



FIRST QUARTERLY REPORT 2012

abc*multiactive*

abc Multiactive Limited

(Incorporated in Bermuda with limited liability)

Stock code:8131

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

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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 the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquires, confirm that, to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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 29 February 2012, together with the comparative figures:

		(Unaudited)	
		For the three months ended	
		29 February 2012	28 February 2011
		HK\$'000	HK\$'000
	Notes		
Turnover	3	3,791	4,024
Cost of sales		(483)	(971)
Gross profit		3,308	3,053
Other revenue	3	-	-
Software research and development expenses		(1,672)	(2,151)
Selling and marketing expenses		(258)	(337)
Administrative expenses		(1,906)	(2,008)
Loss from operating activities	4	(528)	(1,443)
Finance costs	5	(544)	(486)
Loss before taxation		(1,072)	(1,929)
Taxation	6	-	-
Loss for the period		(1,072)	(1,929)
Other comprehensive income, net of tax:			
Exchange differences on translating foreign operations		(277)	(185)
Other comprehensive loss for the period, net of tax		(277)	(185)



(Unaudited)

For the three months ended

	29 February 2012	28 February 2011
Notes	HK\$'000	HK\$'000
Total comprehensive loss for the period	(1,349)	(2,114)
Loss for the period attributable to owners of the Company	(1,072)	(1,929)
Total comprehensive loss for the period attributable to owners of the Company	(1,349)	(2,114)
Loss per share		
– Basic and diluted	7 HK(0.67) cents	HK(1.20) cents



NOTES:

1. BASIC OF PREPARATION

The unaudited accounts have been prepared in accordance with accounting principles generally accepted in Hong Kong and complied 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 29 February 2012 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 30 November 2011, 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 ON 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 1 January 2011. The Group has adopted, for the first time for the current year's financial statements. Except for in certain cases, giving rise to new and revised accounting policies and additional disclosures, the adoption of these new and revised standards and interpretation has had no material effect on these financial statements.

Changes in accounting policies

HKFRSs and HKASs that are effective for the three months ended 29 February 2012:

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010 ¹
HKFRS 1 (Amendment)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters ²
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets ²
HKAS 24 (Revised)	Related Party Disclosures ¹
HK(IFRIC) – Int 14 (Amendments)	Prepayment of a Minimum Funding Requirement ¹

¹ Effective for annual periods beginning on or after 1 January 2011

² Effective for annual periods beginning on or after 1 July 2011

3. TURNOVER AND OTHER REVENUE

The Group is principally engaged in the designing and sale of computer software and the provision of professional and maintenance services for such products. All significant intra-group transactions have been eliminated on consolidation.



An analysis of the Group's turnover and other revenue is as follows:

	(Unaudited)	
	For the three months ended	
	29 February 2012 HK\$'000	28 February 2011 HK\$'000
Turnover		
Sales of computer software licences, software rental and provision of related services	1,894	2,067
Provision of maintenance services	1,781	1,848
Sales of computer hardware	116	109
	3,791	4,024
Other revenue		
Interest income on bank deposits	-	-

4. LOSS FROM OPERATING ACTIVITIES

	(Unaudited)	
	For the three months ended	
	29 February 2012 HK\$'000	28 February 2011 HK\$'000
Loss from operating activities is stated at after charging:		
Depreciation on owned property, plant and equipment	48	57
Exchange loss	348	438
Operating leases payments in respect of		
– land and buildings	400	397
– plant and equipment	8	8
Staff costs (excluding directors' remuneration)		
– salaries and allowances	2,794	3,698
– retirement benefit costs	95	114
Cost of computer hardware sold	80	76
and after crediting:		
Recovery of impairment loss recognised in respect of trade receivables	-	72
Gain on disposal of property, plant and equipment	19	-
Exchange gain	111	-



5. FINANCE COSTS

(Unaudited)
For the three months ended

	29 February 2012 HK\$'000	28 February 2011 HK\$'000
Interest on promissory notes		
– wholly repayable within five years	482	428
Interest on amount due to a shareholder/a related party/a related company		
– wholly repayable within five years	62	58
	544	486
	544	486

6. TAXATION

No provision for Hong Kong profits tax has been made as the Group either had no estimated assessable profits or had estimated tax losses brought forward to set off the estimated assessable profits for the period (2011: Nil).

No provision for the PRC income taxes has been made during the period as the subsidiaries operated in the PRC had no assessable profit for the period (2011: Nil).

No Australian income tax has been provided by the Australian subsidiaries of the Group as they had no assessable profit for the period (2011: Nil).

The potential unaudited deferred tax asset of HK\$15,968,000 (As at 28 February 2011: HK\$15,709,000) relating to tax losses available for carry forward and other timing differences as at 29 February 2012 has not been recognized due to the unpredictability of the future profit streams.

7. LOSS PER SHARE

The calculation of basic loss per share attributable to the owners of the Company for the three months ended 29 February 2012 is based on the unaudited net loss for the period of approximately HK\$1,072,000 (For the three months ended 28 February 2011 unaudited net loss: HK\$1,929,000) and the weighted average of 160,590,967 (2011: 160,590,967) ordinary shares of HK\$0.10 each in issue during the period.

Diluted loss per share

Diluted loss per share for the three months ended 29 February 2012 and 28 February 2011 were the same as the basic loss per share. The Company's outstanding share options were not included in the calculation of diluted loss per share because the effect of the Company's outstanding share options was anti-dilutive.



8. MOVEMENTS OF RESERVES

	Attributable to owners of the Company				
	(Unaudited) Share premium HK\$'000	(Unaudited) Contributed surplus HK\$'000	(Unaudited) Exchange reserve HK\$'000	(Unaudited) Accumulated losses HK\$'000	(Unaudited) Total HK\$'000
At 1 December 2010	106,118	37,600	(14,110)	(192,961)	(63,353)
Loss for the period	-	-	-	(1,929)	(1,929)
Other comprehensive loss for the period	-	-	(185)	-	(185)
As at 28 February 2011	<u>106,118</u>	<u>37,600</u>	<u>(14,295)</u>	<u>(194,890)</u>	<u>(65,467)</u>
At 1 December 2011	106,118	37,600	(14,264)	(198,397)	(68,943)
Loss for the period	-	-	-	(1,072)	(1,072)
Other comprehensive loss for the period	-	-	(277)	-	(277)
As at 29 February 2012	<u>106,118</u>	<u>37,600</u>	<u>(14,541)</u>	<u>(199,469)</u>	<u>(70,292)</u>



INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the three months ended 29 February 2012 (2011: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

The Group recorded an unaudited turnover of approximately HK\$3,791,000 for the three months ended 29 February 2012, a 6% decrease from approximately HK\$4,024,000 for the corresponding period of the previous year. Of the total unaudited turnover amount, HK\$1,894,000 or 50% was generated from software license sales and professional services, HK\$1,781,000 or 47% was generated from maintenance services and HK\$116,000 or 3% was generated from sales of hardware. As at 29 February 2012, the Group had approximately HK\$4 million worth of contracts that were in progress. The unaudited net loss attributable to shareholders for the three months ended 29 February 2012 was HK\$1,072,000 whereas the Group recorded an unaudited net loss of approximately HK\$1,929,000 for the same period of the previous year.

The unaudited operating expenditures amounted to HK\$3,599,000 for the three months ended 29 February 2012, a 11% decrease from approximately HK\$4,058,000 for the corresponding period of the previous year. The decreases were mainly attributed to exercise prudent cost control measures by implementing tight expenses measures in its operation during the period.

As a result of the most of the property, plant and equipment in the Group was fully depreciated, depreciation expenses decreased from approximately HK\$57,000 for the three months ended 28 February 2011 to approximately HK\$48,000 in the current period.

During the current period, the Group invested approximately HK\$1,672,000 in developing new modules for its OCTO Straight Through Processing ("STP") system.

For the three months ended 29 February 2012, the Group has no provision made for impairment of trade receivables.

Total unaudited staff costs (excluding directors' remuneration) are approximately HK\$2,889,000 for the three months ended 29 February 2012, a 24% decrease from approximately HK\$3,812,000 for the previous period. The decreases were mainly attributed to decrease in headcounts and overall cost control measures during the period.



Operation Review

For the three months ended 29 February 2012, Financial Solutions unaudited turnover is HK\$3,698,000, a decrease of 6% when compared to HK\$3,940,000 for the corresponding period of the previous year. The reason of decrease was mainly attributed to the slowdown of new sales contract signed during the period. The Group is target to widen its revenue channel by sourcing different financial software and services from other channel partner for our customers. The Group continued to enhance the features of its brokerage trading solutions and focused on new modules development to assist our customers facing technological challenge in the financial industry.

For the three months ended 29 February 2012, CRM Solutions unaudited turnover is HK\$93,000, remains stable compared to HK\$84,000 for the same period of previous year. Followed the newly version of Maximizer Enterprise 12 were launched in the market at the ended of last year, the Group is currently working together with its reseller to promote Maximizer products in the Asian Pacific market.

Prospects

To maintain our competitiveness in the market, the Group will more focus on our core business and technology development to improve product functionality and expand service dimensions to our customers. We continue to channel our resources to business development in the high growth solutions area under operational efficiency; and resilience will continue to be top priorities for the Group for 2012.

We aimed at reaching out to a more diversified customer base via seeking new opportunities in Asian market. To achieve this goal, we will engage more actively in marketing and promotional activities, and seek collaboration partners to provide more innovative business solutions. The directors believed that the Group has a well diversified product range that is fitted to the market needs and it is well equipped to face challenges from the market.



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

At 29 February 2012, 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 to 5.68 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	Other interests	Total	
Mr. Kau Mo Hui	-	99,201,110	-	99,201,110	61.78%

Note:

8,666,710 shares are held by Pacific East Limited ("PEL") and 90,534,400 shares held by Maximizer International Limited ("MIL"). Both PEL and MIL are wholly owned by The City Place Trust. Royal Bank of Canada Financial Corporation is the trustee of The City Place Trust. The City Place Trust is a discretionary trust and its beneficiaries include direct family members of Mr. Kau Mo Hui. The interests held by The City Place Trust 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.				Percentage of issued share capital
	Personal interests	Family interests	Other interests	Total	
Mr. Kau Mo Hui	-	36,475,319	26,191,804	62,667,123	100%

Note:

Maximizer Software Inc. is held as to 58.2% by The City Place Trust and 41.8% indirectly held by Mr. Kau Mo Hui.



Long positions in underlying shares

a) The Company:

All options of the Company granted were expired on 27 May 2011 (For the period ended 28 February 2011: 718,080).

No long positions of directors and chief executives in the underlying shares of the Company were recorded in the register or as otherwise notified to the Company and the Stock Exchange pursuant to rule 5.46 of the GEM Listing Rules.

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

b) Associated Corporation:

No long position of directors and chief executives in the underlying shares of the Associated Corporation were recorded in the register or as otherwise notified to the Company and the Stock Exchange pursuant to rule 5.46 of the GEM Listing Rules.

Long positions in debentures

No long positions of directors and chief 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 29 February 2012, 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 29 February 2012, the following persons (other than the directors and chief executive of the Company) had interests and short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

Long positions in shares

Name	Capacity	Nature of interest	Number of ordinary shares	Percentage of issued share capital
Maximizer International Limited	Beneficial owner	Corporate	90,534,400	56.38%
Pacific East Limited	Beneficial owner	Corporate	8,666,710	5.40%
Royal Bank of Canada Financial Corporation <i>(note)</i>	Trustee	Corporate	99,201,110	61.78%

Note:

Royal Bank of Canada Financial Corporation is the trustee of The City Place Trust which owns Maximizer International Limited, which holds 56.38% interest in the Company and wholly owns Pacific East Limited, which holds 5.4% interest in the Company. The City Place Trust is a discretionary trust and its beneficiaries include direct family members of Mr. Kau Mo Hui.



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.

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, a Non-executive Director of the Company, is also the chairman of MSI, a related company of the Company. MSI is held as to 58.2% by the City Place Trust, which is a discretionary trust and its beneficiaries include the direct family members of Mr. Kau Mo Hui, the Executive Director and the Chairman of the Company, whereas the remaining 41.8% is indirectly held by Mr. Kau Mo Hui. MSI is engaged in the business of the design and development of CRM Solutions, and has operations in North America, Europe, Pacific Region and South America. MSI and the Group share the same product lines including, Maximizer, Maximizer Enterprise, Maximizer CRM, ecBuilder and their respective product lines. The directors believe that the business of MSI and the possible future businesses conducted by MSI may compete with the business of the Group.

In addition, Mr. Terence Chi Yan Hui is involved in a range of businesses 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 initial management shareholders is interested in any business that competes with or is likely to compete with the business of the Group.



AUDIT COMMITTEE

Pursuant to the GEM Listing Rules, an audit committee was established on 22 January 2001, comprising three Independent Non-executive Directors, namely Messrs. Kwong Sang Liu, Edwin Kim Ho Wong and William Keith Jacobsen. On 28 September 2004, Mr. Kwong Sang Liu was appointed as Independent Non-executive Director and member of audit committee of the Company. On 29 August 2008, Mr. Edwin Kim Ho Wong was appointed as Independent Non-executive Director and member of audit committee of the Company. Mr. William Keith Jacobsen was appointed as Independent Non-executive Director and member of audit committee of the Company on 10 July 2009. Mr. Edwin Kim Ho Wong is the chairman of the audit committee for the year.

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 three months ended 29 February 2012, the audit committee held a meeting for the purpose of reviewing the Company's reports and accounts, and providing advice and recommendations to the Board of Directors. The minutes of the audit committee meeting are kept by the Company Secretary.

The Group's unaudited results for the three months ended 29 February 2012 have been reviewed by the audit committee, which was of the opinion that the preparation of such results complied with the applicable accounting standard.



PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the three months ended 29 February 2012, 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

Kau Mo HUI

Chairman

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

Mr. Kau Mo HUI	<i>(Executive Director)</i>
Ms. Clara Hiu Ling LAM	<i>(Executive Director)</i>
Mr. Terence Chi Yan HUI	<i>(Non-executive Director)</i>
Mr. Joseph Chi Ho HUI	<i>(Non-executive Director)</i>
Mr. Kwong Sang LIU	<i>(Independent Non-executive Director)</i>
Mr. Edwin Kim Ho WONG	<i>(Independent Non-executive Director)</i>
Mr. William Keith JACOBSEN	<i>(Independent Non-executive Director)</i>

Hong Kong, 3 April 2012