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abcmultiactive
abc Multiactive Limited
辰罡科技有限公司*

(Incorporated in Bermuda with limited liability)

**PROPOSED CHANGE OF AUDITORS
AND
PROPOSED CONSOLIDATION OF SHARES**

On 27th November 2003, the Board announced that Messrs PricewaterhouseCoopers and the Company cannot arrive at consensus on the audit fees for the year ending 30th November 2003. In accordance with the Bye-laws of the Company, the Board shall as soon as practicable convene a special general meeting to fill the vacancy following the resignation of Messrs PricewaterhouseCoopers as the Company's auditors.

The Board intends to propose to the Shareholders to approve the adjustment of the nominal value of all the existing issued and unissued Shares on the basis that every ten Shares of HK\$0.01 be consolidated into one Consolidated Share of HK\$0.10.

The Share Consolidation is conditional upon the fulfillment of the conditions as more particularly referred to in the section headed "Conditions of the Share Consolidation" below.

CHANGE OF AUDITORS

On 27th November 2003, the board of directors (the "Board") of abc Multiactive Limited (the "Company") announced that Messrs PricewaterhouseCoopers and the Company cannot arrive at consensus on the audit fees for the year ending 30th November 2003. Consequently, Messrs PricewaterhouseCoopers have resigned as auditors of the Company and its subsidiaries with effect from 25th November 2003 and the Company wishes to appoint Messrs HLB Hodgson Impey Cheng as its auditors for the year ending 30th November 2003. Messrs PricewaterhouseCoopers have confirmed that there were no circumstances connected with their resignation which they considered ought to be brought to the attention of the members or creditors of the Company and its subsidiaries. Prior to its resignation, Messrs PricewaterhouseCoopers did not engage in any audit work in respect of the accounts of the Company and its subsidiaries for the year ending 30th November 2003.

In accordance with the Bye-laws of the Company, Board shall as soon as practicable convene a special general meeting to fill the vacancy following the resignation of Messrs PricewaterhouseCoopers as the Company's auditors. Consequently, a special general meeting will be held at 11th Floor Dina House, Ruttonjee Centre, 11 Duddell Street, Central, Hong Kong on 5th January 2004 at 11:30 am to approve, among others, the proposed change of the Company's auditors. The Company will make further announcement in due course regarding the results of the special general meeting.

SHARE CONSOLIDATION

The Board intends to propose to the shareholders of the Company (the “Shareholders”) that every ten existing issued and unissued shares (each a “Share”) of HK\$0.01 each be consolidated into one share of HK\$0.10 (each a “Consolidated Share”) (the “Share Consolidation”).

The authorized share capital of the Company is HK\$1,000,000,000 divided into 100,000,000,000 shares of HK\$0.01 each, of which 1,605,909,668 Shares are issued and fully paid or credited as fully paid. Immediately after the Share Consolidation, the authorized share capital of the Company will be HK\$1,000,000,000 divided into 10,000,000,000 Consolidated Shares of HK\$0.10 each, of which 160,590,967 Consolidated Shares will be in issue and fully paid or credited as fully paid. The Consolidated Shares will rank pari passu with each other and the rights attaching to the Shares will not be affected by the Share Consolidation.

Conditions of the Share Consolidation

The Share Consolidation will be conditional upon:

- (i) the passing by the Shareholders at a special general meeting of the Company to be held on or about 5th January 2004 (the “SGM”) of an ordinary resolution to approve the Share Consolidation; and
- (ii) the GEM Listing Committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting listing and permission to deal in the Consolidated Shares and any new Consolidated Shares which may be issued pursuant to the exercise of options granted under the Company’s share option scheme adopted on 22nd January 2001.

Board lot size

Currently, the Shares are traded in board lots of 2,000 Shares. Upon the Share Consolidation becoming effective, the Consolidated Shares will be traded in board lots of 2,000 Consolidated Shares.

Effects of the Share Consolidation

Other than the expenses incurred relating to Share Consolidation, implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the interests of the Shareholders. The Board believes that the Share Consolidation will not have a material adverse effect on the financial and trading position of the Group. On 12th December 2003, being the last trading day prior to this announcement, the closing price of the Shares as quoted on the GEM is HK\$0.016 and the market value of each board lot of 2,000 Shares is HK\$32. Assuming the Share Consolidation becoming effective on 6th January 2004, the market value of each board lot of 2000 Consolidated Shares would be HK\$320.

ARRANGEMENTS FOR TRADING AND EXCHANGE OF SHARE CERTIFICATES

Exchange of share certificates

Upon the Share Consolidation becoming effective, Shareholders may submit their existing certificates for Shares to Abacus Share Registrars Limited located at G/F Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, in exchange for certificates of Consolidated Shares free of charge during business hours from 9:00 am to 4:00 pm from 6th January 2004 up to and including 17th February 2004. Thereafter, the existing certificates for Shares will be accepted for exchange only on payment of a fee, which is at present HK\$2.50, for each new certificate to be issued. Unless otherwise instructed, the certificates for Consolidated Shares will be issued in board lot of 2,000 Consolidated Shares. Existing certificates for shares will continue to be good evidence of legal title.

The certificates for the Consolidated Shares will be issued in green colour in order to distinguish them from the existing certificates for the Shares which are blue in colour.

Subject to the Share Consolidation taking effect, the exercise price of and the number of Consolidated Shares entitled under each share option granted to the employees of the Group will be adjusted in accordance with the share option scheme of the Company. The adjustments to the share options and the timetable thereof are subject to certification by a merchant bank or the Company's auditor and will be disclosed in the Circular.

Odd lot facility arrangements

In order to alleviate the difficulties arising from the existence of odd lots of Consolidated Shares when the Share Consolidation becomes effective, the Company has appointed Tisco Securities Hong Kong Limited of Rooms 1008–10, 10/F., Two Pacific Place, 88 Queensway, Hong Kong to provide matching service for the sale and purchase of odd lots of Consolidated Shares during the period from 20th January 2004 to 12th February 2004 (both days inclusive). Holders of Consolidated Shares in odd lots who wish to take advantage of this facility either to dispose of the odd lots of Consolidated Shares or top up their shareholdings of the Company to board lots of 2,000 Consolidated Shares may directly or through their stockbroker contact Mr. Cheung Siu Tong, Jack of Tisco Securities Hong Kong Limited at 2868-9023. **Shareholders should note that successful matching of the sale and purchase of odd lots of Consolidated Shares is not guaranteed.**

The arrangement for trading in the Shares upon approval of the Share Consolidation by the Stock Exchange and the Shareholders at the SGM is expected to be as follows:

Despatch of proxy form and circular relating to the Share Consolidation	Monday, 15th December 2003
Proxy form to be returned by	11:30 am on Saturday, 3rd January 2004
The SGM	11:30 am on Monday, 5th January 2004
Effective date of Share Consolidation	Tuesday, 6th January 2004
First day for free exchange of certificates for Consolidated Shares	9:00 am on Tuesday, 6th January 2004

Original counter for trading in board lots of
2,000 Shares closes 9:30 am on Tuesday, 6th January 2004

Temporary counter for trading in board lots of
200 Consolidated Shares opens (in the form
of existing share certificates) 9:30 am on Tuesday, 6th January 2004

Original counter for trading in board lots of
2,000 Consolidated Shares opens (in the form
of new share certificates) 9:30 am Tuesday, 20th January 2004

Parallel trading in shares starts 9:30 am Tuesday, 20th January 2004

First day of operation of odd lot facility Tuesday, 20th January 2004

Temporary counter for trading in board lots of
200 Consolidated Shares closes (in the form
of existing share certificates) 4:00 pm on Thursday, 12th February 2004

Parallel trading in shares ends 4:00 pm on Thursday, 12th February 2004

Last day of operation of odd lot facility Thursday, 12th February 2004

Latest time for lodging certificates for Shares
in exchange for certificates for
Consolidated Shares free of Charge 4:00 pm on Tuesday, 17th February 2004

If you are in any doubt as to the above arrangements, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

Reasons for consolidation

In view of the relatively low market value for each existing board lot of the Shares, the Board believes that the Share Consolidation would reduce the number of board lots in the market and will reduce the transaction cost for the Company and the Shareholders dealing in the shares in the Company, and are beneficial to both the Company and the Shareholders. The closing price of the Shares at the date of the announcement is HK\$0.016 per share and HK\$32 per board lot.

GENERAL

The Share Consolidation will be effective upon the fulfillment of all the conditions set out in the section headed “Conditions of the Share Consolidation”.

Application will be made to the GEM Listing Committee of the Stock Exchange for listing of, and permission to deal in, the Consolidated Shares in issue upon the Share Consolidation becoming effective and any new Consolidated Share to be issued pursuant to the exercise of options granted under the Company’s IPO share option scheme adopted on 22nd January 2001.

A circular containing details of the proposed Share Consolidation, details of the trading arrangement of Consolidated Shares and exchange of share certificates and the notice for the SGM will be dispatched to Shareholders on or about 15th December 2003.

By order of the Board
Terence Chi Yan Hui
Director

Hong Kong, 12th December 2003

Notes:

1. A shareholder entitled to attend and vote at the special general meeting is entitled to appoint a person or persons as his proxy or proxies to attend and, on a poll, vote instead of him. A proxy need not be a shareholder of the Company.
2. To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority must be deposited with the Company's Hong Kong branch share register and transfer office, Abacus Share Registrars Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the meeting and in default thereof the form of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiry of 12 months from the date of its execution.
3. Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

This announcement, 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 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 announcement 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 announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting.

* *For identification purposes only*