



First Quarterly Report
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abc*multi***active**

abc Multiactive Limited
(Incorporated in Bermuda with limited liability)



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

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

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

The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

The Stock Exchange takes no responsibility for the contents of this report, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors of abc Multiactive Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange for the purpose of giving information with regard to abc Multiactive Limited. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this report is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this report misleading; and (iii) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

RESULTS

The board of directors (the "Board") of abc Multiactive Limited (the "Company") presents the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the three months ended 28th February 2005, together with comparative figures:

		Unaudited	
		For the three months ended	
		28th February	29th February
		2005	2004
		<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>Note</i>		
Turnover	2	5,672	4,899
Cost of sales		(2,724)	(1,864)
Gross profit		2,948	3,035
Other revenue	2	2	15
Software research and development expenses		(1,042)	(869)
Royalty expenses		(66)	(78)
Selling and marketing expenses		(904)	(962)
Administrative expenses		(1,737)	(2,032)
Unrealised exchange gain		459	2,979
Operating (loss)/profit	3	(340)	2,088
Finance costs	4	(255)	(284)
(Loss)/Profit before taxation		(595)	1,804
Taxation	5	-	-
(Loss)/Profit for the period		(595)	1,804
		<i>HK cents</i>	<i>HK cents</i>
Basic (loss)/earning per share	6	(0.37)	1.12

*NOTES:***1. Basis of presentation**

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

HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards ("new HKFRSs") which are effective for accounting periods beginning on or after 1 January 2005.

The Group has not early adopted these new HKFRSs in the financial statements for the three months ended 28th February 2005. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a significant impact on its results of operations and financial position.

The unaudited consolidated results have not been audited by the Company's auditors, but have been reviewed by the Company's audit committee.

The accounting policies and basis of preparation used in the preparation of the unaudited consolidated results are consistent with those used in the Company's annual financial statements for the year ended 30th November 2004.

2. Turnover and revenues

The Group is principally engaged in the designing and sale of computer software and the provision of professional and maintenance services for such software. Revenues recognised during the period are as follows:

	Unaudited	
	For the three months ended	
	28th February	29th February
	2005	2004
	HK\$'000	<i>HK\$'000</i>
Turnover		
Sales of computer software licences and provision of related services	3,271	3,271
Provision of maintenance services	1,695	1,538
Sales of computer hardware	706	90
	<hr/> 5,672 <hr/>	<hr/> 4,899 <hr/>
Other revenue		
Bank interest income	2	15
	<hr/> 5,674 <hr/>	<hr/> 4,914 <hr/>
Total revenues		

5. Taxation

No provision for Hong Kong profits tax has been made as the Group had either no estimated assessable profits or had tax losses brought forward to set off the estimated assessable profit for the period (2004: Nil).

No Australian income tax has been provided by an Australian subsidiary of the Group as the Australian subsidiary incurred a taxation loss for the period.

The potential unaudited deferred tax asset of HK\$14,703,000 (As at 29th February 2004: HK\$16,389,000) relating to tax losses available for carry forward and other timing differences as at 28 February 2005 has not been recognised due to the unpredictability of the future profit streams.

The charge for the period can be reconciled to the loss per the consolidated income statement as follows:

	Unaudited			
	2005		2004	
	HK\$'000		<i>HK\$'000</i>	
(Loss)/Profit before tax	(595)		1,804	
Tax at Hong Kong profit tax rate of 17.5% (2004: 17.5%)	(104)	17.5%	316	17.5%
Effect of difference tax rates of subsidiaries operating in other jurisdictions	5	(0.9%)	318	17.6%
Estimated tax effect of income and expenses not taxable or deductible in determining profits tax	(117)	19.7%	(836)	(46.3%)
Overprovision in prior year	-	-	-	-
Estimated tax effect of unrecognised temporary differences	(4)	0.7%	34	1.9%
Estimated tax effect of utilisation of unrecognised tax losses from prior periods	34	(5.7%)	37	2.0%
Estimated tax effect of unrecognised tax losses	186	(31.3%)	131	7.3%
Tax expenses and effective tax rate for the period	-	-	-	-

6. Basic (loss)/earnings per share

The calculation of basic loss per share for the three months ended 28th February 2005 was based on the unaudited net loss for the period of approximately HK\$595,000 (For the three months ended 29th February 2004 unaudited net profit: HK\$1,804,000) and the weighted average of 160,590,967 (2004: 160,590,967) ordinary shares of HK\$0.10 each in issue during the period.

Diluted (loss)/earnings per share has not been presented as there was no dilutive potential ordinary share in existence during the periods.

7. Movements of reserves

	Unaudited				Total
	Share premium	Contributed surplus	Exchange difference	Accumulated losses	
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
As at 1st December 2003	106,118	37,600	(10,507)	(171,711)	(38,500)
Exchange difference	-	-	(2,803)	-	(2,803)
Profit for the period	-	-	-	1,804	1,804
	<u>106,118</u>	<u>37,600</u>	<u>(10,507)</u>	<u>(171,711)</u>	<u>(38,500)</u>
As at 29th February 2004	<u>106,118</u>	<u>37,600</u>	<u>(13,310)</u>	<u>(169,907)</u>	<u>(39,499)</u>
As at 1st December 2004	106,118	37,600	(13,279)	(171,147)	(40,708)
Exchange difference	-	-	(216)	-	(216)
Loss for the period	-	-	-	(595)	(595)
	<u>106,118</u>	<u>37,600</u>	<u>(13,279)</u>	<u>(171,147)</u>	<u>(40,708)</u>
As at 28th February 2005	<u>106,118</u>	<u>37,600</u>	<u>(13,495)</u>	<u>(171,742)</u>	<u>(41,519)</u>

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the three months ended 28th February 2005 (2004: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

The Group recorded a turnover of approximately HK\$5,672,000 for the three months ended 28th February 2005, a 16% increase from approximately HK\$4,899,000 for the corresponding period of the previous year. The increase was mainly attributed to the increase in sales of computer hardware during the current period. Of the total turnover amount, HK\$3,271,000 or 58% was generated from software license sales and professional service income, HK\$706,000 or 12% was generated from computer hardware sales and HK\$1,695,000 or 30% was generated from maintenance services. As at 28th February 2005, the Group had approximately HK\$3,217,000 worth of contracts that were in progress. The net loss attributable to shareholders for the three months ended 28th February 2005 was HK\$595,000, whereas the Group recorded a net profit of approximately HK\$1,804,000 for the same period of the previous year.

Operating expenditures amounted to HK\$3,683,000 for the three months ended 28th February 2005, an 5% decrease from HK\$3,863,000 for the corresponding period of the previous year. The decrease was mainly attributed to cost control measures implemented by the Group in the previous year.

As most of the fixed asset in the Group was fully depreciated in previous years, depreciation expenses decreased from approximately HK\$281,000 for the three months ended 29th February 2004 to approximately HK\$51,000 in the current period.

During the current period, the Group invested approximately HK\$1,042,000 in developing new modules for its OCTO Straight Through Processing ("STP") system.

As at 28th February 2005, a provision of approximately HK\$1,438,000 was made for long outstanding trade receivables. The directors were uncertain whether the amount would ultimately be collected and considered that it was prudent to make such a provision.

Total staff costs (excluding directors' remuneration) amounted to approximately HK\$3,645,000 for the three months ended 28th February 2005, a 4% increase from approximately HK\$3,500,000 for the previous period. The increase was mainly attributed to hire of temporary staff and overtime allowance to professional staff to meet the deadline of project implementation in the period.

The directors believe that the quality of its employees is the most important factor in sustaining the Group's growth and improving its profitability. Employees are remunerated according to their performance and work experience. In addition to basic salaries and retirement scheme, staff benefits include medical scheme and share options.

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 28th February 2005, the Group had outstanding borrowings of approximately HK\$5,902,000 representing a current account with Maximizer Software Inc., the ultimate holding company, which was unsecured and interest bearing at the annual Canadian prime rate as quoted by the Hong Kong and Shanghai Banking Corporation Limited plus 2% compounded monthly (Maximizer Software Inc. has confirmed that it will not demand repayment of the current account within twelve months from 30th November 2004); HK\$9,500,000 representing a shareholder's loan from Pacific East Limited which was unsecured, interest bearing at the Hong Kong prime rate and maturing on 22nd May 2006; and approximately HK\$4,634,000 representing a loan from Wickham Group Limited, a party connected to a non-executive director of the Company, which was unsecured, interest bearing at the Hong Kong prime rate and maturing on 21st February 2006.

As at 28th February 2005, 18 employees who had completed the required number of years of service under the Employment Ordinance (the "Ordinance") to be eligible for long service payments on termination of their employment with the Group. The Group is only liable to make such payments where termination meets the required circumstances specified in the Ordinance. As at 28th February 2005, the estimated contingent liabilities not provided for in the accounts for such purpose amounted to HK\$1,168,000.

The Group did not have any mortgage or charge as at 28th February 2005. The Group expresses its gearing ratio as a percentage of borrowings and long term debts over total assets. As at 28th February 2005, the Group's gearing ratio was 3.39. The Group has not held any significant investment for the three months ended 28th February 2005 and made no material acquisitions or disposals during the period. As at 28th February 2005, the Group had no material capital commitments and no future plans for material investments or capital assets.

Operation Review

For the three months ended 28th February 2005, e-Finance turnover increased to HK\$3,713,000, a 35% increase compared to HK\$2,756,000 for the corresponding period of the previous year. During the current period, the Group continued to enhance the features of its OCTO STP system and worked on new marketing schemes to drive sales. During the period, the Group has won a license sales and professional service contracts to implement its OCTO STP solution from a Hong Kong branch of a Taiwan brokerage firm and also successfully implemented a new OCTO STP internet trading platform for a Japanese brokerage firm.

For the three months ended 28th February 2005, e-Business sales is HK\$1,959,000, a 9% decrease compared to HK\$2,143,000 for the corresponding period of the previous year as the several customers in Asia has internally delayed its purchases of CRM solution. During the period, the Group continued working on the marketing schemes and new reseller recruitment to drive sales in the region. The Group's CRM software helps businesses succeed with a proven, affordable CRM software solution for sales, marketing and customer service & support staff to access vital customer information in one common interface whether in the office or working remotely. The beta testing copy of simplified Chinese version of Maximizer has been released in the period and quality assurance and acceptance testing is expected to be completed in the second quarter of 2005.

Prospects

As investor sentiment in Hong Kong continues to rise, the directors believe that market demand for the Group's e-Finance products will continue to follow this upward trend. The Group will also continue to look for opportunities to cooperate with new technology partners who can complement its own products and business. The Group is exploring a range of partnerships and alliances with overseas brokerage and financial solution vendors to expand its solution to overseas market outside of Hong Kong. The Group is also looking to opportunities in Greater China and will utilise the expertise and connections with its reseller network to accelerate entry to this market.

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

At 28th February 2005, the interests and short positions of the directors and chief executives in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") as recorded in the register required to be kept under Section 352 of SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Rule 5.46 of the GEM Listing Rules were as follows:

Long positions in shares

a) *The Company:*

Name of director	Number of ordinary shares				Percentage of issued share capital
	Personal interests	Family interests	Corporate interests	Total	
Mr. Kau Mo Hui (note 1)	-	8,666,710	-	8,666,710	5.40%

Note:

- These shares are held by Pacific East Limited which is wholly owned by The City Place Trust. The City Place Trust is a discretionary trust and its beneficiaries are Mr. Chi Yung Hui and Ms. Yuen Lam Chu. Mr. Chi Yung Hui and Ms. Yuen Lam Chu are, respectively, the son and spouse of Mr. Kau Mo Hui. The interests held by Mr. Chi Yung Hui and Ms. Yuen Lam Chu are deemed to be part of the interest of Mr. Kau Mo Hui.

b) *Associated Corporation:*

Name of directors	Number of common shares in Maximizer Software Inc.				Percentage of issued share capital
	Personal interests	Family interests	Corporate interests	Total	
Mr. Terence Chi Yan Hui	2,237,153	-	-	2,237,153	3.57%
Mr. Joseph Chi Ho Hui	17,295	10,000 ⁽¹⁾	-	27,295	0.04%
Mr. Kau Mo Hui	70,000	40,949,625 ⁽²⁾	-	41,019,625	66.46%

Notes:

1. These shares are held by Mr. Joseph Chi Ho Hui's spouse, Ms. Susanna Chow. The interest held by Ms. Susanna Chow is deemed to be part of the interest of Mr. Joseph Chi Ho Hui.
2. These shares are held by The City Place Trust and Multiactive Technologies Partnership.

The City Place Trust holds 36,475,319 shares of Maximizer Software Inc., representing approximately 58.20% of the issued share capital of Maximizer Software Inc.. The City Place Trust is a discretionary trust and its beneficiaries are Mr. Chi Yung Hui and Ms. Yuen Lam Chu. Mr. Chi Yung Hui and Ms. Yuen Lam Chu are, respectively, the son and spouse of Mr. Kau Mo Hui. The interests held by Mr. Chi Yung Hui and Ms. Yuen Lam Chu are deemed to be part of the interest of Mr. Kau Mo Hui.

Multiactive Technologies Partnership holds 4,474,306 shares of Maximizer Software Inc., representing approximately 7.14% of the issued share capital of Maximizer Software Inc.. The interest in Multiactive Technologies Partnership is owned as to 1% by Multiactive Technologies Inc., a company controlled by Mr. Terence Chi Yan Hui and 99% by Adex Enterprises Inc., a company controlled by Ms. Yuen Lam Chu. Mr. Terence Chi Yan Hui and Ms. Yuen Lam Chu are, respectively, the son and spouse of Mr. Kau Mo Hui. The interests held by Ms. Yuen Lam Chu are deemed to be part of the interest of Mr. Kau Mo Hui.

Long positions in underlying shares

a) *The Company:*

Options in the Company

(Unlisted and physically settled equity derivatives)

Name of director	Date of grant	Exercise price	Exercisable period	Number of options		
				At 1st December 2004	Granted	At 28th February 2005
Mr. Terence Chi Yan Hui	17th April 2001	HK\$3.625	17th April 2002 to 16th April 2011	480,000	-	480,000
	28th May 2001	HK\$4.675	28th May 2002 to 27th May 2011	48,000	-	48,000
Mr. Senan Shiu Lung Yuen (resigned as at 11th March 2005)	17th April 2001	HK\$3.625	17th April 2002 to 16th April 2011	190,080	-	190,080
	28th May 2001	HK\$4.675	28th May 2002 to 27th May 2011	19,008	-	19,008

These options expire ten years from the date of grant and are exercisable over four years from the date of grant, with one quarter of the options granted exercisable on each anniversary date from the date of grant.

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

b) *Associated Corporation:*

Options in Maximizer Software Inc.

(Unlisted and physically settled equity derivatives)

Name of director	Date of grant	Exercise price	Exercisable period	Number of options		
				At 1st December 2004	Granted	At 28th February 2005
Mr. Terence Chi Yan Hui	11th December 2002	CAN\$0.80	7th May 1999 to 6th May 2006	100,000	-	100,000
	11th December 2002	CAN\$0.80	23rd June 2000 to 22nd June 2007	250,000	-	250,000
Mr. Joseph Chi Ho Hui	11th December 2002	CAN\$0.80	7th May 1999 to 6th May 2006	75,000	-	75,000
	11th December 2002	CAN\$0.14	18th March 2002 to 17th March 2009	25,000	-	25,000

These options expire seven years from the date of grant and are exercisable over four years from the date of grant, with one quarter of the options granted exercisable on the first anniversary date and the balance exercisable in an equal number monthly over the remaining three years.

Long positions in debentures

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

Short positions in shares

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

Short positions in underlying shares

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

Short positions in debentures

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

Save as disclosed above, as at 28th February 2005, 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 to 5.67 of the GEM Listing Rules

INTERESTS DISCLOSEABLE UNDER THE SFO AND SUBSTANTIAL SHAREHOLDER

At 28th February 2005, 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 <i>(note 1)</i>	Beneficial owner	Corporate	90,534,400	56.38%
Maximizer Software Inc. <i>(note 1)</i>	Interest of a controlled corporation	Corporate	90,534,400	56.38%
The City Place Trust <i>(note 2)</i>	Trustee	Corporate	99,201,110	61.78%
UBS AG	Beneficial owner	Corporate	10,985,200	6.84%
Pacific East Limited	Beneficial owner	Corporate	8,666,710	5.40%

Notes:

1. Maximizer International Limited is a wholly owned subsidiary of Maximizer Software Inc.
2. The City Place Trust holds 36,475,319 shares of Maximizer Software Inc. representing approximately 59% of the issued share capital of Maximizer Software Inc.. The City Place Trust also wholly owns Pacific East Limited, which directly holds 8,666,710 shares of the Company.

Long positions in underlying shares

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

Short positions in shares

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

Short positions in underlying shares

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

Save as disclosed above, as at 28th February 2005, the directors or chief executive of the Company were not aware of any other person (other than the directors or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO.

AUDIT COMMITTEE

Pursuant to the GEM Listing Rules, an audit committee, comprising three independent non-executive directors, namely Messrs. Ronald Kwok Fai Poon, Clifford Sau Man Ng and Kwong Sang Liu, was established on 22nd January 2001. At 28th September 2004, Kwong Sang Liu was appointed as independent non-executive director and member of audit committee of the Company.

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

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

The Group's unaudited consolidated results for the three months ended 28th February 2005 have been reviewed by the audit committee, which was of the opinion that the preparation of such results complied with the applicable accounting standard.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the three months ended 28th February 2005, the Company has not redeemed any of its listed securities. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the period.

By order of the Board

Terence Chi Yan Hui

Chairman

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

Mr. Terence Chi Yan HUI

(Executive Director)

Mr. Joseph Chi Ho HUI

(Executive Director)

Mr. Kau Mo HUI

(Non-executive Director)

Mr. Ronald Kwok Fai POON

(Independent Non-executive Director)

Mr. Clifford Sau Man NG

(Independent Non-executive Director)

Mr. Kwong Sang LIU

(Independent Non-executive Director)

Hong Kong, 13th April 2005