abcmultiactive

abc Multiactive Limited

(Incorporated in Bermuda with limited liability)
Stock code:8131

ANNUAL 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.

abc Multiactive Limited

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Corporate Information

DIRECTORS

Executive Directors

Mr. Joseph Chi Ho HUI
Ms. Clara Hiu Ling LAM

Independent Non-executive Directors

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

COMPANY SECRETARY

Mr. Siu Leong CHEUNG

COMPLIANCE OFFICER

Mr. Joseph Chi Ho HUI

AUTHORISED REPRESENTATIVES

Mr. Joseph Chi Ho HUI
Mr. Siu Leong CHEUNG

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

Mr. Joseph Chi Ho HUI
Mr. Kwong Sang LIU
Mr. Edwin Kim Ho WONG
Mr. William Keith JACOBSEN
Mr. Samson Chi Yang HUI

BERMUDA RESIDENT REPRESENTATIVE

Codan Services Limited

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
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

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Abacus Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

Hang Seng Bank Limited
The Hong Kong and Shanghai Banking Corporation Limited
Bank of China (Hong Kong) Limited

STOCK CODE

8131

WEBSITE

http://www.abcmultiactive.com

AUDITORS

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

Chairman's Statement

On behalf of our board ("the Board") of directors of the Company (the "Directors"), I hereby present the annual results of abc Multiactive Limited (the "Company") and its subsidiaries (collectively, the "Group") for the year ended 30 November 2015 (the "Year"). On behalf of the Board, I would also like to express my heartfelt gratitude to all the shareholders of our Group (the "Shareholders") and friends from various communities for their support to the development of the Group, as well as my heartfelt gratitude to the management and all the staff for their valuable contributions and support during the Year.

2015 has been another difficult year for the securities market. With the global economic volatility increased significantly during the second half of the Year, and the uncertainty in Hong Kong and China stock market, numbers of potential orders from the securities industry for technology products and related services were deferred. Despite a challenging year, we managed to achieve some major milestones during the Year. We established a strategic reference point, by implementing our core securities trading systems and new trading modules, including Orion Central Gateway ("OCG") and Shanghai-Hong Kong Stock Connect, successfully for our clients with satisfactory results.

Looking ahead, following the launch of Shenzhen-Hong Kong Stock Connect to the market in the future and continuous technology enhancements in the industry, the Group believes that the demand for technical system upgrade from the securities industry will increase continuously, and further enhance the operational efficiencies to more intense than ever. Entering 2016, in addition to continue in developing its core business segments to realise growth in turnover and achieve sustained profitability, the Group will also strive for new investment opportunities in order to expand and diversify its business and revenue sources.

On behalf of the Board, I would like to express my appreciation for all investors, customers, and business partners for their continuous support and trust to the Group, as well as to thank all members of the Board and our employees for the contribution and dedication they have bestowed to the Group. I look forward to a productive year in 2016.

Joseph Chi Ho Hui
Chairman

Hong Kong, 29 January 2016

Management Discussion and Analysis

Financial Review

The Group recorded a turnover of approximately HK$13,334,000 for the year ended 30 November 2015 (the "Year"), decreased by 32% from approximately HK$19,733,000 for the same period last year. Of the total turnover amount, approximately HK$2,855,000 or 21% was generated from software license sales, approximately HK$3,735,000 or 28% was generated from contract revenue, approximately HK$6,078,000 or 46% was generated from maintenance services, and approximately HK$666,000 or 5% was generated from sales of hardware. As at 30 November 2015, the Group had approximately HK$1,744,000 worth of contracts that were in progress. The net loss attributable to shareholders for the Year was approximately HK$14,227,000, which was combined of the audited gain on de-registered subsidiary liabilities of approximately HK$958,000 and audited loss on foreign currency translation adjustment of approximately HK$13,351,000, which charged from exchange reserve to profit and loss account due to the de-registration of the Group's Australian subsidiaries during the Year, whereas the Group recorded a net profit of approximately HK$2,057,000 for the same period last year.

The Group's operating expenditures for the Year amounted to approximately HK$13,729,000, increased by 7% from approximately HK$12,833,000 for the corresponding period last year. Such increase was mainly attributed to the increase in recruitment cost and staff payroll increment during the Year.

As a result of most of the properties, plants and equipment of the Group were fully depreciated, the depreciation expenses decreased from approximately HK$65,000 for the same period last year to approximately HK$61,000 for the Year.

The Group did not have any amortisation expenses during the Year, due to the written-off of the remaining amounts of goodwill and intellectual property rights at the end of the fiscal year 2002.

During the Year, the Group invested approximately HK$4,881,000 in developing new modules for its OCTO Straight Through Processing ("STP") system.

The Group has no provision made for impairment of trade receivables during the Year.

Total staff costs (excluding directors' remuneration) were approximately HK$9,805,000 for the Year, representing an increase of 5% from approximately HK$9,311,000 for the same period last year. The increase was mainly attributed to an increase in headcount and salary increment in staff payroll.

Management Discussion and Analysis

Operation Review

For the Year, the turnover from Financial Solutions is approximately HK$13,334,000, a decrease of 32% when compared to approximately HK$19,676,000 for the same period last year. The decrease in the turnover was mainly attributed to lesser software license sales during the Year comparing to the same period last year. Despite this, the Group managed to maintain a steady order flow from its customer services, including annual maintenance fees and software rental income. During the Year, the Group enhanced its customer service by successfully implementing the new Orient Central Gateway ("OCG") and Shanghai-Hong Kong Stock Connect to the market. Furthermore, we succeeded in securing contracts from numbers of brokerage firms for upgrading their existing back office systems to our latest versions during the Year.

Following the new OCG and Shanghai-Hong Kong Stock Connect were launched to the market during the Year, the Group is closely negotiating with new customers for the implementation of its OCTOSTP trading system and we believe that the Group will benefit from its enhanced product line by the potential expand of its customer base.

The Group has always given priority to investing in the development of additional add-on modules for its OCTOSTP trading system, as well as to enhancing its extensive array of solutions and capabilities through product development, in order to improve the ability to streamline and diversify its revenue stream.

Capital structure

As at 30 November 2015, the total issued share capital of the Company was HK$24,088,645 divided into 240,886,450 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.

As at 30 November 2015, the Group's borrowings were repayable as follows:

	The Group	
	Other loans	
	2015	2014
	HK$'000	HK$'000
Within 1 year	**225**	264
Between 1 and 2 years	**48,859**	47,534
Between 2 and 5 years	**–**	–
Wholly repayable within 5 years	**49,084**	47,798
Over 5 years	**–**	–
	49,084	47,798

As at 30 November 2015, the Group had outstanding of approximately CAD39,000 (approximately HK$225,000) due to Maximizer Services 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 free.

As at 30 November 2015, approximately HK$4,635,000 representing a loan from Wickham Group Limited, a party owned by a close family member of an executive director of the Company, which was unsecured, interest bearing at the Hong Kong prime rate and maturing on 30 June 2017.

As at 30 November 2015, loans of amount CAD1,025,000, (approximately to HK$5,935,000) and HK$25,705,000 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 30 June 2017.

The Group expresses its gearing ratio as a percentage of borrowings and long term debts over total assets. As at 30 November 2015, the Group's gearing ratio was 9.83.

Pledge of Assets

The Group did not have any mortgage or charge over its assets as at 30 November 2015.

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 Australia 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 2015, 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 Hong Kong dollars, Renminbi and Canadian dollars. The Group conducts its core business transaction mainly in Hong Kong 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 2015.

Significant Investments

The Group has not held any significant investment for the year ended 30 November 2015.

Management Discussion and Analysis

Material Acquisitions, Disposal of Subsidiaries and Affiliated Companies

On 11 November 2015, the Group de-registered wholly-owned subsidiaries in Australia, Multiactive Software Pty Limited and Maximizer Software Pty Limited. The result of de-registeration of subsidiaries is set out in Note (29) to the consolidated financial statements.

Major Events

As at 30 November 2015, the Group had no material capital commitments and no future plans for material investments or capital assets.

Employee and Remuneration Policy

The directors believe that the quality of its employees is the most important factor in sustaining the Group's growth and improving its profitability. The Group's remuneration package is structured with reference to the individual performance, working experience and prevailing salary levels in the market. In addition to basic salaries and mandatory provident fund, staff benefits include medical coverage scheme. As at 30 November 2015, the Group had employed 22 staffs in Hong Kong and 1 staff in People's Republic of China (the "PRC"). Total staff costs for the Year under review amounted to approximately HK$9,805,000.

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 revised rules of the MPF Scheme on 1 June 2014, 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$30,000.

The retirement benefit scheme cost charged to the consolidated statement of profit or loss and other comprehensive 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$359,000 (2014: HK$341,000). 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 required to participate in a central pension scheme operated by the local municipal government. The contributions are charged to the consolidated statement of profit or loss and other comprehensive income as they become payable in accordance with the rules of the central pension scheme.

Prospects

To strengthen the competitiveness in the market, the Group will further focus on our core business and technology development with product functionality improvement and expansion in the service areas we offer to the customers. To channel our resources to the new business development area of high growth solutions will continue to be one of the top priorities of the Group for 2016. It is the belief of the directors that the Group has a well-diversified product range, which maintains its market competitiveness and it is well equipped to face future challenges.

Entering 2016, we target to strive for a better diversified business line by seeking new investment opportunities in the market. To achieve the goal, we will engage in seeking partners actively to cooperate in providing more innovative business solutions. We will also continue to deliver our quality service, as well as to improve our financial solution products, for the continuous business growth of the Group.

Biographical Details of Directors and Senior Management

Executive Directors

Mr. Joseph Chi Ho HUI, aged 45, joined the Group in November 2000. Mr. Hui was appointed as chairman of the Board, compliance officer and authorised representative of the Company on 28 November 2012. Mr. Hui graduated with a Bachelor Degree in Electrical Engineering from the University of British Columbia, Vancouver, Canada and obtained a Master's of Science Degree in Electrical Engineering from Stanford University, USA. Mr. Hui is currently a Multinational Corporation ("MNC") business solution provider. Mr. Hui was previously a 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. He has solid management experience of software development in CRM industry and related business for more than 16 years. Mr. Hui is the brother of Mr. Samson Chi Yang Hui, the chief executive officer of the Company, and is the brother-in-law of Ms. Clara Hiu Ling Lam, the executive director of the Company.

Ms. Clara Hiu Ling LAM, aged 43, was appointed as executive director of the Company on 14 July 2011. Ms. Lam was graduated with a Bachelor 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 a director of One Champion Group (Asia) Limited and Anaiss Enterprise Limited respectively, the private companies owned by Ms. Lam involved in the oversea property investment and 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 11 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. Joseph Chi Ho Hui, the executive director of the Company.

Independent Non-executive Directors

Mr. Kwong Sang LIU, aged 53, joined the Company in September 2004. Mr. Liu was also appointed as audit committee member, remuneration committee member and nomination committee member of the Company. He has been practising as a certified public accountant in Hong Kong with more than 26 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 a fellow 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 Institute of Public 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 currently acts as an independent non-executive director of China National Culture Group Limited with stock code 745, of Polytec Asset Holdings Limited with stock code 208 whose securities are listed on the main board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange"), and of Evershine Group Holdings Limited with stock code 8022, whose securities are listed on the Growth Enterprise of the Stock Exchange. Mr. Liu was previously an independent non-executive director of Dragonite International Limited with stock code 329, whose securities are listed on the main board of the Stock Exchange, and of Pacific CMA, Inc. whose securities were previously listed on the American Stock Exchange.

Mr. Edwin Kim Ho WONG, aged 42, joined the Company in August 2008. Mr. Wong was also appointed as audit committee member, remuneration committee member and nomination committee member of the Company. Mr. Wong 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 of the well-known Hong Kong textile companies specialised in OEM export textile industry and related business more than 16 years.

Mr. William Keith JACOBSEN, aged 49, joined the Company in July 2009. Mr. Jacobsen was also appointed as audit committee member, remuneration committee member and nomination committee member of the Company. Mr. Jacobsen 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 the chief executive officer of Trinity Corporate Finance Limited. Mr. Jacobsen has more than 21 years experience in corporate finance and business development for various firms and listed companies in Hong Kong.

Mr. Jacobsen is currently an independent non-executive director of Sustainable Forest Holdings Limited, a company listed on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") with stock code 723 and Cinderella Media Group Limited, a company listed on the Stock Exchange with stock code 550. He is also a non-executive director of Madex International (Holdings) Limited, a company listed on the Stock Exchange with stock code 231 and Huge China Holdings Limited, a company listed on the Stock Exchange with stock code 428. He was previously an executive director of Auto Italia Holdings Limited, a company listed on the Stock Exchange with the stock code 720, an independent non-executive director of China Financial Leasing Group Limited, a company listed on the Stock Exchange with stock code 2312, of King Stone Energy Group Limited, a company listed on the Stock Exchange with stock code 663, of Qingdao Holdings International Limited (former name: Hycomm Wireless Limited), a company listed on the Stock Exchange with stock code 499, and of Perception Digital Holdings Limited, a company listed on the Stock Exchange with stock code 1822.

Biographical Details of Directors and Senior Management

Senior Management

Mr. Samson Chi Yang HUI, aged 44, 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 20 years' experience in managing real estate, trading, investment and IT businesses. Mr. Hui is the spouse of Ms. Clara Hiu Ling Lam, the executive director of the Company and is also the brother of Mr. Joseph Chi Ho Hui, the executive director of the Company.

Mr. Siu Leong CHEUNG, aged 43, joined the Company in August 2003. Mr. Cheung is the qualified accountant, company secretary 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 19 years.

Report of the Directors

The directors are pleased to present their annual report together with the audited consolidated 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 2015 (the "Year").

Principal activities

The principal activity of the Company is investment holding. The activities of its subsidiaries are set out in Note (20) to the consolidated 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 consolidated financial statements.

Results and appropriation

The results of the Group for the Year and the state of affairs of the Group and the Company on that date are set out on pages 38 to 43 to the consolidated financial statements.

The directors do not recommend payment of any dividend in respect of the Year (2014: 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 (19) to the consolidated financial statements.

Share capital

Details of the movements in the share capital of the Company during the Year are set out in Note (24) to the consolidated financial statements.

Distributable reserves

As at 30 November 2015, the Company had 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 (25) 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 (2014: Nil).

Directors

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

Executive Directors
Mr. Joseph Chi Ho Hui *(Chairman)*
Ms. Clara Hiu Ling Lam

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, Mr. Joseph Chi Ho Hui and Mr. Edwin Kim Ho Wong will retire by rotation at the forthcoming AGM and, being eligible, offer themselves for re-elections.

In accordance with code provision A.4.3 of the Corporate Governance Code and Corporate Governance Report contained in Appendix 15 of the GEM Listing Rules, Mr. Kwong Sang Liu has served as an independent non-executive director of the Company for more than 9 years. His further appointment is subject to a separate resolution to be approved by Shareholders at the AGM in each year.

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 2018; 28 August 2017 and 9 July 2018 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 (31) 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.

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 10 to 12 to the consolidated financial statements.

Related party transactions

Details of the related party transactions of the Group are set out in Note (31) to the consolidated financial statements.

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

As at 30 November 2015, the interests and short positions of the directors and chief executive 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 executive 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 executive 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 executive 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 executive 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 executive 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 executive 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 executive in the debentures of the Company and its associated corporations were recorded in the register.

Save as disclosed above, as at 30 November 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 shareholders

As at 30 November 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 does 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.

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	11.2%
– five largest customers combined	45.2%

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

Purchases	
– the largest supplier	37.7%
– five largest suppliers combined	99.3%

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 Year.

Sufficiency of public float

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

Interest capitalised

The Group has not capitalised any interest during the Year.

Independence of independent non-executive directors

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

Auditors

The consolidated financial statements of the Group for the year ended 30 November 2015 were audited by HLB Hodgson Impey Cheng Limited whose term of office will expire upon the forthcoming annual general meeting. A resolution for the re-appointment of HLB Hodgson Impey Cheng Limited as the auditors of the Company for the subsequent year is to be proposed at the forthcoming annual general meeting.

On behalf of the Board
Joseph Chi Ho Hui
Executive Director

Hong Kong, 29 January 2016

Workplace Quality

Working Condition

The Group strives to provide a pleasant and healthy workplace for our employee. We care for our employee and recognise that having good staff relations and a motivated workplace play vital role in the Group's efficient operation. In order to fully develop staff competence and potential, the Group has an employee handbook that ensure each staff understand the policy of the Group. Our employee handbook highlights general information about the company and policies relating to staff employment. The contents of our employee handbook are subject to periodic review and changes will be notified by internal memorandum.

Employee Development and Welfare

The Group's remuneration package is structured with reference to the individual performance, working experience and prevailing salary levels in the market. In additional to basic salaries and mandatory provident fund ("MPF"), staff benefits include a basic five-day working week, flexible leave arrangement, medical coverage scheme and annual dinner.

Performance evaluations will be re-initiated each year. Recognising the value in the skill and experience of our staff, the Group intends to adopt a policy that any promotions will be considered internally first before hiring any outside staff. It is the Group's policy to select the most suitable candidate for appointment to a higher rank based on merit, rather than on the seniority of the candidates.

Staff salary payment and promotion will be measured against their progressive performance level, contribution, and achievement against the objectives set by the Group. The annual performance evaluation will be conducted annually. During the performance discussion, staff and management team will meet and talk about the expectations of their jobs so that a mutual understanding of staff responsibilities and performance objectives for the year can be reached.

By offering competitive remuneration package and welfare to staff, our staff turnover rate remains stable in 2015, while job productivity and staff's performance are kept at satisfactory levels.

Workforce by Employment and Region

The Group had employed total 23 staffs in Hong Kong and PRC. Total workforce employment type, age group and geographical region is as follows:

Employment by region

Region	Full-time permanent employees	Part-time employee	Total in percentage
Hong Kong	92%	4%	96%
PRC	4%	–	4%
Total in percentage	96%	4%	100%

Employee by age and gender

	20 – 30	30 – 40	40 – 50	over 50	Male	Female	Total in percentage
Age	17%	33%	33%	17%			100%
Gender					79%	21%	100%

Health and Safety

The Group makes the health and life safety of its employees in a close attention focus. We provide its employee with flexible rest leave arrangement, medical and hospital scheme. The Group also aware that the good working environment for its employees with a safe and comfortable working condition is very important. The Group has set work arrangement for typhoon and rainstorm warning. In the past years under review, zero staff fatalities or serious work related injuries from the Group's operation.

Development and Training

The Group believes that the quality of its employees is the most important factor in sustaining the Group's growth and improving its profitability. Training that providing employees with the opportunities to learn pays dividends for the Group and its employees. The Company gets better-skilled staffs who are more versatile and flexible in their assignments, and employees get the opportunity to learn new skills, gain new ways of viewing the world, and network with others. Except for the training course or seminars sponsored by the Company, all employees can apply for training courses and examination leave that are recommended by their managements. Which in their view, is beneficial both to the Company's corporate direction and to the employees' career development.

Labour Standards

The Group has comply with labour laws and government regulations set out by the Hong Kong and PRC. The Group does not employ staff who are below 18 years of age. No employee is paid less than the minimum wage specified by the government regulations. Monthly salary payments are made on time according to the employee handbook and Mandatory Provident Fund ("MPF") paid for a contribution period before monthly contribution day.

Special Leave arrangement

Except for annual leave, the Group provides special leave arrangement for employees, which including:

Compensation leave or non-office hour support allowance will be granted to employees who are required to work during non-office hours for scheduled tasks;

Maternity leave and paternity leave is granted in accordance with the employment ordinance; and

2 days of paid compassionate leave will be granted to permanent employees on the death of a member of the immediately family.

Employee Insurances

Labour insurance coverage for all employees in Hong Kong and PRC, which includes medical and hospital insurance in Hong Kong and unemployment insurance, pension and maternity insurance in PRC.

Environmental Protection

The Group's business does not involve any nature resources emissions. However, the Group execute practices that improve energy efficiency, conserve resources for its operation and raise environmental awareness for our employee. The key environmental impacts from the Group's operations related to energy and paper consumption. To achieve environment protection, the Group encourage employees to shift to e-statement or scanning to reduce our use of paper and greenhouse gas emissions; switch off all computers and office equipment, electrical and air-conditioner at the end of each working day. Actual numerical results for the year under review, paper consumption approximately 114 thousand of papers and electricity consumption approximately 87 thousand kWh. The Group focuses on paper and toner usage throughout all of our operation and we have always been devoted to reduce energy consumption.

Operating Practices

Product Responsibility

The Group has developed an internal control system for source code protection. Source code update and backup are being monitored on a timely basis to maintain the most updated versions of source code by authorised product owner of the Company. Source codes were identified and classified based on the customer served. To protect customers business information confidential, all source code is encrypted before being sent to customers. And the backing up of data is done from time to time to protect the company's most valuable assets from any event of system crashes and errors. All employees of the Company are committed to protecting the personal information of customers in strict compliance with the Personal Data (Privacy) Ordinance. The personal information of customers should be used in the proper context only for authorised business purposes. It benefits for both the Group and customers, and emphasises on the importance and ethical concern of the safeguard of source code.

Anti-Corruption

The Group aims to maintain a high standard of business ethics, certain policies and practices has been implemented for the Group prohibits bribery and corrupt practices. Since 2000, the Group has set out the company policy on the acceptance of advantages. Those involved in the selection of and purchase from suppliers and contractors to avoid any misuse of authority or engage in situations which could affect or appear to affect employee ability to make free and independent decisions regarding the purchase and procurement of goods and services. The policy and practices affect their objectivity in conducting the Company's business, or induce them to act against the interest of the Company, or lead to allegations of impropriety. Any advantage given in the conduct of the Company's business should be in accordance with the Company's prevailing policies on such matters and prior written approval of the Company should be obtained.

As at the date of this reporting, no employee concluded legal cases regarding corrupt practice, solicit or accept any advantage from any person having business dealings with the Company (e.g. customers, suppliers or contractors).

Corporate Social Responsibility Report

Community Investment

In 2015, the Group supported our staff to join Hong Kong General Chamber of Commerce (the "HKGCC") Oxfam Trailwalker, as we wish to raise fund to help the under privileged. Our staff represented us to participate in the HKGCC's Oxfam Trailwalker team – "Hiking for a Good Cause" from 20-22 November 2015. The Group encourages our staffs to participate in volunteering events, which could provide an opportunity for them to connect outside the workplace while contributing to the local communities, and we target through donations and sponsorships by supporting non-profit-making organisation to help charitable, cultural, educational and other needs of society.

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

To comply with all the code provisions set out in the CG Code and Report contained in Appendix 15 of the GEM Listing Rules, relevant amendments and adoptions has been adopted by the Company, except for the deviations from code provision A.4.3 and C.1.2 as explained below, none of the directors is aware of information that would reasonable indicate that the Company is not, or was not, for any parts of the accounting period for the year ended 30 November 2015, in compliance with the CG Code and Report set out by the Stock Exchange in Appendix 15 to the GEM Listing Rules. The board will continue to review regularly and take appropriate actions to comply with the Code.

Appointments, Re-election and Removal of Director

Code provision A.4.3 of the CG Code and Report, became effective on 1 April 2012, an independent non-executive director serves more than nine (9) years, his further appointment should be subject to a separate resolution to be approved by Shareholders.

Mr. Kwong Sang Liu has served as an independent non-executive director of the Company for more than 9 years. Mr. Liu has demonstrated his ability to provide an independent view to the Company's matters. Notwithstanding his years of service as an independent non-executive director of the Company, the Board is of the view that Mr. Liu is able to continue to fulfill his role as required and thus recommends him for re-election of the annual general meeting of the Company. Further, the Company is of the view of Mr. Liu meets the independence guidelines set out in Rule 5.09 of the GEM Listing Rules and is independent in accordance with the terms and guidelines. This deviated from the requirements of code provision A.4.3.

To comply with code provision A.4.3, Mr. Liu's further appointment has been proposed and approved by the Shareholders at the annual general meeting of the Company held on 27 March 2015, and any further appointment is subject to a separate resolution to be approved by Shareholders in each year.

Financial Reporting

Code provision C.1.2 of the CG Code and Report, became effective on 1 April 2012, stipulates that management should provide all members of the Board with monthly updates giving balanced and understandable assessment of the Company's performance, position and prospects in sufficient details.

Corporate Governance Report

During the year ended 30 November 2015, rather than provide monthly updates, the management of the Company has provided to the Board quarterly updates with quarterly consolidated financial statement of the Company's performance, position and prospects in sufficient details during the regular Board meetings of the Company. In addition, the management has provided all members of the Board, in a timely manner, updates on any material changes to the performance, position and prospects of the Company and sufficient information for matters brought before the Board. The management discussion and analysis prepared by management and reviewed by the Board of the directors are included in pages 5 to 9 of this annual report.

THE BOARD

During the year ended 30 November 2015, the Board comprised two 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 discharges the following responsibilities through delegation to the audit committee, nomination committee and remuneration committee:

(a) to develop and review the Company's policies and practices on corporate governance;

(b) to review and monitor the training and continuous professional development of directors and senior management;

(c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

(d) to develop, review and monitor the code of conduct and compliance manual applicable to employees;

(e) to review the Company's compliance with the Code on Corporate Governance and disclosure in the Corporate Governance Report; and

(f) to review and approve the quarterly, interim, annual results and other business matters.

The Board is provided with the Group quarterly management reports which contain year-to-date financials with summaries of key events and outlook of the Group. The management report gives a balanced and understandable assessment of the Company's performance, position and prospects in sufficient detail.

The Board schedules four regular meetings a year at approximately quarterly intervals. In addition, special Board meetings are held as necessary. During the reporting year 2015, the Board held four meetings. Details of the attendance of individual directors are as follows:

		Attendance
(a)	**Executive Directors**	
	Mr. Joseph Chi Ho HUI	3/4
	Ms. Clara Hiu Ling LAM	3/4
(b)	**Independent Non-executive Directors**	
	Mr. Kwong Sang LIU	4/4
	Mr. Edwin Kim Ho WONG	4/4
	Mr. William Keith JACOBSEN	4/4

Ms. Clara Hiu Ling Lam, the executive director of the Company, is the spouse of Mr. Samson Chi Yang Hui, the chief executive officer of the Company and the sister-in-law of Mr. Joseph Chi Ho Hui, the executive director of the Company. 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 10 to 12 under the section on "Biographical Details of Directors and Senior Management".

Pursuant to the code provision A.1.8 of the CG Code and Report, the Company should arrange appropriate insurance to cover potential legal actions against its directors. To comply with code provision, the Company is arranged for appropriate liability insurance for the directors for indemnifying their liabilities arising from corporate activities for the year ended 30 November 2015.

BOARD DIVERSITY POLICY

Pursuant to the code provision A.5.6 became effective on 1 September 2013, the nomination committee (or the Board) should have a policy concerning diversity of board members, and should disclose the policy or a summary of the policy in the corporate governance report.

To comply with the new code provision A.5.6, the nomination committee adopted a board diversity policy in committee meeting in 2014. During the reporting year 2015, nomination committee held a meeting for the purpose of reviewing the board diversity policy of the Company and the progress of attainment when appropriate to ensure its effectiveness and discussed any revisions that may be required to be considered and make disclosure of its review results of the Company's corporate governance report. A summary of this policy, together with the measureable objectives set for implementing the policy, and the progress made towards achieving those objectives are disclosed as below.

Corporate Governance Report

Summary of the Board Diversity Policy

The Company recognised and embraced the benefits of having a diverse Board to the quality of its performance. The Board Diversity Policy aimed to set out the approach to achieve diversity on the Board. In designing the Board's composition, Board diversity has been considered from a numbers of measurable aspects including gender, age, length of services, knowledge and professional industry background. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regards for the benefits of diversity on the Board.

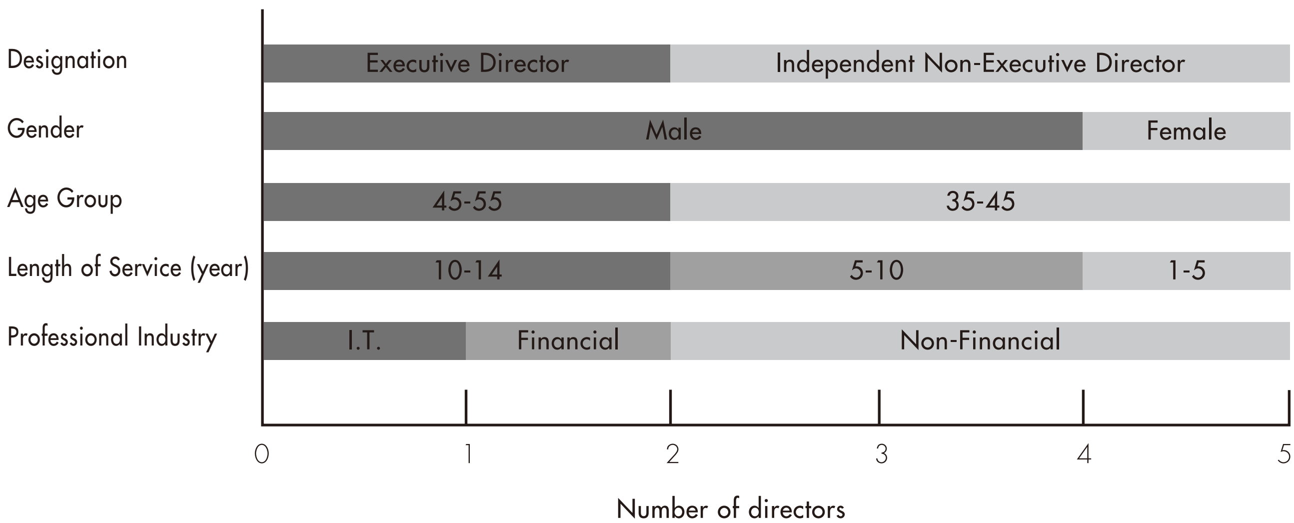
Measurable Objectives

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and education background, professional experience, skill, knowledge and length of services. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

Implementation and Monitoring

The Nomination Committee reviewed the Board's composition under diversified perspectives, and monitored the implementation of the Board Diversity Policy annually.

As at the date of this report, the Board's composition under major diversified perspectives was summarised as follows:



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 of the year. Formal notice of at least 14 days will be given in respect of a regular meeting. For special board meeting, reasonable notice will be given. Directors participated, either in person or through other electronic means of communication in the Board meetings.

The Board of directors meets regularly at least four 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. Joseph Chi Ho 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. The responsibilities of the chairman is to ensure the Board works effectively and performs its responsibilities, and all key and appropriate issues are discussed by the Board, draw up and approve the agenda for each board meeting and take into account, any matters proposed by the other directors for inclusion in the agenda.

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.

NOMINATION COMMITTEE

The Company established a Nomination Committee on 9 March 2012. During the reporting year 2015, the Nomination Committee comprises a total of five members, namely Mr. Kwong Sang Liu, Mr. Edwin Kim Ho Wong and Mr. William Keith Jacobsen, all are independent non-executive directors, and Mr. Joseph Chi Ho Hui, the executive director and Mr. Samson Chi Yang Hui, the CEO of the Company. Mr. Joseph Chi Ho Hui is the chairman of the Nomination Committee.

The responsibilities and authorities of the Nomination Committee are mainly to review the structure, size and composition of the Board at least annually and make recommendations on any proposed changes to the Board on the selection of individuals nominated for directorships; identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; assess the independence of independent of non-executive directors; and make recommendations to the Board on the appointment or re-appointment of directors; and succession planning for directors and review the board diversity policy of the Company.

The Nomination Committee shall be provided with sufficient resources to perform its duties and shall have access to independent professional advice if necessary, at the Company's expense. All members of the Nomination Committee shall have access to the advice and services of the company secretary, and separate and independent access to the Company's senior management for obtaining necessary information.

During the reporting year 2015, one meeting of Nomination Committee was held with attendance of individual member as follows:

	Attendance
Mr. Joseph Chi Ho HUI	1/1
Mr. Kwong Sang LIU	1/1
Mr. Edwin Kim Ho WONG	1/1
Mr. William Keith JACOBSEN	1/1
Mr. Samson Chi Yang HUI	1/1

NOMINATION OF DIRECTORS

The Nomination Committee 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 Nomination Committee 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 Nomination Committee 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' TRAINING

As part of an ongoing process of directors' training, the directors are updated with the latest developments regarding the Listing Rules and other applicable regulatory requirements from time to time to ensure compliance of the same by all directors. All directors are encouraged to attend external forum or training courses on relevant topics which may count towards continuous professional development training.

Pursuant to code provision A.6.5 of CG Code and Report, which has come into effect from 1 April 2012, all directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. Up to the date of this report, all directors have participated in appropriate continuous professional development activities by attending training course on the topics related to corporate governance and regulations or by reading materials relevant to the Company's business or to their duties and responsibilities.

As part of the continuous professional development programme, directors participated in the various briefings and visits to local management and the Company's facilities, as arranged and funded by the Company with appropriate emphasis on the roles, functions and duties of the directors. This is in addition to directors' attendance at meetings and review of papers and circulars sent by management. The participation by individual directors in the programme in 2015 is recorded in the table below.

	Reading regulatory updates	Visit/interview key management
Executive Directors		
Mr. Joseph Chi Ho HUI	√	√
Ms. Clara Hiu Ling LAM	√	√
Independent Non-executive Directors		
Mr. Kwong Sang LIU	√	√
Mr. Edwin Kim Ho WONG	√	√
Mr. William Keith JACOBSEN	√	√

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code of conduct regarding directors' securities transactions on terms no less exacting than the required standard of dealings as set out in rules 5.48 to 5.67 to the GEM Listing Rules. 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 2015.

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. William Keith Jacobsen.

During the financial year ended 30 November 2015, 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

The details of remuneration payable to directors and senior managements of the Company is set out in Note (16) to the financial statements.

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 ended 30 November 2015.

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 auditor. The audit committee provides an important link between the board of directors and the Company's auditors in matters coming within the scope of the Group audit. It also reviews the financial reporting process and the adequacy and effectiveness of the Group's internal control system.

During the reporting year 2015, 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 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.

	Attendance
Mr. Kwong Sang LIU	4/4
Mr. Edwin Kim Ho WONG	4/4
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 judgements and estimates made are prudent and reasonable. The directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group. The responsibilities of the auditors for the accounts are set out in the Independent Auditors' Report on pages 36 to 37 of this annual report.

The independent auditors' report of the Group's consolidated financial statements for the year ended 30 November 2015 contains a modified auditors' opinion as follow:

"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$14,227,000 during the year ended 30 November 2015 and, as of that date, the Group's current liabilities exceeded its total assets by approximately HK$1,170,000. 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."

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$250,000. No non-audit service was provided by external auditors of the Group for the year ended 30 November 2015.

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 management comprising the CEO, chief financial officer and management team. 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 Company does not have internal audit department, but the Internal Control Review Committee, comprising the executive directors and independent non-executive directors of the Company 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 2015, 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 reported to the Board and areas of improvement, if any, have been identified and appropriate measures have been put in place to manage the risks.

COMPANY SECRETARY

The company secretary is an employee of the Company and is appointed by the Board. He supports the chairman, Board and board committees by ensuring good information flow and reports to the Board and assists the Board in functioning effectively and efficiently. The company secretary also advices the Board on governance matters and facilitates the induction and professional development of directors. All directors of the Company may call upon him for advice and assistance at any time in respect to their duties and the effective operation of the Board and board committee.

Mr. Siu Leong Cheung has been the company secretary of the Company since August 2003. He is also the authorised representative and the chief financial officer of the Company. The biographical detail of Mr. Cheung is set out in the section of Directors and Senior Management Profiles on page 12 of this annual report. During the Year, Mr. Cheung undertook not less than 20 hours of relevant professional training.

COMMUNICATION WITH SHAREHOLDERS

In respect of each separate issue at the general meeting held during the year ended 30 November 2015, separate resolution has been proposed by the chairman of that meeting. The chairman of the Board, member of audit committee and external auditor attended the annual general meeting held on 27 March 2015 to answer questions, if any, at the meeting.

SHAREHOLDERS' RIGHTS

Annual report, interim report and quarterly reports offer comprehensive information to the Shareholders on operational and financial performance whereas annual general meetings provide a forum for the Shareholders to exchange views directly with the Board. The general meetings of the Company provide an opportunity for communication between the Shareholders and the Board. The chairman and a member of the Audit Committee attended the 2015 annual general meeting to answer questions at the meeting.

According to the Bye-Laws, any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meeting of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. The requisition must be lodged with the Company's principal place of business of Hong Kong.

As regards proposing a person for election as a director, please refer to the procedures as set out in the Bye-Laws on the website of the Company at www.hklistco.com and the Stock Exchange.

Shareholders may at any time send their enquiries and concerns to the Board in writing to the company secretary at the Company's office in Hong Kong at 17th Floor, Regent Centre, 88 Queen's Road Central, Central, Hong Kong.

INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company has established a range of communication channels between itself, its Shareholders and investors which including answering questions through the annual general meeting, the publications of annual, interim and quarterly reports, notices, announcements and circulars, the website of the Company at www.hklistco.com and the Stock Exchange. Saved to changes published in the announcements during the year, the Board do not aware of any significant changes in the Company's constitutional documents during the year.

Independent Auditors' Report

HLB 國衛會計師事務所有限公司
Hodgson Impey Cheng Limited

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 38 to 109, which comprise the consolidated and the Company statements of financial position as at 30 November 2015, and the consolidated statement of profit or loss and other 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 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 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.

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' judgement, including the assessment of the risks of material misstatement of 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 Company and of the Group as at 30 November 2015, 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.

EMPHASIS OF MATTER

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$14,227,000 during the year ended 30 November 2015 and, as of that date, the Group's current liabilities exceeded its total assets by approximately HK$1,170,000. These conditions, along with other matters as set forth in Note 3 to the consolidated financial statements, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Hon Koon Fai, Alex
Practising Certificate Number: P05029

Hong Kong, 29 January 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 November 2015

	Notes	2015 HK$'000	2014 HK$'000
Turnover	8	**13,334**	19,733
Cost of sales		**(2,389)**	(2,723)
Gross profit		**10,945**	17,010
Other revenue	8	**23**	88
Other losses and gains	9	**(9,072)**	257
Software research and development expenses		**(4,881)**	(4,598)
Selling and marketing expenses		**(1,181)**	(1,366)
Administrative expenses		**(7,667)**	(6,869)
(Loss)/profit from operating activities	10	**(11,833)**	4,522
Finance costs	11	**(2,394)**	(2,465)
(Loss)/profit before taxation		**(14,227)**	2,057
Taxation	12	**–**	–
(Loss)/profit for the year		**(14,227)**	2,057
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		**158**	528
Release of exchange reserve upon de-registration of subsidiaries		**13,351**	–
Other comprehensive income for the year, net of tax		**13,509**	528
Total comprehensive (loss)/income for the year		**(718)**	2,585

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 November 2015

	Note	2015 HK$'000	2014 HK$'000
(Loss)/profit for the year attributable to owners of the Company		**(14,227)**	2,057
Total comprehensive (loss)/income for the year attributable to owners of the Company		**(718)**	2,585
(Loss)/earnings per share			
– Basic and diluted	14	**HK(5.91) cents**	HK0.86 cents

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 November 2015

	Notes	2015 HK$'000	2014 HK$'000
Assets			
Non-current asset			
Property, plant and equipment	19	**198**	93
Current assets			
Trade and other receivables	22	**1,196**	1,352
Cash and cash equivalents	23	**3,526**	6,536
Amounts due from customers	21	**48**	–
		4,770	7,888
Total assets		**4,968**	7,981
Capital and reserves			
Share capital	24	**24,089**	24,089
Reserves	25(a)	**(74,118)**	(73,400)
Equity attributable to owners of the Company		**(50,029)**	(49,311)
Liabilities			
Non-current liability			
Promissory notes and interest payables to the related companies	26	**48,859**	47,534
Current liabilities			
Other payables and accruals	28	**3,180**	5,305
Deferred revenue		**2,114**	3,570
Amount due to a related company	27	**225**	264
Amounts due to customers	21	**619**	619
		6,138	9,758
Total liabilities		**54,997**	57,292
Total equity and liabilities		**4,968**	7,981

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 November 2015

	2015 HK$'000	2014 HK$'000
Net current liabilities	**(1,368)**	(1,870)
Total assets less current liabilities	**(1,170)**	(1,777)
Net liabilities	**(50,029)**	(49,311)

Approved and authorised for issue by the board of directors on 29 January 2016 and signed on its behalf by:

Joseph Chi Ho 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 2015

	Notes	2015 HK$'000	2014 HK$'000
Assets			
Non-current asset			
Investments in subsidiaries	20	**–**	–
Current assets			
Prepayment	22	**176**	176
Cash and cash equivalents	23	**1,394**	2,622
		1,570	2,798
Total assets		**1,570**	2,798
Capital and reserves			
Share capital	24	**24,089**	24,089
Reserves	25(b)	**(72,107)**	(69,638)
Equity attributable to owners of the Company		**(48,018)**	(45,549)
Liabilities			
Non-current liability			
Promissory notes and interest payables to the related companies	26	**48,859**	47,534
Current liability			
Other payables and accruals	28	**729**	813
Total liabilities		**49,588**	48,347
Total equity and liabilities		**1,570**	2,798

STATEMENT OF FINANCIAL POSITION

As at 30 November 2015

	2015 HK$'000	2014 HK$'000
Net current assets	**841**	1,985
Total assets less current liabilities	**841**	1,985
Net liabilities	**(48,018)**	(45,549)

Approved and authorised for issue by the board of directors on 29 January 2016 and signed on its behalf by:

Joseph Chi Ho Hui	**Clara Hiu Ling Lam**
Executive Director	*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 2015

	Attributable to owners of the Company					
	Share capital HK$'000	Share premium HK$'000	Contributed surplus HK$'000	Exchange reserve HK$'000	Accumulated losses HK$'000	Total equity HK$'000
As at 1 December 2013	16,059	106,118	37,600	(14,237)	(205,169)	(59,629)
Profit for the year	–	–	–	–	2,057	2,057
Other comprehensive income for the year	–	–	–	528	–	528
Total comprehensive income for the year	–	–	–	528	2,057	2,585
Issue of ordinary shares upon rights issue	8,030	–	–	–	–	8,030
Expenses attributable to rights issue	–	(297)	–	–	–	(297)
As at 30 November 2014 and 1 December 2014	24,089	105,821	37,600	(13,709)	(203,112)	(49,311)
Loss for the year	–	–	–	–	(14,227)	(14,227)
Other comprehensive income for the year	–	–	–	13,509	–	13,509
Total comprehensive income/(loss) for the year	–	–	–	13,509	(14,227)	(718)
As at 30 November 2015	**24,089**	**105,821**	**37,600**	**(200)**	**(217,339)**	**(50,029)**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 November 2015

	Notes	2015 HK$'000	2014 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before taxation		**(14,227)**	2,057
Adjustments for:			
Interest income		**-**	(1)
Interest expenses	11	**2,394**	2,465
Net exchange gain	9	**(1,013)**	(268)
Loss on disposal of property, plant and equipment	9	**24**	–
Depreciation on property, plant and equipment	10, 19	**61**	65
Loss on de-registration of subsidiaries	9, 29	**12,393**	–
Impairment loss recognised on trade receivables		**-**	23
Reversal of impairment loss on trade receivables		**-**	(12)
Written off of receipt in advance	9	**(2,332)**	–
Operating (loss)/profit before working capital changes		**(2,700)**	4,329
Decrease/(increase) in trade and other receivables		**150**	(421)
Increase in amounts due from customers		**(48)**	–
Decrease in amount due from a related party		**-**	144
Decrease in amount due to a shareholder		**-**	(5,904)
Decrease in amount due to a related company		**-**	(20)
Decrease in amounts due to customers		**-**	(370)
Increase/(decrease) in other payables and accruals		**219**	(1,270)
Decrease in deferred revenue		**(334)**	(129)
Net cash used in operating activities		**(2,713)**	(3,641)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	19	**(192)**	(13)
Interest received		**-**	1
Net cash used in investing activities		**(192)**	(12)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of ordinary shares upon rights issue		**-**	8,030
Expenses attributable to rights issue		**-**	(297)
Net cash generated from financing activities		**-**	7,733

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 November 2015

	2015 HK$'000	2014 HK$'000
Net (decrease)/increase in cash and cash equivalents	**(2,905)**	4,080
Cash and cash equivalents at the beginning of the year	**6,536**	2,296
Effects of exchange rate changes on the balance of cash held in foreign currencies	**(105)**	160
Cash and cash equivalents at the end of the year	**3,526**	6,536
Analysis of the balances of cash and cash equivalents		
Cash and bank balances	**3,526**	6,536

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

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 20 to the consolidated financial statements.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is the same as the functional currency of the Company. All values are rounded to the nearest thousand ("HK$'000") except when otherwise indicated.

The directors of the Company consider the Company's 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 ("HKFRSs")

In the current year, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which are effective for the Group's financial year beginning on or after 1 December 2014.

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010-2012 Cycle
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011-2013 Cycle
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities
HKAS 19 (2011) (Amendments)	Defined Benefit Plans: Employee Contributions
HKAS 32 (Amendments)	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-Financial Assets
HKAS 39 (Amendments)	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) – Int 21	Levies

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

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 *Investment Entities*

The amendments to HKFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss ("FVTPL") in its consolidated and separate financial statements.

To qualify as an investment entity, a reporting entity is required to:

- obtain funds from one or more investors for the purpose of providing them with professional investment management services;
- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments have been made to HKFRS 12 and HKAS 27 to introduce new disclosure requirements for investment entities.

Amendments to HKAS 19 (2011) *Defined Benefit Plans: Employee Contributions*

The amendments to HKAS 19 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee.

For contributions that are independent of the number of years of service, the entity may either recognise the contributions as a reduction in the service cost in the period in which the related service is rendered, or to attribute them to the employees' periods of service using the projected unit credit method; whereas for contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service.

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

Amendments to HKAS 32 *Offsetting Financial Assets and Financial Liabilities*

The amendments to HKAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

Amendments to HKAS 36 *Recoverable Amount Disclosures for Non-Financial Assets*

The amendments to HKAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit ("CGU") to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by HKFRS 13 *Fair Value Measurements*.

Amendments to HKAS *39 Novation of Derivatives and Continuation of Hedge Accounting*

The amendments to HKAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness.

Notes to the Consolidated Financial Statements

For the year ended 30 November 2015

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

HK (IFRIC) – Int 21 *Levies*

HK(IFRIC) – Int 21 addresses the issue as to when to recognise a liability to pay a levy imposed by a government. The interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

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

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012-2014 Cycle[2]
HKFRS 9	Financial Instruments[3]
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception[2]
HKFRS 11 (Amendments)	Accounting for Acquisition of Interests in Joint Operation[2]
HKFRS 14	Regulatory Deferral Accounts[1]
HKFRS 15	Revenue from contracts with customers[3]
HKAS 1 (Amendments)	Disclosure Initiative[2]
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation[2]
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants[2]
HKAS 27 (Amendments)	Equity Method in Separate Financial Statement[2]

1 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016, with earlier application permitted.

2 Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

3 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

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

HKFRS 9 *Financial Instruments*

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a fair value through other comprehensive income ("FVTOCI") measurement category for certain simple debt instruments.

Key requirements of HKFRS 9 are described below:

- All recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition* and Measurement are subsequently measured at 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. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at FVTPL, HKFRS 9 requires that 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 recognition 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 of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as FVTPL was presented in profit or loss.

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

HKFRS 9 *Financial Instruments* (continued)

- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

Amendments to HKFRS 10 and HKAS 28 *Sale and Contribution of Assets between an Investor and its Associate or Joint Venture*

Amendments to HKAS 28:

- The requirements on gains and losses resulting from transactions between an entity and its associate or joint venture have been amended to relate only to assets that do not constitute a business.

- A new requirement has been introduced that gains or losses from downstream transactions involving assets that constitute a business between an entity and its associate or joint venture must be recognised in full in the investor's financial statements.

- A requirement has been added that an entity needs to consider whether assets that are sold or contributed in separate transactions constitute a business and should be accounted for as a single transaction.

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

Amendments to HKFRS 10 and HKAS 28 *Sale and Contribution of Assets between an Investor and its Associate or Joint Venture* (continued)

Amendments to HKAS 10:

- An exception from the general requirement of full gain or loss recognition has been introduced into HKFRS 10 for the loss control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method.

- New guidance has been introduced requiring that gains or losses resulting from those transactions are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement at fair value of investments retained in any former subsidiary that has become an associate or a joint venture that is accounted for using the equity method are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011) *Investment Entities: Applying the Consolidation Exception*

The narrow-scope amendments to HKFRS 10, HKFRS 12 and HKAS 28 introduce clarifications to the requirements when accounting for investment entities. The amendments also provide relief in particular circumstances, which will reduce the costs of applying the standards.

Amendments to HKFRS 11 Accounting for *Acquisition of Interests in Joint Operation*

The amendments to HKFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in HKFRS 3 *Business Combinations*. Specifically, the amendments state that the relevant principles on accounting for business combinations in HKFRS 3 and other standards (e.g. HKAS 36 *Impairment of Assets* regarding impairment testing of a CGU to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by HKFRS 3 and other standards for business combinations.

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

HKFRS 14 *Regulatory Deferral Accounts*

HKFRS 14 permits first-time adopters to continue to recognise amounts related to rate regulation in accordance with their previous Generally Accepted Accounting Principles requirements when they adopt HKFRS. However, to enhance comparability with entities that already apply HKFRS and do not recognise such amounts, the standard requires that the effect of rate regulation must be presented separately from other items. An entity that already presents HKFRS financial statements is not eligible to apply the standard.

HKFRS 15 *Revenue from contracts with customers*

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and the related interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

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

Amendments to HKAS 1 *Disclosure Initiative*

The amendments to HKAS 1 are designed to further encourage companies to apply professional judgement in determining what information to disclose in their financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that companies should use professional judgement in determining where and in what order information is presented in the financial disclosures.

Amendments to HKAS 16 and HKAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*

The amendments to HKAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to HKAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

- when the intangible asset is expressed as a measure of revenue; or

- when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

Amendments to HKAS 27 *Equity Method in Separate Financial Statements*

The amendments allow an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statements

- At cost;

- In accordance with HKFRS 9 *Financial Instruments* (or HKAS 39 *Financial Instruments: Recognition and Measurement* for entities that have not yet adopted HKFRS 9); or

- Using the equity method as described in HKAS 28 *Investments in Associates and Joint Ventures*.

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

Amendments to HKAS 27 *Equity Method in Separate Financial Statements* (continued)

The accounting option must be applied by category of investments.

The amendments also clarify that when a parent ceases to be an investment entity, or becomes an investment entity, it shall account for the change from the date when the change in status occurred.

In addition to the amendments to HKAS 27, there are consequential amendments to HKAS 28 to avoid a potential conflict with HKFRS 10 *Consolidated Financial Statements* and to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards*.

The Group is in the process of assessing the potential impact of the above new and revised HKFRSs upon initial application but is not yet in a position to state whether the above new and revised HKFRSs will have a significant impact on the Group's results of operations and financial position.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRSs, which is a collective term that includes all applicable individual HKFRSs, 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.

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of preparation (continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Group incurred a net loss of approximately HK$14,227,000 and accumulated losses of approximately HK$217,339,000 for the year ended 30 November 2015. As at 30 November 2015, the Group's current liabilities exceeded its total assets by approximately HK$1,170,000 and has net liabilities of approximately HK$50,029,000. Notwithstanding the above results, the consolidated financial statements have been prepared on a going concern basis. The validity of the going concern basis 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.

Also, the directors of the Company are of the opinion that the Group will be able to finance its future financing requirements and working capital based on the following considerations:

(a) On 25 November 2015, the promissory notes holder, Active Investments Capital Limited ("Active Investments"), which is the Company's related company has agreed to extend the expiry date of the promissory notes together with the accrued interests with aggregate amount as at 30 November 2015 of approximately HK$42,983,000 to 30 June 2017. Active Investments provides financial support for the continuing operations of the Company so as to enable it to meet its liabilities as they fall due and carry on its business without a significant curtailment of operations in the twelve months from 30 November 2015; and

(b) On 25 November 2015, the promissory note holder, Wickham Group Limited ("Wickham"), which is the Company's related company has agreed to extend the expiry date of the promissory note together with the accrued interest with aggregate amount as at 30 November 2015 of approximately HK$5,876,000 to 30 June 2017.

In view of the above, the directors of the Company are of the opinion that there will be sufficient financial resources available to the Group to enable it to meet its liabilities as and when they fall due and to continue as a going concern. Accordingly, the directors of the Company have prepared the consolidated financial statements on a going concern basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries for the year ended 30 November 2015. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (continued)

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries
Changes in the Group's ownership interests in existing 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, a gain or loss is recognised in profit or loss and 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. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). 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 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

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, except that:

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations (continued)

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* 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 measured 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 (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, 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 acquiree (if any), 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 fair value or, when applicable, on the basis specified in another HKFRS.

When the consideration transferred by the Group 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 included 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 against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with HKAS 39, or HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets,* as appropriate, with the corresponding gain or loss being recognised in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations (continued)

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.

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), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at 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.

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 profit or loss and other 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

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

A CGU 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 CGU 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 profit or loss and other comprehensive income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivables.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Construction contracts

When 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.

When 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.

When 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.

Leasing

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leasing (continued)

The Group as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Group as lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

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.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Foreign currencies

In preparing the 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 on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK$) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of foreign currency translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), 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 includes a foreign operation 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 joint arrangements 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 to identifiable assets acquired and liabilities assumed through 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 other comprehensive income.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Borrowing 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.

Retirement benefits scheme

(i) Salaries, annual bonuses, paid annual leave, leave passage and the cost to the Group of nonmonetary benefits are accrued in the year in which the associated services are rendered by employees of the Group. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. The MPF Scheme has operated since 1 December 2000. Contributions are made based on a percentage of the employees' basic salaries and are charged to the 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 (the "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 profit or loss and other comprehensive income as they become payable in accordance with the rules of the central pension scheme.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before taxation' as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, 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. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

Deferred tax (continued)

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Current and deferred tax for the year

Current and deferred tax are 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 are 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 in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of each item of property, plant and equipment, less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The principal annual rates used for this purpose are 20% to 25%.

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 reporting period.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 (CGUs).

Work in progress

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

Cash and cash equivalents

Cash equivalents comprise cash at banks 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 instruments.

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 FVTPL) 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 FVTPL 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

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.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVPTL.

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 receivables and cash and cash equivalents) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

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 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

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.

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.

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

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Other financial liabilities

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial liabilities and equity instruments (continued)

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 (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 financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

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 continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. 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.

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise, 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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. 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 future events not wholly within the control of the Group. A contingent asset is not recognised but is disclosed when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related parties transactions

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

(a) A person or a close member of that person's family, is related to the Group, if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) the entity and the Group are joint ventures of the same third party.

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the reporting entity is itself such a plan, the sponsoring employers are also related to the Group.

(vi) the entity is controlled or jointly controlled by a person identified in (a).

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

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

4. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The Group

	2015	2014
	HK$'000	HK$'000
Financial assets		
Loans and receivables (including cash and cash equivalents)	**3,926**	7,081
Financial liabilities		
Amortised cost	**50,877**	49,728

The Company

	2015	2014
	HK$'000	HK$'000
Financial assets		
Loans and receivables (including cash and cash equivalents)	**1,394**	2,622
Financial liabilities		
Amortised cost	**49,588**	48,347

(b) Financial risk management objectives and policies

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

Market risk

The Group's activities expose it primarily to the financial risks of changes in interest rates 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.

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 promissory notes and interest payables to the related companies, and is therefore exposed to cash flow interest rate risk (see Note 26 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 taxation for the year ended 30 November 2015 would increase/decrease by approximately HK$120,000 (profit before taxation for the year ended 30 November 2014: decrease/increase by approximately to HK$123,000). 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 and promissory notes and interest payables to the related companies, which are denominated in Canadian dollars ("CAD") other than the functional currency of the Group. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

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:

	2015 HK$'000	2014 HK$'000
Assets:		
CAD	529	625
RMB	121	114
Liabilities:		
CAD	8,244	8,682

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$ weaken 5% against the relevant currency. For a 5% strengthening 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.

	2015 HK$'000	2014 HK$'000
Impact of CAD		
Profit or loss*	(386)	(416)
Impact of RMB		
Profit or loss**	6	6

4. FINANCIAL INSTRUMENTS (CONTINUED)

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

Market risk (continued)

Sensitivity analysis on foreign currency risk management (continued)

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

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

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

Credit risk

As at 30 November 2015, 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.

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 and brokerage firms with high credit ratings assigned by international credit-rating agencies.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents in order to fulfil the Group's and the Company's financial liabilities. 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 shareholders 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$50,029,000 and HK$48,018,000 as at 30 November 2015. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations. The related companies will not demand repayment within the next twelve months of the reporting date.

4. FINANCIAL INSTRUMENTS (CONTINUED)

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

Liquidity risk (continued)

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 of the Company. 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.

The Group

		At 30 November 2015				
	Weighted average effective interest rate %	On demand or within 1 year HK$'000	2 to 5 years HK$'000	Over 5 years HK$'000	Total undiscounted cash flows HK$'000	Total carrying amount HK$'000
Non-derivative financial liabilities						
Promissory notes and interest payable to the related companies	5%	-	52,842	-	52,842	48,859
Amount due to a related company	-	225	-	-	225	225
Other payables and accruals	-	1,793	-	-	1,793	1,793
		2,018	52,842	-	54,860	50,877

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4. FINANCIAL INSTRUMENTS (CONTINUED)

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

Liquidity risk (continued)

The Group (continued)

	Weighted average effective interest rate	At 30 November 2014 On demand or 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%	–	51,446	–	51,446	47,534
Amount due to a related company	–	264	–	–	264	264
Other payables and accruals	–	1,930	–	–	1,930	1,930
		2,194	51,446	–	53,640	49,728

The Company

	Weighted average effective interest rate	At 30 November 2015 On demand or 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%**	**-**	**52,842**	**-**	**52,842**	**48,859**
Other payables and accruals	**-**	**729**	**-**	**-**	**729**	**729**
		729	**52,842**	**-**	**53,571**	**49,588**

4. FINANCIAL INSTRUMENTS (CONTINUED)

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

Liquidity risk (continued)

The Company (continued)

	As at 30 November 2014					
	Weighted average effective interest rate	On demand or 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%	–	51,446	–	51,446	47,534
Other payables and accruals	–	813	–	–	813	813
		813	51,446	–	52,259	48,347

(c) Fair value estimation

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

(i) the fair value of financial assets and financial liabilities with standard terms and conditions and traded in active 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 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 directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded in the consolidated financial statements approximate their fair values, except for the promissory notes and interest payables to the related companies. The following table gives information about how the fair values of these financial liabilities are determined.

4. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value estimation (continued)

Financial liabilities	Fair value as at **30 November 2015**	Fair value as at 30 November 2014	Fair value hierarchy	Valuation techniques and key inputs
Promissory notes and interest payable to the related companies	**In Hong Kong: HK$44,850,000**	In Hong Kong: HK$46,473,000	Level 2	Discounted cash flow. Discounted cash flows are estimated based on present value of contractually determined stream of future cash flows discounted at discount rates ranging from approximately 10.20% to 10.54%. A higher/lower discount rate results in a lower/higher fair value.

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, 2 and 3 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 2014.

The capital structure of the Group consists of debts (which includes promissory notes and interest payables to the related companies), 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 gearing ratio is expressed by as a percentage of borrowings and long term debts over total assets.

	2015	2014
	HK$'000	HK$'000
Total debts	**48,859**	47,534
Total assets	**4,968**	7,981
Gearing ratio	**9.83**	5.96

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements 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.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Critical accounting estimates and assumptions (continued)

Income tax

The Group is subject to income taxes in Hong Kong, the PRC and Australia. Significant judgement 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 CGU 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 receivables are made based on credit status of the customers, the aged analysis of the trade receivables 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 receivables 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 years ended 30 November 2015 and 2014. The Group's 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	
	2015	2014	**2015**	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Turnover	**13,334**	19,676	**-**	57	**13,334**	19,733
Segment results	**4,883**	10,978	**-**	57	**4,883**	11,035
Other revenue					**23**	88
Loss on disposal of property, plant and equipment					**(24)**	–
Loss on de-registration of subsidiaries					**(12,393)**	–
Written off of receipt in advance					**2,332**	–
Net exchange gain					**1,013**	268
Central administration costs					**(7,667)**	(6,869)
Finance costs					**(2,394)**	(2,465)
(Loss)/profit before taxation					**(14,227)**	2,057
Taxation					**-**	–
(Loss)/profit for the year					**(14,227)**	2,057

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the year (2014: Nil).

Segment results represent the profit earned by each segment without allocation of other revenue, net exchange gain, loss on disposal of property, plant and equipment, loss on de-registration of subsidiaries, written off of receipt in advance, central administration costs, finance costs and taxation. This is the measure reported to the chief operating decision maker for the purposes of resources allocation and assessment of segment performance.

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7. SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities

	Financial Solutions		CRM Solutions		Consolidated	
	2015	2014	**2015**	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Assets and liabilities						
Segment assets	**3,254**	4,971	**144**	212	**3,398**	5,183
Unallocated assets					**1,570**	2,798
Consolidated total assets					**4,968**	7,981
Segment liabilities	**5,058**	7,382	**323**	1,534	**5,381**	8,916
Unallocated liabilities					**49,616**	48,376
Consolidated total liabilities					**54,997**	57,292

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 prepayments 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 payables, other payables and accruals borne by the investment holding companies).

Other segment information

	Financial Solutions		CRM Solutions		Consolidated	
	2015	2014	**2015**	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Other segment information						
Depreciation on property, plant and equipment	**61**	64	**-**	1	**61**	65
Capital expenditure	**192**	13	**-**	–	**192**	13
Reversal of impairment loss on trade receivables	**-**	(12)	**-**	–	**-**	(12)
Impairment loss recognised in respect of trade receivables	**-**	23	**-**	–	**-**	23

7. SEGMENT INFORMATION (CONTINUED)

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	
	2015	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000
PRC	**–**	–	**–**	32
Hong Kong	**13,334**	19,733	**198**	61
	13,334	19,733	**198**	93

Information about major customers

Included in revenue arising from provision of Financial Solutions of approximately HK$13,334,000 (2014: approximately HK$19,676,000) are revenue of approximately HK$4,204,000 (2014: approximately HK$7,798,000) which arose from services provided to the Group's major customers. No other single customer contributed 10% or more to the Group's revenue for the year ended 30 November 2014.

Revenue from customers of the corresponding years over 10% of the total revenue of the Group are as follows:

	2015	2014
Customer A	**1,489,000**	7,798,000
Customer B *(Note)*	**1,374,000**	–
Customer C *(Note)*	**1,341,000**	–

Note:

The revenue from customer B and C is less than 10% of the total revenue of the Group for the year ended 30 November 2014.

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8. TURNOVER AND OTHER REVENUE

The Group

The Group is principally engaged in the design and sales of computer software and provision of professional and maintenance services. 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:

	2015 HK$'000	2014 HK$'000
Turnover:		
Sales of computer software licences, software rental and provision of related services	**2,855**	9,584
Provision of maintenance services	**6,078**	6,216
Contract revenue	**3,735**	3,893
Sales of computer hardware	**666**	40
	13,334	19,733
Other revenue:		
Interest income on bank deposits	**–**	1
Rental income	**–**	87
Other	**23**	–
	23	88

9. OTHER LOSSES AND GAINS

The Group

	2015 HK$'000	2014 HK$'000
Loss on disposal of property, plant and equipment	**(24)**	–
Reversal of impairment loss on trade receivables	**–**	12
Impairment loss recognised on trade receivables	**–**	(23)
Loss on de-registration of subsidiaries *(Note 29)*	**(12,393)**	–
Written off of receipt in advance	**2,332**	–
Net exchange gain	**1,013**	268
	(9,072)	257

10. (LOSS)/PROFIT FROM OPERATING ACTIVITIES

	2015 HK$'000	2014 HK$'000
The Group's (loss)/profit from operating activities is arrived at after charging:		
Auditors' remuneration	**250**	250
Depreciation on property, plant and equipment	**61**	65
Operating lease payments in respect of		
– land and buildings	**2,053**	2,039
– plant and equipment	**32**	32
Staff costs (excluding directors' remuneration)		
– salaries and allowances	**9,446**	8,970
– retirement benefit costs	**359**	341
Cost of computer hardware sold	**453**	22

11. FINANCE COSTS

	2015 HK$'000	2014 HK$'000
Interest on promissory notes		
– wholly repayable within five years *(Note 26)*	**2,394**	2,325
Interest on amount due to a shareholder		
– wholly repayable within five years *(Note 27)*	**-**	140
	2,394	2,465

12. 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 year (2014: 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 (2014: Nil).

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

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12. TAXATION (CONTINUED)

The Group has tax losses arising in Hong Kong of approximately HK$72,018,000 (2014: approximately to HK$69,043,000) 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 (2014: Nil).

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

The Group – 2015

	Hong Kong		Australia		The PRC		Total	
	HK$'000	%	HK$'000	%	HK$'000	%	HK$'000	%
(Loss)/profit before taxation	(15,457)		1,516		(286)		(14,227)	
Tax at the applicable tax rate in the respective jurisdictions	(2,550)	16.5	455	30.0	(71)	25.0	(2,166)	15.2
Estimated tax effect of income and expenses not taxable or deductible for tax purposes	2,069	(13.4)	(455)	(30.0)	-	-	1,614	(11.3)
Estimated tax effect of unrecognised temporary differences	(12)	0.1	-	-	1	(0.4)	(11)	0.1
Utilisation of tax losses previously not recognised	(192)	1.2	-	-	-	-	(192)	1.3
Estimated tax effect of unrecognised tax losses	685	(4.4)	-	-	70	(24.6)	755	(5.3)
Tax charge at the effective tax rate for the year	-	-	-	-	-	-	-	-

12. TAXATION (CONTINUED)

The Group – 2014

	Hong Kong		Australia		The PRC		Total	
	HK$'000	%	HK$'000	%	HK$'000	%	HK$'000	%
Profit/(loss) before taxation	2,418		(43)		(318)		2,057	
Tax at the applicable tax rate in the respective jurisdictions	399	16.5	(13)	30.0	(79)	25.0	307	14.9
Estimated tax effect of income and expenses not taxable or deductible for tax purposes	(3)	(0.1)	–	–	–	–	(3)	(0.1)
Estimated tax effect of unrecognised temporary differences	5	0.2	–	–	2	(0.7)	7	0.3
Utilisation of tax losses previously not recognised	(972)	(40.2)	–	–	–	–	(972)	(47.2)
Estimated tax effect of unrecognised tax losses	571	23.6	13	(30.0)	77	(24.3)	661	32.1
Tax charge at the effective tax rate for the year	–	–	–	–	–	–	–	–

13. NET LOSS FOR THE YEAR

The consolidated loss attributable to owners of the Company for the year includes a loss of approximately HK$3,195,000 (2014: approximately to HK$5,816,000) which has been dealt within the financial statements of the Company.

14. (LOSS)/EARNINGS PER SHARE

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

	2015	2014
	HK$'000	HK$'000
(Loss)/earnings		
(Loss)/earnings for the purpose of basic (loss)/earnings per share ((loss)/profit for the year attributable to the owners of the Company)	**(14,227)**	2,057

	2015	2014
Number of shares		
Weighted average number of shares for the purpose of basic (loss)/earnings per share	**240,886,450**	239,278,848
Basic (loss)/earnings per share	**HK(5.91) cents**	HK0.86 cents

The weighted average of ordinary shares for the purpose of calculating basic earnings per share for the year ended 30 November 2014 have been adjusted for the effects of rights issue completed on 27 January 2014.

The Group had no potentially dilutive ordinary shares in issue during the years ended 30 November 2015 and 2014. Diluted (loss)/earnings per share for the years ended 30 November 2015 and 2014 were the same as the basic (loss)/earnings per share.

15. DIVIDENDS

The directors of the Company do not recommend the payment of any dividend in respect of the year ended 30 November 2015 (2014: Nil).

16. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATIONS

The remunerations, pension and compensation arrangements paid/payable to the directors/past directors and the chief executive officer 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**
2015:				
Executive Directors				
Mr. Joseph Chi Ho Hui *(Chairman)*	**–**	**–**	**–**	**–**
Ms. Clara Hiu Ling Lam	**–**	**–**	**–**	**–**
Independent Non-executive Directors				
Mr. Kwong Sang Liu	**20**	**–**	**–**	**20**
Mr. Edwin Kim Ho Wong	**20**	**–**	**–**	**20**
Mr. William Keith Jacobsen	**20**	**–**	**–**	**20**
Chief Executive Officer				
Mr. Samson Chi Yang Hui	**–**	**890**	**18**	**908**
	60	**890**	**18**	**968**

Name of director	Director's fee HK$'000	Salaries and allowances HK$'000	Contribution to pension scheme HK$'000	Total HK$'000
2014:				
Executive Directors				
Mr. Joseph Chi Ho Hui *(Chairman)*	–	–	–	–
Ms. Clara Hiu Ling Lam	–	–	–	–
Non-executive Director				
Mr. Terence Chi Yan Hui (resigned on 14 May 2014)	–	–	–	–
Independent Non-executive Directors				
Mr. Kwong Sang Liu	20	–	–	20
Mr. Edwin Kim Ho Wong	20	–	–	20
Mr. William Keith Jacobsen	20	–	–	20
Chief Executive Officer				
Mr. Samson Chi Yang Hui	–	900	17	917
	60	900	17	977

16. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATIONS (CONTINUED)

The remuneration of the directors of the Company are within the following band:

	Number of individuals	
	2015	2014
Nil to HK$1,000,000	**3**	3

Included in the directors' and chief executive officer's remunerations were fees of HK$60,000 (2014: HK$60,000) paid to independent non-executive directors, and remuneration and pension of HK$908,000 (2014: HK$917,000) paid to chief executive officer. No fees were paid to executive directors and non-executive directors for the years ended 30 November 2015 and 2014.

During the year, no bonus was paid to the directors and chief executive officer (2014: Nil). No directors and chief executive officer waived or agreed to waive any remuneration during the year (2014: Nil). In addition, no emoluments were paid by the Group to the directors and chief executive officer as an inducement to join, or upon joining the Group, or as compensation for loss of office (2014: Nil).

During the year, no share options were granted to the directors and chief executive to subscribe for ordinary shares of the Company under the Company's share option scheme (2014: Nil).

17. SENIOR MANAGEMENT'S EMOLUMENTS AND INDIVIDUALS WITH HIGHEST EMOLUMENTS

(a) Five highest paid individuals

Of the five individuals with the highest emoluments in the Group, no director of the Company whose emoluments are included in the five highest paid individuals in the Group for the year (2014: Nil). The emoluments of the five (2014: five) individuals were as follows:

	2015	2014
	HK$'000	HK$'000
Basic salaries and allowances	**3,792**	3,862
Contribution to provident fund	**90**	83
	3,882	3,945

17. SENIOR MANAGEMENT'S EMOLUMENTS AND INDIVIDUALS WITH HIGHEST EMOLUMENTS (CONTINUED)

(a) Five highest paid individuals (continued)

The emoluments of the five (2014: five) individuals with the highest emoluments are within the following band:

	Number of individuals	
	2015	2014
Nil to HK$1,000,000	**5**	4
HK$1,000,001 or above	**–**	1

(b) Senior management of the Company

The emoluments of the senior management of the Company are within the following band:

	Number of individuals	
	2015	2014
Nil to HK$1,000,000	**2**	2

During the year, no bonus was paid to the five highest paid individuals of the Group (2014: Nil). No emoluments were paid by the Group to any of the five highest paid individuals as an inducement to join, or upon joining the Group, or as a compensation for loss of office (2014: Nil).

During the year, no share options to subscribe for ordinary shares of the Company were granted to employees under the Company's share option scheme (2014: Nil).

18. EMPLOYEE BENEFITS

Retirement Benefit Scheme

The Group operates a Mandatory Provident Fund Scheme (the "MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000 (HK$25,000 prior to June 2014). Contributions to the plan vest immediately.

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19. PROPERTY, PLANT AND EQUIPMENT

The Group

	Leasehold improvements	Furniture and fixtures	Office equipment	Total
	HK$'000	HK$'000	HK$'000	HK$'000
Cost:				
As at 1 December 2013	235	367	6,315	6,917
Additions	–	–	13	13
Disposals/written off	–	–	(46)	(46)
Exchange realignment	–	–	–	–
As at 30 November 2014 and 1 December 2014	235	367	6,282	6,884
Additions	52	15	125	192
Disposals/written off	(31)	–	(280)	(311)
Exchange realignment	(2)	–	(2)	(4)
As at 30 November 2015	254	382	6,125	6,761
Accumulated depreciation:				
As at 1 December 2013	165	362	6,245	6,772
Charge for the year	19	4	42	65
Elimination on disposal/written off	–	–	(46)	(46)
Exchange realignment	–	–	–	–
As at 30 November 2014 and 1 December 2014	184	366	6,241	6,791
Charge for the year	21	3	37	61
Elimination on disposal/written off	(13)	–	(274)	(287)
Exchange realignment	(1)	–	(1)	(2)
As at 30 November 2015	191	369	6,003	6,563
Net book value:				
As at 30 November 2015	**63**	**13**	**122**	**198**
As at 30 November 2014	51	1	41	93

20. INVESTMENTS IN SUBSIDIARIES

The Company

	2015 HK$'000	2014 HK$'000
Unlisted shares, at costs	**61,260**	61,686
Less: Impairment loss recognised in respect of the investments costs	**(61,260)**	(61,686)
	–	–

	2015 HK$'000	2014 HK$'000
Amounts due from subsidiaries *(Note (a))*	**77,839**	78,139
Less: Impairment loss recognised in respect of amounts due from subsidiaries *(Note (b))*	**(77,839)**	(78,139)
	–	–

Notes:

(a) The amounts due from subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

(b) The movements in provision for impairment loss in respect of amounts due from subsidiaries are as follows:

	2015 HK$'000	2014 HK$'000
At 1 December	**78,139**	75,649
Impairment loss recognised	**16**	2,490
Less: Reversal of impairment loss	**(316)**	–
At 30 November	**77,839**	78,139

Due to the subsidiaries incurred losses continuously and the directors of the Company carried out a review on the recoverable amounts of the investments costs and amounts due from subsidiaries. The carrying amounts of the investments costs and amounts due from subsidiaries are reduced to their recoverable amounts which are determined by reference to the estimation of future cash flows expected to be generated from the respective subsidiaries.

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20. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Particulars of the subsidiaries as at 30 November 2015 and 2014 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 professional and 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 software products and provision of maintenance services
Multiactive Software Pty. Limited *(Note (a))*	Australia	100,000 ordinary shares of A$1.00 each	99.99%	0.01%	Dormant
Maximizer Software Pty. Limited *(Note (a))*	Australia	1 ordinary share of A$1.00 each	–	100%	Dormant
abc Multiactive (Shenzhen) Limited *(Note (b))*	The PRC	Registered capital HK$1,500,000	–	100%	Dormant
Maximizer Asia (Shanghai) Limited *(Note (b))*	The PRC	Registered capital RMB100,000	–	100%	Dormant

Notes:

(a) Multiactive Software Pty. Limited and Maximizer Software Pty. Limited have been de-registered on 11 November 2015.

(b) 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.

21. AMOUNTS DUE FROM/(TO) CUSTOMERS

The Group

	2015 HK$'000	2014 HK$'000
Amounts due from customers		
Contract costs incurred plus recognised profits less recognised losses to date	**130**	–
Less: Progress billings received and receivable	**(82)**	–
	48	–

	2015 HK$'000	2014 HK$'000
Amounts due to customers		
Progress billings received and receivable	**873**	1,824
Less: Contract costs incurred plus recognised profits less recognised losses to date	**(254)**	(1,205)
	619	619

At 30 November 2015 and 2014, there were no retentions held by customers for contract works. Advances received from customers for contract work amounted to approximately HK$1,083,000 (2014: approximately to HK$3,022,000).

22. TRADE AND OTHER RECEIVABLES

	The Group		**The Company**	
	2015 HK$'000	2014 HK$'000	**2015 HK$'000**	2014 HK$'000
Trade receivables	**400**	545	**–**	–
Prepayment, deposits and other receivables	**796**	807	**176**	176
	1,196	1,352	**176**	176

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22. TRADE AND OTHER RECEIVABLES (CONTINUED)

The analysis of trade receivables were as follow:

	The Group	
	2015	2014
	HK$'000	HK$'000
Trade receivables	**861**	2,165
Less: Impairment loss recognised in respect of trade receivables	**(461)**	(1,620)
As at 30 November	**400**	545

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 a credit period range from 0 day to 30 days to its contract customers.

The following is an aged analysis of the trade receivables (based on invoices date), net of provision of impairment loss:

	The Group	
	2015	2014
	HK$'000	HK$'000
Current	**142**	409
31 – 60 days	**12**	14
61 – 90 days	**215**	–
Over 90 days	**31**	122
	400	545

22. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

	The Group	
	2015	2014
	HK$'000	HK$'000
31 – 60 days	**12**	14
61 – 90 days	**215**	–
Over 90 days	**31**	122
	258	136

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	
	2015	2014
	HK$'000	HK$'000
As at 1 December	**1,620**	1,609
Reversal of impairment loss on trade receivables	**–**	(12)
Impairment loss recognised on trade receivables	**–**	23
Amount written off as uncollectible	**(1,159)**	–
As at 30 November	**461**	1,620

Included in provision for impairment loss recognised in respect of trade receivables are individually impaired trade receivables with balance of approximately HK$Nil (2014: HK$23,000). The individually impaired receivables related to customers that were in financial difficulties and the directors of the Company assessed that the amounts are not expected to be recovered.

As at 30 November 2015, there are four (2014: five) customers who represent more than 10% of the total net balance of trade receivables and the amounted to approximately HK$333,000 (2014: approximately to HK$497,000).

22. 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	
	2015	2014
	HK$'000	HK$'000
Prepayment, deposits and other receivables	**1,206**	1,217
Less: Impairment loss recognised in respect of prepayment, deposits and other receivables	**(410)**	(410)
At 30 November	**796**	807

The directors of the Company had assessed the recoverability of prepayment, deposits and other receivables for the year ended 30 November 2015 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.

23. CASH AND CASH EQUIVALENTS

The Group included in the cash and cash equivalents as at 30 November 2015 were amount denominated in RMB of approximately HK$70,000 (approximately to RMB59,000) (2014: approximately HK$48,000 (approximately to RMB38,000)). RMB is not freely convertible into other currencies, however, under the 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 authorised to conduct foreign exchange business.

Bank balances carry interest at market rates which range from 0.001% to 0.5% per annum for both years ended 30 November 2015 and 2014.

The Company's cash and cash equivalents as at 30 November 2015 and 2014 were RMB, CAD and HK$.

24. SHARE CAPITAL

	2015 Number of shares	2015 Amount HK$'000	2014 Number of shares	2014 Amount HK$'000
Authorised:				
Ordinary shares of HK$0.10 each	**10,000,000,000**	**1,000,000**	10,000,000,000	1,000,000
Issued and fully paid:				
As at 1 December, ordinary shares of HK$0.10 each	**240,886,450**	**24,089**	160,590,967	16,059
Issue of new shares *(Note (a))*	**-**	**-**	80,295,483	8,030
As at 30 November, ordinary shares of HK$0.10 each	**240,886,450**	**24,089**	240,886,450	24,089

Note:

(a) On 27 January 2014, the Company completed a rights issue of 80,295,483 ordinary shares of HK$0.10 each at a subscription price of HK$0.10 per share. Accordingly, the issued share capital of the Company has been increased from HK$16,059,097 to HK$24,088,645. These new shares rank pari passu in all respect with the existing shares. The net proceeds from rights issue used in working capital and repayment of loan.

25. 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 44 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.

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25. RESERVES (CONTINUED)

(b) The Company

	Share premium HK$'000	Contributed surplus HK$'000	Accumulated losses HK$'000	Total HK$'000
As at 1 December 2013	106,118	37,600	(204,753)	(61,035)
Total comprehensive loss for the year	–	–	(8,306)	(8,306)
Rights issue expenses	(297)	–	–	(297)
As at 30 November 2014 and 1 December 2014	105,821	37,600	(213,059)	(69,638)
Total comprehensive loss for the year	–	–	(2,469)	(2,469)
As at 30 November 2015	**105,821**	**37,600**	**(215,528)**	**(72,107)**

26. PROMISSORY NOTES AND INTEREST PAYABLES TO THE RELATED COMPANIES

The Group and the Company

As at 30 November 2015, the promissory notes payable to the related companies are interest bearing at Hong Kong prime rate for both years ended 30 November 2015 and 2014.

On 25 November 2015, Active Investments has agreed to extend the maturity date of the Hong Kong Dollar Denominated Promissory Note with the aggregate amount as at 30 November 2015 of approximately HK$34,964,000 (included principal amount of HK$25,705,000 and accrued interest of approximately HK$9,259,000) to 30 June 2017. During the year, interest of approximately HK$1,702,000 was charged to consolidated statement of profit or loss and other comprehensive income (2014: HK$1,619,000).

On 25 November 2015, Active Investments has agreed to extend the maturity date of the Canadian Dollar Denominated Promissory Note with the aggregate amount as at 30 November 2015 of approximately CAD1,316,000 (approximately to HK$8,019,000) (included principal amount of CAD1,025,000 (approximately to HK$5,935,000) and accrued interest of approximately CAD291,000 (approximately to HK$2,084,000)) to 30 June 2017. During the year, interest of approximately CAD64,000 (approximately to HK$406,000) was charged to consolidated statement of profit or loss and other comprehensive income (2014: CAD61,000 (approximately to HK$434,000)).

26. PROMISSORY NOTES AND INTEREST PAYABLES TO THE RELATED COMPANIES (CONTINUED)

The Group and the Company (continued)

On 25 November 2015, Wickham, a company owned by a close family member of an executive director of the Company, has agreed to extend the maturity date of promissory note with the aggregate amount as at 30 November 2015 of approximately HK$5,876,000 (included principal amount of HK$4,635,000 and accrued interest of approximately HK$1,241,000) to 30 June 2017. During the year, interest of approximately HK$286,000 was charged to consolidated statement of profit or loss and other comprehensive income (2014: HK$272,000).

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

	The Group and the Company	
	2015	2014
	HK$'000	HK$'000
Promissory notes and interest payables to the related companies	**48,859**	47,534

27. AMOUNT DUE TO A SHAREHOLDER/A RELATED COMPANY

The Group

Amount due to a shareholder

The amount mainly represents payables for development costs of the Group. The balance of amount due to a shareholder carries interest at the annual Canadian prime rate as quoted by Hong Kong and Shanghai Banking Corporation Limited plus 2% compounded monthly for the year ended 30 November 2014. On 30 September 2014, the Group has fully repaid the outstanding loan together with accrued interest in the amount of CAD833,000 (approximately to HK$5,805,000) to The CPT, a shareholder of the Company. During the year ended 30 November 2014, the interest of amount due to a shareholder approximately HK$140,000 was charged to consolidated statement of profit or loss and other comprehensive income.

Amount due to a related company

The amount mainly represents payables for purchases of software merchandise, royalty fee and expenses paid on behalf of the Group. The balance of amount due to a related company was interest-free, unsecured and repayable on demand for both years ended 30 November 2015 and 2014.

28. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2015	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000
Accruals	**1,329**	1,384	**525**	445
Receipt in advance	**1,083**	3,022	**–**	–
Other payables	**768**	899	**204**	368
	3,180	5,305	**729**	813

29. DE-REGISTRATION OF SUBSIDIARIES

On 11 November 2015, the Group de-registered wholly-owned subsidiaries in Australia, Multiactive Software Pty. Limited and Maximizer Software Pty. Limited which were dormant companies.

Analysis of asset and liabilities over which control was lost

	2015
	HK$'000
Current asset	
Prepayments	**1**
Current liabilities	
Deferred revenue	**(950)**
Accruals	**(9)**
Net liabilities disposed of	**(958)**

The de-registered subsidiaries did not have significant contribution to the Group's revenue, loss and cash flow for the year ended 30 November 2015.

29. DE-REGISTRATION OF SUBSIDIARIES (CONTINUED)

Loss on de-registration of subsidiaries

	2015
	HK$'000
Net liabilities disposed of	**958**
Release of exchange reserve	**(13,351)**
Loss on de-registration	**(12,393)**

30. 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 and five years respectively.

As at 30 November 2015 and 2014, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	2015	2014
	HK$'000	HK$'000
Within one year	**1,454**	2,066
In the second to fifth years inclusive	**78**	1,428
	1,532	3,494

The Company

The Company has no material operating lease commitment as at 30 November 2015 (2014: Nil).

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31. MATERIAL RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in these consolidated financial statements, during the years ended 30 November 2015 and 2014, the Group had entered into the following material related party transactions which, in the opinion of the directors of the Company, were carried out in the operations of the Group's business:

(a) Compensation of key management personnel

The remuneration of directors and other members of key management during the year as disclosed in Note 16 was as follows:

	2015	2014
	HK$'000	HK$'000
Directors' emoluments	**60**	60

(b)

	2015	2014
	HK$'000	HK$'000
Interest paid to the related companies on promissory notes payable *(Note 26)*	**2,394**	2,325
Interest paid to CPT	**–**	140
Consultancy fee payable to a director *(Note (a))*	**48**	48
Rental fee income received from:		
– Adagio Management *(Note(b))*	**–**	33
– Havilland Investments *(Note(c))*	**–**	30
– Laurie Investments *(Note(d))*	**–**	24

Notes:

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

(b) Monthly rental income from Adagio Management Limited ("Adagio Management"). Mr. Samson Chi Yang Hui, the chief executive officer of the Company, is the director and has direct interest of Adagio Management.

(c) Monthly rental income from Havilland Investments Limited ("Havilland Investments"). Mr. Samson Chi Yang Hui, the chief executive officer of the Company, is the director and has direct interest of Havilland Investments.

(d) Monthly rental income from Laurie Investments Limited ("Laurie Investments"). Mr. Samson Chi Yang Hui, the chief executive officer of the Company, is the director and has direct interest of Laurie Investments.

32. SUBSEQUENT EVENT

As at the end of the reporting period, the Group did not have any significant events after the reporting period.

33. AUTHORISATION FOR ISSUE OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 29 January 2016.

Financial Summary

Five Years Financial Summary

The following table summarised the audited results, assets and liabilities of the Group for the five years ended 30 November 2015, 2014, 2013, 2012 and 2011.

Results

	Year ended 30 November				
	2011 HK$'000 (Audited)	2012 HK$'000 (Audited)	2013 HK$'000 (Audited)	2014 HK$'000 (Audited)	**2015** **HK$'000** **(Audited)**
Turnover	16,808	14,256	12,381	19,733	**13,334**
Net (loss)/profit for the year	(5,436)	(3,245)	(3,527)	2,057	**(14,227)**

Assets and Liabilities

	As at 30 November				
	2011 HK$'000 (Audited)	2012 HK$'000 (Audited)	2013 HK$'000 (Audited)	2014 HK$'000 (Audited)	**2015** **HK$'000** **(Audited)**
Total assets	6,871	9,520	3,527	7,981	**4,968**
Total liabilities	(59,755)	(65,801)	(63,156)	(57,292)	**(54,997)**
Shareholders' deficits	(52,884)	(56,281)	(59,629)	(49,311)	**(50,029)**

Note:

(a) The results of the Group for the years ended 30 November 2015 and 2014 are those set out on pages 38 to 41 of this annual report.