

TARGET

Intelligence Report

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T H U R S D A Y

November 17, 2022

**ABC MULTIACTIVE LTD:
GIVE THANKS TO SAMSON !
WITHOUT HIS INTEREST-FREE CASH OF DAYS OF YORE,
THIS COMPANY MIGHT WELL HAVE BEEN PUT ON THE SCRAP HEAP**

Since abc Multiactive Ltd (辰罡科技有限公司) (Code: 8131, the **G**rowth **E**nterprise **M**arket [the **GEM**], The Stock Exchange of Hongkong Ltd), sought and obtained a listing of its entire Issued and Fully Paid-Up Share Capital on the secondary equity market of The **H**ongkong **S**pecial **A**dmistrative **R**egion (**HKSAR**) of the **P**eople's **R**epublic of **C**hina (**PRC**), only in the 2003 Financial Year, the 2004 Financial Year, and the 2014 Financial Year was Senior Management able to record a Net Profit Attributable To Shareholders.

In respect of all the other Financial Years, Senior Management was forced to record annual results in red ink.

During the past 21 years, the Company, at its geographical base in the HKSAR, had historically been engaged in the provision of financial services.

The Company operates, it is said, via two business segments, namely: (a) Financial Solutions segments; and, (b) the Fintech Resources segment.

abc Multiactive Ltd makes the claim that it is principally engaged in the design and sales of computer software licenses, software rental and the provision of related services; and, the provision of maintenance services.

It is, also, engaged in the sales of computer hardware and the provision of fintech resources service.

The Company states that it conducts its businesses, exclusively, in the PRC and the HKSAR.

The 2022 Interim Report Of abc Multiactive Ltd

On or about Friday, July 15, 2022, abc Multiactive Ltd published and disseminated its 2022 Interim Report in respect of the six months, ended May 31, 2022.

The following table is an abridged version of the '**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**', found at Page Two of

the Company's Interim Report, to which this medium has taken the liberty in interpolating certain statistics where it was deemed appropriate so to do:

	For The Six Months, Ended May 31		Percentage Increase/(Decrease)*
	2022	2021	
	All Figures Are Denominated In \$HK’000 (except where otherwise stipulated) (The Below-Mentioned Figures Are Unaudited)		
Revenue	39,071	16,125	142.30
Gross Profit	27,336	11,122	145.78
Gross Profit Margin*	69.96 percent	68.97 percent	1.44
Profit From Operating Activities	11,826	3,632	225.61
Profit Before Taxation	11,033	1,149	860.23
Profit And Total Comprehensive Income For The Period Attributable To Shareholders Of The Company	11,033	1,422	675.88
Net Profit Margin*	28.24 percent	8.82 percent	220.18
Earnings Per Share (Basic)	2.32 cents	0.47 cents	393.62

* These are **TARGET**'s calculations.

At Page Three of the 2022 Interim Report, it was stated, under the heading, '**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**', that, under the sub-headings, '*Current Assets*', and '*Cash and Cash Equivalents*', as at May 31, 2022, the figure was \$HK7,012,000.00.

That figure, representing the Consolidated Statement of Financial Position, at \$HK7,012,000.00 (unaudited), indicated an erosion, compared with the figure of \$HK35,520,000.00 (audited), as at November 30, 2021, of 80.26 percent.

As to the Company's Net Assets (Shareholders' Funds), Attributable To Shareholders of the Company, it came in at \$HK22,880,000.00 (unaudited), as at May 31, 2022, compared with the figure of \$HK11,847,000.00 (audited), as at November 30, 2021.

Thus, it would appear that the Total Equity of Shareholders, between November 30, 2021, and May 31, 2022, increased by 93.13 percent.

Those Promissory Notes

At Page 15, Note 12, of the 2022 Interim Report of abc Multiactive Ltd, under the heading, '**PROMISSORY NOTES**', the following intelligence was imparted to shareholders:

- (i) *On 28 November 2019, promissory note with the principal amount of HK\$8,000,000 and denominated in Hong Kong Dollar was issued by the Company in favour of Active Investments Capital Limited ("Active Investments")* for the purpose of continually providing sufficient working capital to cope with the Group's development plan*

and improving the financial position of the Group. The principal sum shall bear no interest and was matured on 1 March 2021.

On 26 November 2020, the Company signed an extension agreement with Active Investments with a modification of terms with extended maturity date from 1 March 2021 to 1 June 2022.

‘(ii) On 26 November 2020, another new promissory note was issued by the Company in favour of Active Investments with the principal amount of HK\$3,000,000 and denominated in Hong Kong Dollar for the purpose of providing sufficient working capital to cope with the Group’s development plan and improving the financial position of the Group. The principal sum shall bear no interest and will be matured on 1 June 2022.

‘(iii) On 29 November 2021, the Company signed an extension agreement with Active Investments with a modification of terms with extended maturity date from 1 June 2022 to 1 June 2023. The extension of the two promissory notes considered as substantial modification.

The fair value of the two promissory notes with extension of maturity date are determined by the directors of the Company based on the valuation prepared by an independent qualified professional valuer to the Group. As at 30 November 2021, the aggregate amount of two promissory notes was approximately HK\$8,518,000. As at 31 May 2022, the aggregate amount of two promissory notes was approximately HK\$9,272,000.

‘The ... [CLICK TO ORDER FULL ARTICLE](#)

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