abc Multiactive Limited

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

2021
ANNUAL REPORT

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Contents

Corporate Information

DIRECTORS

Executive Directors

Mr. Joseph Chi Ho HUI
Ms. Clara Hiu Ling LAM
Mr. Ka Wing LAU (newly appointed on 10 September 2021)

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

Conyers Corporate Services (Bermuda) Limited

REGISTERED OFFICE

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2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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No. 1 On Hing Terrace, Central
Hong Kong

BERMUDA PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
4th Floor, North Cedar House
41 Cedar Avenue
Hamilton HM 12 Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Abacus Limited
Level 54, 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
China Construction Bank (Asia) Corporation 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

I would like to thank our team for their valuable contributions and support in the year 2021.

2021 was a year full of changes and challenges. As the year draws to a close, it is a good time to review the progress we made in the last year. For the year, the Group committed resources in improving our operation efficiency and profitability; we also continued development of our regulatory technology and assisted customers in reducing their risk of business violations under regulatory rule throughout the diversified Fintech solutions. Having laid solid foundation in both technology and infrastructure during the past year, our newly launched products FinReg and KYC+ are very well received by the market. They brought and will continue to bring positive results for the Group's performance.

As looking forward to 2022, we will continue to accelerate growth in our Fintech technology and will implement our planned RegTech solution initiatives to our customers. Our R&D division continues to focus on the development and expansion into diversified RegTech products, with continuous efforts to facilitate and optimize our core solutions. We see tremendous opportunity in helping our customer base and in generating new revenue streams for the Group.

In addition to optimizing and continuously improving the performance of our core solutions, our commitment in RegTech solutions, adoption of innovative technology, and R&D remains to the top priority of the Group. The acquisition of Leadership Solutions Limited in the year extends our market coverage with new services in Fintech talent acquisition and insourcing. The acquisition strengthens our position in Hong Kong's Fintech economy by allowing us to better serve the Fintech community with more comprehensive range of products and services. The Group will continue to explore and evaluate other opportunities that will benefit our Shareholders in the long run.

On behalf of the board of directors, I would like to express our sincere gratitude for the hard work of our staff, and the continuous support of the Group from all of our shareholders, partners and customers.

Joseph Chi Ho Hui
Chairman

18 February 2022

Financial Highlights

Key Financial Figures and Ratios	Note	Year ended 30 November 2021 HK$'000	Year ended 30 November 2020 HK$'000	Increase in %
Performance				
Revenue		**62,357**	16,626	275%
Gain before interest, taxation and depreciation		**20,602**	1,916	975%
Profit/(loss) for the year		**15,640**	(2,987)	624%
Profit/(loss) attributable to owners of the Company		**15,640**	(2,987)	624%
Gross profit margin	*1*	**60.3%**	55.2%	5.1%

Key Financial Figures and Ratios	Notes	Year ended 30 November 2021 HK$'000	Year ended 30 November 2020 HK$'000	Increase in %
Total assets		**51,613**	12,123	325%
Net assets/(liabilities)		**11,847**	(25,204)	147%
Cash and cash equivalents		**35,520**	4,429	702%
Net cash	*2*	**35,520**	4,429	702%
Liquidity and Gearing				
Current ratio	*3*	**1.59**	1.04	53%
Gearing ratio	*4*	**0.77**	(1.19)	164%

Notes:

1. Gross profit margin is calculated by dividing gross profit by revenue and multiplying the resulting value by 100%. Gross profit equals to revenue minus cost of sales.

2. Net cash is cash and cash equivalents less interest-bearing bank borrowings.

3. Current ratio is calculated by dividing current assets by current liabilities.

4. Gearing ratio is a percentage of borrowings and long term debts over total equity.

Management Discussion and Analysis

Performance Analysis

The performance analysis of the Group for the Year is set out in the "Financial Highlights" of this annual report.

Financial Review

The Group recorded a revenue of approximately HK$62,357,000 for the year ended 30 November 2021 (the "**Year**"), increased by 275% from that of approximately HK$16,626,000 for the corresponding period last year. The net profit of the Group for the Year was approximately HK$15,640,000, whereas the Group recorded a net loss of approximately HK$2,987,000 for the corresponding period last year. Of the total revenue amount, (i) approximately HK$46,401,000 or 74% was generated from sales of computer software licenses and provision of related services and computer software licenses leasing and provision of related services; (ii) approximately HK$4,581,000 or 7% was generated from maintenance services; (iii) approximately HK$1,586,000 or 3% was generated from contract revenue; (iv) approximately HK$4,125,000 or 7% was generated from sales of computer hardware and related products; (v) approximately HK$5,582,000 or 9% was generated from fintech resources services and (vi) approximately HK$82,000 was generated from overseas mortgage loan consultancy services. The increase in total revenues is a result of the introduction of the new RegTech solution FinReg Innovative Tools ("**FinReg**") products since 2020 followed by the strong market acceptance of the Group's release of the FinReg and its peripheral product lines in early 2021, including FinReg KYC+ and FinReg Check. Another contributing factor to the increase was result of acquisition of one fintech resources company during the Year.

During the Year, although the Group continued to exercise prudent cost control measures by implementing tight expenses measures in its operations, the operating expenditures increased in line with the increase in operations. The operating expenditures amounted to approximately HK$19,840,000 for the Year, increased by 56% when compared to approximately HK$12,720,000 for the corresponding period last year. The increases were mainly attributed to increase in selling and marketing expenses to cope with the Group's diversify business expansion plans and also increase in sales commission expenses upon the successful launch of FinReg and its peripheral products lines and the absence of subsidies granted to the Group under the Employment Support Scheme (the "ESS") launched by the Government of the Hong Kong Special Administrative Region as compared to the corresponding period last year (2020: approximately HK$1,219,000).

During the Year, the depreciation expenses on right-of-use assets was approximately HK$1,214,000. The depreciation expenses on property, plant, and equipment was approximately HK$90,000, decreased by 45% when comparing to approximately HK$163,000 for the same period last year since some property, plant and equipment have been fully depreciated over its useful life in the Year.

Except for allowance for expected credit losses on trade receivables amount approximately HK$162,000 as at 30 November 2021, the Group has no provision made for impairment of trade receivables during the Year.

Total staff costs (excluding directors' remuneration) were approximately HK$10,345,000 for the Year, an increased by 20% when compared to that of approximately HK$8,611,000 for the corresponding period last year. The increase was mainly attributed to increase in headcount and increase in sales and marketing expenses to cope with the Group's diversify business expansion plans.

Management Discussion and Analysis

The Group anticipates that RegTech solutions revenues from its operations in Hong Kong via the Group will continue to provide a steady source of revenues and account for a significant amount of total revenues for the Group. The Group also intend to grow its operations further by committing significant time and financial resources to the maintenance and ongoing development of its core-solutions sales and support channels. The Group will also explore business opportunities for investment in the Greater Bay area.

On 4 January 2021, abc Fintech Recruiters Limited (the "**Purchaser**"), a wholly-owned subsidiary of the Company and the Vendors entered into the Acquisition Agreement (the "**Acquisition**"), pursuant to which the Purchaser has conditionally agreed to acquire and the Vendors have conditionally agreed to sell the entire issued shares of Leadership Solutions Limited ("**Leadership**") for a consideration of HK$4,200,000, of which HK$2,600,000 was settled by cash and the remaining balance of HK$1,600,000 (the "**Contingent consideration**") shall be considered as earn-out amount and shall be settled in accordance with the accumulated gross profit achievement within 18 months after the completion of the Acquisition. The Acquisition was completed on 31 March 2021. Leadership is an IT contractor resourcing firm with long track record of providing high quality IT professionals to clients ranging from finance service, IT industries and universities.

On 18 August 2021, Maximizer International Limited ("**Maximizer**") fully exercised the conversion rights attached to the convertible bond in respect of the principal amount of approximately HK$29,700,000. Pursuant to the conversion price of HK$0.17 per ordinary share, the Company allotted and issued a total number of 174,705,154 ordinary shares to Maximizer. As a result of the conversion of convertible bond and the profit generated during the Year, the Group's liquidity position improved significantly from net liabilities of approximately HK$25,204,000 for the corresponding period last year to net assets of approximately HK$11,847,000 as at 30 November 2021.

Operation Review

For the Year, the Group's revenue was approximately HK$62,357,000, increased by 275% when compared to that of approximately HK$16,626,000 for the corresponding period last year. Of the total audited revenue, revenue of approximately HK$52,568,000 represents sales of self-developed software, turnover of approximately HK$5,664,000 was generated from fintech resources services and overseas mortgage loan consultancy services and turnover generated from resales of computer hardware and related products were approximately HK$4,125,000.

The prolonged outbreak of "COVID-19" pandemic continues to bring uncertainties to market. The business environment remains difficult and challenging. However, as more people got vaccinated and the pandemic is slowly stabilizing, it is hoped that the economy in Hong Kong would gradually recover in 2022. Therefore, the Group remains optimistic about the prospects of RegTech and IT related services. The Group will also reinforce its strategic initiatives and seeks new business opportunities to overcome the difficult operating environment.

Management Discussion and Analysis

Financial Solutions services

For the Year, Provision of OCTOSTP system and related services ("**Financial Solutions**") remain the key source of revenue to the Group. The Group has consistently made significant strides in improving its businesses including upgrade of OCTOSTP system, expansion of product base and customer base and strengthening the sales and marketing activities. In view of increasing awareness of regulatory compliance driven by the rapid development of financial industry, the Group captured the business opportunities of this promising market by devoting more resources to improve and enhance its FinReg that helps customers deal with trade surveillance and anti-money laundering monitoring related to securities trading activities with automation to ease their operation burden of regulatory compliance. The Group has also expanded its FinReg peripheral product lines for the Year, including the completed development of new solutions, FinReg KYC+ and FinReg Check, which were successfully launched to the market. The Group endeavors to promote its RegTech solutions, FinReg to more potential customers. Furthermore, the Group has registered as a member of RegTech Association of Hong Kong so as to support and promote RegTech business in Hong Kong. During the Year, FinReg continued its growth momentum that the Group has secured the significant sales contracts for the implementation of FinReg with not less than 15 new customers from various sizeable brokerage firms and financial institutions. The Group was also in close negotiation with a vase number of potential customers to implement our Financial Solutions including but not limited to RegTech solutions. The Group is confident that it will enhance the Group's profitability in the coming future.

For the Year, the Group organized a market event "abc RegTech Solution Day" with several partners from different business sectors such as bank, professional advisory and IT services providers to reach more potential customers and boost sales of FinReg and its peripheral products through sharing the recent development and insight of RegTech solution. In addition, the Group had particulate "Hong Kong Fintech Week 2021" in November and had setup the booth to promote its products and conduct marketing activities. With more new products and innovative ideas going to be launched to the market, the Group is committed to continuously enhance its marketing activities for promoting its products and services. The Group has regularly carried out Facebook live broadcasting, organized webinars and seminars with business partners and strengthened its digital social media platform to provide customers latest product development of the Group and boosts customer interaction. Through a serial of webinars and seminars which created a great exposure for the Group to broaden its customer base and business partnership.

Benefiting from the effort of proactive sales and marketing activities and the Group has accumulated successful experience in implementation of FinReg, it was well recognised by customers. In addition, a new executive director, Mr. Ka Wing Lau ("**Mr. Lau**") was appointed, who has solid experience in financial industry and extensive networks with professional parties, including but not limited to assets management houses, securities firms and some non-financial corporations. Mr. Lau has strong capability in sales and marketing and he will lead the team to further broaden the Group's customer base, enrich the Group's product base and explore new business opportunities.

Following the successful launch of FinReg to the market and through above strategic initiatives, the Group was able to reap benefits in 2021 from completion of above new products development and the efforts of sales and marketing. The Group has achieved substantial growth in terms of customers, contracts and the total contracts sum as attributed from Financial Solutions services during the Year.

Management Discussion and Analysis

Fintech resources services

In light of the market trend to adopt technologies to improve work efficiency and the growing demand of IT professionals due to rapid development of fintech, the Group targeted to expand the market of fintech resources services, which mainly provides secondment and support services of IT professionals and recruitment services for customers. Upon the Acquisition of Leadership by the Group during the Year, the Group achieved significant growth in revenue in fintech resources services segment. For the Year, the Group's revenue generated from fintech resources was approximately HK$5,582,000, increased by 494% when compared to that of approximately HK$939,000 for the corresponding period last year. It enables the Group to generate synergies in terms of revenue upside and operation efficiencies as with wider spectrum of customers and shared resources. During the Year, backed by the expertise and experience of the Group's IT professionals in financial industry and with the dedicated effort of our sales and marketing team, the Group has secured renewal contract from existing customers and successfully gained new contracts from several new customers, including a leading contactless smart card payment operator to provide recruitment services.

Capital structure

As at 30 November 2021, the total issued share capital of the Company was approximately HK$59,934,000 (2020: approximately HK$42,464,000) divided into 475,813,216 ordinary shares and 123,529,400 non-voting convertible preference shares (2020: 301,108,062 ordinary shares and 123,529,400 non-voting convertible preference 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 2021 and 2020, the convertible bond to Maximizer International Limited ("**MIL**"), amount due to a related company and the promissory notes to a related company were repayable as follows:

	The Group	
	2021	2020
	HK$'000	HK$'000
Within 1 year	**236**	231
Between 1 and 2 years	**8,518**	8,464
Between 3 and 5 years	**–**	17,957
Wholly repayable within 5 years	**8,754**	26,652

As at 30 November 2021, the Group had outstanding of approximately CAD39,000 (approximately HK$236,000) 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, interest free and repayable on demand.

Management Discussion and Analysis

As at 30 November 2021, loans of amount HK$8,000,000 and HK$3,000,000 are loans from Active Investments Capital Limited ("**Active Investments**"), a related company wholly owned by the chief executive officer of the Company, which were unsecured, non-interest bearing and maturing on 1 June 2023. The valuation of the two outstanding promissory notes was performed by an independent valuer. As at 30 November 2021, the aggregate amount of two promissory notes was approximately HK$8,518,000. (Note 26)

On 18 August 2021, Maximizer fully exercised the conversion rights attached to the convertible bond in respect of the principal amount of approximately HK$29,700,000. Pursuant to the conversion price of HK$0.17 per ordinary share, the Company allotted and issued a total number of 174,705,154 ordinary shares to Maximizer. As a result of the conversion of convertible bond and the profit generated during the Year, the Group's liquidity position improved significantly from net liabilities of approximately HK$25,204,000 for the corresponding period last year to net assets of approximately HK$11,847,000 for the Year. (2020: the carrying amount of the liability component of the convertible bond amounted to approximately HK$17,957,000, which were included in non-current liabilities on the consolidated statement of financial position of the Group). (Note 27)

The Group expresses its gearing ratio as a percentage of borrowings and long term debts over total equity. As at 30 November 2021, the Group's gearing ratio was 0.77.

Pledge of Assets

The Group did not have any mortgage or charge over its assets as at 30 November 2021 (2020: Nil).

Exposure to Fluctuations in Exchange Rates and Related hedges

All the Group's assets, liabilities and transactions are denominated either in Hong Kong dollars or Canadian 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 2021 and 2020, the Group did not have any foreign currency investments which have been hedged by currency borrowings and other hedging instruments.

Possible Risk Exposure

Risks which are relevant to the Group and its business

There are no significant barriers to entry in the markets in which the Group participates. The market for the Group's software solutions is highly competitive, subject to rapid change and can be significantly affected by the introduction of new products and market activities of other industry participants. Competitors may vary in size, scope and breadth of the products and services offered.

The Group's success and ability to compete are dependent to a significant degree on its proprietary technology and on the proprietary technology of others. The Group relies primarily on copyright, trade secret and trademark law to protect its technology as well as its commercial reputation. The inability of the Group to adequately protect such intellectual properties it uses could have material adverse effect on the Group's business, financial condition and operating results.

Management Discussion and Analysis

Risks which are relevant to the software industry

The software industry is characterised by rapid technological change, changes in customer requirements, frequent new service and productions and enhancements, and emerging industry standards. If the Group is unable to develop and introduce new services and products or enhancements of existing services and products in a timely manner in response to changing market conditions or customer requirements, or if new services and products do not achieve market acceptance, the Group's business, financial condition and operating results will be materially adversely affected.

The internet industry is characterised by rapidly changing industry standards, frequent introduction of new products and services and evolving business models. The introduction of any new laws and regulations or changes in any relevant jurisdiction to any existing laws and regulations or their interpretation that make it more restrictive for the Group to operate and/or lead to an escalation of compliance costs could have an adverse impact on the Group. In the event the business structure or operating system cannot be modified to conform to the then applicable law or practice or its interpretation, the Group may be unable to conduct the whole or some part of its business.

If the Group fails to attract and retain qualified personnel, its growth could be limited and its costs increased

The Group's success has been, and will be, dependent to a large degree on its ability to attract and retain qualified senior and middle managers and highly skilled technical personnel. The Group cannot be certain that recently hired personnel or any personnel it hires in the future will successfully integrate into its organisation or ultimately contribute positively to its business. The loss of the services of professional personnel or the inability to identify, hire, train and retain other qualified technical and managerial personnel in the future could also adversely affect the Group's business.

The Group may be liable for defects or errors in the software solutions it develops

Many of the software solutions that the Group develops are critical to the operations of its clients' businesses. Any defects or errors in these solutions could result in delayed or lost client revenues, adverse customer reaction toward the Group, negative publicity, additional expenditures to correct the problems and claims against the Group.

The Group has a policy of seeking to include provisions in its contracts to limit its liability in rendering its services.

However, not all contracts include provisions to such effect, and, even if included, they may be unenforceable. Hence, these contractual provisions may not protect the Group from liability. If held liable for defects or errors in its software solutions, the Group's business, reputation and financial position is likely to be adversely affected.

Management Discussion and Analysis

The Group's business may be adversely affected by the downturn of Hong Kong's economy or stock market owing to unforeseen circumstances

Since a substantial part of the Group's revenue is derived from Hong Kong, the Group's business and results of operations are affected by the overall performance of the Hong Kong economy which is influenced by factors including, inter alia, local and international economic and political conditions, general market sentiment, changes in the regulatory environment and fluctuations in interest rates. Unforeseen circumstances such as economic downturn or natural disaster which are beyond the control of the Group may affect its business. Likewise, any prolonged downturn in the stock market may lead to a reduction in stock trading volume in Stock Exchange, initial public offerings and/or other corporate activities, which may adversely affect the volume of the Group's business and profitability. Any such unforeseen circumstances may adversely affect the operations and financial performance of the Group in a material respect.

Further, any adverse change in the economic conditions in Hong Kong will have adverse impact on the Group such as increase in the risk of cancellation or termination of projects by clients and default in payment of services fee. If such events materialise, the Group's performance will be adversely affected.

Financial risk

Details of the financial risk of the Group are set out in Note (4) to the consolidated financial statements.

Treasury policy

Cash and bank deposits of the Group are either in Hong Kong dollars or 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

Except for contingent consideration, the Group had no material contingent liabilities as at 30 November 2021 (2020: Nil).

Event after the Reporting Period

The Group did not have any significant events occurred after the reporting period.

Litigation

As at 30 November 2021, the Group had no material litigation (2020: Nil).

Significant Investments

The Group has held a significant investment for the year ended 30 November 2021 (2020: Nil), details of the Acquisition as mentioned below in "Material Acquisitions, Disposal of Subsidiaries and Affiliated Companies".

Management Discussion and Analysis

Material Acquisitions, Disposal of Subsidiaries and Affiliated Companies

On 4 January 2021, the Purchaser and the Vendors entered into the Acquisition, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendors have conditionally agreed to sell the entire issued shares of Leadership for a consideration of HK$4,200,000, of which HK$2,600,000 was settled by cash and the remaining balance of HK$1,600,000 (the "**Contingent consideration**") shall be considered as earn-out amount and shall be settled in accordance with the accumulated gross profit achievement within 18 months after the completion of the Acquisition. The Acquisition was completed on 31 March 2021. Leadership is an IT contractor resourcing firm with long track record of providing high quality IT professionals to clients ranging from finance service, IT industries and universities.

Major Events

As at 30 November 2021 and 2020, the Group had no material capital commitments and no future plans for material investments or capital assets, except for the Acquisition as mentioned above in "Material Acquisitions, Disposal of Subsidiaries and Affiliated Companies".

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 2021, the Group had employed 25 staffs in Hong Kong (2020: 22 staffs in Hong Kong). Total staff costs for the Year under review amounted to approximately HK$10,345,000 (2020: HK$8,611,000).

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.

Management Discussion and Analysis

The retirement benefit scheme cost charged to the consolidated statement of profit or loss and other comprehensive income 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$343,000 (2020: HK$321,000). No forfeited contribution for the Group is available to reduce the contribution payable in the future years. Contributions to the scheme vest immediately.

Prospects

With a more efficient infrastructure and our well experience in the financial industry, the Group can dedicate more research and development focus on its core-solutions improvement and upgrading and more new diversified solutions. During the Year, FinReg and its peripheral product line marks an important milestone as it has been successfully launched to the market and were well recognised by our customers. To go further, FinReg would be the cornerstone of innovative RegTech solutions in the securities brokerage industry in Hong Kong since more companies put emphasis on regulatory compliance and look for appropriate RegTech solutions. Meanwhile, the Group will continue to keep up with the market trend and the industry requirements and also will explore new business opportunities and widen the Group's revenue stream from both existing and potential customers. It is the belief of the directors of the Company that the Group has well-diversified products and services range, it's technology enables the delivery of robust, scalable and innovative business solutions into the market faster and at a lower cost than alternatives which maintains its market competitiveness and it is well equipped to face future challenges and believe that the Group will be strongly positioned to optimistic growth when market conditions improve.

To strive for the realization of the above initiatives, the Group will increase its focus on its research and development capabilities and also improve the quality of its sales and marketing team. The Group's sale and marketing team will also continue to maintain closer business relationships with existing customers, explore the market for potential customers and is committed to improving the sales performance for the coming year 2022.

Management Discussion and Analysis

SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED 30 NOVEMBER 2021

The Board wishes to supplement the shareholders of the Company additional information in respect of the expansion plans of the Group.

Expansion Plans of the Group

The Group will further focus on its core business and technology development with product functionality improvement and expansion in the service areas offered to the customers. The Group has explored and will dig in to every business opportunity to keep its competitiveness and sustainability. Therefore, the Group has been implementing following expansion and development plans with the goal to improve its business performance.

(1) Sales of Computer Software Licenses, Computer Software Licenses Leasing and Provision of Related Services

The Group's flagship product: OCTOSTP (Oder routing, Credit control, Transaction settlement and Online trading) is primarily designed to provide advanced solution for front and back-office trading in brokerage houses and securities divisions of local and international banks in Hong Kong.

The Group intends to expand this segment by (i) upgrade of OCTOSTP system; (ii) expansion of customer base; (iii) expansion of product base and (iv) Strengthen of media promotion platform. Details of which are set out below.

(i) Upgrade of OCTOSTP system

The Group has been developing additional value-added products and service extensions during recent years. It has devoted its resources in developing the new C# version of its core brokerage settlement system (i.e. OCTOSTP) since 2018. The C# version is an upgrade version of OCTOSTP Equity Back Office System to replace the old Visual Basic version. It is built upon and tightly integrated with the Group's core system and provided specifically enhanced functionality, better technical performance and improved stabilization. The Group is well-positioned to further promote its upgraded system and attract new customers and also will launch the rental plan for new C# version of OCTOSTP to the market. The Group targets to sign more sales contracts for its OCTOSTP system for this year.

Management Discussion and Analysis

(ii) Expansion of customer base

Historically, the Group mainly focused its sales to brokerage houses and securities division of banks in Hong Kong. To broaden its customer base, the Group has been expanding its customer base to non-financial institutions and asset management houses and insurance company as well.

The Group has also been carrying out marketing campaigns through holding seminars and participating in exhibitions regularly to approach new and potential customers to broaden its customer base. Since 2019, the Group actively hosted seminars and webinars to promote the Group's new products and services to brokerage houses and assets management houses. The Group has also made full use of online platform actively to provide customers with information about the Group's latest development and services. The Group has regularly held Facebook live broadcasting with business partners or Facebook videos. Satisfactory feedbacks and responses were received from a number of customers who have indicated their interests in the Group's new products and services. The Group will keep up promoting our well known RegTech solutions FinReg to the market and is confident that FinReg will enhance the Group's profitability in the coming future.

(iii) Expansion of product base

In order to strengthen the Group's competitiveness, the Group has also dedicated resources to improve and enhance FinReg that helps customers deal with risk management and compliance of regulatory rules related to securities trading activities with automation and efficiencies. The Group managed to expand its customer base and secured contracts for the implementation of FinReg with a number of new and existing customers from various sizeable brokerage firms. Overall, sales from FinReg was increased notably and contributed a positive outcome to the Group. Meanwhile, the Group was also in close negotiation with a vase number of potential customers.

Moreover, since regulatory compliance in financial industry is becoming more important, the Group has seen the market potential of RegTech and would dedicate more resources on the development of RegTech to provide customers with tailored RegTech solutions, aiming at providing protections for financial institution customers against risks and non-compliance effectively.

FinReg and its peripheral product lines are more comprehensive that help customers to improve business performance with efficiency and automation. It has certain new and advanced functionalities including (i) automated Know Your Customer system ("FinReg KYC+ system"), an integrated technology platform that efficiently manages KYC policies and regulatory compliance requirements and enables online account opening; (ii) customer management system, a modular solution for enhancement of customer service and customer data management since it provides a collaboration platform connected to multi-operation systems and enables users to manage their clients' database within one solution across various functions; (iii) wealth management system, which focus on the digital transformation of the daily operation of the wealth management industry; and (iv) FinReg Check is also providing customer ongoing name screening, customer risk profile monitoring and search report filing library.

Management Discussion and Analysis

(iv) *Strengthen of media promotion platform*

In order to promote the Group's ongoing products and services and introduction of its new products, the Group has strengthened the media promotion platform by revamped the Company's website, established the Company Facebook page "abc Fintech World" and through its Facebook live and YouTube channel respectively. The Group considers that the revamped website and through Company Facebook and YouTube media will provide a better interface with competitive contents to its existing and potential customers, and is able to align with the Group's latest developments to enhance and sustain its competitiveness. The Group has cooperated with several business partners through its Facebook live to promote its ongoing products and services. The Group also targets to cooperate with various business partners to promote its ongoing products and services through the Company Facebook live regularly. During the Year, the Group has hosted difference type of webinars with business partners including a well-known multinational company with its sound AI driven solution; a popular web conferencing service provider; a famous global company providing risk data, financial information publications, business news and data capabilities; a fast-growing and quality bespoke governance, risk and compliance consulting firm and an international audit, tax and advisory firm.

Apart from webinars, for the Year, the Group organized a market event "abc RegTech Solution Day" with several partners from different business sectors such as bank, professional advisory and IT services providers to reach more potential customers and boost sales of FinReg and its peripheral products through sharing the recent development and insight of RegTech solution. In addition, the Group had particulate "Hong Kong Fintech Week 2021" in November and had setup the booth to promote its products and conduct marketing activities. With more new products and innovative ideas going to be launched to the market, the Group is committed to continuously enhance its marketing activities for promoting its products and services. The Group has regularly carried out Facebook live broadcasting, organized webinars and seminars with business partners and strengthened its digital social media platform to provide customers latest product development of the Group and boosts customer interaction. Through a serious of webinars and seminars which created a great exposure for the Group to broaden its customer base and business partnership.

(2) Provision of Maintenance Services

The provision of maintenance services is part and parcel of the direct sale of OCTOSTP and FinReg. After the direct purchase by the customers, the customers are required to pay a software maintenance fee to the Group. Should the segment of sales of computer software licences, software rental and provision of related services be expanded, the performance of this segment would improve accordingly.

Management Discussion and Analysis

(3) Sales of Computer Hardware and Related Products

The Group intends to expand this segment by (i) expansion of customer base; (ii) expansion of product base; Details of which are set out below.

(i) Expansion of customer base

Historically, the Group mainly provided the computer hardware and general software to brokerage houses and securities division of banks in Hong Kong. By leveraging the Group's experience and resources, the Group has expanded its customer base to non-financial related customers. Also, the Group became a business partner with one leading enterprise and distributor in the mobile and wireless arena in Hong Kong and Mainland China to sell its mobility products which enable the Group to generate more revenue from computer hardware and electronic products. During the Year, the Group has signed sales contracts of computer hardware and third party products including contracts signed with several new non-financial customers for providing services ranging from system server, back up service and network security and electronic products. The Group has expanded its sales and marketing team which actively approach other departments of brokerage houses and banks by warm call. As at the date of this report, the Group is in negotiation with several customers for the sales of computer hardware and related products.

(ii) Expansion of product base

Together with solid experience and intelligence of the Group and business partners, the Group believes that the cooperation with partners can create synergy effect for both parties. Since 2019, the Group has cooperated with business partners to introduce various products and solutions such as cloud services, network security solutions, compliance solutions, IT managing service, scanning and storage solutions, CCTV solution s, mobile application design services, active back-up solution and video conferencing solution that enable the Group to provide more innovative business solutions to its customers. Among all, one is a famous global company providing risk data, financial information publications, business news and data capabilities. It has integrated its financial information solutions with the Group's FinReg Innovative Tools. Furthermore, the Group became a business partner with one leading enterprise in the mobile and wireless arena in Hong Kong and Mainland China to sell its mobility products.

(4) Provision of Fintech Resources Services

The Group believes that there is a great business opportunity in fintech resources services segment because the rapid development of fintech, big data analytics, artificial intelligence and cyber security in various sectors has raised tremendous demand of IT personnel with comprehensive knowledge and experience on relevant aspects. Besides, under the current uncertain business environment, many companies are hesitated in expanding and trying to find ways to ease their operation burden. Therefore, the Group takes a proactive role to offer solutions to the potential customers with agility, flexibility and cost effective management by providing customers with more flexible on-demand workforce arrangement, IT support and related consultancy services.

Management Discussion and Analysis

To further expand the fintech resources services segment and to broaden the customer base, the Group acquired Leadership on 31 March 2021. For details of the Acquisition, please refer to the announcement and circular of the Company dated 4 January 2021 and 31 March 2021 respectively. Upon completion of the Acquisition, it enables the Group to enhance its scale of operations and sustainability of the business by acquiring an IT contractor resourcing company with long track record in the field and offering secondment services in IT industry in Hong Kong, taking into account the following factors: (i) the horizontal acquisition will enhance the Group's footage in the IT secondment service industry and broaden its customer base since the principal activity of Leadership is in line with one of the principal business activities of the Group; and (ii) it is expected that the IT outsourcing industry will continue to expand and the manpower requirements of this sector is growing.

For the Year, the Group has secured renewal contract from existing customer and successfully gained new contracts from new customers for the provision of secondment and recruitment services.

The Group expects that the demand of IT specialists will continue to grow. The Group targets to sign more secondment contracts and to generate more revenue from fintech resources services segment. The Group will continue to expand this segment by (i) recruitment of human resource professional; (ii) cooperation with headhunt companies; (iii) make use of recruitment portals and (iv) participating in Career Fair. Details of which are set out below.

(i) *Recruitment of human resource professional*

The Group has recruited a human resource staff to source and identify IT professionals from time to time with the intention to provide the customers with suitable candidates on time.

(ii) *Cooperation with headhunt companies*

The Group has engaged several recruitment agencies to source and identify more professionals for secondment and recruitment services. The Group will continue to corporate with various recruitment agencies throughout the Company's Facebook live to promote its services.

(iii) *Recruitment portals*

The Group has also begun to publish recruitment advertisements on well-known recruitment portals including jobsDB, CTgoodjobs, SCMP online, Indeed and LinkedIn etc. to expand its pool of IT professional candidates for the customers.

(iv) *Participating in Career Fair*

The Group has also started to participate in career fairs. Career fair enables the Group to meet a large pool of potential candidates from the crowd which is considered to be a cost effective approach.

Biographical Details of Directors and Senior Management

Executive Directors

Mr. Joseph Chi Ho HUI, aged 51, was appointed as an executive director of the Company on 8 November 2000. Mr. Hui was re-designated as a non-executive director of the Company on 14 July 2011 and re-designated as an executive director and the Chairman of the Company. He is also a member of the Internal Controls Committee and the Nomination Committee of the Company. 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, California, U.S.A. Mr. Hui is currently a MNC business solution provider. He was previously a vice president of research and development in Maximizer Software Inc. where he was 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 20 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 50, was appointed as an executive director of the Company in July 2011. She graduated with a Bachelor's Degree in Economics from the Faculty of Arts of Simon Fraser University, British Columbia in 1994. Ms. Lam is currently the director of One Champion Group Limited, a private company owned by Ms. Lam to provide professional consultancy service for purchasing overseas property. Ms. Lam has solid management experience gained from a well known Hong Kong financial systems services provider and related businesses for more than 15 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 Chairman and executive director of the Company.

Mr. Ka Wing LAU, aged 38, was appointed as an executive director on 10 September 2021. Mr. Lau has over 15 years' experience in financial investor relationship, accounting and audit fields. During the working experience in financial investor relationship industry, Mr. Lau obtained extensive networks with professional parties, including but not limited to assets management houses, securities firms and some non-financial corporations. Mr. Lau obtained a Bachelor of Arts (Honours) in Accountancy and a Master of Corporate Governance from The Hong Kong Polytechnic University in 2005 and 2016, respectively. He has been a member of the Hong Kong Institute of Certified Public Accountants ("HKICPA") since 2009, a practicing member of the HKICPA since 2015 and a fellow member of the HKICPA since 2017. He has also been an associate of the Hong Kong Institute of Chartered Secretaries and an associate of the Institute of Chartered Secretaries and Administrators since 2017. Mr. Lau has been the sole proprietor of Lau Ka Wing Certified Public Accountant since March 2015, and a practicing director of Unity CPA Limited since August 2019.

Mr. Lau acts as an independent non-executive director of Green Energy Group Limited, a company listed on the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") with stock code: 979, and of Founder Holdings Limited, a company listed on the Stock Exchange with stock code: 418. Mr. Lau was previously an independent non-executive director of Peking University Resources (Holdings) Company Limited, a company listed on the Stock Exchange with stock code: 618.

Biographical Details of Directors and Senior Management

Independent Non-executive Directors

Mr. Kwong Sang LIU, aged 59, joined the Company in September 2004 as an independent non-executive director for more than 17 years. He is also a member of the Audit Committee, the Internal Control Committee, the Remuneration Committee and the Nomination Committee of the Company. He has been practising as a certified public accountant in Hong Kong with more than 30 years of experience. Mr. Liu graduated from the Hong Kong Polytechnic University with a bachelor degree (Honors) in Accountancy and obtained the Master degree in Business Administration from the University of Lincoln, 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 acts as an independent non-executive director of China National Culture Group Limited, a company listed on the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") with stock code: 745, and of Graphex Group Limited, a company listed on the Stock Exchange with stock code: 6128. Since April 2019, Mr. Liu has been appointed as an independent non-executive director of ATIF Holdings Limited (ticker symbol: ATIF) whose shares are listed on the United States Nasdaq Stock Market. Mr. Liu was previously an Independent Non-executive Director of Pine Care Group Limited, a company listed on the Stock Exchange with stock code: 1989, and of Polytec Asset Holdings Limited, a company listed on the Stock Exchange with stock code: 208 and was privatized in May 2021.

Mr. Edwin Kim Ho WONG, aged 47, joined the Company in August 2008 as an independent non-executive director for 13 years. He is also a member of the Audit Committee, the Internal Control Committee, the Remuneration Committee and the Nomination Committee of the Company. Mr. Wong graduated in Major of Economics from York University, Toronto. He 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 a well known Hong Kong textile company specialized in OEM export textile industry and related business more than 20 years.

Mr. William Keith JACOBSEN, aged 55, joined the Company in July 2009 as an Independent Non-executive Director for 12 years. He is also a member of the Audit Committee, the Internal Control Committee, the Remuneration committee and the Nomination committee 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 a consultant of the law firm, Messrs. Yang Chan & Jamison. Mr. Jacobsen has more than 25 years of 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 Kingkey Intelligence Culture Holdings Limited, a company listed on the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") with stock code: 550, and a non-executive director of Cocoon Holdings Limited, a company listed on the Stock Exchange with stock code: 428. He was previously an independent non-executive director of Solis Holdings Limited, a company listed on the Stock Exchange with stock code: 2227.

Biographical Details of Directors and Senior Management

Senior Management

Mr. Samson Chi Yang HUI, aged 50, joined the Company in July 2000. Mr. Hui 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 25 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 chairman and executive director of the Company.

Mr. Siu Leong CHEUNG, aged 48, 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 25 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 2021 (the "Year").

Principal activities

The principal activity of the Company is investment holding. The activities of its subsidiaries are set out in Note (36) to the consolidated financial statements.

Business review

A review of the Group's business during the Year and analysis of the Group's performance using financial key performance indicators and prospectus of the Group's business are provided in sections headed "Chairman's Statement" on page 4 and "Management Discussion and Analysis" on pages 6 to 19 of the annual report and the notes to the consolidated financial statements.

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 66 to 68 to the consolidated financial statements.

The directors do not recommend payment of any dividend in respect of the Year (2020: Nil).

Closure of Register of Members

The forthcoming annual general meeting of the Company ("**AGM**") will be held on Friday, 1 April 2022. For determining the entitlement of the shareholders of the Company to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 29 March 2022 to Friday, 1 April 2022 (both days inclusive), during which period no transfer of shares of the Company can be registered. In order to be eligible to attend and vote at the AGM, unregistered holders of Shares shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Abacus Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong before 4:30 p.m. on Monday, 28 March 2022.

Property, plant and equipment

Details of the movements in property, plant and equipment of the Group during the Year are set out in Note (18) to the consolidated financial statements.

Report of the Directors

Share capital

Details of the movements in the share capital of the Company during the Year are set out in Note (25) to the consolidated financial statements.

Distributable reserves

As at 30 November 2021, 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 Group during the Year are set out in the consolidated statement of changes in the equity.

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.

Permitted indemnity provision

Pursuant to the code provision C.1.8 of Corporate Governance Code, the Company should arrange appropriate insurance to cover potential legal actions against its directors and senior management. To comply with code provision, the Company has arranged for appropriate liability insurance for the directors and senior management for indemnifying their liabilities arising from corporate activities for the year ended 30 November 2021.

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 (2020: 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
Mr. Ka Wing Lau (newly appointed on 10 September 2021)

Independent Non-executive Directors
Mr. Kwong Sang Liu
Mr. Edwin Kim Ho Wong
Mr. William Keith Jacobsen

Report of the Directors

In accordance with Bye-laws 84 of the Company's bye-laws, Ms. Clara Hiu Ling Lam and Mr. Kwong Sang Liu 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 contained in Appendix 15 of the GEM Listing Rules, Mr. Kwong Sang Liu, Mr. Edwin Kim Ho Wong and Mr. William Keith Jacobsen have served as an independent non-executive director of the Company for more than 9 years. Their further appointments are 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-year term expiring on 30 June 2024; 28 August 2023 and 9 July 2024 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 (35) 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 biographical details of directors and senior management are set out on pages 20 to 22 to the consolidated financial statements.

Related party transactions

Details of the related party transactions of the Group are set out in Note (35) to the consolidated financial statements.

Report of the Directors

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

As at 30 November 2021, 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.

Report of the Directors

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 2021, 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 2021, 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	339,499,095	71.35%
Pacific East Limited	Beneficial owner	Corporate	16,450,838	3.46%
DGM Trust Corporation *(Note)*	Trustee	Corporate	355,949,933	74.81%

Note:

DGM Trust Corporation is the trustee of The City Place Trust which wholly owns (a) Maximizer International Limited, which holds 71.35% interest in the Company and (b) Pacific East Limited, which holds 3.46% interest in the Company. The City Place Trust is a discretionary trust and its beneficiaries include certain family members of Mr. Kau Mo Hui, but does not include Mr. Joseph Chi Ho Hui or Ms. Clara Hiu Ling Lam or any of their respective spouses 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.

Report of the Directors

Long positions in underlying shares

On 22 November 2018, pursuant to the conditional subscription agreement dated 28 August 2018 (as supplemented and amended by a supplemental agreement dated 10 October 2018) entered into between the Company and Maximizer International Limited:

1. 123,529,400 convertible preference shares were issued by the Company to Maximizer International Limited. Based on the initial conversion price of HK$0.17 per new ordinary share upon the exercise of the conversion rights attaching to each the convertible preference share, a maximum number of 123,529,400 new ordinary shares shall be allotted and issued upon full exercise of the conversion rights attaching to the convertible preference shares.

2. five-year unlisted convertible bond with nil interest rate in the principal amount of HK$29,699,876.20 was issued by the Company to Maximizer International Limited (the "**Convertible Bond**"). Based on the initial conversion price of HK$0.17 per new ordinary share upon the exercise of the conversion rights attached to the Convertible Bond, a maximum number of 174,705,154 new ordinary shares shall be allotted and issued upon full exercise of the conversion rights attached to the Convertible Bond.

On 18 August 2021, Maximizer International Limited fully exercised the conversion rights attached to the Convertible Bond for the full conversion into 174,705,154 ordinary shares in the capital of the Company at the conversion price of HK$0.17 per ordinary share, following which the Company allotted and issued a total number of 174,705,154 ordinary shares to Maximizer International Limited.

Except for disclosed above, 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	6.42%
– five largest customers combined	23.13%

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

Purchases	
– the largest supplier	53.55%
– five largest suppliers combined	98.42%

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.

Additional Information

Your attention is drawn to the additional information set to the matters under Rule 17.26 of the GEM Listing Rules which was disclosed in the announcements by the Company dated 15 March 2021, 23 March 2021, 13 July 2021, 14 July 2021, 22 July 2021, 20 October 2021, 26 October 2021 and 20 January 2022. As the request of the Company, trading in the Shares on the Stock Exchange has been suspend with effect from 9:00 a.m. on 21 October 2021. Further announcement(s) will be made by the Company as and when appropriate and in accordance with the requirements of the GEM Listing Rules. Shareholders and potential investors should note that the resumption of trading in the Shares on the Stock Exchange is subject to the above condition which may or may not be fulfilled. There is no guarantee that the resumption of trading in the Shares on the Stock Exchange will take place. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

Report of the Directors

Auditors

The consolidated financial statements of the Group for the year ended 30 November 2021 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, 18 February 2022

Environmental, Social and Governance Report

Introduction

abc Multiactive Limited (hereinafter referred to as the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") is committed towards sustainability and understands the importance of sustainable development of its business and community. This Environmental, Social and Governance report (the "**ESG Report**") discloses the Group's policies and practices for its commitment to sustainable development. As a platform for communication with all stakeholders, the ESG Report also makes responses to the major expectations of all stakeholders in efforts to facilitate mutual understandings.

The Group is principally engaged in the sales of computer software licenses; computer software licenses leasing and provision of related services; provision of maintenance services; sales of computer hardware and related products; provision of fintech resources services and overseas mortgage loan consultancy services.

Reporting Boundary

The ESG Report covers environmental and social performance of the core business of the Group in Hong Kong. Unless otherwise stated, the ESG Report covers specific ESG policies and performance from 1 December 2020 to 30 November 2021 (the "Year") and is consistent with the annual report.

Preparation Basis

The ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide ("ESG Reporting Guide") as set out in Appendix 20 to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

During the preparation for this ESG Report, the Group has applied the reporting principles stipulated in the ESG Reporting Guide as the following:

- "Materiality" – The materiality assessment detailed under the section headed "Stakeholder Engagement and Materiality Assessment" has ensured the ESG Report addresses the most material ESG topics pertaining to our businesses.

- "Quantitative" – Supplementary notes are added along with quantitative data disclosed in the ESG Report to explain any standards, methodologies, and source of conversion factors used during the calculation of emissions and energy consumption.

- "Consistency" – Whenever deemed material, the ESG Report details the standards, tools, assumptions and/or source of conversion factors used, as well as explanations of any inconsistencies to previous reports.

For the Group's corporate governance practices, please refer to pages 46 to 59 for the section "Corporate Governance Report" contained in this annual report.

Environmental, Social and Governance Report

Board Statement – ESG Governance Structure

The Board is pleased to present the ESG Report of the Group in accordance with the ESG Reporting Guide published by the Stock Exchange, as contained in Appendix 20 to the GEM Listing Rules. The Group has fully embraced social responsibility as our contribution to address the ESG requirements and challenges society faces and implemented several significant initiatives relating to environmental protection, employment and labor practices, operating practices, and community investment.

We consider ESG commitment as a part of our corporate social responsibility and we pledge to embed ESG considerations into our decision-making process. To achieve this, we have developed a core governance framework to ensure the alignment of ESG governance with our strategic growth, while advocating ESG integration into our business operations. The structure of our corporate social responsibility is divided into two components, namely the board of directors (the "**Board**") and an ESG working group.

The Board holds the ultimate responsibility on monitoring the Group's ESG issues, including ESG management approach, strategy, and policies. To better manage the Group's ESG performance and identify potential risks, the Board conducts regular materiality assessment with the assistance of the ESG working group to evaluate and prioritize material ESG-related issues with reference to the opinions of our stakeholders.

The ESG working group, composing of core members from different departments, is established to facilitates the Board's oversight of ESG matters. The ESG working group is responsible for collecting and analyzing ESG data, monitoring and evaluating the Group's ESG performance, ensuring compliance with ESG-related laws and regulations, and preparing ESG reports. The ESG working group arranges regular meetings to evaluate the effectiveness of current policies and procedures and formulate appropriate solutions to improve the overall performance of ESG policies. At meetings, the ESG working group discussed the existing and upcoming plans to monitor and manage the Group's strategic goals in terms of sustainable development, mitigate potential risks, and minimize their negative impacts on our business operations. By setting ESG-related goals and targets to minimize the environmental impacts from the Group's operation, the Group affirmed its commitment in embedding sustainability into the business operation and fulfil its corporate responsibility. The ESG working group reports to the Board periodically, assist in assessing and identifying the Group ESG risks and opportunities, evaluate the implementation and effectiveness of internal control mechanism, and review the progress of the set goals and targets.

Environmental, Social and Governance Report

Stakeholder Engagement and Materiality Assessment

The Group attaches great importance to multi-channel interaction with the stakeholders. The Group respects employee diversity and develops a competitive compensation system and prospective career path and training for employees. The Group is committed to making proactive efforts to continuously interact with key stakeholder groups, which comprise its Stock Exchange, government and regulatory bodies, customers, employees, investors, shareholders, service providers, and the community. The Group maintains active engagement with its stakeholders and collects their feedback through various communication channels to understand and address their concerns. The Company Facebook page "abc Fintech World" has been established and through its Facebook live, communication between its stakeholders has been strengthened. The Group will increase stakeholders' engagement via general meetings, corporate websites, and constructive dialogue, with a view to driving long-term prosperity.

The Group believes that sound ESG performance is important to the Group's sustainable business development and community. The Group is committed to protecting and improving the ecological environment and social factors and minimizing the impact of its activities on the environment. Throughout the stakeholder engagement exercise, the Group's management have assisted the Board to review its operations, identify key ESG issues and assess the importance of these issues to its businesses and stakeholders. It is the Group's policy to promote green operation, thereby gradually achieving the coordinated development of the Group, the environment, and the society. All identified material ESG issues, including environmental protection, employment and labor practices, product responsibility, and community investment, have been disclosed in the ESG Report. The Group will keep creating value for stakeholders and supporting charities and environmental protection.

Information and Feedbacks

For detailed information about environmental and corporate governance, please refer to the annual report of the Group. Your opinions will be highly valued by the Group. If you have any advice or suggestions, please feel free to contact us by:

Tel: (852) 2598 2888
Fax: (852) 2598 2000
Website: www.abcmultiactive.com

Environmental, Social and Governance Report

ENVIRONMENTAL PROTECTION

The Group's business does not involve any significant impact on nature resources. However, the Group executes practices that improve energy efficiency, conserves resources for its operation and raises 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 focuses on paper and toner usage throughout all our operation and has always been devoted to reducing energy consumption.

During the Year, the Group was not aware of any material non-compliance with relevant laws and regulations in Hong Kong relating to air and greenhouse gas ("**GHG**") emissions, discharges into water and land, and generation of hazardous and non-hazardous wastes. Such relevant laws and regulations include but not limited to the Air Pollution Control Ordinance (Cap. 311, Laws of Hong Kong) and the Waste Disposal Ordinance (Cap. 354, Laws of Hong Kong).

Air Emissions

Due to the Group's business nature, no significant exhaust gas emissions are involved during daily operations.

The consumption of electricity at the office is the major sources of GHG emissions of the Group. To reduce the carbon footprint at the office, the Group is endeavoring to increase investment in energy-efficient equipment and monitor the energy usage monthly. Moreover, the Group encourages employees to switch off all computers and office equipment, electrical and air-conditioner at the end of each working day. As the Group does not owns or operate any machineries including vehicles that consume fossil fuel such as petrol and diesel, no significant direct GHG emissions (Scope 1) are involved. During the Year, the Group set a target of maintaining or reducing the total GHG emissions intensity (tCO_2e/employee) in the next 3 years compared to the Year.

Scope of GHG emissions[1]	**Unit**	**2021**	**2020**
Direct GHG emissions (Scope 1)	tCO_2e	–	–
Energy indirect GHG emissions (Scope 2)	tCO_2e	43.31	42.60
Total GHG emissions	tCO_2e	43.31	42.60
Total GHG emissions intensity[2]	tCO_2e/employee	1.73	1.94

Notes:

1. GHG emissions data are presented in terms of carbon dioxide equivalent and are based on, inter alia, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development, "How to prepare an ESG report – Appendix II: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange, and the "Sustainability Report 2020" published by the HK Electric Investments Limited.

2. The total number of employees of the Group during the year ended 30 November 2021 and the year ended 30 November 2020 were 25 and 22, respectively. These figures would also be used for calculating other intensity data in the ESG Report.

Environmental, Social and Governance Report

Waste Management

The Group adheres to the waste management principle and strives to effectively manage and dispose of waste produced by our business activities. Our waste management practices have complied with relevant laws and regulations relating to environmental protection. The Group adopts a policy for using of electronic documents instead of traditional paper usage.

Due to the Group's business nature, no significant amount of hazardous waste is generated during daily operation. In case there are any hazardous wastes produced, the Group must engage a qualified chemical waste collector to handle the same in order to comply with the relevant environmental laws and regulations.

The non-hazardous waste generated by the Group's operations mainly consist of paper. To build a paperless workplace, the Group encourages staff to shift to electronic documents or scanning to reduce paper consumption. Staff are encouraged to print documents double sided, reuse papers on both sides, send documents and greetings through electronic means such as by telephone, email, and other communication software, as well as to recycle documents when they are no longer necessary. The Group will make use of more digital channel, such as the Group's Facebook page instead of paper usage to achieve the environment protection. During the Year, the Group sets a target of maintaining or reducing the total non-hazardous wastes intensity (kg/employee) in the next 3 years compared to the Year.

Types of waste	Unit	2021	2020
Office paper	kg	459.04	424.2
Total non-hazardous wastes	kg	459.04	424.2
Total non-hazardous wastes intensity	kg/employee	18.36	19.28

Use of Resources

Energy saving is important for all times and is the most critical means for the Group to continuously reduce greenhouse gas and carbon emissions. The Group has established relevant policies and procedures governing the use of energy and water to achieve higher efficiency and reduce unnecessary use of resources. While the Group will continue to improve energy saving for office, our focus is on existing air-conditioning and computer equipment and its infrastructure.

Environmental, Social and Governance Report

Energy Management

The Group's daily operations mainly consume electricity. The Group aims to minimize the environmental impacts that resulted from our operations by identifying and adopting appropriate measures. Energy measures and practices have been developed to show our commitment to improve energy efficiency. Employees are reminded to turn off all lights, air-conditioners, and electrical equipment before leaving the office. Air-conditioning is maintained at 25.5 degrees Celsius for energy saving. As the Group does not own or operate any machineries including vehicles using the consume fossil fuel such as petrol and diesel, no significant direct energy consumption is involved. During the Year, the Group set a target of maintaining or reducing the total energy consumption intensity (kWh/employee) in the next 3 years compared to the Year.

Types of energy	Unit	2021	2020
Direct energy consumption	kWh	–	–
Indirect energy consumption			
• Electricity	kWh	61,000.00	60,000.00
Total energy consumption	kWh	61,000.00	60,000.00
Total energy consumption intensity	kWh/employee	2,400.00	2,727.27

Water Management

Although the water consumption of the Group is limited to basic cleaning and sanitation in the office, the Group still promotes behavioral changes in the office and has taken regular inspection to prevent water leakage. Pantry and toilets are posted with environmental messages to remind employees of water conservation. Moreover, the Group requires employees to turn off the tap when not in use and report leaking faucet or pipe to the relevant authority in a timely manner.

As the water supply and drainage facilities of our offices are managed by the property management company, the Group was unable to access water consumption record during the Year. Due to the business nature and operating locations, the Group does not encounter any significant issue in sourcing water that is fit for purpose. During the Year, the Group set a target of further promote the employees' awareness on water conservation by implementing additional measures in the coming 3 years.

Use of Packaging Materials

Due to the business nature, the Group does not consume a significant amount of product packaging materials as the Group does not have any industrial productions nor any manufacturing facilities.

Environmental, Social and Governance Report

The Environment and Natural Resources

The Group pursues the best practices in environmental protection and focuses on the impact of its businesses on the environment and natural resources. Due to the Group's business nature, its impact on natural resources is limited. In addition to complying with the relevant environmental laws and regulations as well as properly preserving the natural environment, the Group has integrated the concept of environmental protection into its internal management and daily operations, with an aim of achieving environmental sustainability.

The Group recognizes the responsibility in minimizing the negative environmental impacts of its operations in achieving sustainable development to generate long term values to its stakeholders and community. It carries out continuous monitoring on whether the business operations cause any potential impact on the environment and minimizes such impact to the environment through promoting green office. Where applicable, the Group adopts green purchasing strategies to protect natural resources.

Climate Change

Awareness over climate change continues to grow and is one of the most discussed topics among nations. The Group recognises the importance of the identification and mitigation of significant climate-related issues, therefore closely monitors the potential impact of climate change on our business and operations and is committed to managing the potential climate-related risks which may impact the Group's business activities. In accordance with the reporting framework developed by the Task Force on Climate-related Financial Disclosures, there are two major categories of climate-related risks, physical and transition risks. The Group has implemented risk management exercise in identifying and mitigating climate-related risks.

Physical Risks

The increased frequency and severity of extreme weather events such as typhoons, storms, heavy rains, and extreme cold or heat bring acute and chronic physical risks to the Group's business. The Group's productivity will be reduced under extreme weather events as the safety of our employees is threatened and the power grid or communication infrastructures might be damaged, which exposes the Group to risks associated with non-performance and delayed performance, leading to direct negative impact on the Group's revenue.

To minimize the potential risks and hazards, the Group has established mitigation plans, including flexible working arrangements and precautionary measures during bad or extreme weather conditions. Th Group will explore emergency plan to further reduce the vulnerability of our installations to extreme weather events in order to enhance business stability.

Environmental, Social and Governance Report

Transition Risks

To achieve the global vision on carbon neutrality, the Group expects evolution of the regulatory, technological and market landscape due to climate change, including the tightening of national policies and listing rules and the emergence of environmentally related taxes. Stricter environmental laws and regulations may expose enterprises to higher risks of claims and lawsuits, which might incur additional compliance costs and affect the reputation of the Group.

In response to the policy and legal risks as well as the reputation risks, the Group constantly monitors any changes in laws or regulations and global trends on climate change to avoid cost increments, non-compliance fines or reputational risks due to delayed response. In addition, the Group has been taking comprehensive environmental protection measures, including GHG reduction measures, has set targets to gradually reduce the Group's energy consumption and GHG emissions in the future.

EMPLOYMENT AND LABOR PRACTICES

The Group promotes the corporate culture of "people-oriented and be genuine" as talents are the most important assets. The Group is committed to creating a healthy and safe working environment for each employee and providing training and development for them. The Group continuously treats all employees equally in respect of recruitment, training and development, promotion, and welfare. All discrimination on gender, ethnic background, religion, and color are prohibited. The Group strongly believes that diversity in our workforce brings more benefits to the Group and strives to create a diverse and intricately connected workforce as combining diverse cultures can bring us more ideas and innovations.

Employment

Employees are the most valuable asset of the Group. The Group strives to provide a pleasant and healthy workplace for our employees. The Group cares for our employees and recognize that having good staff relations and a motivated workplace play a 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 Group 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.

During the Year, the Group was not aware of any material non-compliance with employment-related laws and regulations in Hong Kong that would have a significant impact on the Group. The relevant laws and regulations include, but are not limited to, the Employment Ordinance (Cap. 57, Laws of Hong Kong) and the Minimum Wage Ordinance (Cap. 608, Laws of Hong Kong).

Environmental, Social and Governance Report

Workforce Diversity

As at 30 November 2021, the Group had employed total 25 staff in Hong Kong (2020: total 22 staff). Total workforce by gender, age group, employment type and geographical region is as follows:

	2021	2020
Total number of employees	**25**	22
Gender		
Male	**17**	17
Female	**8**	5
Age Group		
18-25 years old	**3**	3
26-35 years old	**8**	6
36-45 years old	**6**	3
46-55 years old	**7**	8
56-65 years old	**1**	2
Above 65 years old	**–**	–
Geographical region		
Hong Kong	**25**	22
Employment Type		
Full-time	**24**	21
Part-time	**1**	1

To offer equal opportunities to its employees to attract and retain talent, the Group is committed to being an equal opportunity employer and does not discriminate based on personal characteristics, gender, or age. Regardless of race, sex, color, age, family background, ethnic tradition, religion, physical fitness and nationality, the Group provides its employees with equal opportunities in terms of recruitment, training and development, compensation, welfare, and benefits, as well as promotion to enhance their personal and career development. The Group establishes and implements policies that promote a harmonious and respectful workplace. With the aim of ensuring fair and equal protection for all employees, the Group has zero tolerance on sexual harassment or abuse in the workplace.

Environmental, Social and Governance Report

Recruitment, Promotion and Dismissal

Employees' qualification, professional skills and experiences exert a significant influence on the quality of services. In line with the need of business development and the principles of fairness and justice, the Group selects the best and suitable qualified candidates through open recruitment or internal promotion. The Group applies robust and transparent recruitment processes based on merit selection against the job criteria, and recruit individuals based on their suitability for the position and potential to fulfil the Group's current and future needs.

Performance evaluations will be re-initiated each year for promotion. Recognizing 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.

Any termination of employment contract should be based on reasonable, lawful grounds and internal policies, such as the Employee Handbook. The Group strictly prohibits any kind of unfair or illegitimate dismissals. For those who have unsatisfactory working performance or repeatedly made mistakes, the Group would give verbal warning before issuing a warning letter. For those who shows no improvement, the Group would consider dismissing the employees according to the relevant laws in Hong Kong.

During the Year, the Group recorded a turnover rate of approximately 34%. The table below shows the employee turnover rate by gender, age group and geographical region:

	2021 Turnover rate	2020 Turnover rate
Gender		
Male	**29%**	19%
Female	**46%**	83%
Age Group		
18-25 years old	**67%**	67%
26-35 years old	**29%**	77%
36-45 years old	**22%**	33%
46-55 years old	**27%**	–
56-65 years old	**67%**	–
Above 65 years old	**–**	–
Geographical region		
Hong Kong	**32%**	22%

Environmental, Social and Governance Report

Remuneration and Benefits

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 ("**MPF**"), staff benefits include a basic five-day working week, flexible leave arrangement, medical coverage scheme, festival gift, and annual party. The Group offers a minimum of 7 days of annual leave and additional leaves, including compensation leave, maternity leave, compassionate leave, and exam leave, to staff. The Group also holds social gathering activities and encourages employees' voluntary participation aiming at providing opportunities for employees to get connected with each other and creating a harmonious working environment. It is mutually beneficial to both the Group and employees as it provides employees a sense of belonging and self-worth while positive work relationship helps foster better collaboration and work performance.

By offering competitive remuneration package and welfare to staff, the Group is able to retain high caliber talents. During the Year, approximately 48% (2020: approximately 50%) of staff has been working with the Group for more than 3 years and some even has worked up to 10 years. It indicates the Group's ability to foster staff loyalty of the Group, while job productivity and staff's performance are kept at satisfactory levels.

Work-life Balance

The Group values the importance of maintaining a healthy lifestyle and work-life balance of its employees. The Group actively engages its employees through different work-life balancing social activities. Besides, the Group regulates working hours and provides overtime work compensation for those employees working in field operations.

Health and Safety

The Group makes the health and life safety of its employees in a close attention focus. The Group provides 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 particularly 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. The Group shows its genuine care for its employees. As to mitigate the impact of COVID-19, the Group has taken a quick response and precaution measures to protect the health of employees, including:

- Face masks and alcohol-based hand sanitizers were constantly given to all employees and placed at workplace areas;
- Arranged the hygiene products suppliers to give away disinfection supplies to employees;
- Non-contact thermometers were placed at the entrance of the office for measuring the body temperature;
- Sanitation and space disinfection were frequently carried out to maintain the hygiene of workplace; and
- The Group has also implemented flexible working hours, split team operations and work-from-home arrangements.

Environmental, Social and Governance Report

During the Year, the Group was not aware of any material non-compliance with the health and safety-related laws and regulations in Hong Kong that would have a significant impact on the Group. The relevant laws and regulations include, but are not limited to, the Occupational Safety and Health Ordinance (Cap. 501, Laws of Hong Kong) and the Employees' Compensation Ordinance (Cap. 282, Laws of Hong Kong). During the Year, there were no reported cases of work-related injuries, thus zero lost days due to work injury. The Group has achieved zero work-related fatalities in the past three years.

Workplace Safety

First aid kits are located at the pantry of the Group at a easily visible area and it has been clearly marked "FIRST AID" and its contents be maintained in a serviceable condition at all times as required by Occupational Safety and Health Branch. A notice specifying the name of the staff responsible for the first aid box is affixed to it. The Group has carried out the visual inspections of fire extinguishers to comply with legislation every year. The Group has also appointed the registered company which is qualified and experienced to conduct service and maintenance of fire extinguishing equipment once a year to make sure the fire extinguishers in the office are proper for use when necessary.

Development and Training

The Group believes that the quality of its employees is the most crucial 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 Group 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.

The Group has arranged staff in training and investing in the future of the organization. Staff participated in training build skills, stay up to date with industry changes, and build relationships with other colleagues-all of which makes them more productive. Furthermore, the Group believes that occupational training provides staff with an opportunity to build a foundation for organizational direction, establish expectations and deliver cutting-edge practices. Apart from the training courses or seminars sponsored by the Group, 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 Group's corporate direction and to the employees' career development. The Group will conduct various work-related sharing session and relevant information technology knowledge training irregularly for staff.

During the Reporting period, the percentage of employees trained was approximately 8% (by gender – male: 50%, female: 50%; by employment category – senior management: 50%, middle management and other employees: 50%), while the average training hours completed per employee was approximately 1.48 hours (by gender – male: 1.18 hours, female: 2.13 hours; by employment category – senior management: 10 hours middle management and other employees: 0.74 hours).

Labor Standards

The Group has complied with relevant labor laws and government regulations set out by the Hong Kong Government. 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 MPF paid for a contribution period before monthly contribution day.

During the Year, the Group was not aware of any material non-compliance with child and forced labor-related laws and regulations in Hong Kong that would have a significant impact on the Group. The relevant laws and regulations include but are not limited to the Employment of Children Regulations (Cap. 57B, Laws of Hong Kong) and the Employment Ordinance.

OPERATING PRACTICES

Supply Chain Management

The Group recognizes the importance of sound supply chain management practices in mitigating environmental and social risks, and therefore, formulated policies and guidelines for various aspects of its customer service, including standardized operating procedures and staff training.

The Group prioritizes the quality of suppliers and service providers to sustain top notch standards of our service offerings and strives to collaborate and maintain stable partnership with suppliers who possess qualifications or expertise in their respective fields. The Group will obtain at least three quotations from different suppliers and evaluate quotations in various aspects such as the competitiveness in pricing, quality of goods or services, company background and reputation to ensure the Group's procurement requirements are achieved. Final purchasing decision is approved by the senior management. The practices are being implemented on all the Group's significant suppliers. Periodic review of suppliers' performance is conducted to ensure that their services are performed in excellent quality and consistently.

Green Procurement

The Group pays attention to the environmental awareness of its suppliers and promotes sound environmental performance and governance practices amongst its business partners and suppliers. The Group encourages its business partners and suppliers to consider the risks posed to their operations from climate change and to actively mitigate their environmental impacts during supplier conference. Besides, close monitoring on the suppliers' business practices through onsite inspections is performed. Any observations of non-compliance during the site visit will be reported immediately to the management. Corrective action plan will be carried out to remediate the identified risks in a timely manner.

In view of green supply chain management, the Group prefers local suppliers whenever possible to reduce carbon emissions from transportation and to support the local economy. During the Year, the Group worked with 20 suppliers, all of which located in Hong Kong.

Environmental, Social and Governance Report

Product Responsibility

As a company engaged in IT related services, the Group emphasizes the protection of its products. 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 authorized product owner of the Group. 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. Besides, the backing up of data is done from time to time to protect the Group's most valuable assets from any event of system crashes and errors.

During the Year, the Group was not aware of any incidents of non-compliance with laws and regulations in Hong Kong that have a significant impact on the Group, concerning product health and safety, advertising, labelling, and privacy matters relating to products and services provided. The relevant laws and regulations include, but are not limited to, the Supply of Services (Implied Terms) Ordinance (Cap. 457, Laws of Hong Kong) and the Personal Data (Privacy) Ordinance (Cap. 486, Laws of Hong Kong) and Trade Descriptions Ordinance (Cap. 362, Laws of Hong Kong).

Customer Services and Data Protection

All employees of the Group 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 authorized business purposes. It benefits for both the Group and customers and emphasizes on the importance and ethical concern of the safeguard of source code. During the Year, the Group did not recall any products for health and safety reasons nor receive any products-and service-related complaints.

Intellectual Property Rights Protection

The Group attaches importance on protecting intellectual property rights and has developed policies in accordance with all applicable legal requirements to prohibit intellectual property infringement. The Group has registered trademarks which are including "abc Multiactive", "OCTOSTP" and "FinReg Innovative Tool" etc. The Group has not encountered any material breaches of relevant laws and regulations relating to privacy and intellectual property rights in the Year.

Advertising and Labelling

In the Group's dealings with its clients, information provided were complete, true, accurate, clear, and comply with all relevant laws and regulations regarding the proper advertising, including but not limited to the Trade Descriptions Ordinance (Cap. 362, Laws of Hong Kong). In the event there is misleading information in the Group's advertising or marketing activities, explanations and provide necessary compensation to our clients will be made and the advertisements will be modified or withdrawn.

Environmental, Social and Governance Report

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 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 Group's business or induce them to act against the interest of the Group, or lead to allegations of impropriety. Any advantage given in the conduct of the Group's business should be in accordance with the Group's prevailing policies on such matters and prior written approval of the Group should be obtained.

During the Year, the Group was not aware of any material non-compliance with the relevant laws and regulations of bribery, extortion, fraud, and money laundering. The relevant laws and regulations include, but are not limited to the Prevention of Bribery Ordinance (Cap. 201, Laws of Hong Kong). During the Year, there is no legal cases regarding corrupt practices brought against the Group or its employees.

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. During the Year, despite that limited training provided to the employees due to COVID-19 pandemic, 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. The Group will provide training to our directors and employees on anti-corruption practices in the ensuing financial year.

Whistle-blowing Mechanism

The Group believe in an open-door policy with regards to problem-solving; whenever staff has a good-faith problem or complaint, the Group expect staff to speak up and communicate with their manager or directly with senior management/director. The Group encourage staff to take the above action immediately after any event causes his/her concern. Furthermore, the Group also encourage staff to contribute their suggestions/minds to improve the quality of work at the Group.

Community Investment

As part of the Group's strategic development, the Group is committed to supporting social participation and contribution, and to nurture the corporate culture and practices of corporate citizen in its daily operation. 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 the Group targets through donations and sponsorships by supporting non-profit-making organizations to help charitable, cultural, educational, and other needs of society.

Corporate Governance Report

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

The Stock Exchange has issued the amendments on Corporate Governance Code 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 Corporate Governance Code 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, C.1.2 and C.2.5 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 2021, in compliance with the Corporate Governance Code 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 Director

Code provision A.4.3 of the Corporate Governance Code, 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, Mr. Edwin Kim Ho Wong and Mr. William Keith Jacobsen have served as independent non-executive directors of the Company for more than 9 years. Mr. Liu, Mr. Wong and Mr. Jacobsen have demonstrated their abilities to provide an independent view to the Company's matters. Notwithstanding their years of service as independent non-executive directors of the Company, the Board is of the view that Mr. Liu, Mr. Wong and Mr. Jacobsen are able to continue to fulfill their roles as required and thus recommends them for re-election at the annual general meeting of the Company. Further, the Company is of the view that Mr. Liu, Mr. Wong and Mr. Jacobsen meet the independence guidelines set out in Rule 5.09 of the GEM Listing Rules and are 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, Mr. Wong's and Mr. Jacobsen's further appointment have been proposed and approved by the shareholders at the annual general meeting of the Company held on 31 March 2021, and are subject to a separate resolution to be approved by shareholders in each year.

Corporate Governance Report

Financial Reporting

Code provision C.1.2 of the Corporate Governance Code, 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.

During the year ended 30 November 2021, 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 6 to 19 of this annual report.

Internal Audit Function

Code Provision C.2.5 of the Corporate Governance Code, became effective on 1 January 2016, stipulates that the Group should have an internal audit function. For the year ended 30 November 2021, the Group does not have an internal audit function from the date of Listing since 2000. Taking into account the size, nature and complexity of the operations in the future, the Group considers that the current organization structure and management could provide adequate risk management and internal control of the Group.

The Group has established the internal control committee since 2007. The internal control committee, comprising the executive directors, independent non-executive directors and management team of the Company are responsible to review the effectiveness of the Group's internal control system. 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. 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 2021, the review bases on a framework which assesses the Group's internal control system into treasury and compliance cycle. The examination consists 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, will be identified and appropriate measures will be put in place to manage the risks.

Corporate Governance Report

THE BOARD

During the year ended 30 November 2021, the Board comprised three 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 delegates the following responsibilities to the audit committee, nomination committee and remuneration committee, for overseeing all aspects of the Company's affairs. The Board preserves the right to finally approve key matters and strategic decisions:

(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; and

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

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.

Corporate Governance Report

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 2021, the Board held six meetings. Details of the attendance of individual directors are as follows:

		Attendance
(a)	**Executive Directors**	
	Mr. Joseph Chi Ho HUI	6/6
	Ms. Clara Hiu Ling LAM	6/6
	Mr. Ka Wing LAU (newly appointed on 10 September 2021)	4/6
(b)	**Independent Non-executive Directors**	
	Mr. Kwong Sang LIU	6/6
	Mr. Edwin Kim Ho WONG	6/6
	Mr. William Keith JACOBSEN	6/6

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 20 to 22 under the section on "Biographical Details of Directors and Senior Management".

Pursuant to the code provision A.1.8 of the Corporate Governance Code, 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 2021.

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 2014. During the reporting year 2021, 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.

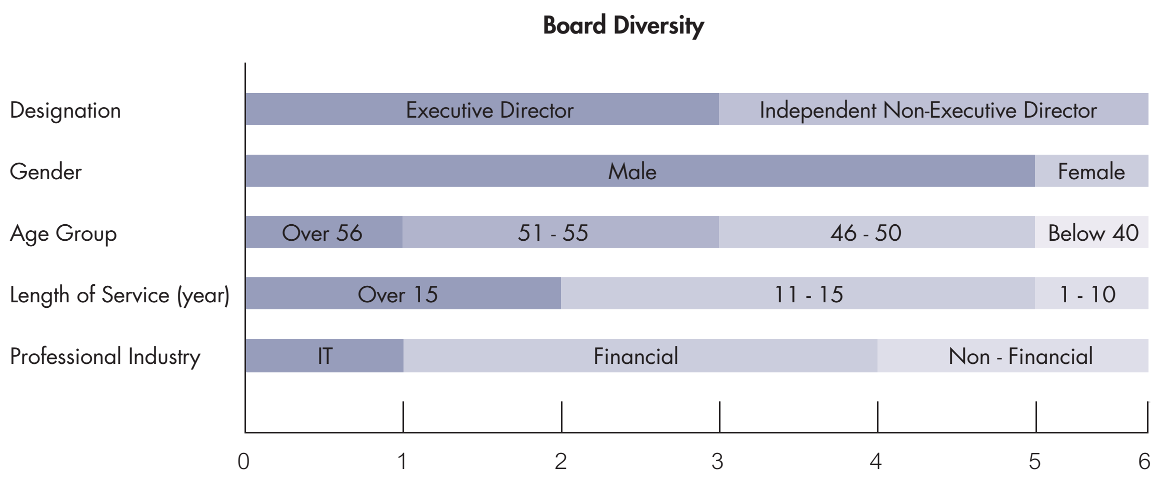
Measurable Objectives

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:



Corporate Governance Report

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. The information supplied must be complete and reliable. To fulfil their duties properly, directors may not, in all circumstances, be able to rely purely on information provided voluntarily by management and they may need to make further enquiries. 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. These papers and related materials should be in a form and quality sufficient to enable the board to make informed decisions on matters placed before it. Queries raised by directors should receive a prompt and full response, if possible.

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.

Corporate Governance Report

BOARD COMMITTEE

The Board established certain Board committees with sufficiently clear terms of reference to enable them to perform their function properly and require the committees to report back on their decisions or recommendations unless there are legal or regulatory restrictions on their ability to do so.

NOMINATION COMMITTEE

The Company established a nomination committee on 9 March 2012. During the reporting year 2021, 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 2021, 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

Corporate Governance Report

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 biographical details of directors to enable Shareholders to make an informed decision on the re-election, and where necessary, nominating appropriate persons to fill causal vacancies or as additions to the Board. The 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 identifies 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 Corporate Governance Code, 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.

Corporate Governance Report

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 2021 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	✓	✓
Mr. Ka Wing LAU	✓	✓
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 2021.

REMUNERATION COMMITTEE

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

The remuneration committee comprises Mr. Kwong Sang Liu, Mr. Edwin Kim Ho Wong and Mr. William Keith Jacobsen, and is chaired by Mr. Edwin Kim Ho Wong.

Corporate Governance Report

During the financial year ended 30 November 2021, 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 (15) and (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. Edwin Kim Ho Wong is the chairman of the audit committee for the year ended 30 November 2021.

The written terms of reference which describe the authorities and duties of the audit committee were prepared and adopted with reference to "A Guide for the Formation of an Audit Committee" published by the Hong Kong Institute of Certified Public Accountants. The terms of reference of the audit committee should also require it to review arrangement employees of the Company can use to raise concerns about possible improprieties in financial reporting, internal control or other matters. The audit committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action and to act as the key representative body for overseeing the Company's relations with the external auditors. The audit committee provides an important link between the board of directors and the Company's auditors in matters coming within the scope of the Group audit. It also reviews the financial reporting process and the adequacy and effectiveness of the Group's internal control system.

During the reporting year 2021, 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. Draft and final versions of minutes of the meetings should be sent to all committee members for their comment and records, within a reasonable time after the meeting.

Corporate Governance Report

The Group's results for the year ended 30 November 2021 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	3/4

DIRECTORS' AND AUDITORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board is responsible for presenting a balanced, clear and understandable 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 60 to 65 of this annual report.

AUDITORS' REMUNERATION

For the year ended 30 November 2021, audit services and non-audit services provided to the Company and its subsidiaries by external auditors of the Group amounted to approximately HK$600,000 and approximately HK$430,000 respectively.

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 chief executive officer, 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.

Corporate Governance Report

The Company does not have internal audit department, but the internal control review committee, comprising the executive directors, independent non-executive directors and management 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 2021, the review based on a framework which assesses the Group's internal control system into treasury and compliance cycle. 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 22 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 2021, 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 31 March 2021 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 2021 annual general meeting to answer questions at the meeting.

Corporate Governance Report

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 23rd Floor, On Hing Building, No.1 On Hing Terrace, Central, Hong Kong.

DIVIDEND POLICY

Pursuant to code provision E.1.5 of the Corporate Governance Code, the Company should have a policy on payment of dividends.

Under the Companies Act 1981 of Bermuda adopted on 22 January 2001 and amended on 19 November 2018. The Company in general meeting may from time to time declare dividends in any currency to be paid to the Shareholders of the Company but no dividend shall be declared in excess of the amount recommended by the Board. The Company in general meeting may also make a distribution to the Members out of any contributed surplus.

No dividend shall be paid or distribution made out of contributed surplus if to do so would render the Company unable to pay its liabilities as they become due or the realisable value of its assets would thereby become less than its liabilities.

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

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

TO THE SHAREHOLDERS OF
abc MULTIACTIVE LIMITED
(Incorporated in Bermuda with limited liability)

OPINION

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 66 to 145, which comprise the consolidated statement of financial position as at 30 November 2021, 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 notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 November 2021, and of its consolidated financial performance and its consolidated cash flows for the year ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Accounting for impairment assessment of goodwill

Refer to Notes 20 and 32 to the consolidated financial statements and the accounting policies in Note 3 to the consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
During the year, the Group acquired equity interest of Leadership Solutions Limited for consideration of HK$4,200,000 and recognised goodwill of approximately HK$1,100,000 in its consolidated statement of financial position. Management assesses potential impairment of goodwill on an annual basis. As at 30 November 2021, the recoverable amount of the cash-generating unit ("**CGU**") was determined by management and based on value-in-use calculations using cash flow projections. Management concluded that there is no impairment in respect of the goodwill. Independent external valuations were obtained in order to support management's estimates. We considered impairment assessment of goodwill as a key audit matter due to the involvement of significant management judgement associated with the assumptions used in estimating the value-in-use of the CGU, including the revenue growth rate, the long-term growth rates and the discount rates applied.	Our procedures in relation to the management assessment of goodwill included but not limited to: • Understanding the key internal controls over preparation of the discounted cash flow forecasts on which the estimation of the recoverable amount of goodwill are based; • Obtaining and inspecting the valuation report prepared by the external valuers engaged by the Group on which the management's assessments of impairment of goodwill were based; • Assessing the external valuers' qualifications, experience and expertise and considering their objectivity; • Assessing and challenging the Group's identification of CGU and the allocation of goodwill and other assets to those CGU with reference to the requirements of the prevailing accounting standards; • With the assistance of our valuation experts, evaluating the methodology used in the valuations of CGU, challenging the key assumptions and critical judgements made in the preparation of the discounted cash flow forecasts prepared by management by comparing key inputs, which included the revenue growth rate, with historical performance, management's budgets and forecasts and other external available information, and evaluating the discount rate applied in the discounted cash flow forecasts by assessing if the parameters adopted in calculating the discount rate was within the range of relevant industry; and • Assessing whether the disclosures in the consolidated financial statements in respect of the assessment of potential impairment of goodwill are reasonable with reference to the requirements of the prevailing accounting standards. We found that the management judgments and estimates used to assess the impairment of goodwill were supportable by the available evidence.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

KEY AUDIT MATTERS (CONTINUED)

Allowance for expected credit losses on trade receivables

Refer to Note 21 to the consolidated financial statements and the accounting policies in Note 3 to the consolidated financial statements.

Key audit matter

We identified allowance for expected credit losses on trade receivables as a key audit matter due to significant judgments and estimation uncertainty involved in the management's assessment process.

Loss allowances for trade and other receivables are based on management's estimate of the lifetime or 12-month expected credit losses to be incurred, which is estimated by taking into account the credit profile of different customers, aging of trade receivables, historical repayment record and the assessment of both the current and forecast general economic conditions, all of which involve significant degree of management judgement and estimation.

How our audit addressed the key audit matter

Our procedures in relation to allowance for expected credit losses of trade receivables included but not limited to:

- Understanding the key controls that the Group has implemented to manage and monitor its credit risk, and how the management estimates the credit loss allowance for trade receivables;

- Checking, on a sample basis, the aging profile of the trade receivables as at year end to the underlying financial records and post year-end settlements to bank receipts;

- Inquiring of management for the status of each of the material trade receivables past due as at year end and corroborating explanations from management with supporting evidence, understanding ongoing business relationship with the customers based on trade records, checking historical and subsequent settlement records of and other correspondence with the customers; and

- Assessing the appropriateness of the expected credit loss provisioning methodology, examining the key data inputs on a sample basis to assess their accuracy and completeness, and challenging the assumptions management's basis and judgement in determining allowance for expected credit loss on trade receivables as at year end, including their identification of credit-impaired trade receivables, the grouping of the trade receivables into different categories in the provision matrix, both historical and forward-looking information, used to determine the expected credit losses.

We found that the management judgment and estimates used to assess the recoverability of the trade receivables and impairment provision to be supportable by available evidence.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditors' report thereon ("**Other Information**").

Our opinion on the consolidated financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. We 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement director on the audit resulting in this independent auditors' report is Ng Ka Wah.

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Ng Ka Wah
Practising Certificate Number: P06417

Hong Kong, 18 February 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 November 2021

	Notes	**2021** **HK$'000**	2020 HK$'000
Revenue	8	**62,357**	16,626
Cost of sales		**(24,728)**	(7,441)
Gross profit		**37,629**	9,185
Other gains or losses, net	9	**60**	2,634
Software research and development and operating expenses		**(3,683)**	(2,976)
Selling and marketing expenses		**(7,269)**	(1,417)
Administrative expenses		**(8,888)**	(8,327)
Allowance for expected credit losses on trade receivables, net		**(106)**	(1)
Gain on derecognition of promissory note		**1,555**	1,533
Profit from operating activities	10	**19,298**	631
Finance costs	11	**(4,037)**	(4,078)
Profit/(loss) before taxation		**15,261**	(3,447)
Income tax credit	12	**379**	460
Profit/(loss) and total comprehensive income/(loss) for the year		**15,640**	(2,987)
Profit/(loss) and total comprehensive income/(loss) for the year attributable to owners of the Company		**15,640**	(2,987)
Earnings/(loss) per share			
– Basic	13	**HK4.45 cents**	HK(0.99) cents
– Diluted	13	**HK2.94 cents**	HK(0.99) cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 November 2021

	Notes	2021 HK$'000	2020 HK$'000
Assets			
Non-current assets			
Property, plant and equipment	18	185	235
Right-of-use assets	19	628	3,349
Goodwill	20	1,100	–
		1,913	3,584
Current assets			
Trade and other receivables	21	12,193	2,953
Amount due from a related company	22	–	215
Contract costs	23	1,987	942
Cash and cash equivalents	24	35,520	4,429
		49,700	8,539
Total assets		51,613	12,123
Capital and reserves			
Share capital	25	59,934	42,464
Reserves		(48,087)	(67,668)
Equity attributable to owners of the Company		11,847	(25,204)
Liabilities			
Non-current liabilities			
Promissory notes	26	8,518	8,464
Convertible bond	27	–	17,957
Lease liabilities	19	9	1,247
Deferred tax liability	28	–	1,482
		8,527	29,150
Current liabilities			
Trade and other payables and accruals	29	18,575	3,538
Contract liabilities	30	11,781	2,088
Lease liabilities	19	636	2,320
Amount due to a related company	31	236	231
Tax payables		11	–
		31,239	8,177

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 November 2021

	2021 HK$'000	2020 HK$'000
Total liabilities	**39,766**	37,327
Total equity and liabilities	**51,613**	12,123
Net current assets	**18,461**	362
Total assets less current liabilities	**20,374**	3,946
Net assets/(liabilities)	**11,847**	(25,204)

Approved and authorised for issue by the Board of Directors on 18 February 2022 and signed on its behalf by:

Joseph Chi Ho Hui
Executive Director

Ka Wing Lau
Executive Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 November 2021

	Attributable to owners of the Company						
	Share capital	**Share premium**	**Contributed surplus**	**Special reserve**	**Convertible bond reserve**	**Accumulated losses**	**Total**
	HK$'000	HK$'000	HK$'000 *(Note 1)*	HK$'000 *(Note 2)*	HK$'000	HK$'000	HK$'000
As at 1 December 2019	42,464	113,656	37,600	10,828	11,830	(238,595)	(22,217)
Loss and total comprehensive loss for the year	–	–	–	–	–	(2,987)	(2,987)
As at 30 November 2020 and 1 December 2020	42,464	113,656	37,600	10,828	11,830	(241,582)	(25,204)
Profit and total comprehensive income for the year	–	–	–	–	–	15,640	15,640
Conversion of convertible bond *(Note 27)*	17,470	15,771	–	(2,298)	(11,830)	2,298	21,411
As at 30 November 2021	**59,934**	**129,427**	**37,600**	**8,530**	**-**	**(223,644)**	**11,847**

Notes:

1. 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.

2. Special reserve comprises the gain accounted for as deemed capital contribution which arose from (i) the difference between the aggregate fair value of the convertible preference shares and convertible bond issued by the Company and the outstanding amounts of the promissory notes of the Company being settled, net of the related transactions costs, and (ii) waiver of interest of promissory notes by Maximizer International Limited, the shareholder of the Company.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 November 2021

	Notes	2021 HK$'000	2020 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before taxation		**15,261**	(3,447)
Adjustments for:			
Imputed interest expenses on promissory notes	11	**1,609**	1,133
Imputed interest expenses on convertible bond	11	**2,362**	2,790
Interests on lease liabilities	11	**66**	155
Net exchange loss	9	**5**	2
Depreciation on property, plant and equipment	10	**90**	163
Depreciation on right-of-use assets	10	**1,214**	1,122
Waiver of other payables	9	**–**	(206)
Allowance for expected credit losses on trade and other receivables, net	10	**106**	1
Gain on lease modification	9	**(215)**	–
Gain on derecognition of promissory note		**(1,555)**	(1,533)
Gain on issuance of promissory note	9	**–**	(696)
Fair value change in contingent consideration	9	**150**	–
Operating profit/(loss) before working capital changes		**19,093**	(516)
Increase in trade and other receivables		**(8,222)**	(784)
Decrease/(increase) in amount due from a related company		**215**	(215)
Increase in contract costs		**(1,045)**	(270)
Increase/(decrease) in other payables and accruals		**14,690**	(569)
Increase in contract liabilities		**9,523**	329
Net cash generated from/(used in) operating activities		**34,254**	(2,025)
CASH FLOW FROM INVESTING ACTIVITIES			
Net cash outflow arising from acquisition of a subsidiary	32	**(1,857)**	–
Purchase of property, plant and equipment	18	**(40)**	(172)
Net cash used in investing activities		**(1,897)**	(172)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended 30 November 2021

	Notes	2021 HK$'000	2020 HK$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		**(1,266)**	(1,059)
Proceed from issue of a promissory note	*26*	**–**	3,000
Net cash (used in)/generated from financing activities		**(1,266)**	1,941
Net increase/(decrease) in cash and cash equivalents		**31,091**	(256)
Cash and cash equivalents at the beginning of the year		**4,429**	4,685
Cash and cash equivalents at the end of the year		**35,520**	4,429

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 November 2021

1. CORPORATE INFORMATION

abc Multiactive Limited (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 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 23/F., On Hing Building, No.1 On Hing Terrace, Central, Hong Kong.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are sales of computer software licenses and provision of related services, computer software licenses leasing and provision of related services, provision of maintenance services, sales of computer hardware and related products, provision of fintech resources services and overseas mortgage loan consultancy services.

The directors of the Company consider the Company's ultimate controlling shareholder to be The City Place Trust, a trust incorporated in Bermuda and the Company's immediate holding company to be Maximizer International Limited ("**MIL**").

The consolidated financial statements included the financial statements of the Company and its subsidiaries (collectively referred to as the "**Group**"). 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.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

New and Amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments to HKFRSs issued by Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") for the first time in the current year:

HKFRS 9, HKAS 39, HKFRS 7 (Amendments)	Interest Rate Benchmark Reform
HKAS 1 and HKAS 8 (Amendments)	Definition of Material
HKFRS 3 (Amendments)	Definition of Business
HKFRS 16 (Amendments)	Covid-19 Related Rent Concessions

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

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

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 (Amendments)	Interest Rate Benchmark Reform – Phase 2[4]
HKFRS 17	Insurance Contracts and the related Amendments[3]
HKFRS 3 (Amendments)	Reference to the Conceptual Framework[2]
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
HKFRS 16 (Amendments)	Covid-19-Related Rent Concessions beyond 30 June 2021[1]
HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[3]
HKAS 1 and HKFRS Practice Statement 2 (Amendments)	Disclosure of Accounting Policies[3]
HKAS 8 (Amendments)	Definition of Accounting Estimates[3]
HKAS 12 (Amendments)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[3]
HKAS 16 (Amendments)	Property, Plant and Equipment – Proceeds before Intended Use[2]
HKAS 37 (Amendments)	Onerous Contracts – Cost of Fulfilling a Contract[2]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2018-2020[2]

1 Effective for annual periods beginning on or after 1 April 2021.
2 Effective for annual periods beginning on or after 1 January 2022.
3 Effective for annual periods beginning on or after 1 January 2023.
4 Effective for annual periods beginning on or after 1 January 2021.
5 Effective for annual periods beginning on or after a date to be determined.

The directors anticipate that the application of all new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited ("**Listing Rules**") and by 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 set out 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 *Share-based Payment*, leasing transactions that are accounted for in accordance with HKFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

3. BASIS OF PREPARATION AND 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. 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.

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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations

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

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

- 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;

- 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; and

- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which the lease term ends within 12 months of the acquisition date. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

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 amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations (Continued)

When the consideration transferred by the Group in a business combination includes 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 to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

Goodwill

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

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsidiaries

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

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured 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.

Revenue from contracts with customers

The Group 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.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or

- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from contracts with customers (Continued)

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

Output method

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

The Group recognises revenue from the following major sources:

(i) Sale of computer software licenses and provision of related services

Revenue from the sale of computer software licenses and 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) Computer software licenses leasing and provision of related services

The Group earns revenues by leasing the software products to its customers and the nature of the Group's performance obligation in granting a license is considered to be a right to access the Group's software. The Group accounts the grant of license as a performance obligation satisfied over time.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from contracts with customers (Continued)

(iii) Provision of maintenance services

Revenue from provision of maintenance services is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation, as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. The transaction price allocated to these services is recognised as a contract liability on initial recognition and is released on a straight-line basis over the period of service.

(iv) Contract revenue

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

(v) Sale of computer hardware and related products

Revenue from sales of computer hardware is recognised at a point in time when control of the goods has been transferred, being when the goods have been delivered to the customers.

(vi) Provision of fintech resources services

The Group provides secondment services, which mainly provides technical staff for support services to customers. Such services are recognised as a performance obligation satisfied over time as the customer simultaneously receives and consumes the support services as the Group continues to provide the support services to the customer.

Revenue from provision of recruitment services, which mainly assists customers search for, identify and recommend suitable candidates for the job vacancies. Such services are recognised at a point in time when the Group successfully places the candidate after an agreed period of time.

(vii) Provision of overseas mortgage loan consultancy services

Revenue from the overseas mortgage loan consultancy services is recognised on a success basis, i.e. when the relevant loan application for mortgage loan transaction is approved. The consideration is determined at an agreed rate at the inception of the contract on the basis of the loan amount approved.

Application fee income is recognised at a point in time when the relevant transactions have been arranged or the relevant services have been rendered without future performance obligations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from contracts with customers (Continued)

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

The Group reports the revenue generated from provision of overseas mortgage loan consultancy services and placement services on a net basis as the Group is acting as an agent in a transaction. For the revenue generated from other sources mentioned above, the Group reports the revenue on a gross basis as the Group is acting as a principal in a transaction.

Contract costs

Incremental costs of obtaining a contract

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained.

The Group recognises such costs (sales commissions) as an asset if it expects to recover these costs. The asset so recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate.

The Group applies the practical expedient of expensing all incremental costs to obtain a contract if these costs would otherwise have been fully amortised to profit or loss within one year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from contracts with customers (Continued)

Contract costs (Continued)

Costs to fulfil a contract

The Group incurs costs to fulfil a contract in its contracts revenue. The Group first assesses whether these costs qualify for recognition as an asset in terms of other relevant standards, failing which it recognises an asset for these costs only if they meet all of the following criteria:

(a) the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;

(b) the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

(c) the costs are expected to be recovered.

The asset so recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate. The asset is subject to impairment review.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

Definition of a lease

A contract is, or contain, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified or arising from business combinations on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of office premises and equipment that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

The Group as a lessee (Continued)

Right-of-use assets (Continued)

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

Lease payments include:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the Group under residual value guarantees;
- the exercise price of purchase options if the Group is reasonably certain to exercise the options; and
- payments of penalties for terminating lease, if the lease term reflects the Group exercising of an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

The Group as a lessee (Continued)

Lease liabilities (Continued)

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment, and

- the lease payments change due to changes in market rental rates following a market rent review/ expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liabilities based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains one or more additional lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component. The associated non-lease components are included in the respective lease components.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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. Hong Kong dollars) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies (Continued)

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.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other gains or losses, net".

Borrowing costs

All 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit/(loss) 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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (Continued)

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.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to right-of-use assets and lease liabilities separately. Temporary differences on initial recognition of the relevant right-of-use assets and lease liabilities are not recognised due to application of the initial recognition exemption. Temporary differences arising from subsequent revision to the carrying amounts of right-of-use assets and lease liabilities, resulting from remeasurement of lease liabilities and lease modifications, that are not subject to initial recognition exemption are recognised on the date of remeasurement or modification.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and 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%.

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.

Impairment of property, plant and equipment, right-of-use assets and contract costs excluding goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and contract costs to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment and right-of-use assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of property, plant and equipment, right-of-use assets and contract costs excluding goodwill (Continued)

Before the Group recognises an impairment loss for assets capitalised as contract costs under HKFRS 15, the Group assesses and recognises any impairment loss on other assets related to the relevant contracts in accordance with applicable standards. Then, impairment loss, if any, for assets capitalised as contract costs is recognised to the extent the carrying amounts exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services that have not been recognised as expenses. The assets capitalised as contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

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

Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("**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.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and 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 asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income which are derived from the financial assets and shareholders' rights are presented as "other gains or losses, net".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and interest income

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial assets, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Impairment of financial assets subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit losses ("**ECL**") model on financial assets (including trade and other receivables, amount due from a related company and cash and cash equivalents) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the end of the reporting period. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed individually for significant balances or collectively using a provision matrix for the remaining balances with appropriate groupings based on shared credit risk characteristics of customers from the relevant operating segment.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the end of the reporting period with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

- an actual or expected significant deterioration in the operating results of the debtor; and

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

(i) Significant increase in credit risk (Continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full.

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(e) the disappearance of an active market for that financial asset because of financial difficulties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice when appropriate. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

(v) Measurement and recognition of ECL (Continued)

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

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 measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

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.

Financial liabilities at amortised cost

Financial liabilities (including promissory notes, convertible bond, trade and other payables and accruals, lease liabilities and amount due to a related company) are subsequently measured at amortised cost using the effective interest method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Convertible bond contain equity component

The component parts of the convertible bond are classified separately as financial liability and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component (including any embedded non-equity derivatives features) is estimated by measuring the fair value of similar liability that does not have an associated equity component.

A conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share premium. Where the conversion option remains unexercised at the maturity date of the convertible bond, the balance recognised in equity will be transferred to accumulated losses. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible bond are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible bond using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Derecognition of financial liabilities

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.

When the contractual terms of a financial liability are modified, the Group assess whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors. If qualitative assessment is not conclusive, the Group considers that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. Accordingly, such modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. The exchange or modification is considered as non-substantial modification when such difference is less than 10 per cent.

For non-substantial modifications of financial liabilities that do not result in derecognition, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows discounted at the financial liabilities' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial liabilities and are amortised over the remaining term. Any adjustment to the carrying amount of the financial liability is recognised in profit or loss at the date of modification.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 recognized 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

3. BASIS OF PREPARATION AND 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related parties transactions (Continued)

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

(a) that person's children and spouse or domestic partner;

(b) children of that person's spouse or domestic partner; and

(c) dependants of the person or that person's spouse or domestic partner.

A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between the Group and a related party, regardless of whether a price is charged.

4. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2021	2020
	HK$'000	HK$'000
Financial assets		
At amortised cost	**46,664**	7,255
Financial liabilities		
At amortised cost	**27,974**	33,458

(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 review and agree policies for managing each of these risks and they are summarised below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

4. FINANCIAL INSTRUMENTS (CONTINUED)

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

Market risk

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

Interest rate risk management

The Group is exposed to fair value interest rate risk in relation to promissory notes, convertible bond and lease liabilities. The Group is also exposed to cash flow interest rate risk in relation to variable rate bank balances (see Note 24 for details). The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances and Hong Kong prime rate. No sensitivity analysis was prepared for bank balances as the financial impact arising on changes in interest rates was minimal due to limited changes in interest rate. 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.

Foreign currency risk management

The Group operates mainly in Hong Kong, primarily with respect to the HK$. The Group is exposed to foreign currency risk arising from amount due to a related company, 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. The exposure of foreign currency risk is insignificant to the Group. Accordingly, no sensitivity analysis is presented.

Credit risk and impairment assessment

The Group's credit risk is primarily attributable to trade and other receivables and cash and cash equivalents. At 30 November 2021, 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 arising from the carrying amounts of the respective recognised financial assets as stated in the consolidated statement of financial position. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

4. FINANCIAL INSTRUMENTS (CONTINUED)

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

Credit risk and impairment assessment (Continued)

Credit evaluations are performed on all customers requiring credit terms. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as to the economic environment.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer and therefore significant concentrations of credit risk primarily arises when the Group has significant exposure to individual customers.

Trade receivables

The Group has a concentration of credit risk in certain individual customers. At the end of each reporting period, the five largest customers accounted for approximately 10% (2020: approximately 91%) of the trade receivables and the balance of the largest customer was approximately 9% (2020: approximately 33%) of the Group's total trade receivables. The Directors closely monitor the risk exposure of the customers and collateral and would take appropriate action to ensure the risk exposure is acceptable.

In order to minimise the credit risk, the management 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. In addition, the management performs impairment assessment under ECL model on trade receivables with significant balances and credit-impaired individually and/or collectively. The Group applies simplified approach on trade receivables to provide for the ECL prescribed by HKFRS 9. The Group measures loss allowances for trade receivables at an amount equal to lifetime ECL, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

4. FINANCIAL INSTRUMENTS (CONTINUED)

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

Credit risk and impairment assessment (Continued)

Trade receivables (Continued)

The following table provides information about the Group's exposure to credit risk and ECL for trade receivables as at 30 November 2021 and 2020:

	Expected loss rate %	**Gross carrying amount HK$'000**	**Net Lifetime ECL HK$'000**	**Carrying amount HK$'000**
As at 30 November 2021				
Current (not past due)	**0.48**	**1,245**	**(6)**	**1,239**
31-60 days past due	**1.55**	**4,579**	**(71)**	**4,508**
61-90 days past due	**1.55**	**3,233**	**(50)**	**3,183**
Over 90 days past due	**2.45**	**1,431**	**(35)**	**1,396**
		10,488	**(162)**	**10,326**

	Expected loss rate %	Gross carrying amount HK$'000	Net Lifetime ECL HK$'000	Carrying amount HK$'000
As at 30 November 2020				
Current (not past due)	0.19	1,600	(3)	1,597
31-60 days past due	–	–	–	–
61-90 days past due	1.22	82	(1)	81
Over 90 days past due	2.56	117	(3)	114
		1,799	(7)	1,792

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

4. FINANCIAL INSTRUMENTS (CONTINUED)

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

Credit risk and impairment assessment (Continued)

Trade receivables (Continued)

The movement in lifetime ECL for trade receivables as at 30 November 2021 and 2020 reconciled as follows:

	Lifetime ECL
	HK$'000
As at 1 December 2019	(6)
Loss allowance recognised in profit or loss during the year, net	(1)
As at 30 November 2020 and 1 December 2020	(7)
Acquisition of a subsidiary	(49)
Loss allowance recognised in profit or loss during the year, net	(106)
As at 30 November 2021	**(162)**

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period greater than agreed contract terms.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade receivables are set out in Note 21.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

4. FINANCIAL INSTRUMENTS (CONTINUED)

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

Credit risk and impairment assessment (Continued)

Other receivables, deposits and amount due from a related company

For other receivables, deposits and amount due from a related company, the management makes periodic individual assessment on the recoverability of other receivables, deposits and amount due from a related company based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL. For the years ended 30 November 2021 and 2020, the Group assessed the ECL for other receivables, deposits and amount due from a related company are insignificant and thus no loss allowance is recognised.

Bank balances

Credit risk on bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by credit agencies. The Group assessed 12m ECL for bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the management considers the credit risk is insignificant and no loss allowance was recognised.

Liquidity risk

The Group monitors and maintains sufficient cash and cash equivalents in order to finance the Group's operations. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

4. FINANCIAL INSTRUMENTS (CONTINUED)

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

Liquidity risk (Continued)

The tables below analyze the Group's non-derivative financial liabilities and derivative financial liabilities into relevant maturity groupings based on the remaining periods at the balance sheet date to the contractual maturity dates. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The tables include both interest and principal cash flows.

	2021						
	Weighted average effective interest rate %	**On demand or within 1 year HK$'000**	**1 to 2 years HK$'000**	**2 to 5 years HK$'000**	**Over 5 years HK$'000**	**Total undiscounted cash flows HK$'000**	**Total carrying amount HK$'000**
Promissory notes	**18.58**	**-**	**11,000**	**-**	**-**	**11,000**	**8,518**
Amount due to a related company	**-**	**236**	**-**	**-**	**-**	**236**	**236**
Trade and other payables and accruals	**-**	**18,575**	**-**	**-**	**-**	**18,575**	**18,575**
Lease liabilities	**5.13**	**647**	**10**	**-**	**-**	**657**	**645**
		19,458	**11,010**	**-**	**-**	**30,468**	**27,974**

	2020						
	Weighted average effective interest rate %	On demand or within 1 year HK$'000	1 to 2 years HK$'000	2 to 5 years HK$'000	Over 5 years HK$'000	Total undiscounted cash flows HK$'000	Total carrying amount HK$'000
Promissory notes	19.07	–	11,000	–	–	11,000	8,464
Convertible bond	18.39	–	–	29,700	–	29,700	17,957
Amount due to a related company	–	231	–	–	–	231	231
Other payables and accruals	–	3,239	–	–	–	3,239	3,239
Lease liabilities	7.25	2,502	1,265	10	–	3,777	3,567
		5,972	12,265	29,710	–	47,947	33,458

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

4. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value estimation

In estimating the fair value, the Group uses market-observable data to the extent it is available. For instruments with significant unobservable inputs under Level 3, the Group engages third party qualified valuers to perform the valuation.

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 convertible bond. The following table gives information about the fair values of these financial liabilities are disclosed:

Financial liabilities	Fair value as at 2021	Fair value as at 2020	Fair value hierarchy	Valuation techniques and key inputs
Promissory notes	**In Hong Kong HK$8,486,000**	In Hong Kong HK$8,503,000	Level 3	Discounted cash flow Discounted cash flows are estimated based on present value of contractually determined stream of future cash flows discounted at discount rate of approximately 18.86% in 2021 (2020: 18.71%).
Convertible bond	**N/A**	In Hong Kong HK$17,782,000	Level 3	Discounted cash flow Discount cash flow are estimated based on present value of contractually determined stream of future cash flows discounted at discount rate of approximately 18.80% in 2020.
Contingent consideration payables	**In Hong Kong HK$650,000**	N/A	Level 3	Monte Carlo Simulation Accumulated gross profit estimated at approximately HK$1,843,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

4. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value estimation (Continued)

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).

(d) Reconciliation of Level 3 fair value measurements

	Promissory notes	Convertible bond	Contingent consideration payables	Total
	HK$'000	HK$'000	HK$'000	HK$'000
At 1 December 2019	6,560	15,167	–	21,727
Gain on derecognition of promissory note	(1,533)	–	–	(1,533)
Gain on issuance of promissory note	(696)	–	–	(696)
Imputed interest expenses on promissory note	1,133	–	–	1,133
Issuance of promissory note	3,000	–	–	3,000
Imputed interest expenses on convertible bond	–	2,790	–	2,790
At 30 November 2020 and 1 December 2020	8,464	17,957	–	26,421
Gain on derecognition of promissory note	(1,555)	–	–	(1,555)
Imputed interest expenses on promissory note	1,609	–	–	1,609
Imputed interest expenses on convertible bond	–	2,362	–	2,362
Conversion into new ordinary shares	–	(20,319)	–	(20,319)
Additions	–	–	500	500
Fair value change in contingent consideration	–	–	150	150
At 30 November 2021	**8,518**	**-**	**650**	**9,168**

There were no transfers between Levels 1, 2 and 3 in both years.

A slight increase in the discount rate used in isolation would result in a significant decrease in the fair value measurement of the promissory notes, and vice versa.

A significant decrease in the accumulated gross profits ("**Accumulated GP**") would result in a significant decrease in the fair values of the contingent consideration payables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

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 prior year.

The capital structure of the Group consists of debts (which includes promissory notes, convertible bond and lease liabilities), and equity attributable to owners of the Company, comprising issued share capital, reserves and accumulated losses.

The management reviews the capital structure on a semi-annual basis. As part of this review, the management assesses the annual budget prepared by management of the Company. Based on the proposed annual budget, the management considers the cost of capital and the risk associated with each class of capital. The management may balance its overall capital structure through the issue of promissory note. The gearing ratio is expressed by as a percentage of borrowings and long term debts over total equity.

	2021	2020
	HK$'000	HK$'000
Total debts	**9,163**	29,988
Total equity	**11,847**	(25,204)
Gearing ratio	**0.77**	N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgment are continually evaluated and are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimated impairment of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash generating unit to which the assets belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of cash generating units, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

As at 30 November 2021, the carrying amounts of right-of-use assets and property, plant and equipment subject to impairment assessment were HK$628,000 and HK$185,000 (2020: HK$3,349,000 and HK$235,000) respectively, no impairment losses in respect of right-of-use assets and property, plant and equipment that have been recognised respectively. Details of the impairment of right–of-use assets and property, plant and equipment are disclosed in Notes 19 and 18 respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Critical accounting estimates and assumptions (Continued)

Provision of ECL for trade receivables

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

As at 30 November 2021, the carrying amount of trade receivables is approximately HK$10,326,000 (2020: HK$1,792,000) (net of loss allowance of approximately HK$162,000 (2020: HK$7,000)). The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed in Notes 4(b) and 21.

Revenue recognition of contract revenue

The recognition of contract revenue is based on output method to measure the Group's progress towards complete satisfaction of contract's performance obligation and recognise the contract revenue over time in accordance with HKFRS 15. The progress towards complete satisfaction of the contracts is determined by customers' possession of the relevant services and reference to customers' acceptance to assess whether services have been performed and completed in accordance with the terms of the contracts. The determination of the timing and the proportion of recognition of contract revenue involved significant management judgement.

Impairment on goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated, which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit (or a group of cash-generating units) and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss or further impairment loss may arise. Details are disclosed in Note 20.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

7. SEGMENT INFORMATION

The Group was engaged in three business segments, financial solutions ("**Financial Solutions**"), fintech resources ("**Fintech Resources**") and overseas property mortgage loan consultancy services ("**Consultancy Services**") during the years ended 30 November 2021 and 2020.

The chief operating decision maker regularly reviews the nature of their operations and the products and services. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments.

Segment revenue and results

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

	Financial Solutions		Fintech Resources		Consultancy Services		Total	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Revenue	**56,693**	15,501	**5,582**	939	**82**	186	**62,357**	16,626
Segment results	**25,922**	4,655	**650**	153	**(45)**	(16)	**26,527**	4,792
Gain on derecognition of promissory note							**1,555**	1,533
Gain on issuance of promissory note							**-**	696
Gain on lease modification							**215**	–
Other gains							**-**	1,940
Allowance for ECL on trade receivables, net							**(106)**	(1)
Net exchange loss							**(5)**	(2)
Central administration costs							**(8,888)**	(8,327)
Finance costs							**(4,037)**	(4,078)
Profit/(loss) before taxation							**15,261**	(3,447)
Income tax credit							**379**	460
Profit/(loss) for the year							**15,640**	(2,987)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

7. SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (Continued)

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the year (2020: Nil).

Segment results represent the profit/(loss) by each segment without allocation of gain on derecognition of promissory note, gain on issuance of promissory note, gain on lease modification, other gains, allowance for ECL on trade receivables, net, net exchange loss, central administration costs, finance costs and income tax credit. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities

	Financial Solutions		Fintech Resources		Consultancy Services		Total	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Assets and liabilities								
Segment assets	**48,058**	8,204	**2,769**	212	**70**	67	**50,897**	8,483
Unallocated assets							**716**	3,640
Consolidated total assets							**51,613**	12,123
Segment liabilities	**28,997**	8,441	**1,238**	245	**27**	48	**30,262**	8,734
Unallocated liabilities							**9,504**	28,593
Consolidated total liabilities							**39,766**	37,327

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 and prepayments held by the investment holding company).

All liabilities are allocated to reportable segments other than unallocated corporate liabilities (mainly include convertible bond, deferred tax liability, promissory note, other payables and accruals borne by the investment holding company).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

7. SEGMENT INFORMATION (CONTINUED)

Other segment information

	Financial Solutions		Fintech Resources		Consultancy Services		Total	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Depreciation on property, plant and equipment	**88**	162	**-**	–	**2**	1	**90**	163
Depreciation on right-of-use assets	**1,214**	1,122	**-**	–	**-**	–	**1,214**	1,122
Capital expenditure	**40**	166	**-**	–	**-**	6	**40**	172

Geographical segments

The Group's revenue is generated from Hong Kong and all of the Group's non-current assets are located in Hong Kong. Accordingly, no geographical segment information is presented.

Information about major customers

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

	2021	2020
	HK$'000	HK$'000
Customer A *(Note)*	**N/A***	3,001

* The customers contributed less than 10% of the total revenue of the Group.

Note:

Revenue from Financial Solutions segment.

No single customer contributed 10% or more to the Group's revenue during the year ended 30 November 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

8. REVENUE

The Group is principally engaged in the sales of computer software licenses and provision of related services; computer software licenses leasing and provision of related services; provision of maintenance services; sales of computer hardware and related products, provision of fintech resources services and overseas mortgage loan consultancy services. All significant intra-group transactions have been eliminated on consolidation.

	2021 HK$'000	2020 HK$'000
Disaggregation of revenue from contracts with customers		
Sales of computer software licenses and provision of related services	44,032	1,080
Computer software licenses leasing and provision of related services	2,369	1,738
Provision of maintenance services	4,581	4,409
Contract revenue	1,586	3,214
Sales of computer hardware and related products	4,125	5,060
Provision of fintech resources services		
– Secondment services	4,660	939
– Placement services	922	–
Provision of overseas mortgage loan consultancy services	82	186
	62,357	16,626
Timing of revenue recognition		
A point in time	49,161	6,326
Over time	13,196	10,300
	62,357	16,626

Performance obligations for contracts with customers

Details of performance obligations for contracts with customers are set out in Note 3.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

8. REVENUE (CONTINUED)

Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 30 November 2021 and expected timing of recognising revenue are as follows:

	Maintenance services fee HK$'000
Within one year	2,526
More than one year but not more than two years	2,526
More than two years	2,292
	7,344

For the year ended 30 November 2020, the Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its revenue such that the Group does not disclose information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts as all contract works have an original expected duration of one year or less.

9. OTHER GAINS OR LOSSES, NET

	2021 **HK$'000**	2020 HK$'000
Government grants *(Note)*	**–**	1,219
Gain on issuance of promissory note	**–**	696
Waiver of other payables	**–**	206
Net exchange loss	**(5)**	(2)
Gain on lease modification	**215**	–
Fair value change in contingent consideration	**(150)**	–
Other services income	**–**	515
	60	2,634

Note:

For the year ended 30 November 2020, the Group recognised the government grant of approximately HK$1,219,000 in respect of COVID-19 related subsidies which is related to Employment Support Scheme provided by the Hong Kong government.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

10. PROFIT FROM OPERATING ACTIVITIES

	2021 HK$'000	2020 HK$'000
Profit from operating activities is arrived at after charging:		
Auditors' remuneration		
– Audit services	**600**	280
– Non-audit services	**430**	200
Depreciation on property, plant and equipment *(Note 18)*	**90**	163
Depreciation on right-of-use assets *(Note 19)*	**1,214**	1,122
Expense relating to short-term lease	**–**	1,290
Directors' remunerations	**470**	60
Staff costs (excluding directors' remunerations)		
– salaries and allowances	**8,798**	8,120
– retirement benefit costs	**343**	321
– commission expenses	**1,204**	170
Cost of computer hardware and related products sold	**3,900**	4,986
Allowance for ECL on trade receivables, net	**106**	1

11. FINANCE COSTS

	2021 HK$'000	2020 HK$'000
Imputed interest expenses on promissory notes *(Note 26)*	**1,609**	1,133
Imputed interest expenses on convertible bond *(Note 27)*	**2,362**	2,790
Interests on lease liabilities	**66**	155
	4,037	4,078

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

12. INCOME TAX CREDIT

	2021 HK$'000	2020 HK$'000
Current tax		
Hong Kong Profits Tax:		
– Current year	**(11)**	–
Deferred tax		
Credit for the year *(Note 28)*	**390**	460
	379	460

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "**Bill**") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. The two-tiered profits tax rates regime is applicable to the Group for the years ended 30 November 2021 and 2020.

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

	2021 HK$'000	2020 HK$'000
Profit/(loss) before taxation	**15,261**	(3,447)
Tax at Hong Kong Profits Tax rate of 16.5%	**2,518**	(569)
Tax relief of 8.25% on first HK$2 million assessable profit	**(15)**	–
Tax effect of income and expenses not taxable or deductible for tax purposes	**585**	79
Tax effect of unrecognised temporary differences	**–**	(462)
Utilisation of tax losses	**(3,680)**	(3)
Tax effect of unrecognised tax losses	**213**	495
Tax credit for the year	**(379)**	(460)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

13. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

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

	2021	2020
	HK$'000	HK$'000
Profit/(loss)		
Profit/(loss) for the purpose of basic earnings/(loss) per share attributable to owners of the Company	**15,640**	(2,987)

	2021	2020
Number of shares		
Weighted average number of shares for the purpose of basic earnings/(loss) per share	**351,365,709**	301,108,062

(b) Diluted earnings/(loss) per share

	2021
	HK$'000
Profit	
Profit for the purpose of basic earnings per share	**15,640**
Effect of dilutive potential ordinary shares:	
Interest on convertible bond, net of income tax	**1,972**
Profit for the purpose of diluted earnings per share	**17,612**

	2021
Number of shares	
Weighted average number of ordinary shares for the purpose of basic earnings per share	**351,365,709**
Effect of dilutive potential ordinary shares:	
Convertible bond	**124,447,507**
Convertible preference shares	**123,529,400**
Number of shares for the purpose of diluted earnings per share	**599,342,616**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

13. EARNINGS/(LOSS) PER SHARE (CONTINUED)

(b) Diluted earnings/(loss) per share (Continued)

The calculation of diluted loss per share did not assume the exercise of the convertible bond and convertible preference shares existed on 30 November 2020 as the exercise of the convertible bond and convertible preference shares would reduce loss per share, therefore anti-dilutive.

The diluted loss per share for the year ended 30 November 2020 were the same as the basic loss per share as the outstanding convertible bond and convertible preference shares had an anti-dilutive effect on the basic loss per share.

14. DIVIDENDS

The directors of the Company do not recommend the payment of any dividend in respect of the year ended 30 November 2021 (2020: Nil).

15. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATIONS

The remunerations, pension and compensation arrangements paid/payable to the 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
2021:				
Executive Directors				
Mr. Joseph Chi Ho Hui *(Chairman)*	–	–	–	–
Ms. Clara Hiu Ling Lam	–	–	–	–
Mr. Ka Wing Lau *(Note (i))*	–	405	5	410
Independent Non-executive Directors				
Mr. Kwong Sang Liu	20	–	–	20
Mr. Edwin Kim Ho Wong	20	–	–	20
Mr. Wiliam Keith Jacobsen	20	–	–	20
Chief Executive Officer				
Mr. Samson Chi Yang Hui	–	360	18	378
	60	765	23	848

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

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

The remunerations, pension and compensation arrangements paid/payable to the directors and the chief executive officer for their services on the Company were as follows: (Continued)

Name of director	Director's fee HK$'000	Salaries and allowances HK$'000	Contribution to pension scheme HK$'000	Total HK$'000
2020:				
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. Wiliam Keith Jacobsen	20	–	–	20
Chief Executive Officer				
Mr. Samson Chi Yang Hui	–	792	18	810
	60	792	18	870

During the year, no bonus was paid to the directors and chief executive officer (2020: Nil). No directors and chief executive officer waived or agreed to waive any remuneration during the year (2020: 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 (2020: Nil).

Note:

(i) Mr. Ka Wing Lau was appointed as executive directors on 10 September 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

16. 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 (2020: Nil). The emoluments of the five (2020: five) individuals were as follows:

	2021	2020
	HK$'000	HK$'000
Basic salaries and allowances	**3,294**	3,727
Contribution to mandatory provident fund	**90**	90
	3,384	3,817

The emoluments of the five (2020: five) individuals with the highest emoluments are within the following band:

	2021	2020
	HK$'000	HK$'000
Nil to HK$1,000,000	**4**	5
HK$1,000,001 to HK$2,000,000	**1**	–
	5	5

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

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

(b) Senior management of the Company

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

	2021	2020
	HK$'000	HK$'000
Nil to HK$1,000,000	**2**	2

During the year, no bonus was paid to the five highest paid individuals of the Group (2020: 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 (2020: Nil).

17. 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. Contributions to the plan vest immediately. During the years ended 30 November 2021 and 2020, the Group had no forfeited contributions under the MPF Scheme utilised to reduce the existing levels of contributions. As at 30 November 2021 and 2020, there was no forfeited contribution under the MPF Scheme which may be used by the Group to reduce the contribution payable in the future years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

18. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements	Furniture and fixtures	Office equipment	Total
	HK$'000	HK$'000	HK$'000	HK$'000
Cost:				
As at 1 December 2019	548	527	6,145	7,220
Additions	–	9	163	172
Written off	–	–	(53)	(53)
As at 30 November 2020 and 1 December 2020	548	536	6,255	7,339
Additions	–	–	40	40
As at 30 November 2021	548	536	6,295	7,379
Accumulated depreciation:				
As at 1 December 2019	491	490	6,013	6,994
Charge for the year	57	26	80	163
Written off	–	–	(53)	(53)
As at 30 November 2020 and 1 December 2020	548	516	6,040	7,104
Charge for the year	–	8	82	90
As at 30 November 2021	548	524	6,122	7,194
Net book value:				
As at 30 November 2021	**–**	**12**	**173**	**185**
As at 30 November 2020	–	20	215	235

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

19. RIGHT-OF-USE ASSETS/LEASE LIABILITIES

Right-of-use assets

	Leased property HK$'000	Office equipment HK$'000	Total HK$'000
As at 1 December 2019	–	85	85
Additions *(Note)*	4,386	–	4,386
Charge for the year	(1,096)	(26)	(1,122)
As at 30 November 2020 and 1 December 2020	3,290	59	3,349
Lease modification	(1,507)	–	(1,507)
Charge for the year	(1,189)	(25)	(1,214)
As at 30 November 2021	**594**	**34**	**628**

The right-of-use assets represent the Group's rights to use underlying leased premises under operating lease arrangements over the lease terms, which are stated at cost less accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of the lease liabilities.

Lease contracts are entered into for fixed term of 2 to 5 years. Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

Note: Amount includes right-of-use assets resulting from new leases entered.

	2021 HK$'000	2020 HK$'000
Total cash outflow for leases *(Note)*	**1,266**	2,349

Note: Amount includes payments of principal and interest portion of lease liabilities and short-term leases. These amounts could be presented in operating and financing cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

19. RIGHT-OF-USE ASSETS/LEASE LIABILITIES (CONTINUED)

Lease liabilities

	2021	2020
	HK$'000	HK$'000
Lease liabilities payable:		
– Within one year	**636**	2,320
– Within a period of more than one year but not exceeding two years	**9**	1,237
– Within a period of more than two years but not exceeding five years	**–**	10
	645	3,567
Less: Amount due for settlement with 12 months shown under current liabilities	**(636)**	(2,320)
Amount due for settlement after 12 months shown under non-current liabilities	**9**	1,247

The weighted average incremental borrowing rates applied to lease liabilities are ranged from 5.05% to 6.48% (2020: 6.48% to 7.26%).

20. GOODWILL

	HK$'000
Cost:	
As at 1 December 2020	–
Acquisition of a subsidiary *(Note 32)*	1,100
As at 30 November 2021	1,100
Accumulated impairment:	
As at 1 December 2020 and 30 November 2021	–
Carrying amount:	
As at 30 November 2021	**1,100**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

20. GOODWILL (CONTINUED)

The goodwill of approximately HK$1,100,000 was generated from acquisition of a subsidiary during the year. Leadership was viewed as one CGU within the fintech resources segment. The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period when optimum market share is expected to be reached. Cash flows beyond the five-year period are extrapolated using the estimated growth rates.

The following table sets out the key assumptions for the value-in-use calculation:

Items	**Assumption used**
Long-term growth rate	2.5%
Pre-tax discount rate	12.66%
Revenue growth rate	5.34%-5.69%

Revenue growth rate is based on past performance and management 's expectations on market development. The long term growth rates used is in line with the long term inflation rate forecast in Hong Kong. The pre-tax discount rate reflects current market assessments of the time value of money and specific risks relating to the CGU.

During the year, management determines that there is no impairment. Management believes that any reasonably possible change in any of these assumptions would not cause the carrying amount of this CGU to exceed the recoverable amount.

21. TRADE AND OTHER RECEIVABLES

	2021 **HK$'000**	2020 HK$'000
Trade receivables	**10,488**	1,799
Less: Allowance for ECL	**(162)**	(7)
	10,326	1,792
Prepayment, deposits and other receivables	**1,867**	1,161
	12,193	2,953

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

21. TRADE AND OTHER RECEIVABLES (CONTINUED)

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 receivables. 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 to 30 days to its customers.

The following is an aged analysis of trade receivables, before net of allowance of credit losses, presented based on invoice dates at the end of the reporting periods:

	2021	2020
	HK$'000	HK$'000
Current	**1,245**	1,600
31 – 60 days	**4,579**	–
61 – 90 days	**3,233**	82
Over 90 days	**1,431**	117
	10,488	1,799

Details of impairment assessment of trade receivables and other receivables are set out in Note 4(b).

22. AMOUNT DUE FROM A RELATED COMPANY

	Maximum outstanding balance during the year	**2021**	2020
	HK$'000	**HK$'000**	HK$'000
Vision Media Group Limited ("**Vision Media**")	**215**	**–**	215

The amount due from a related company is non-trade in nature, unsecured, interest free and repayable on demand. The amount due mainly represents the service income for general administration recharged to the related company. Mr. Samson Chi Yang Hui is the director of Vision Media and is a close family member of Mr. Joseph Chi Ho Hui, who is the chairman and executive director of the Company.

Details of impairment assessment of amount due from a related company are set out in Note 4(b).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

23. CONTRACT COSTS

	2021 HK$'000	2020 HK$'000
Cost of obtaining contracts	**1,789**	–
Cost of fulfill contracts	**198**	942
	1,987	942
Current	**1,987**	942

As at 30 November 2021 and 2020, the contract costs are mainly directly related to a contract or to an anticipated contract that the entity can specifically identify and expected to be recovered.

An amount of approximately HK$1,987,000 is capitalised during the year ended 30 November 2021 (2020: approximately HK$733,000), which are the software development contract cost in relating to fulfil the contract revenue and sales commissions in relating to obtaining the revenue. Contract costs are recognised as part of cost of sales and selling and marketing expenses in the consolidated statement of profit or loss and other comprehensive income in the period in which related revenue is recognised. The amount of capitalised costs recognised in profit or loss during the year was approximately HK$942,000 (2020: approximately HK$1,731,000). There was no impairment in relation to the opening balance of capitalised costs or the costs capitalised during the year (2020: Nil).

24. CASH AND CASH EQUIVALENTS

	2021 HK$'000	2020 HK$'000
Bank balances	**35,512**	4,423
Cash on hand	**8**	6
	35,520	4,429

Bank balances carry interest at market rates which range from 0.001 % to 0.5% per annum for years ended 30 November 2021 and 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

25. SHARE CAPITAL

Authorised and issued share capital

	2021 Number of shares	2021 Amount HK$'000	2020 Number of shares	2020 Amount HK$'000
Authorised:				
Ordinary shares				
Ordinary shares of HK$0.1 each				
At the beginning and the end of the year	**9,000,000,000**	**900,000**	9,000,000,000	900,000
Non-voting convertible preference shares				
Non-voting convertible preference shares of HK$0.1 each				
At the beginning and the end of the year	**1,000,000,000**	**100,000**	1,000,000,000	100,000
Issued and fully paid:				
Ordinary shares				
Ordinary shares of HK$0.1 each				
At the beginning of the year	**301,108,062**	**30,111**	301,108,062	30,111
Issue shares upon conversion of convertible bond	**174,705,154**	**17,470**	–	–
At the end of the year	**475,813,216**	**47,581**	301,108,062	30,111
Non-voting convertible preference shares				
Non-voting convertible preference shares of HK$0.1 each				
At the beginning and the end of the year	**123,529,400**	**12,353**	123,529,400	12,353

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

25. SHARE CAPITAL (CONTINUED)

Convertible preference shares

The holders of the convertible preference shares ("**CPS**") shall have no right to attend or vote at general meetings of the Company, unless a resolution is proposed to vary the rights attached to the CPSs or a resolution is proposed for the winding up of the Company. Subject to compliance with applicable terms, holders of CPSs shall not entitled to any dividend or distribution except for a return of capital upon liquidation of the Company.

Each of the CPSs, without a maturity date, is convertible into one ordinary share of the Company at no additional consideration. Conversion of CPSs into ordinaries shares of the Company, which has no expiry date, can be made at any time after the issuance of the CPSs by serving not less than 15 days' prior written notice to the holders of the CPSs. The Company may redeem the CPSs in whole or in part at the national value at its option at any time during the conversion period.

Convertible preference shares were equity instruments of the Company and measured at initial recognition at fair value of HK$0.123 per share based on the quoted price of the Company's ordinary shares as at that date.

26. PROMISSORY NOTES

(i) On 27 March 2019, a promissory note was issued by the Company in favour of Active Investments, a related company wholly owned by the chief executive officer of the Company, with the principal amount of HK$5,000,000 and denominated in Hong Kong Dollar for the purpose of providing sufficient working capital to cope with the Group's development plan and improving the financial position of the Group. The principal sum shall bear no interest and was matured on 30 November 2019.

On 28 November 2019, the promissory note with the principal amount of HK$5,000,000 was cancelled and a new promissory note with the principal amount of HK$8,000,000 and denominated in Hong Kong Dollar was issued by the Company in favour of Active Investments for the purpose of continually providing sufficient working capital to cope with the Group's development plan and improving the financial position of the Group. The principal sum shall bear no interest and was matured on 1 March 2021.

On 26 November 2020, the Company signed an extension agreement with Active Investments with a modification of terms with extended maturity date from 1 March 2021 to 1 June 2022. The extension of promissory note considered as substantial modification. Upon the derecognition of the promissory note with carrying amount of approximately HK$7,677,000 and recognition of the new promissory note with the fair value of approximately HK$6,144,000, the difference of approximately HK$1,533,000 between the carrying amount of original promissory note and the fair value of promissory note with extension of maturity date is recognised as gain on derecognition of promissory note in profit or loss. The fair value of the promissory note with extension of maturity date are determined by the directors of the Company based on the valuation prepared by an independent qualified professional valuer to the Group.

(ii) On 26 November 2020, another new promissory note was issued by the Company in favour of Active Investments with the principal amount of HK$3,000,000 and denominated in Hong Kong Dollar for the purpose of providing sufficient working capital to cope with the Group's development plan and improving the financial position of the Group. The principal sum shall bear no interest and will be matured on 1 June 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

26. PROMISSORY NOTES (CONTINUED)

(iii) On 29 November 2021, the Company signed an extension agreement with Active Investments with a modification of terms with extended maturity date from 1 June 2022 to 1 June 2023. The extension of promissory note considered as substantial modification. Upon the derecognition of the promissory note with carrying amount of approximately HK$10,068,000 and recognition of the new promissory note with the fair value of approximately HK$8,513,000, the difference of approximately HK$1,555,000 between the carrying amount of original promissory note and the fair value of promissory note with extension of maturity date is recognised as gain on derecognition of promissory note in profit or loss. The fair value of the promissory note with extension of maturity date are determined by the directors of the Company based on the valuation prepared by an independent qualified professional valuer to the Group.

27. CONVERTIBLE BOND

On 22 November 2018, the Company completed to issue the convertible bond to MIL in an aggregate principal amount of approximately HK$29,700,000 for the settlement of promissory note. The convertible bond bear zero interest with a right to convert the principal amount into ordinary shares of HK$0.17 per share during the period from 22 November 2018 to 21 November 2023.

The convertible bond contain two components: liability and equity components. The equity component is presented in the equity heading "convertible bond reserve" in the consolidated statement of changes in equity. The effective interest rate of the debt component on initial recognition is 17.99% per annum. The valuation of the convertible bond was performed by independent valuer.

On 18 August 2021, the bondholder fully exercised the conversion options with principal amount of HK$29,700,000 into 174,705,154 ordinary shares at the conversion price of HK$0.17 per share.

The movements of the liability component of the convertible bond for the years ended 30 November 2021 and 2020 are set at below:

	HK$'000
Liability component as at 1 December 2019	15,167
Imputed interest expenses *(Note 11)*	2,790
Liability component as at 30 November 2020 and 1 December 2020	17,957
Imputed interest expenses *(Note 11)*	2,362
Conversion into new ordinary shares	(20,319)
Liability component as at 30 November 2021	**–**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

28. DEFERRED TAX LIABILITY

The movements on the deferred tax liability during the years are as follows:

	Convertible bond HK$'000
As at 1 December 2019	1,942
Credit to profit or loss *(Note 12)*	(460)
As at 30 November 2020 and at 1 December 2020	1,482
Credit to profit or loss *(Note 12)*	(390)
Release on conversion of convertible bond	(1,092)
As at 30 November 2021	**–**

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefit through future taxable profits is probable. As at 30 November 2021, no deferred tax asset has been recognised in respect of the unused tax losses (2020: Nil) due to unpredictability of future profit streams. The Group has unused tax losses of approximately HK$52,656,000 (2020: approximately HK$74,441,000) may be carried forward indefinitely.

29. TRADE AND OTHER PAYABLES AND ACCRUALS

	2021 HK$'000	2020 HK$'000
Trade payables	**6,900**	–
Accruals *(Note)*	**10,480**	3,020
Other payables	**545**	518
Contingent consideration	**650**	–
	18,575	3,538

Note:

Amount mainly represents accrued salaries, bonuses and sales commissions in respect of approximately HK$8,351,000 (2020: approximately HK$2,257,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

29. TRADE AND OTHER PAYABLES AND ACCRUALS (CONTINUED)

The following is an aging analysis of trade payables, based on the invoice dates:

	2021	2020
	HK$'000	HK$'000
0 – 30 days	**–**	–
31 – 60 days	**6,900**	–
61 – 90 days	**–**	–
	6,900	–

The average credit period granted by suppliers is normally within 60 days.

30. CONTRACT LIABILITIES

	2021	2020
	HK$'000	HK$'000
Maintenance services fees	**9,083**	1,400
Computer software contract and licenses leasing fees	**2,571**	688
Recruitment services	**127**	–
	11,781	2,088

The movement of contract liabilities during the years are as follow:

	HK$'000
As at 1 December 2019	1,759
Consideration received from customers over the amounts of revenue recognised	7,742
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	(1,759)
Revenue recognised from performance obligations satisfied during the year	(5,654)
As at 30 November 2020 and 1 December 2020	2,088
Consideration received from customers over the amounts of revenue recognised	14,656
Acquisition of a subsidiary *(Note 32)*	170
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	(2,088)
Revenue recognised from performance obligations satisfied during the year	(3,045)
As at 30 November 2021	**11,781**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

30. CONTRACT LIABILITIES (CONTINUED)

Typical payment terms which have impact on the amount of contract liabilities recognised are as follows:

Provision of maintenance services and computer software contract and licenses leasing fees

When the Group received a deposit before the maintenance services, computer software contract and licenses leasing provided, this will give rise to contract liabilities at the start of a contract. The contract liabilities will be recognised as revenue when the Group fulfill the contract's performance obligation.

Provision of recruitment services

When the Group received consideration before the recruitment services provided, this will give rise to contract liabilities at the start of a contract. The contract liabilities will be recognised as revenue when the Group fulfill the contract's performance obligation.

31. AMOUNT DUE TO A RELATED COMPANY

The amount due to a related company was interest-free, unsecured and repayable on demand for both years ended 30 November 2021 and 2020.

32. ACQUISITION OF A SUBSIDIARY

On 4 January 2021, abc Fintech Recruiters Limited (the "**Purchaser**"), a wholly-owned subsidiary of the Company and the Vendors entered into the Acquisition Agreement (the "**Acquisition**"), pursuant to which the Purchaser has conditionally agreed to acquire and the Vendors have conditionally agreed to sell the entire issued shares of Leadership Solutions Limited ("**Leadership**") for a consideration of HK$4,200,000, of which HK$2,600,000 was settled by cash and the remaining balance of HK$1,600,000 (the "**Contingent consideration**") shall be considered as earn-out amount and shall be settled in accordance with the accumulated gross profit achievement within 18 months after the completion of the Acquisition. The Acquisition was completed on 31 March 2021.

Leadership is an IT contractor resourcing firm with long track record of providing high quality IT professionals to clients ranging from finance service, IT industries and universities.

Consideration transferred

	HK$'000
Cash	**2,600**
Contingent consideration payable *(Note)*	**500**
Shortfall in net asset value paid by the Vendors	**(442)**
Total	**2,658**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

32. ACQUISITION OF A SUBSIDIARY (CONTINUED)

Consideration transferred (Continued)

Note:

Based on the relevant agreement, the Group is required to pay an additional amount of HK$600,000, HK$500,000 and HK$500,000 if Leadership's accumulated gross profit ("**Accumulated GP**") within 18 months after completion date exceeds HK$1,000,000, HK$2,200,000 and HK$3,400,000 respectively. Leadership's accumulated GP for the past eight months has been accumulated to HK$794,000. HK$500,000 represents the estimated fair value of this obligation. The fair value of such contingent arrangement amounted to HK$650,000 as at the end of the reporting period and has been included in other payables on the consolidated statement of financial position.

Acquisition related costs amounting to HK$1,128,000 have been excluded from the consideration transferred and have been recognised as an expense in the current year, within the "administrative expenses" line item in the consolidated statement of profit or loss and other comprehensive income.

Assets acquired and liabilities recognised at the date of acquisition

	HK$'000
Trade and other receivables, net of impairment	1,102
Tax recoverables	22
Cash and cash equivalents	743
Trade and other payables and accruals	(139)
Contract liabilities	(170)
Net identifiable assets acquired	1,558

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

32. ACQUISITION OF A SUBSIDIARY (CONTINUED)

Goodwill arising on acquisition:

	HK$'000
Consideration transferred	2,658
Less: recognised amounts of net assets acquired	(1,558)
Goodwill arising on acquisition	1,100

Goodwill arose on the acquisition of Leadership because the acquisition included the synergies, revenue growth and future development of Leadership in the fintech resources business sector. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on these acquisitions is expected to be deductible for tax purpose.

Net cash outflow on acquisition of Leadership

	HK$'000
Cash consideration paid	2,600
Less: cash and cash equivalents balances acquired	(743)
	1,857

Impact of acquisition on the results of the Group

Included in the profit for the year is HK$170,000 attributable to the additional business generated by Leadership. Revenue for the year includes HK$4,445,000 generated from Leadership.

Had the acquisition of Leadership been completed on 1 December 2020, revenue for the year of the Group from continuing operations would have been HK$6,507,000, and profit for the year from continuing operations would have been HK$26,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 December 2020, nor is it intended to be a projection of future results.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

33. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2021 HK$'000	2020 HK$'000
Assets		
Non-current asset		
Investments in subsidiaries	–	–
Current assets		
Prepayments	35	34
Cash and cash equivalents	681	3,606
	716	3,640
Total assets	716	3,640
Capital and reserves		
Share capital	59,934	42,464
Reserves *(Note 34)*	(68,722)	(67,417)
Equity attributable to owners of the Company	(8,788)	(24,953)
Liabilities		
Non-current liabilities		
Promissory notes	8,518	8,464
Convertible bond	–	17,957
Deferred tax liability	–	1,482
	8,518	27,903

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

33. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

	2021 HK$'000	2020 HK$'000
Current liability		
Other payables and accruals	**986**	690
Total liabilities	**9,504**	28,593
Total equity and liabilities	**716**	3,640
Net current (liabilities)/assets	**(270)**	2,950
Total assets less current liabilities	**(270)**	2,950
Net liabilities	**(8,788)**	(24,953)

Approved and authorised for issue by the Board of Directors on 18 February 2022 and signed on its behalf by:

Joseph Chi Ho Hui
Executive Director

Ka Wing Lau
Executive Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

34. RESERVES OF THE COMPANY

	Share premium	Contributed surplus	Special reserve	Convertible bond reserve	Accumulated losses	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
As at 1 December 2019	113,656	37,600	10,828	11,830	(237,669)	(63,755)
Loss and total comprehensive loss for the year	–	–	–	–	(3,662)	(3,662)
As at 30 November 2020 and 1 December 2020	113,656	37,600	10,828	11,830	(241,331)	(67,417)
Conversion of convertible bond	15,771	–	(2,298)	(11,830)	2,298	3,941
Loss and total comprehensive loss for the year	–	–	–	–	(5,246)	(5,246)
As at 30 November 2021	**129,427**	**37,600**	**8,530**	**-**	**(244,279)**	**(68,722)**

35. MATERIAL RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in these consolidated financial statements, during the years ended 30 November 2021 and 2020, 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, senior management of the Company and certain of the highest paid employees, as disclosed in Notes 15 and 16 were as follows:

	2021	2020
	HK$'000	HK$'000
Fees	**60**	60
Salaries, allowance and other benefits	**3,294**	3,727
Contribution to mandatory provident fund	**90**	90
	3,444	3,877

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

35. MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(b) During the year ended 30 November 2021, no recharged services income relating to general administration (2020: HK$215,000) generated from Vision Media, Mr. Samson Chi Yang Hui is the director of Vision Media and is a close family member of the Mr. Joseph Chi Ho Hui, who is the chairman and executive director of the Company.

(c) During the year ended 30 November 2020, the Company has issued the promissory note with principal amount of HK$3,000,000 to Active Investments (Note 26).

(d) During the year ended 30 November 2021, the Company signed an extension agreement with Active Investments with a modification of terms with extended maturity date from 1 June 2022 to 1 June 2023. The extension of promissory note considered as substantial modification. Upon the derecognition of the promissory note with carrying amount of approximately HK$10,068,000 and recognition of the new promissory note with the fair value of approximately HK$8,513,000, the difference of approximately HK$1,555,000 between the carrying amount of original promissory note and the fair value of promissory note with extension of maturity date is recognised as gain on derecognition of promissory note in profit or loss. The fair value of the promissory note with extension of maturity date are determined by the directors of the Company based on the valuation prepared by an independent qualified professional valuer to the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

36. PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries as at 30 November 2021 and 2020 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%	–	Sales of computer software, provision of professional and maintenance services and sales of computer hardware
Canada Mortgage Limited	Hong Kong	1 ordinary shares of HK$1.00 each	100%	–	Provision of overseas mortgage loan consultancy services
abc Fintech Recruiters Limited	Hong Kong	10,000 ordinary shares of HK$1.00 each	100%	–	Provision of fintech resources services
Leadership Solutions Limited ("**Leadership**") *(Note 1)*	Hong Kong	6 ordinary shares of HK$1.00 each	–	100%	Provision of fintech resources services
abc Fintech Solution Limited *(Note 2)*	Hong Kong	1 ordinary share of HK$1.00 each	100%	–	Sales of computer software and provision of professional and maintenance services

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

Note:

1. The acquisition of Leadership was completed on 31 March 2021.

2. abc Fintech Solution Limited was incorporated on 8 September 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

37. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

(a) The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statements of cash flows as cash flows from financing activities.

	Promissory notes HK$'000	**Amount due to a related company** HK$'000	**Convertible bond** HK$'000	**Lease liabilities** HK$'000	**Total** HK$'000
As at 1 December 2019	6,560	229	15,167	85	22,041
Cash flows					
– Repayment of lease liabilities	–	–	–	(1,059)	(1,059)
– Proceeds from issue of a promissory note	3,000	–	–	–	3,000
Total changes from cash flows	3,000	–	–	(1,059)	1,941
Non-cash changes					
– Imputed interest expenses *(Note 11)*	1,133	–	2,790	–	3,923
– Foreign exchange movement	–	2	–	–	2
– Gain on derecognition of promissory note	(1,533)	–	–	–	(1,533)
– Gain on issuance of promissory note *(Note 9)*	(696)	–	–	–	(696)
– Additions of lease liabilities	–	–	–	4,386	4,386
– Interest on lease liabilities *(Note 11)*	–	–	–	155	155
Total changes from non-cash changes	(1,096)	2	2,790	4,541	6,237
As at 30 November 2020 and 1 December 2020	8,464	231	17,957	3,567	30,219
Cash flows					
– Repayment of lease liabilities	–	–	–	(1,266)	(1,266)
Total changes from cash flows	–	–	–	(1,266)	(1,266)
Non-cash changes					
– Imputed interest expenses *(Note 11)*	1,609	–	2,362	–	3,971
– Foreign exchange movement	–	5	–	–	5
– Gain on derecognition of promissory note	(1,555)	–	–	–	(1,555)
– Lease modification	–	–	–	(1,722)	(1,722)
– Interest on lease liabilities *(Note 11)*	–	–	–	66	66
– Conversion of convertible bond *(Note 27)*	–	–	(20,319)	–	(20,319)
Total changes from non-cash changes	54	5	(17,957)	(1,656)	(19,554)
As at 30 November 2021	**8,518**	**236**	**–**	**645**	**9,399**

38. AUTHORISATION FOR ISSUE OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 18 February 2022.

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 2021, 2020, 2019, 2018 and 2017.

RESULTS

	Year ended 30 November				
	2017	2018	2019	2020	**2021**
	HK$'000	HK$'000	HK$'000	HK$'000	**HK$'000**
	(Audited)	(Audited)	(Audited)	(Audited)	**(Audited)**
Turnover	14,704	15,163	17,361	16,626	**62,357**
(Loss)/profit for the year	(5,828)	(5,049)	(4,965)	(2,987)	**15,640**

Assets and Liabilities

	Year ended 30 November				
	2017	2018	2019	2020	**2021**
	HK$'000	HK$'000	HK$'000	HK$'000	**HK$'000**
	(Audited)	(Audited)	(Audited)	(Audited)	**(Audited)**
Total assets	3,781	5,529	7,753	12,123	**51,613**
Total liabilities	(52,483)	(21,662)	(29,970)	(37,327)	**(39,766)**
Total equity	(48,702)	(16,133)	(22,217)	(25,204)	**11,847**

Note:

The results of the Group for the years ended 30 November 2021 and 2020 are those set out on pages 66 to 68 of this annual report.