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• 1st Quarterly Report 2006 •

abc *multi* **active**

abc Multiactive Limited

(Incorporated in Bermuda with limited liability)

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

RESULTS

The board of directors (the "Board") of abc Multiactive Limited (the "Company") presents the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the three months ended 28th February 2006, together with comparative figures:

		Unaudited	
		For the three months ended	
	<i>Note</i>	28th February 2006 HK\$'000	28th February 2005 HK\$'000
Turnover	3	3,260	5,672
Cost of sales		(1,292)	(2,724)
Gross profit		1,968	2,948
Other revenue	3	16	2
Software research and development expenses		(1,117)	(1,042)
Royalty expenses		(28)	(66)
Selling and marketing expenses		(491)	(904)
Administrative expenses		(966)	(1,737)
Unrealised exchange gain		78	459
Operating loss	4	(540)	(340)
Finance costs	5	(378)	(255)
Loss before taxation		(918)	(595)
Taxation	6	-	-
Loss for the period		(918)	(595)
		HK cents	<i>HK cents</i>
Basic loss per share	7	(0.57)	(0.37)



NOTES:

1. Basis of presentation

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

The unaudited consolidated results for the three months ended 28th February 2006 have not been audited by the Company's auditors, but have been reviewed by the Company's audit committee.

The accounting policies and basis of preparation used in the preparation of the unaudited consolidated results are consistent with those used in the Company's annual financial statements for the year ended 30th November 2005, except for the adoption of certain new and revised Hong Kong Financial Reporting Standards ("HKFRS") and Hong Kong Accounting Standards ("HKAS") as disclosed in note 2 below.

2. Impact of new HKFRSs and HKASs

The Hong Kong Institute of Certified Public Accountants ("HKICPA") has issued a number of new and revised HKFRSs and HKASs which are effective for accounting periods commencing on or after 1st January 2005. The Group has adopted, for the first time, the following HKFRSs and HKASs issued up to 28th February 2006, which are pertinent to its operations and have had significant effect on these unaudited quarterly financial statements.

HKAS 1	Presentation of Financial Statements
HKAS 2	Inventories
HKAS 7	Cash Flows Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Events after the Balance Sheet Date
HKAS 11	Construction Contracts
HKAS 12	Income Taxes
HKAS 14	Segment Reporting
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 18	Revenue
HKAS 19	Employee Benefits
HKAS 21	The Effects of Changes in Foreign Exchange Rates

HKAS 23	Borrowing Costs
HKAS 24	Related Party Disclosures
HKAS 26	Accounting and Reporting by Retirement Benefit Plans
HKAS 27	Consolidated and Separate Financial Statements
HKAS 32	Financial Instruments: Disclosure and Presentation
HKAS 33	Earnings Per Share
HKAS 34	Interim Financial Reporting
HKAS 36	Impairment of Assets
HKAS 37	Provisions, Contingent Liabilities and Contingent Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKFRS 2	Share-based Payment
HKFRS 3	Business Combinations
HKFRS 5	Non-current Assets Held for Sale and Discontinued Operations

The adoption of above HKASs and HKFRSs do not result in substantial changes to the Group's accounting policies. In summary:

HKAS 1 affects certain presentation and disclosure of the accounts;

HKASs 8, 16, 19, 24, 27, 32, 33, 39, HKFRS 2 and HKFRS 5 affect certain disclosure of the accounts; and

HKASs 2, 7, 10, 11, 12, 14, 17, 18, 21, 23, 26, 31, 34, 36, 37 and HKFRS 3 do not have any impact as the Group's accounting policies already comply with those standards.

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. Revenue recognised during the period are as follows:

	Unaudited	
	For the three months ended	
	28th February 2006 HK\$'000	28th February 2005 HK\$'000
Turnover		
Sales of computer software licences, Software rental and provision of related services	1,687	3,271
Provision of maintenance services	1,182	1,695
Sales of computer hardware	391	706
	<hr/> 3,260 <hr/>	<hr/> 5,672 <hr/>
Other revenue		
Bank interest income	5	2
Sundry income	11	–
	<hr/> 16 <hr/>	<hr/> 2 <hr/>
Total revenue	<hr/> 3,276 <hr/>	<hr/> 5,674 <hr/>

4. Operating loss

	Unaudited	
	For the three months ended	
	28th February 2006 HK\$'000	28th February 2005 HK\$'000
Operating loss is stated after charging the following:		
Bad debts written off	69	–
Provision for doubtful debts	9	11
Depreciation on owned assets	31	51
Operating leases in respect of		
– land and buildings	134	211
– plant and equipment	8	8
Staff costs (excluding directors' remuneration)		
– Salaries and allowances	2,584	3,464
– Retirement benefit costs	102	181
Cost of computer hardware sold	260	642
	<u> </u>	<u> </u>
And after crediting:		
Unrealised exchange gain	78	459
Reversal of provision for doubtful debts	26	36
	<u> </u>	<u> </u>

5. Finance costs

	Unaudited	
	For the three months ended	
	28th February 2006 HK\$'000	28th February 2005 HK\$'000
Interest on promissory note		
– wholly repayable within five years	330	200
Interest on amount due to the ultimate holding company		
– wholly repayable within five years	48	55
	<u> </u>	<u> </u>
	<u>378</u>	<u>255</u>

6. Taxation

No provision for Hong Kong profits tax has been made as the Group had either no estimated assessable profits or had tax losses brought forward to set off the estimated assessable profit for the period (2005: Nil).

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

The potential unaudited deferred tax asset of HK\$15,853,000 (As at 28th February 2005: HK\$14,703,000) relating to tax losses available for carry forward and other timing differences as at 28th February 2006 has not been recognised due to the unpredictability of the future profit streams.

7. Basic loss per share

The calculation of basic loss per share for the three months ended 28th February 2006 was based on the unaudited net loss for the period of approximately HK\$918,000 (For the three months ended 28th February 2005 unaudited net loss: HK\$595,000) and the weighted average of 160,590,967 (2005: 160,590,967) ordinary shares of HK\$0.10 each in issue during the period.

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

8. Movements of reserves

	Group				
	(Unaudited) Share premium <i>HK\$'000</i>	(Unaudited) Contributed surplus <i>HK\$'000</i>	(Unaudited) Exchange difference <i>HK\$'000</i>	(Unaudited) Accumulated losses <i>HK\$'000</i>	(Unaudited) Total <i>HK\$'000</i>
As at 1st December 2004	106,118	37,600	(13,279)	(171,147)	(40,708)
Exchange difference	-	-	(216)	-	(216)
Loss for the period	-	-	-	(595)	(595)
	<u>106,118</u>	<u>37,600</u>	<u>(13,495)</u>	<u>(171,742)</u>	<u>(41,519)</u>
As at 28th February 2005	106,118	37,600	(11,016)	(174,967)	(42,265)
Exchange difference	-	-	(201)	-	(201)
Loss for the period	-	-	-	(918)	(918)
	<u>106,118</u>	<u>37,600</u>	<u>(11,217)</u>	<u>(175,885)</u>	<u>(43,384)</u>

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the three months ended 28th February 2006 (2005: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

The Group recorded an unaudited turnover of approximately HK\$3,260,000 for the three months ended 28th February 2006, a 43% decrease from approximately HK\$5,672,000 for the corresponding period of the previous year. On 1st December 2005, the Group had ceased its Australia operation that resulted a decrease in sales of its CRM solutions of HK\$1,779,000 in the current period compared to last year corresponding period. Of the total unaudited turnover amount, HK\$1,687,000 or 52% was generated from software license sales and professional service income, HK\$391,000 or 12% was generated from computer hardware sales and HK\$1,182,000 or 36% was generated from maintenance services. As at 28th February 2006, the Group had approximately HK\$6,937,000 worth of contracts that were in progress. The unaudited net loss attributable to shareholders for the three months ended 28th February 2006 was HK\$918,000 whereas the Group recorded an unaudited net loss of approximately HK\$595,000 for the same period of the previous year.

The unaudited operating expenditures amounted to HK\$2,574,000 for the three months ended 28th February 2006, a 30% decrease from HK\$3,683,000 for the corresponding period of the previous year. For the same period of previous year, the Group's Australia operation was recorded its unaudited operating expenditures of approximately HK\$1,280,000, excluded the effect from cessation of Australia operation, the Group's operating expenditures for the current period are stable.

As most of the fixed asset in the Group was fully depreciated in previous years, unaudited depreciation expenses decreased from approximately HK\$51,000 for the three months ended 28th February 2005 to approximately HK\$31,000 in the current period.

During the current period, the Group invested approximately HK\$1,117,000 in developing new modules for its OCTO Straight Through Processing ("STP") system.

As at 28th February 2006, a provision of approximately HK\$1,481,000 was made for long outstanding trade receivables. The directors were uncertain whether the amount would ultimately be collected and considered that it was prudent to make such a provision.

As a result of ceased the Group's Australia operation, total unaudited staff costs (excluding directors' remuneration) has reduced to approximately HK\$2,686,000 for the three months ended 28th February 2006, a 26% decrease from approximately HK\$3,645,000 for the previous period. The unaudited staff cost for the Group's Australia operation in the first quarter of last year is HK\$1,179,000.

Liquidity and Financial Resources

The Group operates a conservative set of treasury policies to ensure that no unnecessary risks are taken with the Group's assets. No investments other than cash and other short-term bank deposits are currently permitted.

As at 28th February 2006, the Group had outstanding borrowings of approximately HK\$5,441,000 representing a current account with Maximizer Software Inc., the ultimate holding company, which was unsecured and interest bearing at the annual Canadian prime rate as quoted by the Hong Kong and Shanghai Banking Corporation Limited plus 2% compounded monthly (Maximizer Software Inc. has confirmed that it will not demand repayment of the current account within twelve months from 30th November 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 22nd 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 30th 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 21st May 2007. The Group expresses its gearing ratio as a percentage of borrowings and long term debts over total assets. As at 28th February 2006, the Group's gearing ratio was 3.92.

Pledge of Assets

The Group did not have any mortgage or charge as at 28th February 2006.

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

As at 28th February 2006, 24 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. As at 28th February 2006, the unaudited estimated contingent liabilities not provided for in the accounts for such purpose amounted to HK\$1,210,000.

Significant Investments

The Group has not held any significant investment for the three months ended 28th February 2006 and made no material acquisitions or disposals during the current period.

Major Events

As at 28th February 2006, 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.

Pension Scheme

Effective from 1st 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. For the three months ended 28th February 2006, the retirement benefit scheme contributions borne by the Group amounted to HK\$102,000 (2005: HK\$181,000). 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.

Share Option

On 22nd 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 22nd 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.

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 28th February 2006 were as follows:

	Date of grant	Exercis price	Exercisable period	Options held as at 1st December 2005	Lapsed during the period	Options held as at 28th February 2006
Executive directors	17th April 2001	HK\$3.625	17th April 2002 to 16 April 2011	480,000	-	480,000
	28th May 2001	HK\$4.675	28th May 2002 to 27 May 2011	48,000	-	48,000
Continuous contracts employees	17th April 2001	HK\$3.625	17th April 2002 to 16 April 2011	1,403,100	(5,760)	1,397,340
	28th May 2001	HK\$4.675	28th May 2002 to 27 May 2011	126,196	(576)	125,620

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 28th February 2006 would, under the present capital structure of the Company, result in the issue of 2,050,960 additional ordinary shares of HK\$0.10 each.

Operation Review

For the three months ended 28th February 2006, e-finance unaudited turnover decreased to HK\$3,006,000 a 19% decrease compared to HK\$3,713,000 for the corresponding period of the previous year. During the current period, the Group continued to enhance the features of its OCTO STP system and worked on new marketing schemes to drive sales. As a result, e-finance was able to sign the three new contracts from two local brokerage houses and one oversea brokerage house to implement its OCTO STP solution during the current period.

For the three months ended 28th February 2006, e-business unaudited turnover is HK\$254,000 a 87% decrease compared to HK\$1,959,000 for the same period of the previous year. On 1 December 2005, the Group had ceased its CRM operation in Australia and maintains only Hong Kong operation to focus on developing CRM market in Greater China region and other Asian countries. During the current period, the newly version of Maximizer 9 and Maximizer Enterprise 9.0 were launch in the market, the Group continues to focus the marketing activities in the region and appointing additional resellers in the region to build up a stronger and comprehensive reseller channel. For the first quarter of previous year, unaudited CRM turnover for Australia region are recorded HK\$1,779,000.

Prospects

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

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

At 28th February 2006, the interests and short positions of the directors and chief executives in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") as recorded in the register required to be kept under Section 352 of SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Rule 5.46 of the GEM Listing Rules were as follows:

Long positions in shares

(a) *The Company:*

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

Note:

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

(b) *Associated Corporation:*

Name of director	Number of common shares in Maximizer Software Inc.			Total	Percentage of issued share capital
	Personal interests	Family interests	Corporate interests		
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)

Name	Date of grant	Exercise price	Exercisable period	Number of options		
				At 1st	At 28th	
				December 2005	Granted	February 2006
Director						
Mr. Terence Chi Yan Hui	17th April 2001	HK\$3.625	17th April 2002 to 16th April 2011	480,000	-	480,000
	28th May 2001	HK\$4.675	28th May 2002 to 27th May 2011	48,000	-	48,000
Chief Executive						
Mr. Samson Chi Yang Hui	17th April 2001	HK\$3.625	17th April 2002 to 16th April 2011	190,080	-	190,080
	28th May 2001	HK\$4.675	28th May 2002 to 27th May 2011	19,008	-	19,008

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

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

(b) *Associated Corporation:*

Options in Maximizer Software Inc.

(Unlisted and physically settled equity derivatives)

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

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

Long positions in debentures

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

Short positions in shares

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

Short positions in underlying shares

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

Short positions in debentures

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

Save as disclosed above, as at 28th February 2006, none of the directors nor the chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register kept by the Company under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 of the GEM Listing Rules.

INTERESTS DISCLOSEABLE UNDER THE SFO AND SUBSTANTIAL SHAREHOLDER

At 28th February 2006, the following persons (other than the directors and chief executive of the Company) had interests and short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

Long positions in shares

Name	Capacity	Nature of interest	Number of ordinary shares	Percentage of issued share capital
Maximizer International Limited <i>(Note 1)</i>	Beneficial owner	Corporate	90,534,400	56.38%
Maximizer Software Inc. <i>(Note 1)</i>	Interest of a controlled corporation	Corporate	90,534,400	56.38%
The City Place Trust <i>(Note 2)</i>	Trustee	Corporate	99,201,110	61.78%
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 directly holds 8,666,710 shares of the Company.

Long positions in underlying shares

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

Short positions in shares

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

Short positions in underlying shares

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

Save as disclosed above, as at 28th February 2006, the directors or chief executive of the Company were not aware of any other person (other than the directors or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO.

AUDIT COMMITTEE

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

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

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

The Group's unaudited consolidated results for the three months ended 28th February 2006 have been reviewed by the audit committee, which was of the opinion that the preparation of such results complied with the applicable accounting standard and requirements and that adequate disclosures have been made.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the three months ended 28th February 2006, the Company has not redeemed any of its listed securities. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the period.

By order of the Board
Terence Chi Yan Hui
Chairman

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

Mr. Terence Chi Yan HUI	<i>(Executive Director)</i>
Mr. Joseph Chi Ho HUI	<i>(Executive Director)</i>
Mr. Kau Mo HUI	<i>(Non-executive Director)</i>
Mr. Ronald Kwok Fai POON	<i>(Independent Non-executive Director)</i>
Mr. Clifford Sau Man NG	<i>(Independent Non-executive Director)</i>
Mr. Kwong Sang LIU	<i>(Independent Non-executive Director)</i>

Hong Kong, 13th April 2006