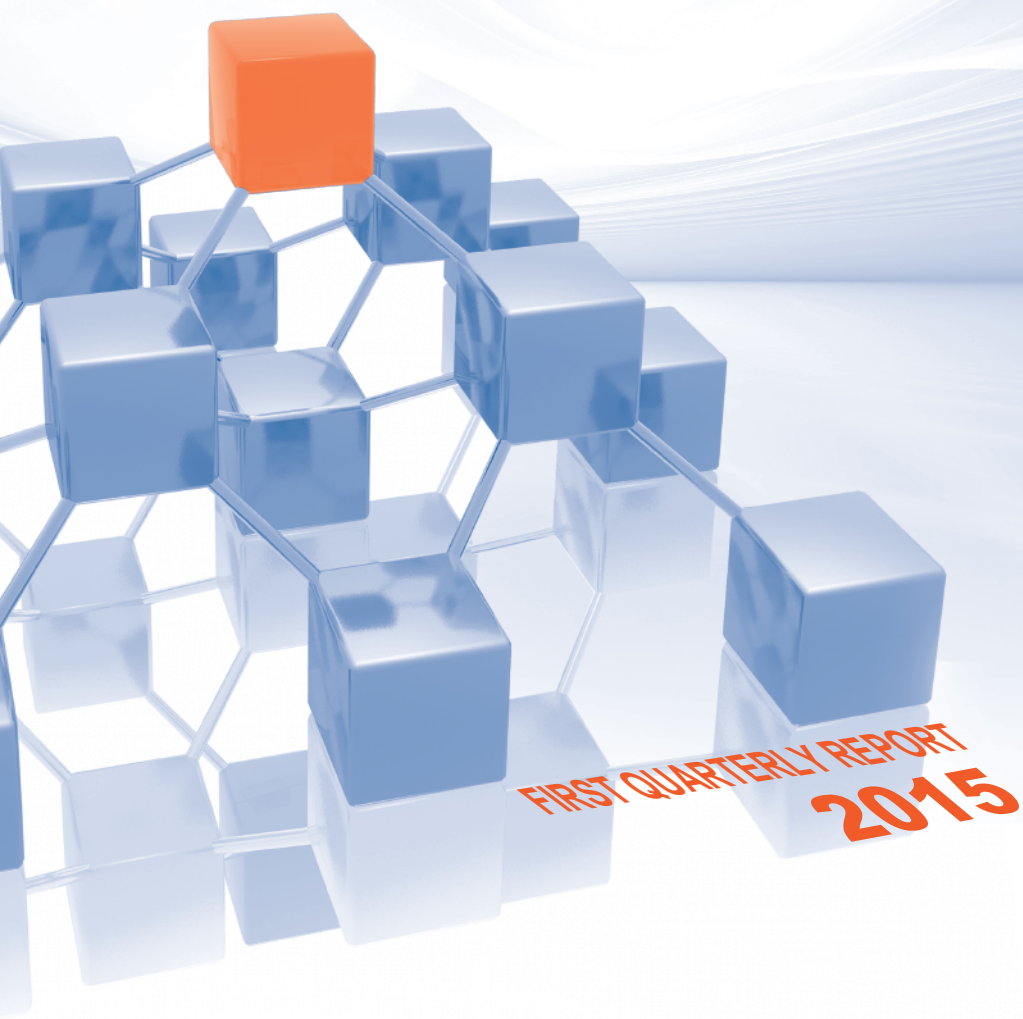


# **abc** *multiactive*

## abc Multiactive Limited

(Incorporated in Bermuda with limited liability)

Stock code:8131



**FIRST QUARTERLY REPORT  
2015**

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

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

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

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

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

The board of directors (the "Board") of abc Multiactive Limited (the "Company") presents the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the three months ended 28 February 2015, together with the comparative figures:

		(Unaudited)	
		For the three months ended	
	Notes	28 February 2015 HK\$'000	28 February 2014 HK\$'000
Turnover	3	3,086	2,465
Cost of sales		(798)	(501)
Gross profit		2,288	1,964
Other revenue	3	-	-
Software research and development expenses		(1,174)	(1,206)
Selling and marketing expenses		(453)	(226)
Administrative expenses		(1,990)	(2,002)
Unrealised exchange gain		605	606
Loss from operating activities	4	(724)	(864)
Finance costs	5	(588)	(606)
Loss before taxation		(1,312)	(1,470)
Taxation	6	-	-
Loss for the period		(1,312)	(1,470)



(Unaudited)  
For the three months ended

	28 February 2015 HK\$'000	28 February 2014 HK\$'000
Other comprehensive income		
<b><i>Items that may be reclassified subsequently to profit or loss:</i></b>		
Exchange differences on translating foreign operations	88	12
Other comprehensive income for the period, net of tax	88	12
<b>Total comprehensive loss for the period</b>	<b>(1,224)</b>	<b>(1,458)</b>
Loss for the period attributable to owners of the Company	(1,312)	(1,470)
Total comprehensive loss for the period attributable to owners of the Company	(1,224)	(1,458)
<b>Loss per share</b>		
– Basic and diluted	7 HK(0.54) cents	HK(0.68) cents

NOTES:

**1. BASIS OF PREPARATION**

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

The unaudited consolidated results for the three months ended 28 February 2015 have not been audited by the Company’s auditors, but have been reviewed by the Company’s audit committee.

The accounting policies and basis of preparation used in the preparation of the unaudited consolidated results are consistent with those used in the Company’s annual financial statements for the year ended 30 November 2014, except for the adoption of certain new and revised Hong Kong Financial Reporting Standards (“HKFRS”) and Hong Kong Accounting Standards (“HKAS”) as disclosed in note 2 below.

**2. IMPACT ON NEW HKFRSs AND HKASs**

The Hong Kong Institute of Certified Public Accountants (“HKICPA”) has issued a number of new and revised HKFRSs and HKASs which are effective for accounting periods commencing on or after 1 January 2014. The Group has adopted, for the first time for the current year’s financial statements. Except for in certain cases, giving rise to new and revised accounting policies and additional disclosures, the adoption of these new and revised standards and interpretation has had no material effect on these financial statements.

**Changes in accounting policies**

HKFRSs and HKASs that are effective for the three months ended 28 February 2015:

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010-2012 Cycle <sup>3</sup>
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011-2013 Cycle <sup>2</sup>
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities <sup>1</sup>
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
HKAS 19 (2011) (Amendments)	Defined benefit plans: Employee Contribution <sup>2</sup>
HKAS 32 (Amendments)	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities <sup>1</sup>
HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-Financial Assets <sup>1</sup>
HKAS 39 (Amendments)	Novation of Derivatives and Continuation of Hedge Accounting <sup>1</sup>
HK(IFRIC) – Int 21	Levies <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2014

<sup>2</sup> Effective for annual periods beginning on or after 1 July 2014

<sup>3</sup> Effective for annual periods beginning on or after 1 July 2014, with limited exceptions



### 3. TURNOVER AND OTHER REVENUE

The Group is principally engaged in the designing and sale of computer software and the provision of professional and maintenance services for such products. All significant intra-group transactions have been eliminated on consolidation.

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

	(Unaudited) For the three months ended	
	28 February 2015 HK\$'000	28 February 2014 HK\$'000
<b>Turnover</b>		
Sales of computer software licences, software rental and provision of related services	980	716
Provision of maintenance services	1,604	1,734
Sales of computer hardware	502	15
	<b>3,086</b>	<b>2,465</b>
	<b>3,086</b>	<b>2,465</b>
<b>Other revenue</b>		
Interest income on bank deposits	-	-
	<b>-</b>	<b>-</b>

### 4. LOSS FROM OPERATING ACTIVITIES

	(Unaudited) For the three months ended	
	28 February 2015 HK\$'000	28 February 2014 HK\$'000
<b>The Group's loss from operating activities is arrived at after charging:</b>		
Depreciation on owned property, plant and equipment	11	22
Operating leases payments in respect of		
– land and buildings	517	388
– plant and equipment	7	8
Staff costs (excluding directors' remuneration)		
– salaries and allowances	2,459	2,298
– retirement benefit costs	93	84
Cost of computer hardware sold	316	9
	<b>3,323</b>	<b>2,808</b>
	<b>3,323</b>	<b>2,808</b>
<b>and after crediting:</b>		
Exchange gain	588	606
	<b>588</b>	<b>606</b>

**5. FINANCE COSTS**

	<b>(Unaudited)</b>	
	<b>For the three months ended</b>	
	<b>28 February 2015 HK\$'000</b>	<b>28 February 2014 HK\$'000</b>
Interest on promissory notes		
– wholly repayable within five years	<b>588</b>	565
Interest on amount due to a shareholder		
– wholly repayable within five years	<b>–</b>	41
	<b>588</b>	606

**6. 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 profits for the period (2014: Nil).

No provision for the PRC income taxes has been made during the period as the subsidiaries operated in the PRC had no assessable profits for the period (2014: Nil).

No Australian income tax has been provided by the Australian subsidiaries of the Group as they had no assessable profits for the period (2014: Nil).

The potential unaudited deferred tax asset of approximately HK\$16,169,000. (As at 28 February 2014: approximately HK\$18,507,000) relating to tax losses available for carry forward and other timing differences as at 28 February 2015 has not been recognized due to the unpredictability of the future profit streams.

**7. LOSS PER SHARE**

The calculation of basic loss per share attributable to the owners of the Company for the three months ended 28 February 2015 is based on the unaudited net loss for the period of approximately HK\$1,312,000. (For the three months ended 28 February 2014 unaudited net loss: approximately HK\$1,470,000) and on the weighted average number of 240,886,450 ordinary shares (2014: 216,202,356 ordinary shares) of HK\$0.10 each in issue during the period.

**Diluted loss per share**

The Group has no potentially dilutive ordinary shares in issue during the three months ended 28 February 2015 and 2014. Diluted loss per share for the three months ended 28 February 2015 and 2014 were the same as the basic loss per share.



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

Attributable to owners of the Company

	(Unaudited) Share capital HK\$'000	(Unaudited) Share premium HK\$'000	(Unaudited) Contributed surplus HK\$'000	(Unaudited) Exchange reserve HK\$'000	(Unaudited) Accumulated losses HK\$'000	(Unaudited) Total Equity HK\$'000
At 1 December 2013	16,059	106,118	37,600	(14,237)	(205,169)	(59,629)
Issue of ordinary shares upon rights issue	8,030	-	-	-	-	8,030
Loss for the period	-	-	-	-	(1,470)	(1,470)
Other comprehensive income for the period	-	-	-	12	-	12
As at 28 February 2014	<u>24,089</u>	<u>106,118</u>	<u>37,600</u>	<u>(14,225)</u>	<u>(206,639)</u>	<u>(53,057)</u>
At 1 December 2014	24,089	105,821	37,600	(13,709)	(203,112)	(49,311)
Loss for the period	-	-	-	-	(1,312)	(1,312)
Other comprehensive income for the period	-	-	-	88	-	88
As at 28 February 2015	<u>24,089</u>	<u>105,821</u>	<u>37,600</u>	<u>(13,621)</u>	<u>(204,424)</u>	<u>(50,535)</u>



## **INTERIM DIVIDEND**

The Board does not recommend the payment of an interim dividend for the three months ended 28 February 2015 (2014: Nil).

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Financial Review**

The Group recorded an unaudited turnover of approximately HK\$3,086,000 for the three months ended 28 February 2015, a 25% increase from approximately HK\$2,465,000 for the corresponding period of the previous year. Of the total unaudited turnover amount, approximately HK\$980,000 or 32% was generated from software license sales and professional services, approximately HK\$1,604,000 or 52% was generated from maintenance services and approximately HK\$502,000 or 16% was generated from sales of computer hardware. As at 28 February 2015, the Group had approximately HK\$2.1 million worth of contracts that were in progress. The unaudited net loss attributable to shareholders for the three months ended 28 February 2015 was approximately HK\$1,312,000 whereas the Group recorded an unaudited net loss of approximately HK\$1,470,000 for the same period of the previous year.

During the period, the unaudited operating expenditures amounted to approximately HK\$3,617,000 for the three months ended 28 February 2015, a 5% increase from approximately HK\$3,434,000 for the corresponding period of the previous year. The increase was mainly attributed to increase in headcount and salary as a result of operational expansion to further strengthen our services and sales coverage.

As a result of the most of the property, plant and equipment in the Group was fully depreciated, depreciation expenses decreased from approximately HK\$22,000 for the three months ended 28 February 2014 to approximately HK\$11,000 in the current period.

During the current period, the Group invested approximately HK\$1,174,000 in developing new modules for its OCTO Straight Through Processing ("STP") system.

For the three months ended 28 February 2015, the Group has no provision made for impairment of trade receivables.

Total unaudited staff costs (excluding directors' remuneration) are approximately HK\$2,552,000 for the three months ended 28 February 2015, a 7% increase from approximately HK\$2,382,000 for the previous period. The increases are mainly attributed to increase in headcount and overall salary increment of staff during the period.

On 21 November 2014, the Board has published a voluntary announcement to liquidate and dissolve its Australia subsidiaries of the Company, Multiactive Software Pty Limited and Maximizer Software Pty Limited. As at 28 February 2015, the application of the liquidation of Australia subsidiaries of the Company to the Australia Corporation Law of Australian Securities and Investments Commission is in the process. The financial position of its Australia subsidiaries is included in the unaudited consolidated result of the Company for the three months ended 28 February 2015.

### **Operation Review**

For the three months ended 28 February 2015, Financial Solutions unaudited turnover is approximately HK\$3,086,000, an increase of 28% when compared to approximately HK\$2,420,000 for the corresponding period of the previous year. The increases of turnover were mainly attributed to ascend from sales of computer hardware to customers and rental income of software licenses during the period. During the period, the Group continues put great effort to work with our customers for implement Orient Central Gateway ("OCG") and Shanghai-Hong Kong Stock Connect.

Due to market competitiveness and efficient resources utilization, the Group will focus more its core business on Financial Solutions market. The Group has been focusing on the development of the new modules and its products improvement to generate more sales and pay close attention to opportunities in diversified solutions products.

### **Prospects**

To maintain our competitiveness in the market, the Group will focus more on our core business and technology development to improve product functionality and expand service dimensions to our customers. To channel our resources to new business development in the high growth solutions area will continue to be top priorities for the Group for 2015. 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.

Moving forward, we aimed at reaching out to a more diversified business line via seeking new opportunities in Hong Kong and Asian market. To achieve this goal, we will engage more actively in seeking collaboration partners to provide more innovative business solutions. We also continue to improve operational effectiveness in order to drive our business for continued growth.



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

At 28 February 2015, the interests and short positions of the directors and chief executives in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under Section 352 of SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Rule 5.46 to 5.68 of the GEM Listing Rules were as follows:

### **Long positions in shares**

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

### **Long positions in underlying shares**

*a) The Company:*

All options of the Company granted were expired on 27 May 2011.

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

No further options can be granted under the Company's share option scheme adopted on 22 January 2001 until the new requirements of Chapter 23 of the GEM Listing Rules are complied with.

*b) Associated Corporation:*

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

### **Long positions in debentures**

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

### **Short positions in shares**

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



### Short positions in underlying shares

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

### Short positions in debentures

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

Save as disclosed above, as at 28 February 2015, 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 28 February 2015, 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	140,992,968	58.53%
Pacific East Limited	Beneficial owner	Corporate	13,160,673	5.46%
Royal Bank of Canada Financial Corporation (Note)	Trustee	Corporate	154,153,641	63.99%

*Note:*

Royal Bank of Canada Financial Corporation is the trustee of The City Place Trust which owns Maximizer International Limited, which holds 58.53% interest in the Company and wholly owns Pacific East Limited, which holds 5.46% interest in the Company. The City Place Trust is a discretionary trust and its beneficiaries include direct family members of Mr. Kau Mo Hui, but not include Mr. Joseph Chi Ho Hui and Ms. Clara Hiu Ling Lam or any of their respective spouse or minor child. Mr. Kau Mo Hui is the father of Mr. Joseph Chi Ho Hui, an executive director of the Company and Mr. Samson Chi Yang Hui, the chief executive officer of the Company. Mr. Kau Mo Hui is also the father-in-law of Ms. Clara Hiu Ling Lam, an executive director of the Company.

**Long positions in underlying shares**

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

**Short positions in shares**

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

**Short positions in underlying shares**

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

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

**AUDIT COMMITTEE**

Pursuant to the GEM Listing Rules, an audit committee was established on 22 January 2001, comprising three independent non-executive directors, namely Messrs. Kwong Sang Liu, Edwin Kim Ho Wong and William Keith Jacobsen. On 28 September 2004, Mr. Kwong Sang Liu was appointed as independent non-executive director and member of audit committee of the Company. On 29 August 2008, Mr. Edwin Kim Ho Wong was appointed as independent non-executive director and member of audit committee of the Company. Mr. William Keith Jacobsen was appointed as independent non-executive director and member of audit committee of the Company on 10 July 2009. Mr. 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 terms of reference of the audit committee should also require it to review arrangement employees of the Company can use to raise concerns about possible improprieties in financial reporting, internal control or other matters. The audit committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action and to act as the key representative body for overseeing the Company's relations with the external auditors. The audit committee provides an important link between the board of directors and the Company's auditors in matters coming within the scope of the Group audit. It also reviews the financial reporting process and the adequacy and effectiveness of the Group's internal control system.

During the three months ended 28 February 2015, the audit committee held a meeting for the purpose of reviewing the Company's reports and accounts, and providing advice and recommendations to the Board. The minutes of the audit committee meeting are kept by the Company Secretary.

The Group's unaudited results for the three months ended 28 February 2015 have been reviewed by the audit committee, which was of the opinion that the preparation of such results complied with the applicable accounting standard.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

During the three months ended 28 February 2015, the Company has not redeemed any of its listed securities. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the period.

By order of the Board

**Joseph Chi Ho Hui**

*Chairman*

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

Mr. Joseph Chi Ho HUI	(Executive Director)
Ms. Clara Hiu Ling LAM	(Executive Director)
Mr. Kwong Sang LIU	(Independent Non-executive Director)
Mr. Edwin Kim Ho WONG	(Independent Non-executive Director)
Mr. William Keith JACOBSEN	(Independent Non-executive Director)

Hong Kong, 10 April 2015

