

abcmultiactive
abc Multiactive Limited
辰罡科技有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 8131)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2024**

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

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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

* For identification purposes only

FINAL RESULTS

The board of directors (the “**Board**”) of abc Multiactive Limited (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 30 November 2024, together with the comparative figures in 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 November 2024

	Notes	2024 HK\$'000	2023 HK\$'000
Revenue	5	41,068	26,203
Cost of sales		<u>(28,733)</u>	<u>(10,774)</u>
Gross profit		12,335	15,429
Other gains or losses, net	6	(356)	(3,601)
Software research and development and operating expenses		(3,266)	(4,540)
Selling and marketing expenses		(2,423)	(4,342)
Administrative expenses		(8,376)	(8,526)
Allowance for expected credit losses (“ECL”) on trade receivables, net		(3,214)	(7,474)
Provision for impairment loss on goodwill		(1,100)	–
Gain on issuance of a promissory note		–	458
Gain on derecognition of a promissory note		–	185
Gain on modification of promissory notes		–	945
Loss from operating activities		<u>(6,400)</u>	<u>(11,466)</u>
Finance costs	8	<u>(1,429)</u>	<u>(1,307)</u>
Loss before tax	7	<u>(7,829)</u>	<u>(12,773)</u>
Income tax expense	9	<u>–</u>	<u>(9)</u>
Loss and total comprehensive loss for the year		<u>(7,829)</u>	<u>(12,782)</u>
Loss and total comprehensive loss for the year attributable to:			
Equity owners of the Company		(7,529)	(12,782)
Non-controlling interests		<u>(300)</u>	<u>–</u>
		<u>(7,829)</u>	<u>(12,782)</u>
Loss per share			
– Basic	10	<u>HK(1.58) cents</u>	<u>HK(2.69) cents</u>
– Diluted	10	<u>N/A</u>	<u>N/A</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 November 2024

	Notes	2024 HK\$'000	2023 HK\$'000
Assets			
Non-current assets			
Property, plant and equipment		114	196
Right-of-use assets		672	91
Goodwill		405	1,100
Other intangible assets		–	236
		<u>1,191</u>	<u>1,623</u>
Current assets			
Trade and other receivables	12	9,658	28,323
Contract costs		–	743
Contingent consideration receivables		317	–
Financial assets at fair value through profit or loss (“FVTPL”)		4,491	4,908
Cash and cash equivalents		11,494	6,123
		<u>25,960</u>	<u>40,097</u>
Total assets		<u><u>27,151</u></u>	<u><u>41,720</u></u>
Capital and reserves			
Share capital	13	59,934	59,934
Reserves		(59,288)	(51,759)
Equity attributable to owners of the Company		646	8,175
Non-controlling interests		(73)	–
Total equity		<u><u>573</u></u>	<u><u>8,175</u></u>
Liabilities			
Non-current liabilities			
Promissory notes	14	–	13,307
Lease liabilities		326	69
		<u>326</u>	<u>13,376</u>
Current liabilities			
Trade and other payables and accruals	15	8,583	13,434
Contract liabilities		2,574	6,466
Lease liabilities		351	26
Amount due to a related company		–	223
Promissory notes	14	14,730	–
Tax payables		14	20
		<u>26,252</u>	<u>20,169</u>
Total liabilities		<u><u>26,578</u></u>	<u><u>33,545</u></u>
Total equity and liabilities		<u><u>27,151</u></u>	<u><u>41,720</u></u>
Net current (liabilities)/assets		<u><u>(292)</u></u>	<u><u>19,928</u></u>
Total assets less current liabilities		<u><u>899</u></u>	<u><u>21,551</u></u>
Net assets		<u><u>573</u></u>	<u><u>8,175</u></u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 November 2024

	Attributable to owners of the Company					Total	Non-controlling interests	Total equity
	Share capital	Share premium	Contributed surplus	Special reserve	Accumulated losses			
	HK\$'000	HK\$'000	HK\$'000 (Note 1)	HK\$'000 (Note 2)	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 December 2022	59,934	129,427	37,600	8,530	(214,534)	20,957	–	20,957
Loss and total comprehensive loss for the year	–	–	–	–	(12,782)	(12,782)	–	(12,782)
As at 30 November 2023 and 1 December 2023	59,934	129,427	37,600	8,530	(227,316)	8,175	–	8,175
Acquisition of subsidiaries	–	–	–	–	–	–	227	227
Loss and total comprehensive loss for the year	–	–	–	–	(7,529)	(7,529)	(300)	(7,829)
As at 30 November 2024	59,934	129,427	37,600	8,530	(234,845)	646	(73)	573

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 former shareholder of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 November 2024

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 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 Unit 12, 21/F., Wayson Commercial Building, No. 28 Connaught Road West, Sheung Wan, Hong Kong.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are 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 provision of professional services (including consultancy service, environmental, social and governance and sustainability services, internal control and risk advisory services).

As at 30 November 2024, the directors of the Company consider the Company’s immediate and ultimate holding company is Bravo Merit Management Groups Limited, a company incorporated in the British Virgin Islands (the “**BVI**”) and Mr. Leung Wai Ming is the ultimate controlling party of the Company.

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. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). HKFRSs comprise Hong Kong Financial Reporting Standards (“**HKFRS**”), Hong Kong Accounting Standards (“**HKAS**”) and Interpretations. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) and with the disclosure requirements of the Hong Kong Companies Ordinance.

The HKICPA has issued certain new and amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

The Group incurred a loss of approximately HK\$7,829,000 for the year ended 30 November 2024. As at 30 November 2024, the Group had net current liabilities of approximately HK\$292,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

2. BASIS OF PREPARATION (CONTINUED)

In preparing the consolidated financial statements, the management has given careful consideration to the current and anticipated future liquidity of the Group and the ability of the Group to achieve positive cash flows from operations in immediate and long terms. The directors of the Company have reviewed the Group's cash flow forecast prepared by management, which cover the period up to 30 November 2025. The directors of the Company are of the opinion that, taking into account of the plans and measures below, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within next twelve months from 30 November 2024. In order to strengthen the Group's capital base and maintain sufficient financing necessary for future business development, the directors of the Company have taken the following measures:

- (a) The Company has obtained a letter of financial support from Active Investments Capital Limited, the former related company of the Group, which has agreed not to demand repayment of the promissory notes with principal amount of approximately HK\$15,500,000, which is repayable on 1 June 2025, until the Group is in a position to do so; and
- (b) the Group continues to improve the operating efficiency by implementing measures to tighten the cost controls, over various operating expenses in order to enhance its profitability and to improve the cash flows from its operation in the future.

Therefore, the directors of the Company are of the view that it is appropriate to adopt the going concern basis in preparing these consolidated financial statements.

Should the Group be unable to continue as a going concern in the foreseeable future, adjustments would have to be made to the consolidated financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these potential adjustments have not been reflected in these consolidated financial statements.

3. ADOPTION OF NEW AND AMENDMENTS TO HKFRSs

(a) Application of new and amendments to HKFRSs

The Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 December 2023 for the preparation of the consolidated Financial statements:

Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction
HKFRS 17 (include the October 2020 and February 2022 amendments to HKFRS 17)	Insurance Contracts

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

3. ADOPTION OF NEW AND AMENDMENTS TO HKFRSs (CONTINUED)

(b) New and amendments to HKFRSs in issue but not yet effective

The Group has not applied the following new and amendments to HKFRSs and interpretation that have been issued but are not yet effective for the financial year beginning 1 December 2023. These new and amendments to HKFRSs and interpretation include the following which may be relevant to the Group.

		Effective for accounting periods beginning on or after
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to HKAS 1	Non-current Liabilities with Covenants	1 January 2024
Hong Kong Interpretation 5 (“ HK Int 5 ”) (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2024
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosure	1 January 2027
Amendments to HK Int 5	Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA

The directors of the Company are in the process of making an assessment of what the impact of these new and amendments to HKFRSs and interpretation are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

4. SEGMENT INFORMATION

The Group was engaged in two business segments, financial solutions (“**Financial Solutions**”) and supporting services (“**Supporting Services**”) during the years ended 30 November 2024 and 2023.

The executive directors of the Company, being the chief operating decision maker, regularly reviews the nature of operations and the products and services of the Group. 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		Supporting Services		Total	
	2024	2023	2024	2023	2024	2023
	<i>HK\$’000</i>	<i>HK\$’000</i>	<i>HK\$’000</i>	<i>HK\$’000</i>	<i>HK\$’000</i>	<i>HK\$’000</i>
Revenue	<u>15,438</u>	<u>16,738</u>	<u>25,630</u>	<u>9,465</u>	<u>41,068</u>	<u>26,203</u>
Segment results	<u>2,106</u>	<u>(8,649)</u>	<u>(1,889)</u>	<u>1,582</u>	<u>217</u>	<u>(7,067)</u>
Gain on modification of promissory notes					–	945
Gain on derecognition of a promissory note					–	185
Gain on issuance of a promissory note					–	458
Gain on lease termination					–	63
Fair value loss on financial assets at FVTPL					(417)	(3,553)
Fair value change in contingent consideration receivables					8	–
Central administration costs					(6,208)	(2,497)
Finance costs					(1,429)	(1,307)
Loss before tax					(7,829)	(12,773)
Income tax expense					–	(9)
Loss for the year					<u>(7,829)</u>	<u>(12,782)</u>

Revenue reported above represents revenue generated from external customers. There were of approximately HK\$1,965,000 inter-segment sales during the year (2023: HK\$2,750,000).

Segment results represent the profit/(loss) by each segment without allocation of gain on modification of promissory notes, gain on derecognition of a promissory note, gain on issuance of a promissory note, gain on lease termination, fair value loss on financial assets at FVTPL, fair value change in contingent consideration receivables, central administration costs, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

4. SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities

	Financial Solutions		Supporting Services		Total	
	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Assets and liabilities						
Segment assets	18,286	33,846	2,964	2,616	21,250	36,462
Unallocated assets					5,901	5,258
					<u>27,151</u>	<u>41,720</u>
Consolidated total assets					27,151	41,720
Segment liabilities	9,566	18,367	1,946	907	11,512	19,274
Unallocated liabilities					15,066	14,271
					<u>26,578</u>	<u>33,545</u>
Consolidated total liabilities					26,578	33,545

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

All assets are allocated to reportable segments other than financial asset at FVTPL, contingent consideration receivables and other unallocated head office and corporate assets.

All liabilities are allocated to reportable segments other than lease liabilities, promissory notes, tax payable, amount due to a related company, other unallocated head office and corporate liabilities.

Other segment information

	Financial Solutions		Supporting Services		Total	
	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Interest income	20	38	–	–	20	38
Depreciation on property, plant and equipment	82	161	–	–	82	161
Depreciation on right-of-use assets	27	1,166	–	–	27	1,166
Amortisation of other intangible assets	236	118	–	–	236	118
Additions to property, plant and equipment	–	99	–	–	–	99
Write-off of property, plant and equipment	–	161	–	–	–	161
Additions to right-of-use assets	–	–	608	–	608	–
Allowance for ECL on trade receivables, net	2,860	7,390	354	84	3,214	7,474
Provision of impairment loss on goodwill	–	–	1,100	–	1,100	–
Addition to goodwill	–	–	405	–	405	–
Finance costs	1,429	1,307	–	–	1,429	1,307
Income tax expense	–	–	–	9	–	9

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.

4. SEGMENT INFORMATION (CONTINUED)

Information about major customers

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Customer A – Supporting services segment	4,793	3,103
Customer B – Supporting services segment	4,399	N/A*

* *The customer contributed less than 10% of the total consolidated revenue for the respective years.*

5. REVENUE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Disaggregation of revenue from contracts with customers		
Provision of professional services	14,010	–
Computer software licenses leasing and provision of related services	2,931	3,576
Provision of maintenance services	11,009	11,711
Contract revenue	1,293	1,035
Sales of computer hardware and related products	205	416
Provision of fintech resources services		
– Secondment services	11,620	9,234
– Placement services	–	231
	<u>41,068</u>	<u>26,203</u>
Timing of revenue recognition		
A point in time	17,146	647
Over time	23,922	25,556
	<u>41,068</u>	<u>26,203</u>

5. 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 2024 and 2023 and expected timing of recognising revenue are as follows:

	Provision of maintenance services	
	2024 HK\$'000	2023 HK\$'000
Within one year	614	5,597
More than one year but not more than two years	–	99
	614	5,696

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its revenue contracts of (i) provision of fintech secondment services and (ii) contract revenue such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the revenue contracts of (i) provision of fintech secondment services and (ii) contract revenue that had an original expected duration of one year or less.

6. OTHER GAINS OR LOSSES, NET

	2024 HK\$'000	2023 HK\$'000
Bank interest income	20	38
Write-off of property, plant and equipment	–	(161)
Fair value loss on financial assets at FVTPL	(417)	(3,553)
Net exchange difference	7	12
Gain on lease termination	–	63
Fair value change in contingent consideration receivables	8	–
Others	26	–
	(356)	(3,601)

7. LOSS BEFORE TAX

	2024 HK\$'000	2023 HK\$'000
Loss before tax arrived at after charging/(crediting):		
Auditor's remuneration		
– Audit services	530	530
– Non-audit services	–	–
Amortisation of other intangible assets	236	118
Depreciation on property, plant and equipment	82	161
Depreciation on right-of-use assets	27	1,166
Directors' and chief executives emoluments	900	698
Cost of computer hardware and related products sold	158	230
Expenses relating to short-term lease	301	600

8. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Imputed interest expenses on promissory notes	1,423	1,229
Interest expenses on lease liabilities	<u>6</u>	<u>78</u>
	<u><u>1,429</u></u>	<u><u>1,307</u></u>

9. INCOME TAX EXPENSE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current tax		
Hong Kong Profits Tax:		
– Provision for the year	–	20
– Over-provision in prior years	<u>–</u>	<u>(11)</u>
	<u><u>–</u></u>	<u><u>9</u></u>

Hong Kong Profits Tax has been provided at a rate of 16.5% on the estimated assessable profit for the years ended 30 November 2024 and 2023, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime. For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements during the year ended 30 November 2024 since the Group's Hong Kong entities have sufficient tax losses brought forward to set off against their assessable profits or no assessable profits during the year ended 30 November 2024.

No overseas profits tax has been calculated for the entities of the Group that are incorporated in Bermuda and the BVI as it is exempted from profit tax for the years ended 30 November 2024 and 2023.

10. LOSS PER SHARE

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<i>Loss</i>		
Loss for the purpose of basic and diluted loss per share attributable to owners of the Company	<u>(7,529)</u>	<u>(12,782)</u>
	2024	2023
<i>Number of shares</i>		
Weighted average number of shares for the purpose of basic and diluted loss per share	<u>475,813,216</u>	<u>475,813,216</u>

Diluted loss per share has not been presented as there was no dilutive potential ordinary share of the Company outstanding during both years.

11. DIVIDENDS

The directors of the Company do not recommend the payment of any dividend in respect of the year ended 30 November 2024 (2023: Nil).

12. TRADE AND OTHER RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables, gross	22,287	38,845
Less: allowance for ECL	<u>(15,007)</u>	<u>(11,793)</u>
Trade receivables, net	7,280	27,052
Prepayments	1,597	637
Deposits	392	506
Other receivables (<i>Note</i>)	<u>389</u>	<u>128</u>
	<u>9,658</u>	<u>28,323</u>

Note:

A balance of approximately HK\$389,000 (2023: Nil) included in other receivables represents the amount due from non-controlling interests of subsidiaries. As at 30 November 2024, the amount due is unsecured, interest-free and repayable on demand.

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 credit. The Group allows a credit period range from 0 to 30 days (2023: 0 to 30 days) to its customers.

12. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0 – 30 days	1,069	1,082
31 – 60 days	172	296
61 – 90 days	483	547
91 – 180 days	204	598
181 – 360 days	497	1,190
Over 360 days	19,862	35,132
	<u>22,287</u>	<u>38,845</u>

13. SHARE CAPITAL

Authorised and issued share capital

	2024		2023	
	Number of shares	Amount <i>HK\$'000</i>	Number of shares	Amount <i>HK\$'000</i>
Authorised:				
<i>Ordinary shares</i>				
Ordinary shares of HK\$0.1 each				
At the beginning and the end of the year	<u>9,000,000,000</u>	<u>900,000</u>	<u>9,000,000,000</u>	<u>900,000</u>
<i>Non-voting convertible preference shares</i>				
Non-voting convertible preference shares of HK\$0.1 each				
At the beginning and the end of the year	<u>1,000,000,000</u>	<u>100,000</u>	<u>1,000,000,000</u>	<u>100,000</u>
Issued and fully paid:				
<i>Ordinary shares</i>				
Ordinary shares of HK\$0.1 each				
At the beginning and the end of the year	<u>475,813,216</u>	47,581	<u>475,813,216</u>	47,581
<i>Non-voting convertible preference shares</i>				
Non-voting convertible preference shares of HK\$0.1 each				
At the beginning and the end of the year	<u>123,529,400</u>	12,353	<u>123,529,400</u>	12,353
		<u>59,934</u>		<u>59,934</u>

13. SHARE CAPITAL (CONTINUED)

Convertible preference shares

The holders of the convertible preference shares (“CPSs”) 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 be 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 ordinary 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 Company. The Company may redeem the CPSs in whole or in part at the par 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.

14. PROMISSORY NOTES

- (a) On 28 November 2019, a promissory note (the “**PN 1**”) was issued by the Company in favour of Active Investments Capital Limited (“**Active Investments**”), a company wholly owned by Mr. Samson Chi Yang Hui (“**Mr. Hui**”) (the former chief executive officer of the Company, the brother of Mr. Joseph Chi Ho Hui (the former chairman and former executive director of the Company) and the spouse of Ms. Clara Hiu Ling Lam (the former executive director of the Company)) with a principal amount of HK\$8,000,000 denominated in Hong Kong Dollar. The purpose of the note was to provide sufficient working capital to cope with the Group’s development plan and improve the financial position of the Group. The PN 1 bore no interest and was matured on 1 March 2021.
- (b) On 26 November 2020, the Company signed an extension agreement of the PN 1 with Active Investments modifying the terms to extend the maturity date from 1 March 2021 to 1 June 2022. The extension of the PN 1 is considered as a substantial modification. As a result, PN 1 with a carrying amount of approximately HK\$7,677,000 was derecognised and the modified promissory note (“**PN 2**”) was recognised at its fair value of approximately HK\$6,144,000 at the date of the modification. The difference of approximately HK\$1,533,000 between the carrying amount of the PN 1 and the fair value of the PN 2 was recognised as a gain on derecognition of the promissory note in the consolidated statement of profit or loss and other comprehensive income during the year ended 30 November 2020. The fair value of the PN 2 with an extended maturity date are determined by the directors of the Company based on the valuation prepared by an independent qualified professional valuer to the Group.
- (c) On 26 November 2020, another new promissory note (the “**PN 3**”) 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 PN 3 bore no interest and was matured on 1 June 2022.

14. PROMISSORY NOTES (CONTINUED)

- (d) On 29 November 2021, the Company signed extension agreements of the PN 2 and PN 3 (collectively referred to as “**2020 PNs**”) with Active Investments modifying the terms to extend the maturity date from 1 June 2022 to 1 June 2023. The extension of the 2020 PNs was considered as a substantial modification. As a result, 2020 PNs with a carrying amount of HK\$10,068,000 was derecognised and the modified promissory notes with extended maturity (“**2021 PNs**”) were recognised at their fair values of HK\$8,513,000 in total at the date of the modification. A difference of approximately HK\$1,555,000 between the carrying amount of the 2020 PNs and the fair value of the 2021 PNs was recognised as a gain on derecognition of the promissory notes in the consolidated statement of profit or loss and other comprehensive income during the year ended 30 November 2021. The fair values of the 2021 PNs are determined by the directors of the Company based on the valuation prepared by an independent qualified professional valuer to the Group.
- (e) On 29 November 2022, another new promissory note (the “**2022 PN 1**”) was issued by the Company in favour of Active Investments with the principal amount of HK\$2,000,000 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 2022 PN 1 shall bear no interest and will be matured on 1 June 2024. The difference of approximately HK\$365,000 between the fair value of the 2022 PN 1 at initial recognition and the principal amount of 2022 PN 1 was recognised in the consolidated statement of profit or loss and other comprehensive income during the year ended 30 November 2022.
- (f) On 29 November 2022, the Company signed an extension agreement of the 2021 PNs with Active Investments modifying the terms to extend maturity date from 1 June 2023 to 1 June 2024. The extension of the 2021 PNs is considered as substantial modification. As a result, 2021 PNs with a carrying amount of HK\$10,097,000 was derecognised and the modified promissory notes with extended maturity (“**2022 PNs 2**”) were recognised at their fair values of HK\$9,527,000 in total at the date of the modification. A variance of approximately HK\$570,000 between the carrying amount of the 2021 PNs and the fair value of the 2022 PNs 2 was recognised as a gain on derecognition of promissory note in the consolidated statement of profit or loss and other comprehensive income during the year ended 30 November 2022. The fair values of the 2022 PNs 2 are determined by the directors of the Company based on the valuation prepared by an independent qualified professional valuer to the Group.
- (g) On 28 August 2023, another new promissory note (the “**2023 PN 1**”) was issued by the Company in favour of Active Investments with a principal amount of HK\$2,500,000 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 2023 PN 1 shall bear no interest and will be matured on 1 June 2025. A variance of approximately HK\$458,000 between the fair value at initial recognition and the principal amount of 2023 PN 1 was recognised in the consolidated statement of profit or loss and other comprehensive income during the year ended 30 November 2023.
- (h) On 22 September 2023, the Company signed an extension agreement of the 2022 PNs 2 with Active Investments modifying the terms to extend the maturity date from 1 June 2024 to 1 June 2025. The extension of the 2022 PNs 2 is considered as a non-substantial modification. A HK\$945,000 variance between the carrying amount of the 2022 PNs 2 immediately before the modification and the present value of modified future cash flows of the 2022 PNs 2 discounted at the original effective interest rate was recognised as gain on modification of promissory notes in the consolidated statement of profit or loss and other comprehensive income during the year ended 30 November 2023.

14. PROMISSORY NOTES (CONTINUED)

- (i) On 22 September 2023, the Company signed an extension agreement of the 2022 PN 1 with Active Investments modifying the terms to extend the maturity date from 1 June 2024 to 1 June 2025. The extension of the 2022 PN 1 is considered as substantial modification. As a result, 2022 PN 1 with a carrying amount of approximately HK\$1,824,000 was derecognised and the modified promissory notes with extended maturity (“**2023 PN 2**”) were recognised at their fair values of approximately HK\$1,639,000 at the date of the modification. A variance of approximately HK\$185,000 was recognised as a gain on derecognition of promissory note in the consolidated statement of profit or loss and other comprehensive income during the year ended 30 November 2023.

15. TRADE AND OTHER PAYABLES AND ACCRUALS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables	870	6,070
Accruals (<i>Note a</i>)	1,663	3,314
Other payables (<i>Note b</i>)	6,050	4,050
	<u>8,583</u>	<u>13,434</u>

Notes:

- a. The amount mainly represents accrued salaries, bonuses and sales commissions amounting to approximately HK\$1,397,000 (2023: HK\$1,752,000). An aggregated balance of approximately Nil (2023: HK\$767,000) included in accrued salaries and bonuses was payable to Mr. Hui and Mr. Cheung Siu Leong, the former company secretary of the Company.
- b. A balance of approximately HK\$6,050,000 (2023: HK\$4,050,000) included in other payables represents an amount due to Active Investments. As at 30 November 2024 and 2023, the amounts due are unsecured, interest-free and repayable on demand.

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0-60 days	–	600
61-365 days	–	1,800
Over 365 days	870	3,670
	<u>870</u>	<u>6,070</u>

The average credit period granted by suppliers is normally within 60-180 days (2023: 60-180 days).

BUSINESS REVIEW

Financial Review

The Group recorded a revenue of approximately HK\$41,068,000 for the year ended 30 November 2024 (the “Year”), increased by 56.7% from that of approximately HK\$26,203,000 for the corresponding period last year. The net loss of the Group for the Year was approximately HK\$7,829,000, whereas the Group recorded a net loss of approximately HK\$12,782,000 for the corresponding period last year. Of the total revenue amount, (i) approximately HK\$2,931,000 or 7.1% was generated from computer software licenses leasing and provision of related services; (ii) approximately HK\$11,009,000 or 26.8% was generated from maintenance services; (iii) approximately HK\$1,293,000 or 3.2% was generated from contract revenue; (iv) approximately HK\$205,000 or 0.5% was generated from sales of computer hardware and related products; (v) approximately HK\$11,620,000 or 28.3% was generated from fintech resources services; and (vi) approximately HK\$14,010,000 or 34.1% was generated from professional services. The increase in total revenues were mainly attributed to the enhanced portfolio of products and related services.

During the Year, the operating expenditures amounted to approximately HK\$14,065,000 for the Year, decreased by 19.2% when compared to approximately HK\$17,408,000 for the corresponding period last year. The decrease were mainly attributed to decrease in sales and marketing expenses and software research and development expenses during the Year.

During the Year, the depreciation expenses on property, plant, and equipment was approximately HK\$82,000, decreased by 49.1% when comparing to approximately HK\$161,000 for the same period last year.

The Group recognised amortisation expenses of HK\$236,000 (2023: HK\$118,000) during the Year.

Except for allowance for expected credit losses on trade receivables amount approximately HK\$3,214,000 (2023: HK\$7,474,000) as at 30 November 2024, the Group has no provision made for impairment of trade receivables during the Year.

Total staff costs (excluding directors’ remuneration) were approximately HK\$7,029,000 for the Year, decreased by 27.0% when compared to that of approximately HK\$9,633,000 for the corresponding period last year.

The Group anticipates that software license leasing, maintenance services and other professional services revenues 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 resources to the maintenance and ongoing development of its core-solutions and services, and also further expand our income stream by enhancing the products and services portfolio.

Operation Review

For the Year, the Group's revenue was approximately HK\$41,068,000, increased by 56.7% when compared to that of approximately HK\$26,203,000 for the corresponding period last year. Of the total audited revenue, revenue of approximately HK\$29,243,000 represents revenue from provision of professional services, computer software licenses leasing and provision of related services, provision of maintenance services and contract revenue, revenue of approximately HK\$11,620,000 was generated from provision of fintech resources services and revenue generated from sales of computer hardware and related products were approximately HK\$205,000.

Look forward to recovery of the global economy, it is hoped that the economy in Hong Kong would gradually recover in 2025. Therefore, the Group remains optimistic about the prospects of Hong Kong Financial Markets. The Group will also reinforce its strategic initiatives and seeks new business opportunities to overcome the difficult operating environment.

Financial Solutions services

For the Year, RegTech solutions and related services has continued to contribute a positive outcome to the Group. However, more and more competitors and products step into the market, the competitions become more keen. The Group has put more effort to maintain the customers, for example: enhance the service portfolio to provide relevant value-added services. Step into the year 2025, the Group also expected that RegTech solutions and related services continued its positive outcome to the Group. Except for sales of computer software licenses and provision of professional services on RegTech solutions, the Group also provides these new customers with annual maintenance and other related professional services, which greatly increases the Group's services and products portfolio of the financial solutions services segment.

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 products and services portfolio that helps customers deal with the regulatory compliance.

With more new products and innovative ideas going to be launched to the market, the Group is committed to enhance its marketing activities for promoting its products and services. The Group remains optimistic about the prospects of financial solutions and related professional services. The Group will also reinforce its strategic initiatives and seeks new business opportunities to overcome the difficult operating environment.

Supporting 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 and the professional services due to the growing demand of the compliance requirement, the Group has successfully acquired Leadership and Global Platform Limited in 2021 and 2024 respectively, the Group was able to expand the supporting services market, which provides secondment and support services of IT professionals, recruitment services and other professional services for customers. Backed by the expertise and experience of the Group's IT and other professionals in financial industry and with the dedicated effort of our sales and marketing team, the Group also achieved significant growth in revenue in supporting services segment during the Year. For the Year ended 30 November 2024, the Group's revenue generated from supporting services was approximately HK\$25,630,000, with an increase of 170.8% when compared to that of approximately HK\$9,465,000 for the corresponding period last year. During the Year, the Group has secured the renewal secondment contract from existing customers and also other professional services contracts from new customers.

Contingent Liabilities

The Group had no material contingent liabilities as at 30 November 2024 (2023: The Group had no material contingent liabilities).

Event after the Reporting Period

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

Litigation

As at 30 November 2024, the Group had no material litigation (2023: Nil).

Prospects

Operational efficiency and increase its revenue growth will continue to be top priorities for the Group for 2025. In the coming year, the directors expect to be able to gain the benefits from its efforts spent on new products development and marketing promotion.

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 and services. 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, its technology and professional enable 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 2025.

Alongside with the continuing evolution and modification of business strategies to develop our existing businesses, the Group will continue to seek optimisation of its business portfolio by adjusting it to adapt to the changing business climate, trend and environment, and at the same time proactively exploring and exploiting every potentially profitable business, i.e. financial related services including but not limited to financial public relations services, and investment opportunity as well as new growth potentials, with the ultimate goal of developing its business to generate and maximize shareholders' value and return and maintain sustainable growth and prosperity.

It is the belief of the Board of directors that corporate governance plays a vital part in maintaining the success of the Company. The Board cultivates good governance as the cornerstone of the Group's corporate culture, 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 (the "**CG Code**") contained in Appendix 15 of the GEM Listing Rules effective on 1 April 2012 and 1 January 2022 respectively which set out the principles and the code provisions which the Company is expected to apply and comply.

To comply with all the new and amended code provisions set out in the CG Code contained in Appendix 15 of the GEM Listing Rules, relevant amendments and provisions have been adopted by the Company during the Year, except for the deviations from code provision B.2.3, B.2.4(a), B.2.4(b), D.1.2 and D.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 2024, in compliance with the CG 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 CG Code.

Financial Reporting

Code provision D.1.2 of the CG Code, 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 to enable the Board as a whole and each director to discharge their duties under rule 5.01 and chapter 17.

During the year ended 30 November 2024, 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.

Internal Audit Function

Code Provision D.2.5 of the CG Code, stipulates that the Group should have an internal audit function. For the year ended 30 November 2024, 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 was performed by external independent consultant. 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.

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. Mr. Wai Hing Chau, Mr. Hoi Yuen Ng and Ms. Ouyang Cai. Mr. Wai Hing Chau is the chairman of the audit committee.

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 2024, the audit committee held three 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.

The Group’s results for the year ended 30 November 2024 have been reviewed by the audit committee, which was of the opinion that the preparation of such results complied with the applicable accounting standard.

EXTRACT FROM INDEPENDENT AUDITOR’S REPORT PREPARED BY THE AUDITOR OF THE COMPANY

The Company would like to provide an extract from the independent auditor’s report prepared by McMillan Woods (Hong Kong) CPA Limited on the Group’s consolidated financial statements for the year ended 30 November 2024 as set out below:

Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the consolidated financial statements which indicates that the Group incurred a loss of approximately HK\$7,829,000 for the year ended 30 November 2024 and, as of that date, the Group had net current liabilities of approximately HK\$292,000. These events or conditions, along with other matters as set forth in Note 2 to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

SCOPE OF WORK OF MCMILLAN WOODS (HONG KONG) CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 30 November 2024 as set out in this announcement have been agreed by the Group's auditors, McMillan Woods (Hong Kong) CPA Limited, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by McMillan Woods (Hong Kong) CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by McMillan Woods (Hong Kong) CPA Limited on this announcement.

By order of the Board
Jinzhao HUANG
Executive Director

Hong Kong, 28 February 2025

As at the date of this announcement, the executive Directors are Mr. Ka Lun HWA and Mr. Jinzhao HUANG; and the independent non-executive Directors are Mr. Wai Hing CHAU, Mr. Hoi Yuen NG and Ms. Ouyang CAI.

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

This announcement will remain on the "Latest Listed Company Information" page of the Stock Exchange's website at www.hkexnews.hk for at least 7 days from the day of its publication and the website of the Company at www.hklistco.com.