THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION

The circular, 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 abc Multiactive Limited. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:— (1) the information contained in this circular is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this circular misleading; and (3) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

If you are in doubt as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in abc Multiactive Limited, you should at once hand this circular to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

abc*multi*active

abc Multiactive Limited

辰罡科技有限公司*

(Incorporated in Bermuda with limited liability)

GENERAL MANDATE FOR THE REPURCHASE BY THE COMPANY OF ITS OWN SHARES

This circular will remain on the GEM Web site on the "Latest Company Announcements" page and the website of the Company at www.abcmultiactive.com for 7 days from the date of its posting.

* *for identification purposes only*

26th February, 2001

abcmultiactive

abc Multiactive Limited

辰罡科技有限公司*

(Incorporated in Bermuda with limited liability)

Executive Directors:
Hui Chi Yan, Terence *(Chairman)*
Au Wai Hung, Anthony *(Managing Director)*
Hui Chi Ho, Joseph

Non-Executive Director:
Hui Kau Mo

Independent Non-Executive Directors:
Ng Sau Man, Clifford
Poon Kwok Fai, Ronald

Registered Office:
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Head Office and Principal Place of Business:
1st Floor, AON China Building
29 Queen's Road Central
Central
Hong Kong

26th February, 2001

To the shareholders of the Company

Dear Sir or Madam

GENERAL MANDATE FOR THE REPURCHASE BY THE COMPANY OF ITS OWN SHARES

INTRODUCTION

Prior to the listing of the shares of HK$0.04 each in the capital of the Company (the "Shares") on the Growth Enterprise Market ("GEM") operated by The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 31st January, 2001, the Directors were granted a general mandate to repurchase Shares of the Company on GEM (the "Repurchase Mandate"). The Repurchase Mandate will expire at the conclusion of the forthcoming annual general meeting of the Company convened for the financial year ended 30th November, 2000 to be held at 1st Floor, AON China Building, 29 Queen's Road Central, Hong Kong on 26th March, 2001 at 10:00 am. At the annual general meeting, a resolution will be proposed to renew the Repurchase Mandate to enable the Directors to repurchase the Company's Shares on GEM.

The Repurchase Mandate would continue in force until the next annual general meeting of the Company or the expiration of the period within which the next annual general meeting of the Company is required by law or the Bye-laws of the Company to be held or until the Repurchase Mandate is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting, whichever is the earliest.

* *for identification purposes only*

Under the Rules Governing the Listing of Securities on GEM (the "GEM Listing Rules"), the Company is required to give to its shareholders all information which is reasonably necessary to enable shareholders to make an informed decision as to whether to vote for or against the resolution to renew the grant to the Directors of a repurchase mandate. This circular is prepared for such purpose. The explanatory statement required by the GEM Listing Rules to be included in this circular is set out in the Appendix.

THE REPURCHASE MANDATE

On pages 3 to 4 of the annual report of the Company in respect of the financial year ended 30th November, 2000 is a notice of the forthcoming annual general meeting of the Company convened to be held at 1st Floor, AON China Building, 29 Queen's Road Central, Hong Kong on 26th March 2001 at 10:00 am. At the annual general meeting, and as part of the special business of that meeting, an ordinary resolution will be proposed to grant a general mandate to the Directors to exercise the powers of the Company to purchase shares of the Company up to a maximum of 10 per cent. of the issued share capital of the Company as at the date of the resolution.

ACTION TO BE TAKEN

Whether or not you intend to attend the annual general meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's Hong Kong branch registrars, Abacus Share Registrars Limited at 2401 Prince's Building, Central, Hong Kong not less than 48 hours before the time appointed for holding the annual general meeting. The return of a form of proxy will not preclude you from attending and voting in person if you so wish.

RECOMMENDATION

The Directors believe that the exercise of the Repurchase Mandate is in the best interests of the Company and its shareholders. The exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per share and/or earnings per share of the Company and will only be made when the Directors believe that a repurchase of Shares will benefit the Company and its shareholders.

An exercise of the Repurchase Mandate in full could have a material adverse impact on the working capital and gearing position of the Company compared with that as at 30th November, 2000, being the date of its last audited reports and accounts. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing of the Company.

Accordingly, the Directors recommend that all Shareholders should vote in favour of the Repurchase Mandate.

Yours faithfully
Hui Chi Yan, Terence
Chairman

This Appendix serves as an explanatory statement, as required by the GEM Listing Rules, to provide requisite information to you for your consideration of the Repurchase Mandate.

1. GEM LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The GEM Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their shares on GEM subject to certain restrictions, the more important of which are summarized below. The Company is empowered by its memorandum and Bye-laws to repurchase its own shares.

Source of funds

Repurchase must be funded out of funds which are legally available for the purpose and in accordance with the memorandum and Bye-laws of the Company and the Company Act of Bermuda (the "Company Act"). A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Under the Company Act, a company may repurchase its shares out of the proceed of a fresh issue of shares made for the purpose. Any amount of premium payable on a repurchase over the par value of the shares may be effected out of funds of the Company which would otherwise be available for dividend or distribution or out of the Company's share premium account. Capital can be used if the Company will be solvent following such payment.

As at the Latest Practicable Date and to the best knowledge of the Directors, no connected person of the Company has notified the Company that he has a present intention to sell any shares to the Company or has any such connected person undertaken not to sell any of the Shares held by him to the Company in the event that the Repurchase Mandate is passed.

2. SHARE CAPITAL

As at the Latest Practicable Date prior to the printing of this document (the "Latest Practicable Date"), the issued share capital of the Company comprised 401,477,417 Shares of HK$0.04 each.

Subject to the passing of the Repurchase Resolution and on the basis that no Shares are issued or repurchased by the Company prior to the annual general meeting, the Company will be allowed under the repurchase mandate to repurchase a maximum of 40,147,742 Shares of HK$0.04 each.

3. REASONS FOR THE REPURCHASE

The Directors believe that the proposed Repurchase Mandate is in the best interests of the Company and Shareholders. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per share and/or earnings per share of the Company and will only be made when the Directors believe that a repurchase of Shares will benefit the Company and Shareholders.

4. FUNDING OF REPURCHASES

In repurchasing securities, the Company may only apply funds legally available for such purpose in accordance with the memorandum of association and Bye-laws of the Company, the GEM Listing Rules and the applicable laws of Bermuda. A company may not repurchase its shares on GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

Pursuant to the Repurchase Mandate, repurchase would be funded entirely from the Company's available cash flow or working capital facilities which will be funds legally available under the Bermuda Law for the purpose.

An exercise of the Repurchase Mandate in full could have a material adverse impact on the working capital and gearing position of the Company. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing of the Company.

5. SHARE PRICES

The highest and lowest prices at which the Shares have traded on GEM in each of the calendar months since the listing of the Shares were as follows:

	Highest	**Lowest**
	HK$	*HK$*
Date of listing (31st January, 2001)	$1.50	$1.24
February 2001 (up to the Latest Practicable Date, 26th February 2001)	$1.70	$1.24

6. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the interests of substantial Shareholders of the Company were as follows:

Name of substantial shareholder	**No. of Shares in which interested**
Multiactive International Limited	226,336,000
Pacific East Limited	62,500,000

Save as disclosed above, no person has notified the Company that it has an interest amounting to 10% or more of the issued share capital of the Company at the date of this report pursuant to Section 16(1) of the SDI Ordinance.

7. DISCLOSURE OF INTERESTS, THE CODE AND MINIMUM PUBLIC HOLDING

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any associates of the Directors currently intends to sell any Shares to the Company.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the GEM Listing Rules and the applicable laws of Bermuda and in accordance with the memorandum of association and Bye-laws of the Company.

Assuming that the substantial Shareholders do not dispose of its Shares, if the Repurchase Mandate were exercised in full, the percentage shareholdings of the substantial Shareholders before and after such repurchase would be as follows:

Substantial Shareholders	Before repurchase	After repurchase
Multiactive International Limited	56.38%	62.64%
Pacific East Limited	15.57%	17.30%

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase securities pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purpose of Rule 32 of the Hong Kong Code on Takeover and Mergers (the "Code"). As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Code.

On the basis of the shareholdings held by the substantial Shareholders named above, an exercise of the Repurchase Mandate in full will not have any implications under the Code.

Assuming that there is no issue of Shares in the Company between the date of this circular and the date of a repurchase, an exercise of the Repurchase Mandate whether in whole or in part will not result in less than relevant prescribed minimum percentage of the shares of the Company being held by the public as required by the Stock Exchange, which is currently 20% of the entire issued share capital of the Company. The Directors have no intention to exercise the Repurchase Mandate to an extent which may result in a public shareholding of less that such minimum percentage.

8. SHARE REPURCHASE MADE BY THE COMPANY

The Company had not purchased any of the Shares (whether on GEM or otherwise) since the listing of its Shares on GEM on 31st January, 2001 up to the date of this circular.