Annual Report
2005

abcmultiactive

abc Multiactive Limited
(Incorporated in Bermuda with limited liability)

abc Multiactive Limited 辰罡科技有限公司 Annual Report 2005 二零零五年年報

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.

Contents

Corporate Information

DIRECTORS

Executive Directors

Mr. Terence Chi Yan HUI
Mr. Joseph Chi Ho HUI

Non-executive Director

Mr. Kau Mo HUI

Independent Non-executive Directors

Mr. Ronald Kwok Fai POON
Mr. Clifford Sau Man NG
Mr. Kwong Sang LIU

QUALIFIED ACCOUNTANT

Mr. Siu Leong CHEUNG

COMPANY SECRETARY

Mr. Siu Leong CHEUNG

COMPLIANCE OFFICER

Mr. Terence Chi Yan HUI

AUTHORISED REPRESENTATIVES

Mr. Terence Chi Yan HUI
Mr. Siu Leong CHEUNG

AUDIT COMMITTEE

Mr. Ronald Kwok Fai POON
Mr. Clifford Sau Man NG
Mr. Kwong Sang LIU

BERMUDA RESIDENT REPRESENTATIVE

Mr. John Charles Ross COLLIS

BERMUDA DEPUTY RESIDENT REPRESENTATIVE

Mr. Anthony Devon WHALEY

AUDITORS

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

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

17th Floor, Regent Centre
88 Queen's Road Central
Central
Hong Kong

BERMUDA PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fund Services (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Abacus Share Registrars Limited
26/F Tesbury Centre
28 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

Hang Seng Bank Limited
The Hong Kong and Shanghai Banking Corporation Limited
Mevas Bank Limited

STOCK CODE

8131

WEBSITE

http://www.abcmultiactive.com

Chairman's Statement

During 2005, the stock market in Hong Kong rebounded and active stock trading resumed. As a result, the stock brokerage community has renewed willingness to invest in its IT infrastructures. One of our achievements in 2005 was the release of our new product - Fortune Maker, a downloadable application for individual investors to execute online equity trading, with a particular domestic brokerage firm. We also deployed a web-based equity trading solution to a Japanese brokerage firm and commenced implementation two other internet equity and futures trading solutions for two banks in Hong Kong.

In 2006, the stock brokerage market will continue to be competitive and fast evolving. We will reinforce our leadership position in the security brokerage solution market by providing our clients with innovative products to stay ahead of the market.

The awareness of Customer Relationship Management ("CRM") continue to improve in Asia Pacific and more Asian corporations are willing to invest in CRM software. To position ourselves for the market growth, we have continued to build our reseller network and implemented focused marketing programs in the region. We have also completed the localization of the simplified Chinese version of Maximizer Enterprise and launched the product in China. China's growing economy provides tremendous market opportunity. Expansion of our primary markets to China will be one of our major objectives in 2006.

I would like to thank our board of directors, shareholders, customers, and industry partners for their continued support and our employees for their contribution.

Terence Chi Yan Hui
Chairman

Hong Kong, 21 February 2006

Management Discussion and Analysis

Financial Review

The Group recorded a turnover of approximately HK$22,094,000 for the year ended 30 November 2005, a 4% decrease from approximately HK$23,050,000 for the same period of the previous year. Of the total turnover amount, HK$10,689,000 or 48% was generated from software license sales, HK$3,582,000 or 16% was generated from professional services, HK$6,332,000 or 29% was generated from maintenance services, and HK$1,491,000 or 7% was generated from sales of hardware. At 30 November 2005, the Group had approximately HK$4,683,000 worth of contracts that were in progress. The net loss attributable to shareholders for the year ended 30 November 2005 was HK$3,820,000, whereas the Group recorded a net profit of approximately HK$564,000 for the same period of the previous year. The difference was mainly attributed to an exchange loss of approximately HK$2,346,000 from the depreciation of the Australian dollar in 2005.

The operating expenditures (excluded exchange loss) amounted to HK$14,091,000 for the year ended 30 November 2005, a 8% decrease from HK$15,332,000 for the corresponding period of the previous year. The decrease was mainly due to operating cost control over the company's Australian operation and depreciation of Australian dollar in the year.

As most of the fixed asset in the Group was fully depreciated in previous years, depreciation expenses decreased from approximately HK$802,000 for the year ended 30 November 2004 to approximately HK$206,000 in the current fiscal year.

The Group did not have any amortisation expenses for the year ended 30 November 2005 due to the write-off of the remaining amounts of goodwill and intellectual property rights at the end of fiscal year 2002.

During the current period, the Group invested approximately HK$4,319,000 in developing new modules for its OCTO Straight Through Processing ("STP") system.

At 30 November 2005, a provision of approximately HK$1,498,000 was carried in the balance sheet for long outstanding trade receivables. The directors were uncertain whether the amount would ultimately be collected due to the sluggish economy and considered that it was prudent to make such a provision.

Total staff costs (excluding directors' remuneration) amounted to approximately HK$15,547,000 for the year ended 30 November 2005, a 4% increase from approximately HK$14,956,000 for the same period of the previous year. The increase was mainly attributed to headcount increase in the company's Hong Kong operation.

Operation Review

For the year ended 30 November 2005, eFinance turnover excluding sales of hardware amounted to HK$11,683,000, a increase of 2% when compared to HK$11,408,000 for the same period of the previous year. The Group benefited from the increased turnover in the Hong Kong stock markets, as brokerage house and financial institutions have increased their budgets for IT spending. As a result, the Group was able to sign new contracts (excluding hardware sales) with total contract sum of approximately HK$8,482,000 for deploying and implementing the Group's eFinance well known OctoSTP solutions in the year of 2005.

Management Discussion and Analysis

During the year, the Group continued to invest in the development of additional add-on modules for its OctoSTP trading system and furthered the development of its OctoWEB trading module. In 2005, the Group had successfully delivered and launched our newly developed Fortune Maker, a download application for Equity Web Trading System, to one Hong Kong brokerage house. The Fortune Maker is a more efficient and stable web trading application designed for professional investor. Without heavy download burden of graphics and data from internet, Fortune Maker can process trade order more efficiently through internet as compared to traditional web page trading system.

For the year ended 30 November 2005, sales of customer relationship management ("CRM") software amounted to HK$8,920,000, a 10% decrease compared to HK$9,942,000 for the same period of the previous year. The decrease mainly contributed from Australian operation due to decrease in sales and depreciation of Australian dollar. In 2005, the Group had successfully secured a letter of award from a Hong Kong based airline to purchase nearly 200 seats of Maximizer Enterprise, our globally well known customer relationship management solution ("CRM"), for its global rollout in coming years.

During the year, the Group continues its focus on marketing activities in the region and appointing additional resellers in the region to build up a stronger and comprehensive reseller channel. In May 2005, the Group had participated in the Cebit Exhibition held in Shanghai and launch out the newly Maximizer Enterprise simplified Chinese version in China market.

Considering the Group's CRM operation in Australia has been suffering operating loss since 2004, during the year, the management had reviewed the business model of existing Australia operation and carried out several measures to improve its operating efficiency including payroll cost controls and negotiation of office rental. However, the Australian operation still suffered from operation loss in this year. To improve the overall profitability of Group, Management had decided to cease its CRM operation in Australia in financial year 2006 and maintain only Hong Kong CRM operation to focus on developing CRM market in Greater China region and other Asian countries.

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.

At 30 November 2005, the Group had outstanding borrowings of approximately HK$5,813,000 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 30 November 2005); 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 22 May 2007; and HK$3,000,000 representing a shareholder's loan from Pacific East Limited which was unsecured, interest bearing at the Hong Kong prime rate and will not be repayable within the next twelve months of 30 November 2005 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 21 May 2007. The Group expresses its gearing ratio as a percentage of borrowings and long term debts over total assets. At 30 November 2005, the Group's gearing ratio was 2.8.

Management Discussion and Analysis

Pledge of Assets

The Group did not have any mortgage or charge over its assets at 30 November 2005.

Exchange Rate Exposure

All the Group's assets, liabilities and transactions are denominated either in Hong Kong dollars, Canadian dollars, or Australian dollars. Except for the current account between the Company and its Australian subsidiaries which is denominated in Hong Kong dollars, it is the Group's policy for each operating entity to borrow in local currencies where necessary in order to minimize currency risk.

Contingent Liabilities

At 30 November 2005, 23 employees 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. At 30 November 2005, the estimated contingent liabilities not provided for in the accounts for such purpose amounted to HK$1,180,000.

Significant Investments

Except for investment in subsidiaries, the Group has not held any significant investment for the year ended 30 November 2005.

Major Events

The Group has not made material acquisitions or disposals during the current year. At 30 November 2005, the Group had no material capital commitments and no future plans for material investments or capital assets.

Employee and Remuneration Policy

The directors believe that the quality of its employees is the most important factor in sustaining the Group's growth and improving its profitability. The Group's remuneration package is structured with reference to the individual performance, working experience and prevailing salary levels in the market. In addition to basic salaries and mandatory provident fund, staff benefits include medical coverage scheme and share options.

Management Discussion and Analysis

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 rules of the MPF Scheme, 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$20,000.

The Group participated in a defined contribution retirement scheme for its employees in Australia. The assets of the scheme are held separately from those of the Group. Contributions to the scheme by the Group and employees are calculated as a percentage of employees' basic salaries.

The retirement benefit scheme cost charged to the income statement represents contributions payable by the Group to the retirement funds and is expensed as incurred. During the year, the retirement benefit scheme contributions borne by the Group amounted to HK$744,000 (2004: HK$814,000). No forfeited contribution for the Group's HK and Australia region is available to reduce the contribution payable in the future years. Contributions to the scheme vest immediately.

PROSPECTS

The Group's will continue to focus on the Group's fundamentals to achieve profitability. The Group will continue to look for opportunities to cooperate with new technology partners that can complement its own products and business and further enhance its established customer base.

Considering the keen competition in Hong Kong eFinance market, the Group will more proactive in seeking for overseas opportunities and focus on development of new financial solutions to diversify the Group's eFinance product coverage in the market. The directors believed that the Group is well equipped to catch up with the economy rebound in domestic market and ready for new challenge from the overseas market.

The Group believes the growth of CRM market in the Asian region especially in Greater China region is prosperous. The Group will continue to focus on development of CRM market in the region by recruitment of more resale partners and implement target marketing strategies in the Asian region.

The directors believe that the Group is well positioned for growth, as the Group's integrated multi-product systems for eFinance and eBusiness will offer customers the tools to expand their operations and services as the economy continues to improve.

Biographical Details of Directors and Senior Management

Executive directors

Mr. Terence Chi Yan HUI, aged 42, is the Chairman and Compliance Officer of the Company and is responsible for the strategic direction of the Group. He received his Bachelor Degree in Physics from the University of California - Berkeley in USA and earned a Master Degree in Electrical Engineering from Santa Clara University in USA. Mr. Hui joined the Group in March 2000.

Mr. Hui is also the chairman of Vancouver-based, Maximizer Software Inc. ("MSI"), the ultimate holding company of the Company. He is the president and chief executive officer of Concord Pacific Group Inc., which is the developer of the CAN$3 billion Concord Place project on old Expo lands in Vancouver, Canada and the CAN$1.5 billion CityPlace project in Toronto, Canada.

Mr. Hui was appointed by the Prime Minister of Canada to represent Canada on the APEC Business Advisory Council from 1996 to 1997. He is a member of the board of directors of Husky Oil Limited. He also serves on the Advisory Council to the Faculty of Commerce and Business Administration of the University of British Columbia and is a member of the British Columbia Business Council Board of Governors.

Mr. Joseph Chi Ho HUI, aged 35, joined the Group in November 2000. He received his undergraduate degree in Electrical Engineering from the University of British Columbia in Canada and earned a Master Degree in Electrical Engineering from Stanford University - California in USA. Mr. Hui is the Development Manager of Maximizer Software Inc. where he is responsible for directing the vision and development of the Maximizer line of products. Mr. Hui is the brother of Mr. Terence Chi Yan Hui.

Non-executive director

Mr. Kau Mo HUI, aged 73, joined the Group in March 2000. He is the chairman and executive director of Wing Hong (Holdings) Limited. Wing Hong (Holdings) Limited is a company listed on the main board of Stock Exchange and its principal business is real estate development. Mr. Hui is the father of Mr. Terence Chi Yan Hui and Mr. Joseph Chi Ho Hui.

Biographical Details of Directors and Senior Management

Independent non-executive directors

Mr. Ronald Kwok Fai POON, aged 56, is a solicitor and notary public practicing in Hong Kong since 1980. Mr. Poon became an independent non-executive director of the Company in March 2000.

Mr. Clifford Sau Man NG, aged 39, is a Partner of Preston Gates & Ellis in Hong Kong. Mr. Ng has practiced in Hong Kong since 1995 and is often involved in transactions for corporate and private clients advising on asset protection, corporate, securities, succession planning and tax issues. Mr. Ng was born in Hong Kong and grew up in Canada. He received his B.A. in Economics from the University of British Columbia in Vancouver and his LL.B. from Dalhousie Law School in Halifax. He is qualified as a solicitor in Hong Kong, England and Wales and is also qualified as a barrister and solicitor in British Columbia. Mr. Ng is also an independent non-executive director of Law Debenture Trust (Asia) Limited and The Law Debenture Corporation (H.K.) Limited which are Hong Kong subsidiaries of a London Stock Exchange listed company. Mr. Ng became an independent non-executive director of the Company in March 2000.

Mr. Kwong Sang LIU, aged 44, is currently a practising certified public accountant in Hong Kong with more than 15 years of experience. Mr. Liu graduated with honours from Hong Kong Polytechnic University with Bachelor degree in Accountancy and obtained the Master in Business Administration degree from the University of Lincoln, United Kingdom. He is an associate 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 and a fellow member of the National Institute of Accountants, Australia. Mr. Liu is also a fellow member of Hong Kong Institute of Certified Public Accountants, a fellow member of the Taxation Institute of Hong Kong, a fellow member of the Society of Registered Financial Planners. Mr. Liu does not hold any other positions in the Company or other members of the Group or its subsidiaries. Mr. Liu is currently the independent non-executive director of Polytec Asset Holdings Limited which is a company listed on the main board of the Stock Exchange, he is an independent non-executive director of Pacific CMA, Inc. which is a company listed on the American Stock Exchange and he is an independent non-executive director of Wing Hong (Holdings) Limited which is a listed company in Hong Kong. Mr. Liu became an independent non-executive director of the Company in September 2004.

Biographical Details of Directors and Senior Management

Senior management

Mr. Samson Chi Yang HUI, aged 34, is the Chief Executive Officer of the Group. He is responsible for initiating and leading negotiations for mergers and acquisitions opportunities of the Group, as well as managing the Group's regional sales and marketing activities. He has over 10 years experience in managing real estate, trading, investment and IT businesses.

Mr. Frank Hing Fat HUNG, aged 45, is the Chief Operating Officer of the Group's eBusiness operations. He has over 18 years experience in the IT industry, including international management in Asia, Australia and Canada. Prior to joining the Group in November 2000, he held various senior positions, including acting chief operating officer - Asia, for Powerlan Limited ("Powerlan"). While at Powerlan, he played an instrumental role in the initial merger of CSSL and Powerlan and lead the integration of the companies' infrastructure, operations and combined services and solutions.

Mr. Siu Leong CHEUNG, aged 33, joined the Company in August 2003. Mr. Cheung is the qualified accountant, company secretary, authorized representative, and authorized 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. Prior to joining the Company, Mr. Cheung had worked in the auditing, accounting, and financial field for more than seven years.

Report of the Directors

The directors have pleasure in submitting their report together with the audited 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 2005.

Principal activities

The principal activity of the Company is investment holding. The activities of its subsidiaries are set out in Note 14 to the financial statements. There was no significant change in its activities during the year.

Segment information

An analysis of the Group's performance for the year by business and geographical segments is set out in Note 4 to the financial statements.

Financial statements

The results of the Group for the year are set out in the consolidated income statement on Page 25.

The states of affairs of the Group and of the Company as at 30 November 2005 are set out in the balance sheets on pages 26 and 27 respectively.

The cashflows of the Group are set out in the statement on Page 29.

Dividends

The directors do not recommend a payment of dividend nor transfer of any amount to reserves for the year (2004: Nil).

Fixed assets

Details of the movements in fixed assets of the Group during the year are set out in Note 13 to the financial statements.

Share capital

Details of the movements in share capital of the Company are set out in Note 20 to the financial statements.

Distributable reserves

As at 30 November 2005, the Company has no distributable reserve calculated under the Companies Act 1981 of Bermuda (as amended) and the Company's bye-laws.

Pre-emptive rights

There is no provision for pre-emptive rights under the Company's bye-laws and there was no restriction against such rights under the laws of Bermuda.

Report of the Directors

Purchase, sale or redemption of 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 (2004: Nil).

Share options

Details of the share option scheme and outstanding share options of the Company as at 30 November 2005 are set out in Note 12 to the financial statements.

Directors

The directors in office during the financial year and up to the date of this report were:

Executive Directors

Mr. Terence Chi Yan Hui
Mr. Joseph Chi Ho Hui
Mr. Senan Shiu Lung Yuen (Resigned on 11 March 2005)

Non-executive Director

Mr. Kau Mo Hui

Independent non-executive Directors

Mr. Ronald Kwok Fai Poon
Mr. Clifford Sau Man Ng
Mr. Kwong Sang Liu

In accordance with Bye-laws 87 of the Company's bye-laws, Messr. Clifford Sau Man Ng and Messr. Kwong Sang Liu retire by rotation and, being eligible, offers themselves for re-election.

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 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 24 to the financial statements. Apart from the foregoing, no other contracts of significance in relation to the Group's business to which the Company, its ultimate holding company or any subsidiaries of its ultimate holding company 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.

Report of the Directors

Connected transactions

The related party transactions, disclosed in Note 24 to the financial statements, constituted connected transactions under Chapter 20 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules"). The connected transactions are as follows:

1. On 22 November 2001, Pacific East Limited advanced HK$10,000,000 to the Company. In consideration of the advance, the Company issued a promissory note to Pacific East Limited on the same day. Other than a repayment of HK$500,000 had been made in prior years, no repayment has been made during the year. The promissory note is unsecured, bears interest at Hong Kong prime rate per annum and is repayable on 22 May 2007. The shareholder has confirmed that it will not demand for repayment of the promissory note for the next twelve months from the balance sheet date. During the year, interest payable in relation to the promissory note amounted to approximately HK$681,000.

   Pacific East Limited 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, a non-executive director of the Company. As such, the issuance of the promissory note was a connected transaction.

   The independent non-executive directors reviewed the above connected transaction and confirmed that the issuance of the promissory note was (a) for the benefit of the Company, (b) was no better than normal commercial terms, and (c) there was no security over the assets of the Company granted in favour of Pacific East Limited in respect of the promissory note. Such transaction was therefore exempted from the reporting, announcement and shareholders' approval requirement.

2. On 21 February 2003, Wickham Group Limited, a company wholly owned by Mr. Kau Mo Hui, a non-executive director of the Company, advanced HK$5,134,000 to the Company. In consideration of the advance, the Company issued a promissory note to Wickham Group Limited on the same day. Repayment of HK$500,000 has been made in prior years. The promissory note is unsecured, bears interest at Hong Kong prime rate per annum and maturing on 21 May 2007. The shareholder has confirmed that it will not demand for repayment of the promissory note for the next twelve months from the balance sheet date. During the year, interest payable in relation to the promissory note amounted to approximately HK$312,000.

   The independent non-executive directors reviewed the above connected transaction and confirmed that the issuance of the promissory note was (a) for the benefit of the Company, (b) was no better than normal commercial terms, and (c) there was no security over the assets of the Company granted in favour of Pacific East Limited in respect of the promissory note. Such transaction was therefore exempted from the reporting, announcement and shareholders' approval requirement.

Report of the Directors

3. On 30 November 2005, Pacific East Limited advanced HK$3,000,000 to the Company. In consideration of the advance, the Company issued a promissory note to Pacific East Limited on the same day. The promissory note is unsecured, bears interest at Hong Kong prime rate per annum. The shareholder has confirmed that the promissory note is not repayable for the next twelve months from the balance sheet date. During the year, interest payable in relation to the promissory note amounted to approximately HK$1,000.

   Pacific East Limited 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, a non-executive director of the Company. As such, the issuance of the promissory note was a connected transaction.

   The independent non-executive directors reviewed the above connected transaction and confirmed that the issuance of the promissory note was (a) for the benefit of the Company, (b) was no better than normal commercial terms, and (c) there was no security over the assets of the Company granted in favour of Pacific East Limited in respect of the promissory note. Such transaction was therefore exempted from the reporting, announcement and shareholders' approval requirement.

4. The Company entered into a Products Sales Agreement and a Supplemental Products Sales Agreement with its ultimate holding company on 5 February 2004 and 28 June 2004 respectively. As the Cap for the financial year ending 30 November 2006, being HK$6,000,000 and the highest limit among the escalating Cap for each of the financial year ending 30 November 2004, 2005 and 2006 is of an amount exceeding 25% of each of the percentage ratios under Rule 19.07 of the GEM Listing Rules, such transaction was therefore falling outside the independent shareholders' approval exemption under Rule 20.34(2) of the GEM Listing Rules.

   Details of such continuing connected transactions were disclosed in the Company's circular dated 13 October 2004 and independent shareholders' approval has been obtained in the Company's SGM on 28 October 2004.

   During the year, the Group purchased software merchandise in the amount of approximately HK$1,504,000 from MSI for re-sale.

   The Independent Directors have reviewed the Sales of Products for the year ended 30 November 2005 and confirmed that the Sale of Products have been entered into (i) the ordinary course and usual course of the Group's business; (ii) on terms no less favourable to the Group than terms available from independent third parties who are not connected persons of the Group as defined in the GEM Listing Rules; and (iii) in accordance with the relevant agreements governing the Sales of Products on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Report of the Directors

The Board of Directors confirmed that the Company's auditors have reviewed the Sales of Products of approximately HK$1,504,000 for the year ended 30 November 2005 and concurred that (i) the Sales of Products have received the approval of the Board; (ii) the Group did not provide any goods or services to its ultimate holding company; (iii) the Sales of Products have been entered into accordance with terms of the Products Sales Agreement and the Supplemental Products Sales Agreement dated 5 February 2004 and 28 June 2004 respectively. In addition, the Company's auditor reported that the Sales of Products for the year ended 30 November 2005 charged by MSI was calculated based on 25% of discounted licence fee which the Group charged its authorised distributors and clients per order. Based on the Products Sales Agreement entered into the by the Company and its ultimate holding company, the Group has agreed to pay a product cost equal to 33.3% of the standard list licence fee and such product cost shall not exceed more than one third of the gross revenue from sales recorded by the Group during the same period. On 13 February 2006, MSI informed the Group in writing that the product costs chargeable by MSI for the financial year 2003 to 2005 be reduced from 33.3% to 25% of the discounted licence fees (gross licence revenue from sales) retrospectively and for future years until further notice. The Group acknowledged and accepted the change in percentage charged on 14 February 2006, and (iv) the Sales of Products for the year ended 30 November 2005 have not exceeded the Cap of HK$5,000,000 for the year ended 30 November 2005.

5. During the year, the Group incurred interest expenses payable to MSI in amount of approximately HK$154,000 for the intercompany balance outstanding. The intercompany balance 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. The directors are of the opinion that the transaction was carried out in the normal course of business of the Group.

   The independent non-executive directors reviewed the above connected transaction and confirmed that the issuance of the promissory note was (a) for the benefit of the Company, (b) was no better than normal commercial terms, and (c) there was no security over the assets of the Company granted in favour of MSI in respect of the intercompany balance outstanding. Such transaction was therefore exempted from the reporting, announcement and shareholders' approval requirement.

Report of the Directors

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

At 30 November 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:

	Number of ordinary shares				
Name of director	**Personal interests**	**Family interests**	**Corporate interests**	**Total**	**Percentage of issued share capital**
Mr. Kau Mo Hui	–	8,666,710[1]	–	8,666,710	5.40%

Note:

1. 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:

	Number of common shares in Maximizer Software Inc.				
Name of directors	**Personal interests**	**Family interests**	**Corporate interests**	**Total**	**Percentage of issued share capital**
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	65.46%

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)		
				Number of options		
Name	**Date of grant**	**Exercise price**	**Exercisable period**	**Outstanding as at 1 December 2004**	**Lapsed during the year**	**Outstanding as at 30 November 2005**
Director						
Mr. Terence Chi Yan Hui	17 April 2001	HK$3.625	17 April 2002 to 16 April 2011	480,000	–	480,000
	28 May 2001	HK$4.675	28 May 2002 to 27 May 2011	48,000	–	48,000
Mr. Senan Shiu Lung Yuen (resigned on 11 March 2005)	17 April 2001	HK$3.625	17 April 2002 to 16 April 2011	190,080	(190,080)	–
	28 May 2001	HK$4.675	28 May 2002 to 27 May 2011	19,008	(19,008)	–
Chief Executive						
Mr. Samson Chi Yang Hui (Appointed as a Chief Executive Officer of the Company on 12 October 2005)	17 April 2001	HK$3.625	17 April 2002 to 16 April 2011	190,080	–	190,080
	28 May 2001	HK$4.675	28 May 2002 to 27 May 2011	19,008	–	19,008

Report of the Directors

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 22 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)

				Number of options		
Name of directors	**Date of grant**	**Exercise price**	**Exercisable period**	**At 1 December 2004**	**Granted**	**At 30 November 2005**
Mr. Terence Chi Yan Hui	11 December 2002	CAN$0.80	7 May 1999 to 6 May 2006	100,000	–	100,000
	11 December 2002	CAN$0.80	23 June 2000 to 22 June 2007	250,000	–	250,000
Mr. Joseph Chi Ho Hui	11 December 2002	CAN$0.80	7 May 1999 to 6 May 2006	75,000	–	75,000
	11 December 2002	CAN$0.14	18 March 2002 to 17 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.

Report of the Directors

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 30 November 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 as which were that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and Stock Exchanges pursuant to Rules 5.46 of the GEM Listing Rules.

Interests disclosable under the SFO and substantial shareholder

At 30 November 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 *(note 1)*	Beneficial owner	Corporate	90,534,400	56.38%
Maximizer Software Inc. *(note 1)*	Interest of a controlled corporation	Corporate	90,534,400	56.38%
The City Place Trust *(note 2)*	Trustee	Corporate	99,201,110	61.78%
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 58.20% of the issued share capital of Maximizer Software Inc. The City Place Trust also wholly owns Pacific East Limited, which holds 8,666,710 shares of the Company.

Report of the Directors

Long positions in underlying shares

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

Short positions in shares

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

Short positions in underlying shares

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

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

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.

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	18%
– five largest customers combined	44%

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

Purchases	
– the largest supplier	52%
– five largest suppliers combined	98%

None of the Directors, their respective associates and shareholders of the Company (which to the best knowledge of the Directors, own more than 5% of the issued capital of the Company) had any interest in the five largest customers and suppliers of the Group for the financial year ended 30 November 2005.

Report of the Directors

Board practices and procedures

The Stock Exchange has issued Code on Corporate Governance Practices (the "Code") as set out in Appendix 15 of the GEM Listing Rules which are effective for accounting periods beginning on or after 1 January 2005.

In the opinion of Directors, the Company is not required to comply with the Code for the year ended 30 November 2005. The Company is scheduled to comply with this Code in the financial year of 2006.

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 22 January 2001. Messrs. Ronald Kwok Fai Poon and Clifford Sau Man Ng were the audit committee member when it was established on 22 January 2001. At 28 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.

During the twelve months ended 30 November 2005, the audit committee held four meeting for the purpose of reviewing the Company's reports and accounts, and providing advice and recommendations to the Board of Directors.

The Group's audited results for the year ended 30 November 2005 have been reviewed by the audit committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures have been made.

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.

Directors' interest in competing business

Set out below is information disclosed pursuant to Rule 11.04 of the GEM Listing Rules:

Mr. Terence Chi Yan Hui, the Chairman and an executive director of the Company, is also the chairman of MSI. MSI is engaged in the business of the design and development of e-Business and CRM software, and has operations in North America, Europe, and South America. MSI and the Group share the same product lines including, Maximizer, Maximizer Enterprise, ecBuilder and their respective product lines. The directors believe that the business of MSI and possible future businesses conducted by Maximizer International Limited, which is a wholly owned subsidiary of MSI may compete with the business of the Group.

Report of the Directors

In addition, Mr. Terence Chi Yan Hui is involved in a range of business and investment activities that include companies involved in technology investments and incubation. The directors believe that these businesses may, in some respects, compete with the business of the Group.

Save as disclosed above, none of the directors or the management shareholders is interested in any business that competes with or is likely to compete with the business of the Group.

Change of auditors

On 5 January 2004, Messrs HLB Hodgson Impey Cheng were appointed as auditors of the Company for the year ended 30 November 2003 in succession to Messrs PricewaterhouseCoopers. There have been no other changes of auditors in the past three years.

Messrs HLB Hodgson Impey Cheng retire, and being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Messrs HLB Hodgson Impey Cheng as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board
Terence Chi Yan Hui
Executive Director

Hong Kong, 21 February 2006

Auditors' report

HLB 國衛會計師事務所
Hodgson Impey Cheng

Chartered Accountants
Certified Public Accountants

31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

AUDITORS' REPORT TO THE SHAREHOLDERS OF abc MULTIACTIVE LIMITED

(incorporated in Bermuda with limited liability)

We have audited the financial statements on pages 25 to 55 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

Respective Responsibilities of Directors and Auditors

The Company's directors are responsible for the preparation of financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Basis of Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's and the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Auditors' report

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 30 November 2005 and of the Group's loss and cash flows for the year then ended and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

HLB Hodgson Impey Cheng
Chartered Accountants
Certified Public Accountants

Hong Kong, 21 February 2006

Consolidated Income Statement

For the year ended 30 November 2005

	Notes	2005 HK$'000	2004 HK$'000
Turnover	3	**22,094**	23,050
Cost of sales		**(8,308)**	(9,021)
Gross profit		**13,786**	14,029
Other revenue	3	**35**	64
Other income	5	**–**	2,972
Software research and development expenses		**(4,319)**	(3,672)
Selling and marketing expenses		**(3,886)**	(4,523)
Administrative expenses		**(8,288)**	(7,137)
(Loss)/profit from operating activities	5	**(2,672)**	1,733
Finance costs	6	**(1,148)**	(1,169)
(Loss)/profit before taxation		**(3,820)**	564
Taxation	7	**–**	–
(Loss)/profit for the year		**(3,820)**	564
(Loss)/earnings per share			
Basic	9	**HK(2.38) cents**	HK0.35 cents
Dividends	10	**–**	–

All of the Group's operations are classed as continuing.

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

Consolidated Balance Sheet

At 30 November 2005

	Notes	2005 HK$'000	2004 HK$'000
Non-current assets			
Fixed assets	13	**408**	329
Current assets			
Inventories	15	**131**	50
Work in progress		**513**	1,048
Trade and other receivables	16	**3,285**	2,891
Cash and bank balances		**3,726**	1,526
		7,655	5,515
Less: Current liabilities			
Trade and other payables	17	**7,586**	7,302
Deferred revenue		**3,070**	3,036
Amounts due to customers		**666**	–
		11,322	10,338
Net current liabilities		**(3,667)**	(4,823)
Total assets less current liabilities		**(3,259)**	(4,494)
Less: Non-current liabilities			
Promissory notes payable to a shareholder	18	**12,500**	9,500
Promissory note payable to a related company	18	**4,634**	4,634
Amount due to the ultimate holding company	19	**5,813**	6,021
		22,947	20,155
Net liabilities		**(26,206)**	(24,649)
Represented by:			
Share capital	20	**16,059**	16,059
Reserves	21	**(42,265)**	(40,708)
Shareholders' deficits		**(26,206)**	(24,649)

Approved by the Board of Directors on 21 February 2006 and signed on its behalf by:

Terence Chi Yan Hui
Executive Director

Joseph Chi Ho Hui
Executive Director

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

Balance Sheet

At 30 November 2005

	Notes	2005 HK$'000	2004 HK$'000
Current assets			
Trade and other receivables	16	**9**	8
Bank balances		**3,055**	1,093
		3,064	1,101
Less: Current liabilities			
Accruals	17	**3,481**	2,505
Amounts due to subsidiaries		**138**	77
		3,619	2,582
Net current liabilities		**(555)**	(1,481)
Less: Non-current liabilities			
Promissory notes payable to a shareholder	18	**12,500**	9,500
Promissory note payable to a related company	18	**4,634**	4,634
		17,134	14,134
Net liabilities		**(17,689)**	(15,615)
Represented by:			
Share capital	20	**16,059**	16,059
Reserves	21	**(33,748)**	(31,674)
Shareholders' deficits		**(17,689)**	(15,615)

Approved by the Board of Directors on 21 February 2006 and signed on its behalf by:

Terence Chi Yan Hui
Executive Director

Joseph Chi Ho Hui
Executive Director

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

Consolidated Statement of Changes in Equity

For the year ended 30 November 2005

	Issued share capital	Reserve: Share premium	Reserve: Contributed surplus	Reserve: Exchange reserve	Reserve: Accumulated losses	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 December 2003	16,059	106,118	37,600	(10,507)	(171,711)	(22,441)
Exchange difference arising on translation of financial statements of foreign subsidiaries	–	–	–	(2,772)	–	(2,772)
Profit for the year	–	–	–	–	564	564
At 30 November 2004 and 1 December 2004	16,059	106,118	37,600	(13,279)	(171,147)	(24,649)
Exchange difference arising on translation of financial statements of foreign subsidiaries	–	–	–	2,263	–	2,263
Loss for the year	–	–	–	–	(3,820)	(3,820)
At 30 November 2005	**16,059**	**106,118**	**37,600**	**(11,016)**	**(174,967)**	**(26,206)**

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

Consolidated Cash Flow Statement

For the year ended 30 November 2005

	Note	2005 HK$'000	2004 HK$'000
Cash flows from operating activities			
(Loss)/profit before taxation		**(3,820)**	564
Adjustment for:			
Interest income		**(13)**	(64)
Interest expenses		**1,148**	1,169
Depreciation		**206**	802
Loss on disposals of fixed assets		**8**	53
Unrealised exchange difference		**2,271**	(2,772)
Operating loss before working capital changes		**(200)**	(248)
Increase in inventories		**(81)**	(8)
Decrease/(increase) in work in progress		**535**	(714)
Increase in trade and other receivables		**(394)**	(73)
(Decrease)/increase in amount due to the ultimate holding company		**(208)**	847
Increase in amounts due to customers		**666**	–
Decrease in trade and other payables		**(864)**	(2,433)
Increase in deferred revenue		**34**	97
Net cash used in operating activities		**(512)**	(2,532)
Cash flows from investing activities			
Purchase of fixed assets		**(301)**	(192)
Proceeds from disposal of fixed assets		**–**	37
Interest received		**13**	64
Cash effect on disposal of a subsidiary	23	**–**	(13)
Net cash used in investing activities		**(288)**	(104)
Cash flows from financing activities			
Advance from a shareholder through issue of a promissory note		**3,000**	–
Net cash generated from financing activities		**3,000**	–
Net increase/(decrease) in cash and cash equivalents		**2,200**	(2,636)
Cash and cash equivalents at the beginning of the year		**1,526**	4,162
Cash and cash equivalents at the end of the year		**3,726**	1,526
Analysis of the balances of cash and cash equivalents			
Cash and bank balances		**3,726**	1,526

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

Notes to Financial Statements

30 November 2005

1. CORPORATE INFORMATION

The Company was incorporated in Bermuda on 2 March 2000 as an exempted company with limited liability under the Companies Act 1981 of Bermuda (as amended) and its shares are listed on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are set out in the Note 14 to the financial statements.

The directors consider the Company's ultimate holding company to be Maximizer Software Inc. ("MSI"), which was incorporated in Canada and listed on the Toronto Stock Exchange.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Hong Kong Institute of Certified Public Accountants ("HKICPA") has issued a number of new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards (collectively referred to as the "new HKFRSs") which are effective for accounting periods commencing on or after 1 January 2005. The Group has not early adopted these new HKFRSs in the financial statements for the year ended 30 November 2005. The new HKFRSs may result in changes in the future as to how the Group's financial performance and financial position are prepared and presented.

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (which also include Statements of Standard Accounting Practice and Interpretations) issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance and applicable disclosure provisions of The Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules"). A summary of significant accounting policies followed by the Group in the preparation of the financial statements is set out below:

(a) Basis of preparation

The measurement basis used in the preparation of the financial statements is historical cost convention.

At the balance sheet date, the Group's current liabilities exceeded its current assets by approximately HK$3,667,000 and the Group's shareholders' deficits amounted to approximately HK$26,206,000.

Notes to Financial Statements

30 November 2005

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (Continued)

Notwithstanding the above results, the financial statements have been prepared on a going concern basis, the validity of which is dependent upon the success of the Group's future operations, its ability to generate adequate cash flows in order to meet its obligations as and when fall due and its ability to refinance or restructure its borrowings such that the Group can meet its future working capital and financing requirements. A shareholder of the Company, Pacific East Limited confirmed that the promissory notes in the amount of HK$12,500,000 will not be repayable within the next twelve months of the balance sheet date. On 18 November 2005, Pacific East Limited has agreed to extend the maturity date of one of the promissory notes in the amount of HK$9,500,000 to 22 May 2007. The ultimate holding company, MSI, has also confirmed that it will not demand repayment of the amount due to it of approximately HK$5,813,000 within the next twelve months of the balance sheet date. Furthermore, a party connected to a non-executive director of the Company, Wickham Group Limited, has also confirmed that it will not demand repayment of the promissory note in the amount of HK$4,634,000 within the next twelve months of the balance sheet date. On 18 November 2005, Wickham Group Limited has agreed to extend the maturity date of the promissory note by fifteen months to 21 May 2007. The directors are confident that the Group's future operations will be successful and able to generate sufficient cash flows in order to meet its obligations as they fall due over the next twelve months. Accordingly, the directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

(b) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 30 November each year. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or disposal, as appropriate.

All significant intercompany transactions and balances within the Group are eliminated on consolidation.

The gain or loss on the disposal of a subsidiary represents the difference between the proceeds of the sale and the Group's share of its net assets together with any unamortised goodwill or goodwill taken to reserves and which was not previously charged or recognised in the consolidated income statement and also any related accumulated foreign currency translation reserve.

A subsidiary is an enterprise controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefit from its activities.

In the Company's balance sheet, the investments in subsidiaries are stated at cost less provision for impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Notes to Financial Statements

30 November 2005

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Fixed assets and depreciation

Fixed assets, comprising leasehold improvements, furniture and fixtures and office equipment, are stated at cost less accumulated depreciation and accumulated impairment losses. They are depreciated at rates sufficient to write off their costs less accumulated impairment losses over their estimated useful lives on a straight-line basis. The principal annual rates used for this purpose are 20% to 33.3%.

Major costs incurred in restoring fixed assets to their normal working condition to allow continued use of the overall asset are capitalised and depreciated over their expected useful lives. Improvements are capitalised and depreciated over their expected useful lives to the Group.

The gain or loss on disposal of a fixed asset is the difference between the net sale proceeds and the carrying amount of the relevant asset, and is recognised in the income statement.

(d) Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair values of the Group's share of the net assets of the acquired subsidiary at the date of acquisition. Goodwill arising from different acquisitions on consolidation and group reorganisation is recognised as an asset and amortised by equal annual instalments over its estimated useful economic life of 5 years. The carrying amount of goodwill is reviewed annually and written down for permanent impairment where it is considered necessary.

With the introduction of SSAP 30, the Group has adopted the transitional provisions prescribed therein. Goodwill incurred on or after 1 December 2001 is capitalised in the balance sheet and is amortised to the income statement on a straight-line basis over its estimated economic useful life. The Group has taken advantage of the transitional provision 1(a) in SSAP 30 and goodwill previously written off against reserves has not been restated. However, any impairment arising on such goodwill is accounted for in accordance with SSAP 31.

Under SSAP 31 and Interpretation No. 13 "Goodwill - continuing requirements for goodwill and negative goodwill previously eliminated against/credited to reserves", the carrying amount of goodwill (including goodwill that has previously been written off against reserves and not restated in accordance with the transitional provisions in SSAP 30) has to be reviewed periodically for any indication of impairment, and any impairment loss has to be recognised as an expense in the consolidated income statement.

Notes to Financial Statements

30 November 2005

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Intangible assets (Continued)

(ii) 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.

(e) Impairment of assets

Internal and external sources of information are reviewed at each balance sheet date to determine whether there is any indication of impairment of assets (other than inventories, assets arising from construction contracts, deferred tax assets, financial assets other than interests in subsidiaries, associates and joint ventures, and investment properties), or whether there is any indication that an impairment loss previously recognised no longer exists or may have decreased. If any such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to the income statement in the year in which it arises, unless the asset is carried at a revalued amount, when the impairment loss is accounted for in accordance with the relevant policy for that revalued asset.

(i) Calculation of recoverable amount

The recoverable amount of an asset is the higher of its net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

(ii) Reversal of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognised.

Notes to Financial Statements

30 November 2005

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Revenue recognition

(i) Revenue from the sale of computer software licenses and the provision of related services where there are no significant post-delivery obligations is recognised upon the satisfactory completion of installation, which generally coincides with the time when the computer products are delivered to the customers.

(ii) Where the Group enters into contracts with customers which entail the development of customised software with significant post-delivery service support, revenue from the development of customised software is recognised in the consolidated income statement by reference to the stage of completion of customisation work, including post-delivery service support, at the balance sheet date.

(iii) Rental income of computer software licenses and customised software is recognised at the due date of the rental income.

(iv) Revenue from the provision of maintenance services is recognised on a straight-line basis over the life of the related agreement.

(v) Revenue from the sale of computer hardware is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and the title has passed.

(vi) Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and interest rates applicable.

(g) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is primarily determined on the weighted average cost basis and includes all costs in bringing the inventories to their present location and condition. Net realisable value is determined on the basis of anticipated sale proceeds less estimated selling expenses.

(h) Work in progress

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

(i) Current assets and current liabilities

Current assets are expected to be realised within twelve months of the balance sheet date or in the normal course of the Group's operating cycle. Current liabilities are expected to be settled within twelve months of the balance sheet date or in the normal course of the Group's operating cycle.

Notes to Financial Statements

30 November 2005

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Translation of foreign currencies

Transactions in foreign currencies are translated at exchange rates ruling at the transaction dates. Monetary assets and liabilities expressed in foreign currencies at the balance sheet are translated at the exchange rates ruling at the balance sheet date. Exchange differences arising in these cases are dealt with in the income statement.

On consolidation, the balance sheets of subsidiaries expressed in foreign currencies are translated at the rates of exchange ruling at the balance sheet date whilst the income and expenses items are translated at an average rate. Exchange differences are dealt with as a movement in reserves.

(k) Trade receivables

Provision is made against trade receivables to the extent that they are considered to be doubtful. Trade receivables in the balance sheet are stated at net of such provision.

(l) Operating leases

Leases where substantially all the risk and rewards of ownership of assets remain with the leasing company are accounted for as operating leases. Payments made under operating leases net of any incentives received from the leasing company are charged to the income statement on a straight-line basis over the leased periods.

(m) Deferred revenue

Deferred revenue represents the proportion of revenue which relates to the unexpired period of the maintenance service agreements as at the year end.

(n) Borrowings costs

Borrowings costs that are directly attributable to the acquisition, construction or production of an asset that necessary takes a substantial period of time to get ready for its intended use or sales are capitalised as part of the cost of that asset.

All other borrowings costs are charged to the income statement in the year in which they are incurred.

(o) Provisions

A provision is recognised when there is a present obligation, legal or constructive, as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed regularly and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Notes to Financial Statements

30 November 2005

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Contingent liabilities and assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. 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 in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

(q) 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 is the profit for the year, calculated in accordance with rules established by the taxation authorities, upon which income taxes are payable.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary difference can be recognised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investment in subsidiaries and associates, 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.

The carrying amount of deferred tax assets is reviewed at each balance sheet date 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 Financial Statements

30 November 2005

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Taxation (Continued)

Deferred tax is calculated at the tax rates that are expected to apply to the period when the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantially enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

(r) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the cash flow statement.

(s) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

(t) Employee benefits

(i) Salaries, annual bonuses, paid annual leave, leave passage and the cost to the Group of non-monetary 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. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement 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 Financial Statements

30 November 2005

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Employee benefits (Continued)

(iv) The Company and its ultimate holding company, MSI, each operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the operation of the group comprising the companies and their respective subsidiaries. The financial impact of share options granted under these share option schemes are not recorded in the companies' balance sheets and no charge is recorded in the income statement or balance sheet for their costs. Upon the exercise of share options, the resulting shares issued are recorded by the Company or its ultimate holding company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company or its ultimate holding company in their respective share premium account. Options which are cancelled prior to their exercise date, or which lapse, are deleted from the register of outstanding options.

(u) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

In accordance with the Group's internal financial reporting, the Group has determined that business segments be presented as the primary reporting format and geographical segments as the secondary reporting format.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. Segment revenue, expenses, assets, and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group enterprises within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

Segment assets consist primarily of fixed assets, intangible assets, inventories, work in progress, receivables and operating cash. Segment capital expenditure is the total cost incurred during the period to acquire segment assets (both tangible and intangible) that are expected to be used for more than one year.

Unallocated items mainly comprise financial and corporate assets, interest-bearing loans, borrowings, tax balances, corporate and financing expenses.

Sales are based on the country in which the customer is located. Total assets and capital expenditure are based on where the assets are located.

Notes to Financial Statements

30 November 2005

3. TURNOVER AND REVENUE

The Group is principally engaged in the design and sale of computer software products and the provision of professional and maintenance services for such products. An analysis of the Group's turnover and other revenue is as follows:

	2005 HK$'000	2004 HK$'000
Turnover:		
Sales of computer software licences, software rental and provision of related services	**14,271**	15,250
Provision of maintenance services	**6,332**	6,100
Sales of computer hardware	**1,491**	1,700
	22,094	23,050
Other revenue:		
Bank interest income	**13**	64
Sundry income	**22**	–
	35	64
	22,129	23,114

Notes to Financial Statements

30 November 2005

4. SEGMENT INFORMATION

(a) Business segments

	eFinance		eBusiness		Consolidated	
	2005	2004	**2005**	2004	**2005**	2004
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Turnover	**13,174**	13,108	**8,920**	9,942	**22,094**	23,050
Segment results	**3,175**	3,453	**(330)**	(281)	**2,845**	3,172
Other revenue					**35**	64
Exchange (loss)/gain					**(2,402)**	2,178
Unallocated expenses					**(3,150)**	(3,681)
(Loss)/profit from operating activities					**(2,672)**	1,733
Finance costs					**(1,148)**	(1,169)
(Loss)/profit before taxation					**(3,820)**	564
Taxation					**–**	–
(Loss)/profit for the year					**(3,820)**	564

Notes to Financial Statements

30 November 2005

4. SEGMENT INFORMATION

(b) Geographical segments

The Group's segment turnover, segment profit/(loss), segment assets and capital expenditure for the year, analysed by geographical market, are as follows:

	2005			
	Segment turnover HK$'000	Segment profit/(loss) HK$'000	Segment assets HK$'000	Capital expenditure HK$'000
Hong Kong and other Asian countries	**14,233**	**(1,752)**	**5,747**	**198**
Australia and New Zealand	**7,861**	**(2,068)**	**2,316**	**103**
	22,094	**(3,820)**	**8,063**	**301**

The operation of the Australia and New Zealand segment was ceased on 1 December 2005. The Group have no intention to liquidate the subsidiaries in Australia within the next twelve months of the balance sheet date.

At 30 November 2005, the carrying amount of the total assets and liabilities of the Australia and New Zealand segment were approximately HK$2,316,000 and HK$5,010,000 respectively. During the year, the segment earned turnover from eBusiness of approximately HK$7,861,000, incurred expenses of approximately HK$9,929,000, and incurred a pre-tax operating loss of approximately HK$2,068,000. During the year, Australia and New Zealand segment's cash inflow from operating activities was approximately HK$299,000, cash outflow from investing activities was approximately HK$90,000, and cash outflow from financing activities was approximately HK$90,000.

	2004			
	Segment Turnover HK$'000	Segment profit/(loss) HK$'000	Segment assets HK$'000	Capital expenditure HK$'000
Hong Kong and other Asian countries	14,609	(1,072)	3,764	166
Australia and New Zealand	8,441	1,636	2,080	26
	23,050	564	5,844	192

Notes to Financial Statements

30 November 2005

5. (LOSS)/PROFIT FROM OPERATING ACTIVITIES

	2005 HK$'000	2004 HK$'000
(Loss)/profit from operating activities is stated after charging:		
Auditors' remuneration	**262**	125
Bad debts written off	**11**	–
Provision for doubtful debts	**31**	51
Depreciation on owned assets	**206**	802
Loss on disposal of fixed assets	**8**	53
Operating leases in respect of		
– land and buildings	**793**	982
– plant and equipment	**30**	30
Staff costs (excluding directors' remuneration)		
– salaries and allowances	**14,803**	14,142
– retirement benefit costs	**744**	814
Cost of computer hardware sold	**1,201**	1,502
Exchange loss	**2,402**	–
and after crediting:		
Other income:		
Exchange gain	**–**	2,178
Gain on disposal of a subsidiary	**–**	780
Reversal of provision for doubtful debts	**–**	14
	–	2,972

6. FINANCE COSTS

	2005 HK$'000	2004 HK$'000
Interest on promissory notes		
– wholly repayable within five years	**994**	792
Interest on amount due to the ultimate holding company		
– wholly repayable within five years	**154**	377
	1,148	1,169

Notes to Financial Statements

30 November 2005

7. TAXATION

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

No Australian income tax has been provided by the Australia subsidiaries as they had no estimated assessable profits for the year.

The Group has tax losses arising in Hong Kong of approximately HK$64,812,000 that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised due to the unpredictability of the future profit streams.

The charge for the year can be reconciled to (loss)/profit per consolidated income statement as follows:

	2005 HK$'000		2004 HK$'000	
(Loss)/profit before tax	**(3,820)**		564	
Tax at Hong Kong profits tax rate of 17.5% (2004: 17.5%)	**(669)**	**(17.5%)**	99	17.5%
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(259)**	**(6.8%)**	204	36.3%
Estimated tax effect of income and expenses not taxable or deductible in determining profits tax	**732**	**19.20%**	(855)	(151.7%)
Estimated tax effect of unrecognised temporary differences	**38**	**1%**	93	16.4%
Estimated tax effect of unrecognised tax losses	**432**	**11.3%**	580	102.9%
Estimated tax effect of utilisation of unrecognised tax losses from prior periods	**(274)**	**(7.2%)**	(121)	(21.4%)
Tax expenses and effective tax rate for the year	**–**	**–**	–	–

8. NET LOSS FOR THE YEAR ATTRIBUTABLE TO SHAREHOLDERS

The net loss for the year attributable to shareholders includes a loss of HK$2,074,000 (2004: loss of HK$2,784,000) which has been dealt with in the financial statements of the Company.

Notes to Financial Statements

30 November 2005

9. (LOSS)/EARNINGS PER SHARE

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

	2005	2004
(Loss)/profit for the year for the purpose of basic (loss)/earnings per share *(in HK$'000)*	**(3,820)**	564
Weighted average of ordinary shares for the purpose of basic (loss)/earnings per share	**160,590,967**	160,590,967

No diluted (loss)/earnings per share has been presented as there was no dilutive potential ordinary share during the years ended 30 November 2005 and 2004.

10. DIVIDENDS

The directors do not recommend the payment of any dividend in respect of the year ended 30 November 2005 (2004: Nil).

11. DIRECTORS' AND SENIOR MANAGEMENT EMOLUMENTS

(a) Directors' emoluments

The aggregate amounts of emoluments paid or payable to the directors of the Company during the year are as follows:

	2005 HK$'000	2004 HK$'000
Directors' fees		
Independent non-executive directors	**60**	50
Executive directors:		
– Basic salaries, allowances and benefits in kind	**116**	320
– Contribution to provident fund	**4**	8
	180	378

The emoluments, pension and compensation arrangements paid/payable to the directors and past directors for their services on the Company for the year ended 30 November 2005 were as follows:

Name of Director	**Fees** HK$'000	**Salaries and Allowance** HK$'000	**Contribution to pension scheme** HK$'000	**Total 2005** HK$'000	**Total 2004** HK$'000
Executive Directors					
Terence Chi Yan Hui	–	–	–	–	40
Senan Shiu Lung Yuen	–	116	4	120	288
Independent Non-Executive Directors					
Ronald Kwok Fai Poon	20	–	–	20	20
Clifford Sau Man Ng	20	–	–	20	20
Kwong Sang Liu	20	–	–	20	10

Notes to Financial Statements

30 November 2005

11. DIRECTORS' AND SENIOR MANAGEMENT EMOLUMENTS (CONTINUED)

(a) Directors' emoluments (Continued)

One executive directors received individual emolument of approximately HK$120,000 for the year ended 30 November 2005 (2004: Two executive directors received individual emoluments of approximately HK$288,000 and HK$40,000 respectively).

No directors of the Company waived any emoluments during the years ended 30 November 2005 and 2004.

During the years ended 30 November 2005 and 2004, no emoluments were paid by the Group to the directors as inducement to join or upon joining the Group, or as compensation for loss of office.

During the year, no options were granted to the executive directors under the share option scheme approved by the shareholders of the Company on 22 January 2001. Details of the share option scheme were set out in Note 12 to the financial statements.

(b) Five highest paid individuals

No director of the Company was included in the five highest paid individuals in the Group for the year (2004: Nil). The emoluments payable to the five (2004: five) individuals (the "Employees") during the year are as follows:

	2005	2004
	HK$'000	HK$'000
Basic salaries and allowances	**3,273**	3,317
Contribution to provident fund	**192**	187
	3,465	3,504

During the years ended 30 November 2005 and 2004, no emoluments were paid by the Group to any of the Employees as inducement to join or upon joining the Group.

The number of the Employees whose emoluments fell within the following bands is as follows:

	Number of employees	
	2005	2004
Nil to HK$1,000,000	**4**	4
HK$1,000,001 to HK$1,500,000	**1**	1
	5	5

Notes to Financial Statements

30 November 2005

12. EMPLOYEE BENEFITS

Retirement Benefit 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 rules of the MPF Scheme, 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$20,000. No forfeited contribution is available to reduce the contribution payable in the future years. Contributions to the scheme vest immediately. Contributions totalling HK$34,000 (2004: HK$32,000) were payable to the funds at year end and are included in other payables.

The Group participated in a defined contribution retirement scheme for its employees in Australia. The assets of the scheme are held separately from those of the Group. Contributions to the scheme by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to the income statement represents contributions payable by the Group to the funds and is expensed as incurred.

In the opinion of the directors of the Company, the Group did not have any significant contingent liabilities as at 30 November 2005 in respect of the retirement of its employees.

Equity compensation benefits

Share Option

On 22 January 2001, the shareholders of the Company approved a share option scheme (the "Scheme") under which its board of directors may, at its discretion, invite full-time employees of the Company or any of its subsidiaries, including directors, who spend not less than twenty-five hours per week in providing services to the Group, to take up options to subscribe for ordinary shares in the Company. The maximum number of shares in respect of which options may be granted under the Scheme shall not exceed 10% of the issued share capital of the Company from time to time. No employee can be granted an option under the Scheme which, if exercised in full, would result in such an employee becoming entitled to subscribe for such number of shares that would exceed 25% of the aggregate number of shares for the time being issued and issuable under the Scheme. The subscription price will be determined by the Company's board of directors and will be the highest of (i) the nominal value of the shares, (ii) the quoted closing price of the Company's shares on the trade day immediately preceding the date of offer of the options, and (iii) the average of the quoted closing price of the Company's shares for the five trading days immediately preceding the date of offer of the options. The Scheme was adopted on 22 January 2001 (the "Adoption Date") and is valid and effective for a period of ten years commencing on the Adoption Date. Any options granted under the Scheme expire ten years from the date of grant and are exercisable over four years, with one quarter exercisable on each anniversary date from the date of grant. A nominal value of HK$1.00 is payable on acceptance of each grant of options.

Notes to Financial Statements

30 November 2005

12. EMPLOYEE BENEFITS (CONTINUED)

Equity compensation benefits (Continued)

Share Option (Continued)

No further options can be granted under the Scheme until the new requirements of Chapter 23 of the GEM Listing Rules are complied with.

Details of the share options granted by the Company pursuant to the Scheme and the options outstanding as at 30 November 2005 were as follows:

	Date of grant	Exercise price	Exercisable period	Options held as at 1 December 2004	Lapsed during the year	Options held as at 30 November 2005
Executive directors	17 April 2001	HK$3.625	17 April 2002 to 16 April 2011	670,080	(190,080)	480,000
	28 May 2001	HK$4.675	28 May 2002 to 27 May 2011	67,008	(19,008)	48,000
Continuous contracts employees	17 April 2001	HK$3.625	17 April 2002 to 16 April 2011	1,741,999	(338,899)	1,403,100
	28 May 2001	HK$4.675	28 May 2002 to 27 May 2011	159,510	(33,314)	126,196

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.

The exercise in full of the above options outstanding as at 30 November 2005 would, under the present capital structure of the Company, result in the issue of 2,057,296 additional ordinary shares of HK$0.10 each.

Notes to Financial Statements

30 November 2005

13. FIXED ASSETS

	Leasehold Improvements HK$'000	Furniture and fixtures HK$'000	Office equipment HK$'000	Total HK$'000
Group				
Cost:				
At 1 December 2004	153	956	7,829	8,938
Additions	72	1	228	301
Disposals	(18)	(20)	(1,235)	(1,273)
Exchange difference	(1)	(41)	(176)	(218)
At 30 November 2005	**206**	**896**	**6,646**	**7,748**
Accumulated depreciation:				
At 1 December 2004	28	860	7,721	8,609
Charge for the year	61	62	83	206
On disposal written back	(18)	(12)	(1,235)	(1,265)
Exchange difference	(1)	(35)	(174)	(210)
At 30 November 2005	**70**	**875**	**6,395**	**7,340**
Net book value:				
At 30 November 2005	**136**	**21**	**251**	**408**
At 30 November 2004	125	96	108	329

Notes to Financial Statements

30 November 2005

14. INVESTMENTS IN SUBSIDIARIES

	Company	
	2005	2004
	HK$'000	HK$'000
Unlisted shares, at cost	**61,686**	61,676
Less: Impairment loss recognised	**61,686**	(61,676)
	–	–
Amounts due from subsidiaries	**98,892**	98,662
Less: provision	**(98,892)**	(98,662)
	–	–
	–	–

The amounts due from subsidiaries are unsecured and interest free.

Particulars of subsidiaries as at 30 November 2005 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 Directly	Indirectly	Principal activities
abc Multiactive (Hong Kong) Limited	Hong Kong	300,000 ordinary shares of HK$1.00 each	100%	–	Design and sales of computer software products and provision of professional and maintenance services
Maximizer Asia Limited	Hong Kong	10,000 ordinary shares of HK$1.00 each	100%	–	Sales of computer software products and provision of professional and maintenance services
Multiactive Software Pty. Limited	Australia	100,000 ordinary shares of A$1.00 each	99.99%	0.01%	Investment holding
Maximizer Software Pty. Limited	Australia	1 ordinary share of A$1.00 each	–	100%	Sales of computer software products and provision of professional and maintenance services

Notes to Financial Statements

30 November 2005

15. INVENTORIES

Group

Inventories represent merchandise. As at 30 November 2005, no inventories are stated at net realisable value (2004: HK$50,000).

16. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2005	2004	**2005**	2004
	HK$'000	HK$'000	**HK$'000**	HK$'000
Trade receivables *(Note)*	**2,483**	1,914	**–**	–
Prepayments and deposits	**802**	977	**9**	8
	3,285	2,891	**9**	8

Note: As at 30 November 2005, the aging analysis of the trade receivables was as follows:

	Group		Company	
	2005	2004	**2005**	2004
	HK$'000	HK$'000	**HK$'000**	HK$'000
Current	**1,474**	1,075	**–**	–
31 – 60 days	**869**	676	**–**	–
61 – 90 days	**87**	76	**–**	–
Over 90 days	**53**	87	**–**	–
	2,483	1,914	**–**	–

17. TRADE AND OTHER PAYABLES

	Group		Company	
	2005	2004	**2005**	2004
	HK$'000	HK$'000	**HK$'000**	HK$'000
Accruals	**5,027**	4,212	**3,481**	2,505
Receipt in advance	**1,492**	2,241	**–**	–
Other payables	**1,067**	849	**–**	–
	7,586	7,302	**3,481**	2,505

Notes to Financial Statements

30 November 2005

18. PROMISSORY NOTES PAYABLE TO A SHAREHOLDER/RELATED COMPANY

As at 30 November 2005, the promissory note of HK$9,500,000 payable to the shareholder and the promissory note of HK$4,634,000 payable to the related company are interest bearing at Hong Kong prime rate and are repayable on 22 May 2007 and 21 May 2007 respectively. Another promissory note of HK$3,000,000 was issued on 30 November 2005 to the shareholder with interest bearing at Hong Kong prime rate. The shareholder and the related company have confirmed that the promissory notes in the amount of HK$12,500,000 and HK$4,634,000 respectively will not be repayable within the next twelve months of the balance sheet date.

19. AMOUNT DUE TO THE ULTIMATE HOLDING COMPANY

The amount due to the ultimate holding company mainly represents payables for development costs, purchases of software merchandise, royalty fee and expenses paid on behalf of the Group. The balance due is unsecured and HK$3,162,000 of which carries interest at the annual Canadian prime rate as quoted by the Hong Kong and Shanghai Banking Corporation Limited plus 2% compounded monthly (2004: Annual Canadian prime rate as quoted by the Hong Kong and Shanghai Banking Corporation Limited plus 2% compounded monthly). The ultimate holding company has confirmed that it will not demand repayment within the next twelve months of the balance sheet date.

20. SHARE CAPITAL

	Ordinary shares Number of shares	**Amount** HK$'000
Authorised:		
At 1 December 2003, ordinary shares of HK$0.01 each	100,000,000,000	1,000,000
Share consolidation *(Note)*	(90,000,000,000)	–
At 30 November 2004 and 30 November 2005, ordinary shares of HK$0.10 each	**10,000,000,000**	**1,000,000**

	Ordinary shares Number of shares	HK$'000
Issued and fully paid:		
At 1 December 2003 ordinary shares of HK$0.01 each	1,605,909,668	16,059
Share consolidation *(Note)*	(1,445,318,701)	–
At 30 November 2004 and 30 November 2005 ordinary shares of HK$0.10 each	**160,590,967**	**16,059**

Notes to Financial Statements

30 November 2005

20. SHARE CAPITAL (CONTINUED)

Note:

Pursuant to a resolution in writing of the shareholders of the Company on 6 January 2004, every ten of the authorised, issued and unissued ordinary shares of HK$0.01 each in the share capital of the Company were consolidated into one share of HK$0.10 each.

The Company operates a share option scheme further details of which are set out under the heading "Equity Compensation Benefits" in Note 12 to the financial statements.

21. RESERVES

Group

(a) The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 28 of the financial statements.

(b) The contributed surplus arises from a share for share exchange in acquiring a subsidiary. The amount represents the difference between the nominal value of the Company's shares issued and the fair value of net assets of the subsidiary. Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus shall not be distributed to the shareholders if there are reasonable grounds for believing that:

(i) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or

(ii) the realisable value of the Company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.

Company

	Share premium	Contributed surplus	Accumulated losses	Total
	HK$'000	HK$'000	HK$'000	HK$'000
At 1 December 2003	106,118	37,600	(172,608)	(28,890)
Loss for the year	–	–	(2,784)	(2,784)
At 30 November 2004 and 1 December 2004	106,118	37,600	(175,392)	(31,674)
Loss for the year	–	–	(2,074)	(2,074)
At 30 November 2005	106,118	37,600	(177,466)	(33,748)

The Company's contributed surplus arises from a share for share exchange in acquiring a subsidiary referred to Note 21(b) to the financial statements.

Notes to Financial Statements

30 November 2005

22. OPERATING LEASES COMMITMENTS

Group

The Group leases its office and certain office equipment under operating leases arrangements. Leases and rentals for its office were negotiated and fixed for a term of two to four years.

As at 30 November 2005, the Group had total future aggregate minimum lease payments under non-cancellable operating leases in respect of land and buildings and office equipment falling due as follows:

	2005	2004
	HK$'000	HK$'000
Within one year	**723**	756
In the second to fifth years, inclusive	**554**	1,149
	1,277	1,905

Company

The Company did not have significant operating lease commitment as at 30 November 2005.

23. DISPOSAL OF A SUBSIDIARY

In previous year ended 30 November 2004, abc Multiactive (Singapore) Pte. Limited was wound up. The effect of the disposal of the subsidiary on the financial statements is as follows:

Net liabilities disposed of:

	2005	2004
	HK$'000	HK$'000
Other current assets	**–**	104
Cash and bank balances	**–**	13
Trade and other payables	**–**	(781)
Amount due to the ultimate holding company	**–**	(170)
Exchange different arising on translation of an overseas subsidiary	**–**	54
	–	(780)
Gain on disposal of a subsidiary	**–**	780
	–	–

Analysis of the net outflow in respect of the disposal of the subsidiary:

Cash and bank balances disposed of	**–**	(13)

The results of the subsidiary disposed of in prior year had no significant impact on the Group's turnover or profit after tax for prior year.

Notes to Financial Statements

30 November 2005

24. MATERIAL RELATED PARTY TRANSACTIONS

In additions to the transactions and balances detailed elsewhere in the financial statements, during the year, the Group had entered into the following significant related party transactions which were carried out on normal commercial terms and in the normal course of the Group's business:

	2005	2004
	HK$'000	HK$'000
Software merchandises purchased from MSI for resale *(Note a)*	**1,504**	2,329
Interest payable to a shareholder on promissory notes payable *(Note 18)*	**682**	543
Interest payable to a related company on promissory note payable *(Note 18)*	**312**	249
Interest payable to MSI *(Note 19)*	**154**	377
Over-provision of royalty expenses	**–**	590
Over-provision of products costs *(Note b)*	**1,110**	–
Over-provision of interest expenses *(Note b)*	**102**	–

Notes:

(a) The Group purchased software merchandise, in the normal course of business, from MSI for re-sale in accordance with a Products Sales Agreement and a Supplemental Products Sales Agreement entered into by the Company and its ultimate holding company on 5 February 2004 and 28 June 2004 respectively.

(b) Being reversal of product costs and interest expenses accrued in prior years.

Mr. Terence Chi Yan Hui had interests in the transactions with MSI to the extent that he is the chairman of MSI and that approximately 70% of the issued shares of MSI are indirectly owned by his family through a trust agreement, partnership interest and personal holdings.

25. CONTINGENT LIABILITIES

Group

As at 30 November 2005, 23 (2004: 17) employees have 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 30 November 2005, the estimated liabilities not provided for in the financial statements for such purpose amounted to HK$1,180,000 (2004: HK$1,134,000).

Company

The Company had no material contingent liabilities as at 30 November 2005.

Notes to Financial Statements

30 November 2005

26. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

27. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 21 February 2006.

Financial Summary

Five Year Financial Summary

The following table summarised the audited results, assets and liabilities of the Group for the four years ended 30 November 2005, 2004, 2003 and 2002, and the pro forma unaudited results, assets and liabilities of the Group for the year ended 30 November 2001. The pro forma unaudited results, assets and liabilities were presented on a combined basis as if the current group structure had been in existence throughout the year ended 30 November 2001, except for abc Multiactive (Hong Kong) Limited, which was acquired by the Company with effect from 1 March 2000 for cash and other considerations and its results are consolidated by the Company with effect from 1 March 2000.

Results

	Year ended 30 November				
	2001	2002	2003	2004	**2005**
	HK$'000	HK$'000	HK$'000	HK$'000	**HK$'000**
	(Pro forma unaudited)	(Audited)	(Audited)	(Audited)	**(Audited)**
Turnover	30,307	25,668	22,567	23,050	**22,094**
Net (loss)/profit for the year	(96,105)	(38,281)	7,788	564	**(3,820)**

Assets and Liabilities

	As at 30 November				
	2001	2002	2003	2004	**2005**
	HK$'000	HK$'000	HK$'000	HK$'000	**HK$'000**
	(Pro forma unaudited)	(Audited)	(Audited)	(Audited)	**(Audited)**
Total assets	49,391	7,583	8,372	5,844	**8,063**
Total liabilities	(29,631)	(29,048)	(30,813)	(30,493)	**(34,269)**
Shareholders' funds/(deficits)	19,760	(21,465)	(22,441)	(24,649)	**(26,206)**

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of abc Multiactive Limited (the "Company") will be held at 17/F, Regent Centre, 88 Queen's Road, Central, Hong Kong on 28 March 2006, Tuesday, at 10:30 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and auditors for the year ended 30 November 2005;

2. To re-elect retiring directors and authorise the board of directors to fix their remuneration;

3. To re-appoint auditors and to authorise the board of directors to fix their remuneration;

   and, as special business, to consider and, if thought fit, to pass the following resolutions as ordinary resolutions of the Company:

4. "**THAT**

   (i) subject to paragraph (iii) of this resolution, pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market ("GEM") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares) which might require the exercise of such powers be and is hereby generally and unconditionally approved;

   (ii) the approval in paragraph (i) of this resolution shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;

   (iii) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (i) of this resolution, otherwise than pursuant to (a) a Rights Issue (as defined below), (b) the exercise of warrants to subscribe for shares of the Company or the exercise of options granted under any ordinary share option scheme adopted by the Company, or (c) an issue of shares of the Company in lieu of whole or part of a dividend on shares of the Company in accordance with the bye-laws of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution and this approval shall be limited accordingly; and

Notice of Annual General Meeting

(iv) for the purpose of this resolution:

"Relevant Period" means the period from the date of this resolution until whichever is the earliest of:

(a) the conclusion of the next annual general meeting of the Company;

(b) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or the Company Act 1981 of Bermuda (as amended) or any applicable laws to be held; and

(c) the date on which the authority sets out in this resolution is revoked or varied by an ordinary resolution in general meeting.

"Rights Issue" means offer of shares of the Company open for a period fixed by the directors of the Company to holders of shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to overseas shareholders or fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory outside Hong Kong)."

5. "**THAT**

(i) subject to paragraph (ii) of this resolution, the exercise by the directors of the Company during the Relevant Period (as defined below) of all powers of the Company to repurchase issued shares in the capital of the Company on GEM or any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, subject to and in connection with all applicable laws and/or the requirements of the Rules Governing the Listing of Securities on GEM or of any other stock exchange as amended from time to time, be and the same is hereby generally and unconditionally approved;

(ii) the aggregate nominal amount of shares of the Company which the Company is authorised to repurchase pursuant to the approval in paragraph (i) of this resolution shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution, and this approval shall be limited accordingly; and

Notice of Annual General Meeting

(iii) for the purpose of this resolution:

"Relevant Period" means the period from the passing of this resolution until whichever is the earliest of:

(a) the conclusion of the next annual general meeting of the Company;

(b) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or the Company Act 1981 of Bermuda (as amended) or any applicable laws to be held; and

(c) the date on which the authority sets out for this resolution is revoked or varied by an ordinary resolution in general meeting."

6. "**THAT** conditional upon ordinary resolutions nos. 4 and 5 above being passed, the aggregate nominal amount of shares of the Company which are repurchased by the Company under the authority granted to the directors of the Company as mentioned in ordinary resolution no. 5 above shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to ordinary resolution no. 4 above."

and, as special business, to consider and, if thought fit, pass the following resolution as a special resolution of the Company:

7. "**THAT** the bye-laws of the Company be amended as follows:

By deleting the first sentence of the existing Bye-law 87(1) and substituting there for the following new sentence:

"87 (1) Notwithstanding any other provisions in the Bye-laws, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one to third) shall retire from office by rotation such that each Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years at the annual general meeting."

and that the directors of the Company be and are hereby authorised generally to do all such acts, deeds and things as they shall, in their absolute discretion, deem appropriate or necessary to effect, implement and complete any of the foregoing.

Notice of Annual General Meeting

8. To transact any other ordinary business of the Company.

By Order of the Board
Cheung Siu Leong
Company Secretary

Hong Kong, 21 February 2006

Head Office and Principal Place of Business:
17/F, Regent Centre
88 Queen's Road Central
Hong Kong

Registered Office:
Clarendon House
2 Church Streets
Hamilton HM11
Bermuda

As at the date of this Notice of Annual General Meeting, 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)*

Notes:

(i) A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint another person as his proxy to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.

(ii) In order to be valid, the proxy form together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Abacus Share Registrars Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for the meeting or any adjourned meeting.

(iii) Delivery of an instrument appointing a proxy should not preclude a member form attending and voting in person at the meeting and in such event, the instrument appointing a proxy shall be deemed to be revoked.

(iv) An explanatory statement containing further details regarding ordinary resolutions no. 4 to 6 and special resolution no. 7 as required by the Rules Governing the Listing of Securities on GEM will be dispatched to the members of the Company together with the annual report of the Company for the year ended 30 November 2005.