# HATCHER GROUP LIMITED 亦辰集團有限公司\*

(Incorporated in the Cayman Islands with limited liability) (Stock Code: 8365)

# ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2024

# CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This announcement, for which the directors of Hatcher Group Limited (the "**Company**") 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 (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company. The directors of the Company (the "**Directors**"), having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement 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 announcement misleading.

<sup>\*</sup> for identification purpose only

## ANNUAL RESULTS

The board of Directors (the "**Board**") announces the audited consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 30 September 2024, together with the comparative figures for the year ended 30 September 2023, as follows:

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 30 September 2024

	Note	2024 HK\$'000	2023 <i>HK\$'000</i> (Restated)
Continuing operations			
Revenue	4	85,493	77,886
Other income and other gains and losses, net	5	(15,935)	22,936
Provision for impairment loss in respect of goodwill	12	(37,943)	_
Provision of impairment loss in respect of trade receivables		(6,202)	(52)
Provision of impairment loss in respect of other receivables		(1,021)	(2,427)
Administrative expenses and other operating expenses		(96,963)	(112,950)
Finance costs	6 _	(1,235)	(1,497)
Loss before tax from continuing operations	7	(73,806)	(16,104)
Income tax credit (expense)	8	696	(1,424)
Loss for the year from continuing operations		(73,110)	(17,528)
Discontinued operations			
(Loss) profit for the year from discontinued operations	9	(4,092)	3,197
Loss for the year	_	(77,202)	(14,331)
Other comprehensive income (expense):			
Item that are reclassified or may be reclassified			
subsequently to profit or loss			
Exchange differences on translation of foreign operations	_	230	(397)
Item that will not be reclassified to profit or loss Fair value loss on financial assets designated at fair value			
through other comprehensive income ("Designated FVTOCI")	_	(184)	(185)
Other comprehensive income (expense) for the year	_	46	(582)
Total comprehensive expense for the year		(77,156)	(14,913)
I I V	=		

Ν	lote	2024 HK\$'000	2023 <i>HK\$'000</i> (Restated)
Loss for the year attributable to: Owners of the Company		(77,085)	(13,829)
Non-controlling interests		(117)	(13,829) (502)
	_	(77,202)	(14,331)
Total comprehensive expense attributable to:			
Owners of the Company Non-controlling interests		(77,039) (117)	(14,411) (502)
	_	(77,156)	(14,913)
Total comprehensive (expense) income attributable to owners of the Company:			
– from continuing operations		(73,064)	(18,110)
- from discontinued operations		(3,975)	3,699
	_	(77,039)	(14,411)
	11		
<ul> <li>continuing operations (HK cents)</li> <li>discontinued operations (HK cents)</li> </ul>		(186.86) (10.48)	(51.23) 9.62

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2024

		2024	2023
	Note	HK\$'000	HK\$'000
Non-current assets			
Goodwill	12	41,655	84,558
Intangible assets		1,831	3,452
Plant and equipment		8,171	10,360
Right-of-use assets		7,623	7,952
Designated FVTOCI		984	816
Financial assets at fair value through profit or loss (" <b>FVTPL</b> ")	13	15,345	22,834
Deferred tax assets	-	206	167
		75,815	130,139
	-		
Current assets			
Financial assets at FVTPL	13	24,923	35,056
Trade and other receivables	14	29,282	62,151
Time deposits with original maturity over three months		1,082	120
Bank balances – client accounts		_	24,534
Bank balances – general accounts and cash	-	36,766	20,593
	-	92,053	142,454
Current liabilities			
Trade and other payables	15	9,170	36,611
Interest-bearing borrowings	16	16,322	24,621
Loan payables		_	240
Convertible note		_	932
Lease liabilities		3,513	2,695
Income tax payables	-	542	2,024
		29,547	67,123
	-		
Net current assets	-	62,506	75,331
Total assets less current liabilities		138,321	205,470
	=		

	Note	2024 HK\$'000	2023 HK\$`000
Non-current liabilities			
Lease liabilities		4,984	5,817
Other payables	15	150	150
Deferred tax liabilities	_	1,007	1,277
	_	6,141	7,244
NET ASSETS	=	132,180	198,226
Capital and reserves			
Share capital	17	10,704	8,920
Reserves	_	121,476	190,309
Equity attributable to owners of the Company		132,180	199,229
Non-controlling interests	_		(1,003)
TOTAL EQUITY	=	132,180	198,226

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 30 September 2024

#### 1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability on 5 February 2016 under the Companies Law, Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The shares of the Company were listed on GEM of the Stock Exchange by way of placing and public offer on 26 May 2017 (the "Listing"). The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business is situated at 21/F., Low Block, Grand Millennium Plaza, 181 Queen's Road Central, Hong Kong.

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of (i) corporate finance advisory services, (ii) placing and underwriting services, (iii) business consultancy services, (iv) asset management services, (v) ESG advisory services, (vi) corporate secretarial services, (vii) accounting and taxation services, (viii) risk management and internal control advisory services, and (ix) human resources services in Hong Kong.

The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Group, except for the subsidiaries established in the People's Republic of China (the "PRC") and Canada whose functional currency is Renminbi ("RMB") and Canadian dollar ("CAD") respectively.

## 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

#### 2.1 New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 October 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and	Insurance Contracts
February 2022 Amendments to HKFRS 17)	
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising
	from a Single Transaction
Amendments to HKAS 12	International Tax Reform-Pillar Two model Rules
Amendments to HKAS 1 and HKFRS Practice	Disclosure of Accounting Policies
Statement 2	

The application of the new and amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years.

#### 2.2 New and amendments to HKFRSs issued but not yet effective

The Group has not applied the following new and amendments to HKFRSs, that have been issued but are not yet effective:

HKFRS 18	Presentation and Disclosure in Financial Statements <sup>5</sup>
HKFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>5</sup>
Amendments to HKFRS 9 and	Amendments to the Classification and Measurement of Financial
HKFRS 7	Instruments <sup>4</sup>
Amendments to HKFRS 10 and	Sale or Contribution of Assets between an Investor and its
HKAS 28	Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>2</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related
	amendments to Hong Kong Interpretation 5 (2020) <sup>2</sup>
Amendments to HKAS 1	Non-current Liabilities with Covenants <sup>2</sup>
Amendments to HKAS 7 and	Supplier Finance Arrangements <sup>2</sup>
HKFRS 7	
Amendments to HKAS 21	Lack of Exchangeability <sup>3</sup>
Amendments to HKFRS	Annual Improvements to HKFRS Accounting Standards —
Accounting Standards	Volume 11 <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2024.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2025.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>5</sup> Effective for annual periods beginning on or after 1 January 2027.

Except for the amendments to HKFRSs mentioned below, the Directors anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

#### HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

Amendments to HKAS 1 "Classification of Liabilities as Current or Non-current" and related amendments to Hong Kong Interpretation 5 (2020) (the "2020 Amendments") and Amendments to HKAS 1 "Non-current Liabilities with Covenants" (the "2022 Amendments")

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 "Financial Instruments: Presentation".
- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that the classification should not be affected by management intentions or expectations to settle the liability within 12 months.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the requirements introduced by the 2020 Amendments have been modified by the 2022 Amendments. The 2022 Amendments specify that only covenants with which an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date. Covenants which are required to comply with only after the reporting period do not affect whether that right exists at the end of the reporting period.

In addition, the 2022 Amendments specify the disclosure requirements about information that enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period, if an entity classifies liabilities arising from loan arrangements as non-current when the entity's right to defer settlement of those liabilities is subject to the entity complying with covenants within twelve months after the reporting period.

The 2022 Amendments also defer the effective date of applying the 2020 Amendments to annual reporting periods beginning on or after 1 January 2024. The 2022 Amendments, together with the 2020 Amendments, are effective for annual reporting periods beginning on or after 1 January 2024, with early application permitted. If an entity applies the 2020 Amendments for an earlier period after the issue of the 2022 Amendments, the entity should also apply the 2022 Amendments for that period.

Based on the Group's outstanding liabilities as at 30 September 2024, the application of the 2020 Amendments and 2022 Amendments will not result in reclassification of the Group's liabilities.

#### 3. SEGMENT INFORMATION

The Group determines its operating segment and measurement of segment profit based on the internal reports to the executive Directors, being the Group's chief operating decision maker, for the purposes of resource allocation and performance assessment.

The Group is currently organised into two operating divisions, namely licensed business and non-licensed business.

The principal activities of these operating segments are as follows:

Licensed business	Provision of asset management services, corporate finance advisory services, placing and underwriting services and securities brokerage and margin financing
Non-licensed business	Provision of accounting and taxation services, business consulting services, corporate secretarial services, ESG advisory services, human resources services and risk management and internal control advisory services

Segment assets and liabilities are not disclosed as they are not considered to be crucial for resources allocation and thereafter not being regularly provided to the chief operating decision maker.

#### Segment revenue and results:

#### Year ended 30 September 2024

	<b>Continuing operations</b>		Discontinued operations		
	Licensed business HK\$'000	Non- licensed business HK\$'000	Non- licensed business HK\$'000	Total <i>HK\$'000</i>	
Revenue		61,380	4,793	90,286	
<b>Results</b> Segment results	442	(5,805)	(4,092)	(9,455)	
Unallocated corporate income Unallocated corporate expenses			_	1,267 (69,710)	
Loss before taxation			=	(77,898)	

	Continuing operations		Discontinued		
	Licensed business <i>HK\$'000</i>	Non- licensed business <i>HK\$'000</i> (Restated)	Licensed business <i>HK\$'000</i>	Non- licensed business <i>HK\$'000</i> (Restated)	Total <i>HK\$`000</i>
Revenue	15,369	62,517	160	7,396	85,442
Results Segment results	596	(4,183)	5,008	(1,811)	(390)
Unallocated corporate income Unallocated corporate expenses				-	10,174 (22,691)
Loss before taxation				-	(12,907)

# Other segment information:

# Year ended 30 September 2024

	Continuing o	perations	Discontinued operations		
	Licensed business HK\$'000	Non- licensed business HK\$'000	Non- licensed business HK\$'000	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Additions to right-of-use assets	-	3,204	_	-	3,204
Additions to plant and					
equipment	_	650	_	-	650
Amortisation of intangible assets	_	(1,621)	_	_	(1,621)
Depreciation of plant and	(1.0)				
equipment	(19)	(2,835)	—	—	(2,854)
Depreciation of right-of-use		(2 522)			(2.522)
assets	_	(3,533)	_	_	(3,533)
Fair value change on financial assets at FVTPL	_	(7,511)	_	(9,157)	(16,668)
Net gain on disposal of financial					
assets at FVTPL	91	_	_	_	91
Loss on disposal of subsidiaries					
(note 9)	_	-	(3,010)	_	(3,010)
Provision of impairment loss					
in respect of goodwill	_	(37,943)	—	_	(37,943)
Provision of impairment loss					
in respect of trade receivables	(1,315)	(4,887)	_	-	(6,202)
Reversal (provision) of					
impairment loss in respect of					
other receivables	975	-	_	(1,996)	(1,021)
Loss on disposal of plant and					
equipment		(7)			(7)

	Continuing o	perations Non-	Discontinued operations		
	Licensed	licensed	Licensed		
	business	business	business	Unallocated	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$ '000	HK\$'000
Additions to right-of-use assets	135	_	_	_	135
Additions to intangible assets	_	304	_	_	304
Additions to plant and					
equipment	93	2,103	_	_	2,196
Amortisation of intangible assets	_	(1,616)	_	_	(1,616)
Depreciation of plant and					
equipment	(16)	(3,205)	(25)	_	(3,246)
Depreciation of right-of-use					
assets	_	(3,871)	_	_	(3,871)
Government subsidies	112	748	12	2	874
Equity-settled share-based					
payment expenses	_	_	_	(23,044)	(23,044)
Loss on disposal of other					
investments	_	(162)	_	_	(162)
Loss on settlement of promissory					
notes	_	_	_	(6,518)	(6,518)
Gain on disposal of a subsidiary					
(note 9)	_	_	5,618	_	5,618
(Loss) gain on disposal of					
financial assets at FVTPL	_	(1)	_	10,736	10,735
Fair value change on financial					
assets at FVTPL	_	6,400	_	7,155	13,555
Provision of impairment loss					
in respect of trade receivables	(50)	(2)	_	_	(52)
Provision of impairment loss in					
respect of other receivables	_	(340)	_	(2,087)	(2,427)
Loss on disposal of plant and					
equipment	_	(34)	_	_	(34)
Gain on written off of loan					
payables	_	120	_	_	120
Gain on written off of other					
payables	_	_	_	2,879	2,879

#### Information about geographical areas

The Group's operations are principally located in Hong Kong, the PRC and Canada. The following table provides an analysis of the Group's revenue from external customers by geographical market in which the transactions are located:

	2024 HK\$'000	2023 <i>HK\$</i> '000 (Restated)
Continuing operations		
Hong Kong	71,375	69,321
The PRC	9,456	5,181
Canada	4,662	3,384
	85,493	77,886
Discontinued operations		
Hong Kong	4,793	7,556

The following is an analysis of the carrying amounts of non-current assets (excluding Designed FVTOCI, financial assets at FVTPL and deferred tax assets) by geographical area in which the assets are located:

	2024 HK\$'000	2023 HK\$`000
Hong Kong The PRC Canada	53,897 2,144 3,239	63,447 37,159 5,716
	59,280	106,322

#### Information about major customers

Revenue from customers of licensed business and non-licensed business segments that individually contributing 10% or more of the total revenue of the Group are as follows:

	2024 HK\$'000	2023 HK\$`000
<u>Continuing operations</u> Customer A	14,740	13,598

# 4. **REVENUE**

	2024 HK\$'000	2023 <i>HK\$</i> '000 (Restated)
Continuing operations		
Licensed business		
Revenue from contracts with customers within HKFRS 15		
Corporate finance advisory services	8,977	11,594
Placing and underwriting services	15,118	3,701
Asset management services	18	74
	24,113	15,369
Non-licensed business		
Revenue from contracts with customers within HKFRS 15		
Accounting and taxation services	15,664	14,735
Business consulting services	34,655	38,056
Corporate secretarial services	6,248	4,971
Human resources services	2,047	2,025
Risk management and internal control advisory services	2,766	2,730
	61,380	62,517
Total	85,493	77,886
Discontinued operations		
Licensed business		
Revenue from contracts with customers within HKFRS 15		
Brokerage commission	-	105
Clearing, settlement and handling fee income		3
		108
Interest revenue calculated using the effective interest method		
Interest income from cash and margin clients		52
Non-licensed business		
<i>Revenue from contracts with customers within HKFRS 15</i> ESG advisory services	4,793	7,396
Total (note 0)	4,793	7,556
Total (note 9)	4,733	7,550

In addition to the information shown in segment disclosures, the revenue from contracts with customers within HKFRS 15 is disaggregated as follows:

	Continu	ing operation		Discontinued operations	
Year ended 30 September 2024	Licens busing HK\$'0	ess l	licensed business HK\$'000	Non-licensed business HK\$'000	Total HK\$'000
Timing of revenue recognition: – at a point in time – over time	15,1 8,9		61,380	4,793	15,118 75,168
Total revenue from contracts with customers within HKFRS 15 at fixed price	24,1	13	61,380	4,793	90,286
_	Continuing of	perations	Discontin	ued operations	
Year ended 30 September 2023	Licensed business HK\$'000	Non- licensed business <i>HK\$'000</i> (Restated)	License busines HK\$'00	s business	Total <i>HK\$`000</i>
Timing of revenue recognition: – at a point in time – over time	3,701 11,668	62,517	10	8 – – 7,396	3,809 81,581
Total revenue from contracts with customers within HKFRS 15 at fixed price	15,369	62,517	10	8 7,396	85,390

# 5. OTHER INCOME AND OTHER GAINS AND LOSSES, NET

#### **Other Income**

	2024 HK\$'000	2023 <i>HK\$'000</i> (Restated)
Continuing operations		
Government subsidies <i>(note a)</i>	_	862
Interest income	150	147
Recharge income from disbursement costs	492	1,438
Write back of other payables		2,879
	642	5,326
<b>Discontinued operations</b> (note 9)		
Government subsidies (note a)	_	12
Interest income	_	1
Recharge income from disbursement costs	60	35
	60	48
	702	5,374
Other gains and losses		
	2024	2023
	HK\$'000	<i>HK\$'000</i> (Restated)
Continuing operations		
Net gain on disposal of financial assets at FVTPL (note b)	91	10,735
Fair value change on financial assets at FVTPL	(16,668)	13,555
Loss on disposal of other investments	_	(162)
Loss on settlement of promissory notes		(6,518)
	(16,577)	17,610
Discontinued operations		
Discontinued operations (Loss) gain on disposal of subsidiaries (note 9)	(3,010)	5,618
	(19,587)	23,228

#### Note:

- (a) During the year ended 30 September 2023, the Group recognised government subsidies of approximately HK\$778,000 and HK\$96,000 in respect of the Employment Support Scheme under Anti-epidemic Fund of the Hong Kong SAR Government due to the COVID-19 pandemic and Financial Industry Recruitment Scheme for Young Graduates under the Financial Service and the Treasury Bureau respectively.
- (b) The proceeds from the sale of financial assets at FVTPL of approximately HK\$1,107,000 (2023: approximately HK\$35,205,000) less relevant costs and carrying value of the investments sold of approximately HK\$1,016,000 (2023: approximately HK\$24,470,000).

#### 6. FINANCE COSTS

2024 HK\$'000	2023 <i>HK\$</i> '000 (Restated)
691	641
7	180
_	101
537	575
1,235	1,497
196	199
	4
196	203
1,431	1,700
	HK\$'000

# 7. LOSS BEFORE TAX

Loss before tax has been arrived at after charging:

	2024 HK\$'000	2023 <i>HK\$`000</i> (Restated)
Staff costs (including Directors' remuneration):		
<u>Continuing operations</u> Employee benefit expenses	58,117	56,450
Contributions to defined contribution plans	1,847	1,636
Equity-settled share-based payment expenses		23,044
	59,964	81,130
Discontinued operations		
Employee benefit expenses	2,398	6,674
Contributions to defined contribution plans	83	213
	2,481	6,887
Total staff costs	62,445	88,017
<u>Continuing operations</u>		
Auditor's remuneration	815	1,266
Amortisation		
– Intangible assets	1,621	1,616
Depreciation		
- Plant and equipment	2,854	3,246
- Right-of-use assets	3,533	3,871
Professional fees	16,165	14,692
Placing and related expenses	11,315	-
Loss on disposal of plant and equipment	7	34
<b>Discontinued operations</b>		
Auditor's remuneration	85	159
Professional fees	77	_

	2024 HK\$'000	2023 HK\$`000
<u>Continuing operations</u>		
Current tax		
Hong Kong Profits Tax		
Current year	127	2,112
Overprovision in prior years	(514)	(690)
	(387)	1,422
Deferred Tax		
Origination and reversal of temporary difference	(309)	2
Income tax (credit) expense for continuing operations	(696)	1,424

The two-tiered profits tax rates regime has been implemented from 1 April 2018, under which, the profits tax rate for the first HK\$2,000,000 assessable profits arising from Hong Kong of qualifying entities will be taxed at 8.25%, and assessable profits arising from Hong Kong above HK\$2,000,000 will continue to be taxed at the rate of 16.5%. If the entity has one or more connected entities, the two-tiered profits tax rates would only apply to the one which is nominated to be chargeable at the two-tiered rates.

The Group's entity established in Canada is subject to Corporate Income Tax of Canada at a statutory rate of 27% (2023: 27%). For the year ended 30 September 2024 and 2023, Corporate Income Tax of Canada has not been provided as the entity established in Canada incurred a loss for taxation purpose.

For the years ended 30 September 2024 and 2023, the Group's entities established in the Cayman Islands and the British Virgin Islands are exempted from income tax.

For the years ended 30 September 2024 and 2023, for the Group's entities established in the PRC, no Enterprise Income Tax has been provided as these entities incurred losses for taxation purpose.

#### 9. **DISCONTINUED OPERATIONS**

#### Disposal of ESGrowth Limited and Hong Kong Sustainability Strategic Advisory Limited

On 30 September 2024, the Company disposed of its entire interests in ESGrowth Limited and Hong Kong Sustainability Strategic Advisory Limited (the "**Disposal Group**"), which carried out all the Group's ESG advisory services, to a shareholder for a consideration of HK\$1. The disposal was completed on 30 September 2024, on which date control of the Disposal Group was passed to the acquirer.

Loss for the year from discontinued ESG advisory service business is set out below. The comparative figures in the consolidated statement of profit or loss and other comprehensive income have been restated to re-present the ESG advisory service business as a discontinued operation.

	2024 HK\$'000	2023 HK\$ '000
Revenue	4,793	7,396
Other income, net	60	36
Administrative expenses and other operating expenses	(5,739)	(9,044)
Finance costs	(196)	(199)
Loss before tax	(1,082)	(1,811)
Taxation		
Loss for the year	(1,082)	(1,811)
Loss on disposal of the Disposal Group	(3,010)	
Loss for the year from discontinued operations	(4,092)	(1,811)
Attributable to:		
Owners of the Company	(3,975)	(1,309)
Non-controlling interests	(117)	(502)
	(4,092)	(1,811)

	2024 <i>HK\$'000</i>
	ΠΑΦ 000
Net assets of ESG advisory service business:	
Goodwill	4,960
Trade and other receivables	1,724
Bank balance and cash	17
Other payables	(460)
Bank borrowing	(5,069)
Amount due from the Group companies	718
	1,890
Non-controlling interests	1,120
Loss on disposal of the Disposal Group	(3,010)
Consideration	_*

\* The consideration is rounded to the nearest thousand

#### Disposal of Wealth Link Securities Limited ("Wealth Link")

On 13 September 2021, the Company entered into a sales and purchase agreement with an independent third party, to dispose of 85% of its equity interests in Wealth Link for a consideration of HK\$14,000,000 (the "**Disposal**"), which carried out provision of placing and underwriting services, brokerage services in securities and margin financing services in Hong Kong. Details of the Disposal had been disclosed in the Company's announcement dated 13 September 2021. The Disposal was completed on 23 December 2022. Upon completion of the Disposal, Wealth Link was no longer a subsidiary of the Company and the remaining 15% equity interest in Wealth Link was recognised as financial assets at FVTPL.

The results of the discontinued operations for the period from 1 October 2022 to 23 December 2022 (date of completion of the Disposal), which had been included in the consolidated statement of profit or loss and other comprehensive income, were as follows:

	Period from 1 October 2022 to 23 December 2022 <i>HK\$</i> '000
Revenue	160
Other income, net Administrative expenses and other operating expenses Finance costs	12 (778) (4)
Loss before tax Taxation	(610)
Loss for the period Gain on Disposal	(610) 5,618
Profit for the period from discontinued operations	5,008

The details of major classes of assets and liabilities of Wealth Link held for sale measured at the lower of carrying amount and fair value less costs to sell at 23 December 2022 (date of completion of the Disposal) were as follows:

	HK\$ '000
Net assets of Wealth Link:	
Intangible assets	500
Right-of-use assets	458
Other deposits	205
Trade receivables arising from the business of securities brokerage	
– Cash clients	5,461
– Margin clients	60
Other receivables	169
Bank balances – client accounts	41,109
Bank balances – general accounts and cash	6,425
Trade payables arising for the business of dealing in securities	(43,887)
Other payables	(176)
Lease liabilities	(463)
	9,861
Interests in financial assets at FVTPL retained	(1,479)
Gain on the Disposal	5,618
Consideration	14,000
Consideration:	
Cash consideration received in prior years	3,500
Cash consideration received during the year	7,000
Consideration receivables (note 14(b))	3,500
	14,000
Net cash outflow on disposal of 85% equity interest of Wealth Link:	
Cash consideration received during the year	7,000
Cash and cash equivalents disposed of	(47,534)
	(40,534)

#### **10. DIVIDENDS**

No dividend was paid or proposed for ordinary shareholders of the Company during 2024, nor has any dividend been proposed since the end of the reporting period (2023: HK\$nil).

#### 11. LOSS PER SHARE

#### **Basic loss per share**

The calculation of the basic loss per share is based on loss attributable to the equity holders of the Company and the weighted average number of ordinary shares in issue during the year as follows:

	2024 HK\$'000	2023 <i>HK\$`000</i> (Restated)
From continuing and discontinued operations		
Loss for the purpose of basic loss per share	(77,085)	(13,829)
From continuing operations		
Loss for the year attributable to owners of the Company	(77,085)	(13,829)
Less: (Loss) profit for the year from discontinued operations	(4,092)	3,197
Loss for the purpose of basic loss per share from continuing operations	(72,993)	(17,026)
	2024	2023 (Restated)
Shares		
Weighted average number of ordinary shares for the purpose of basic		
loss per share ('000)	39,064	33,235

The weighted average number of ordinary shares for the calculation of the basic and diluted loss per share for the year ended 30 September 2023 have been adjusted retrospectively to reflect the impact of share consolidation (note 17(a)) during the year ended 30 September 2024.

#### Diluted loss per share

Diluted losses per share for the years ended 30 September 2024 and 2023 did not assume the exercise of share options since their assumed exercise during the years would have an anti-dilutive effect on the basic losses per share amount presented.

Diluted losses per share for the year ended 30 September 2023 did not assume the conversion of the potential dilutive ordinary shares from the outstanding convertible notes since the Company's outstanding convertible notes had an anti-dilutive effect to the basic loss per share calculation for the year ended 30 September 2023.

The diluted loss per share is the same as the basic loss per share for the years ended 30 September 2024 and 2023.

# 12. GOODWILL

	Canada Business CGU <i>HK\$'000</i>	APEC Business CGU <i>HK\$'000</i>	Greater Bay Area Business CGU <i>HK\$'000</i>	Total <i>HK\$'000</i>
COST				
At 1 October 2022	23,966	42,460	—	66,426
Arising on acquisition of subsidiaries			40,887	40,887
At 30 September 2023	23,966	42,460	40,887	107,313
Disposal of subsidiaries (note 9)		(4,960)		(4,960)
At 30 September 2024	23,966	37,500	40,887	102,353
<b>IMPAIRMENT</b> At 1 October 2022 and 30 September 2023	22,755	_	_	22,755
Impairment loss recognised during the year		33,193	4,750	37,943
At 30 September 2024	22,755	33,193	4,750	60,698
CARRYING VALUES				
At 30 September 2024	1,211	4,307	36,137	41,655
At 30 September 2023	1,211	42,460	40,887	84,558

#### 13. FINANCIAL ASSETS AT FVTPL

	2024 HK\$'000	2023 <i>HK\$</i> '000
Derivatives – unlisted options issued by companies listed overseas	186	332
Equity securities listed in Hong Kong and overseas	1,266	1,360
Unlisted equity securities in Hong Kong	_	1,764
Payment for life insurance policy	1,496	1,434
Unlisted investment fund (note a)	23,471	31,600
Investment in mobile applications (note b)	13,849	21,400
	40,268	57,890
Analysed as:		
Current	24,923	35,056
Non-current	15,345	22,834
	40,268	57,890

Note:

- (a) At the end of the reporting period, the balance represented unlisted investment fund subscribed from independent financial institutions in Hong Kong (the "Fund"). The portfolio of the Fund mainly comprises unlisted equity investments in the business of the manufacturing of interior decorative parts of automotive and the aluminium battery components for electric motor vehicles. The Fund is managed by a subsidiary of the Group. On 30 September 2024, the Group assessed fair value of the beneficial interests in the Fund held by the Company and consequently determined fair value loss of financial assets at FVTPL amounting to HK\$8,129,000 (2023: nil).
- (b) In June 2023, a subsidiary of the Company, agreed to pay a sum of HK\$15,000,000 to an independent third party, Regal Crown Technology Limited ("**Regal Crown**"), which will be used to finance the costs and expenses incurred by Regal Crown for the development of the RC3.0 App Project. Regal Crown shall grant the subsidiary of the Company the exclusive and irrevocable right to share the benefit and receive 50% of any income and revenue generated from the use of RC3.0 App. For detail terms of the transaction, please refer to announcement dated 18 July 2023. As the Group has a contractual right to receive cash in this arrangement for 15 years since the date of launch and, it is classified as a non-current financial assets at FVTPL. On 30 September 2024, the Group assessed the fair value of the beneficial interests held by the Company and determined loss on the fair value of financial assets at FVTPL amounting to HK\$7,551,000 (2023: nil).

#### 14. TRADE AND OTHER RECEIVABLES

	Note	2024 HK\$'000	2023 HK\$`000
Trade receivables			
Trade receivables	<i>(a)</i>	20,918	33,296
Less: Loss allowance	_	(7,062)	(860)
	_	13,856	32,436
Other receivables			
Prepayment		952	1,993
Deposits		4,204	3,616
Other receivables	<i>(b)</i>	11,675	26,533
Less: Loss allowance	_	(1,405)	(2,427)
	_	15,426	29,715
	_	29,282	62,151

Note:

- (a) Generally, there is no credit term granted to customers, the settlement terms of trade receivables are due upon the issuance of invoices. For trade receivables arising from the business of corporate finance advisory services, there are settlement terms determined in accordance with the contract terms, usually within 1 month to 3 months after billing.
- (b) The amount mainly comprises consideration receivables for loan receivables from a third party and temporary payment for the licensed business amounted to HK\$1,404,000 and HK\$9,479,000 respectively (2023: HK\$3,500,000 for the disposal of Wealth Link, HK\$11,600,000 for sales proceed receivables from third parties for disposal of financial assets at FVTPL, HK\$6,000,000 for loan receivables from a third party and HK\$4,992,000 temporary payment for the non-licensed business amount).

The ageing analysis of the trade receivables (net of loss allowance) by invoice date is as follows:

	2024 HK\$'000	2023 HK\$ '000
Within 30 days	5,982	14,416
31 to 60 days	1,492	2,336
61 to 90 days	844	2,204
Over 90 days	5,538	13,480
	13,856	32,436

#### **15. TRADE AND OTHER PAYABLES**

	Note	2024 HK\$'000	2023 HK\$ '000
Trade payables			
Trade payables arising from client accounts under the business			
of corporate finance advisory services	(a)		24,587
Other payables			
Accrual		3,418	5,371
Other payables	<i>(b)</i>	5,902	6,803
	_	9,320	12,174
	=	9,320	36,761
Analysed as:			
Current		9,170	36,611
Non-current	_	150	150
	=	9,320	36,761

*Note:* 

- (a) No ageing analysis is disclosed as, in the opinion of Directors, the ageing analysis does not give additional value in view of the nature of business.
- (b) As at 30 September 2024, the other payables mainly comprise the amount payable to a asset management company for investment purpose of approximately HK\$5,670,000.

As at 30 September 2023, the amounts mainly comprise amount due to ex-shareholder of Earning Joy Development Limited (a subsidiary of the Company) and its subsidiaries (together the "Earning Joy Group") and temporary receipts for the non-licensed business of approximately HK\$3,096,000 and approximately HK\$3,441,000 respectively. The amount due to ex-shareholder is unsecured, interest-free and has no fixed repayment terms.

#### 16. INTEREST-BEARING BORROWINGS

At the end of the reporting period, the details of the bank borrowings of the Group are as follows:

	2024 HK\$`000	2023 HK\$`000
Secured bank borrowings repayable on demand	16,322	24,621

Bank borrowings as at 30 September 2024 carried interest at variable market rates benchmarking to the interest rates of 2.25% (2023: 2.25%) below HSBC Prime Rate or 2.5% (2023: 2.5%) below DBS Prime Rate.

The effective interest rates on the Group's bank borrowings during the years ended 30 September 2024 and 2023 were as follows:

	2024	2023
	Per annum	Per annum
Effective interest rate:		
Variable rate	3.63%	2.75% to 3.63%

As at 30 September 2024, bank borrowings with a clause in their terms that gives the banks an overriding right to demand for repayment are classified as current liabilities even though the Directors do not expect that the banks would exercise their right to demand repayment.

The maturity terms of the bank borrowings based on repayment schedule pursuant to the loan facility letters (ignoring the effect of any repayment on demand clause) are as follows:

	2024	2023
	HK\$'000	HK\$ '000
Within one year	2,712	3,272
In the second year	2,808	3,375
In the third to fifth years inclusive	8,484	10,761
After five years	2,318	7,213
	16,322	24,621

#### **17. SHARE CAPITAL**

		2024		2023	
	Note	No. of shares	HK\$'000	No. of shares	HK\$'000
Authorised					
At the beginning of the reporting period					
(at par value of HK\$0.01 per share)		2,000,000,000	20,000	2,000,000,000	20,000
Share Consolidation	<i>(a)</i>	(1,920,000,000)			
At the end of the reporting period					
(at par value of HK\$0.25 per share)		80,000,000	20,000	2,000,000,000	20,000
Issued and fully paid					
(at par value of HK\$0.01 per share)					
At the beginning of the reporting period		892,034,000	8,920	721,200,000	7,212
Issue of consideration shares	<i>(b)</i>	-	-	38,640,000	386
Conversion of convertible note	(c)	-	-	25,000,000	250
Issue of settlement shares	<i>(d)</i>	_	_	50,144,000	501
Issue of placing shares	(f)	_	-	57,000,000	570
Exercise of share options	<i>(g)</i>			50,000	1
		892,034,000	8,920	892,034,000	8,920
Share Consolidation	<i>(a)</i>	(856,352,640)	-	_	-
Issue of subscription shares	(e)	7,136,000	1,784		
At the end of the reporting period					
(at par value of HK\$0.25 per share)		42,817,360	10,704	892,034,000	8,920

#### Note:

- (a) Pursuant to an ordinary resolution passed by the shareholders of the Company at an extraordinary general meeting held on 3 January 2024, every twenty-five issued and unissued shares of HK\$0.01 each in the share capital of the Company were consolidated into one share of HK\$0.25 each with effect from 5 January 2024 (the "Share Consolidation").
- (b) In February 2023, the Company has agreed with RC365 Holding plc ("RC365"), a company listed in London Stock Exchange, under which the Company issued and allotted 38,640,000 ordinary shares to RC365, representing approximately 4.33% of the enlarged issued share capital of the Company under general mandate for the subscription of 18,000,000 shares in RC365, which represents 14.34% of the enlarged issued share capital of RC365. The fair value of the shares of RC365 at date of transaction amounted to approximately HK\$34,776,000. The subscription was completed in April 2023 and the equity interest in RC365 is recognised as financial assets at FVTPL during the year.

- (c) During the year ended 30 September 2023, convertible note with nominal value of HK\$5,000,000 was converted into 25,000,000 ordinary shares of the Company at the conversion price of HK\$0.2 per share.
- (d) In December 2022, the Company issued and allotted 50,144,000 shares at HK\$0.83 per share, totalling approximately HK\$41,618,000, for settlement of the promissory notes and outstanding accrued interests related to the consideration payable for the acquisition of the Earning Joy Group.
- (e) In April 2024, the Company issued and allotted 7,136,000 shares at HK\$1.40 per share, totalling approximately HK\$9,990,400 for general working capital of the Group.
- (f) On 10 February 2023, the Company issued and allotted 57,000,000 shares at HK\$0.69 per share pursuant to a placing agreement entered into on 13 January 2023.
- (g) On 21 June 2023, share options were exercised at the subscription price of HK\$0.88 per share, resulting in the issue of 50,000 shares for proceeds of HK\$44,000.

These shares issued rank pari passu with all existing shares in all respects.

# MANAGEMENT DISCUSSION AND ANALYSIS

#### **BUSINESS REVIEW**

The Group is principally engaged in (i) licensed business on the provision of corporate finance advisory services, placing and underwriting services and asset management services ("Licensed Business"); and (ii) non-licensed business on the provision of ESG advisory services, business consultancy services, corporate secretarial services, accounting and taxation services, risk management and internal control advisory services and human resources services in Hong Kong ("Non-Licensed Business").

#### (i) Continuing Operations

#### Licensed Business

The Group's Licensed Business is operated by its wholly-owned subsidiaries:

**VBG** Capital A licensed corporation under the Securities and Futures Ordinance (Chapter Limited ("VBG 571 of the Laws of Hong Kong) (the "SFO") to carry on Type 1 (dealing in Capital") securities) and Type 6 (advising on corporate finance) regulated activities. The Group's corporate finance advisory services include (i) acting as sponsor in IPO exercises, advising companies on compliance requirements and acting as compliance adviser to listed companies post-IPO; (ii) acting as financial adviser in transactions or compliance matters under the Rules Governing the Listing of Securities on the Stock Exchange, the GEM Listing Rules and/or the Codes on Takeovers and Mergers and Share Buy-backs; and (iii) acting as independent financial adviser to the independent board committees and independent shareholders of listed companies. Through VBG Capital, the Group acts as placing agent, lead manager and/or underwriter in primary and/or secondary market equity fund-raising exercises of listed companies.

VBG Asset A licensed corporation under the SFO to carry on Type 4 (advising on Management securities) and Type 9 (asset management) regulated activities. The Group's Limited asset management services include providing advisory services for equity securities, fixed income securities, real estate securities, mutual funds and discretionary portfolio management services for professional clients.

Corporate finance advisory business continues to be the core business of the Group's Licensed Business. During the year ended 30 September 2024 (the "Year"), corporate finance advisory business accounted for approximately 10.5% of the Group's total revenue from continuing operations. The Group's other Licensed Businesses, namely, (i) placing and underwriting services and (ii) asset management services, accounted for approximately 17.7% and 0.1% of its total revenue from continuing operations during the Year, respectively.

## Non-Licensed Business

The Group's Non-Licensed Businesses and operations in respect of the provision of business consulting services, ESG advisory services, corporate secretarial services, accounting and taxation services, risk management and internal control advisory services, and human resources services are principally carried out under its wholly-owned subsidiaries in Hong Kong, APEC GROUP INTERNATIONAL LIMITED and VBG Asia Limited; and its wholly-owned subsidiary in Canada, Baron Global Financial Canada Ltd. During the Year, business consulting services accounted for approximately 40.5% of the Group's total revenue from continuing operations. The Group's other Non-Licensed Business, namely, (i) accounting and taxation services, (ii) corporate secretarial services, (iii) human resources services and (iv) risk management and internal control advisory services, accounted for approximately 18.3%, 7.3%, 2.4% and 3.2% of its total revenue from continuing operations during the Year, respectively.

# (ii) Discontinued Operations

# Licensed Business

The Group's Licensed Business classified as discontinued operations represents the securities brokerage and margin financing business operated by Wealth Link Securities Limited ("Wealth Link Securities"), a licensed corporation under the SFO to carry on Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities, for the period from 1 October 2022 to 23 December 2022. On 13 September 2021, the Company as seller entered into an agreement for the disposal of 85% equity interest in Wealth Link Securities (the "WLS Disposal"). Completion of the WLS Disposal took place on 23 December 2022. Immediately after completion of the WLS Disposal, Wealth Link Securities ceases to be a subsidiary of the Company and the financial result, assets and liabilities of Wealth Link Securities will no longer be consolidated into the accounts of the Group. In December 2023, the Company disposed its remaining equity interest in Wealth Link Securities.

# Non-Licensed Business

The Group's Non-Licensed Business classified as discontinued operations represents the ESG advisory service business operated by ESGrowth Limited and Hong Kong Sustainability Strategic Advisory Limited, for the year ended 30 September 2024. On 30 September 2024, the Company disposed of 100% of its equity interest in ESGrowth Limited and 70% of its equity interest in Hong Kong Sustainability Strategic Advisory Limited for a consideration of HK\$1 (the "ESG Disposal"). Completion of the ESG Disposal took place on 30 September 2024. Upon completion of the ESG Disposal, ESGrowth Limited and Hong Kong Sustainability Strategic Advisory Limited cease to be subsidiaries of the Company and their financial results, assets and liabilities will no longer be consolidated into the accounts of the Group.

#### Subscription of new shares under general mandate (the "Share Subscription")

On 23 February 2024, the Company as issuer entered into a subscription agreement (the "Share Subscription Agreement") with Mr. Gan Fanglun ("Mr. Gan") as subscriber, pursuant to which Mr. Gan conditionally agreed to subscribe for, and the Company conditionally agreed to issue and allot, an aggregate of 7,136,000 new shares of the Company at the subscription price of HK\$1.40 per subscription share under the general mandate granted to the Directors by the shareholders of the Company at the annual general meeting held on 23 February 2024. The aggregate nominal value of the subscription shares was HK\$1,784,000. The closing price quoted on the Stock Exchange per ordinary share of the Company as at the date of the Share Subscription Agreement was HK\$0.95. The net proceeds from the Share Subscription share. The Directors consider that the Share Subscription represents a good opportunity to strengthen the capital base of the Company. Completion of the Share Subscription had taken place and the Company intended to apply the net proceeds from the Share Subscription share. The Directors consider that the Share Subscription of the Share Subscription as general working capital of the Group. Details of the Share Subscription were set out in the announcements of the Company dated 23 February 2024 and 22 May 2024.

#### **Rights issue**

References are made to the announcements of the Company dated 23 September 2024, 2 October 2024, 14 October 2024, 5 November 2024, 11 November 2024, 15 November 2024, 29 November 2024, 9 December 2024 and 20 December 2024 in relation to, among other things, the Rights Issue, the Underwriting Agreement and the Placing Agreement (the "**Rights Issue Announcements**"). Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Rights Issue Announcements.

According to the Rights Issue Announcements, the Company proposed to raise up to (i) approximately HK\$32.1 million before expenses (assuming full subscription under the Rights Issue) by issuing up to 128,452,080 Rights Shares (assuming no new Shares are issued or repurchased on or before the Record Date); or (ii) approximately HK\$33.0 million before expenses (assuming full subscription under the Rights Issue) by issuing up to 132,118,080 Rights Shares (assuming no new Shares are issued or repurchased on or before the Record Date other than the new Shares to be allotted and issued pursuant to the full exercise of the outstanding Share Options) by way of rights issue at the Subscription Price of HK\$0.250 per Rights Share, on the basis of three (3) Rights Shares for every one (1) Share held on the Record Date. The Directors believe that the Rights Issue can strengthen the capital base of the Company and support the Company's continuing business development and growth. The Company intends to apply the net proceeds from the Rights Issue, which will be either HK\$31.1 million or HK\$32.0 million, on the investment and establishment of presence in the online gaming industry and as working capital of the Group.

On 23 September 2024, the Company entered into the Underwriting Agreement with the Underwriter, pursuant to which the Underwriter has conditionally agreed to underwrite up to 88,452,080 Unsubscribed Rights Shares, subject to the terms and conditions set out in the Underwriting Agreement. As the Underwriter is a company wholly and beneficially owned by Mr. Li Man Keung Edwin, an executive Director, it is regarded as a connected person of the Company. Therefore, the entering into of the Underwriting Agreement constitutes a connected transaction of the Company and is subject to the reporting, announcement and independent shareholders' approval requirements under the GEM Listing Rules.

On 23 September 2024, the Company also entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent has agreed to procure Placee(s), on a best effort basis, to subscribe for up to 40,000,000 Unsubscribed Rights Shares. The placing price of the Unsubscribed Rights Shares shall be not less than the Subscription Price. The final price will be determined based on the demand for the Unsubscribed Rights Shares and market conditions at the time of placement.

The Rights Issue, the Underwriting Agreement and the Placing Agreement will be subject to the approval of the Independent Shareholders or the Shareholders (as the case may be) at an extraordinary general meeting of the Company (the "EGM"). As at the date of this announcement, the Rights Issue was not yet completed.

# Subscription of convertible bonds under specific mandate (the "CB Subscription")

On 23 September 2024, the Company entered into a subscription agreement (the "**CB Subscription Agreement**") with Redbridge Capital Global Opportunities OFC as subscriber (the "**CB Subscriber**"), pursuant to which the Company conditionally agrees to issue and the CB Subscriber conditionally agrees to subscribe for the convertible bonds in the aggregate principal amount of HK\$5,670,000 (the "**Convertible Bonds**"). Based on the initial conversion price of HK\$0.315 per conversion share, a maximum number of 18,000,000 conversion shares will be allotted and issued upon exercise in full of the conversion rights attaching to the Convertible Bonds.

The CB Subscriber is an open-ended fund company established in Hong Kong and its investment manager is Redbridge Capital Management Limited, a licensed corporation to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO. The net proceeds from the CB Subscription are expected to be approximately HK\$5,670,000. The Company intends to apply the net proceeds from the CB Subscription as general working capital of the Group. The Directors anticipate that the Company will be able to create synergy with the CB Subscriber by utilizing its financial expertise and building from the CB Subscriber's network of contacts and also consider that (i) the net proceeds from the CB Subscription will help the Group with its potential growing operational and administrative expenses; and (ii) acquisition of the conversion shares will act as an incentive for the CB Subscriber to contribute to the continuous growth of the Group.

The CB Subscription Agreement and the transactions contemplated thereunder will be subject to the approval of the Independent Shareholders at the EGM. For details of the CB Subscription, please refer to the announcements of the Company dated 26 September 2024 and 5 November 2024. As at the date of this announcement, the CB Subscription was not yet completed.

# Letter of intent (the "LOI") and proposed cooperation with Chromatic Media Ltd. (the "Target Company")

On 26 September 2024, the Company entered into the LOI with the Target Company, an investment holding company principally engaged in the development and operations of its social gaming platform, pursuant to which the Company intends to invest approximately US\$5.0 million in the establishment of a wholly-owned subsidiary to be incorporated in a gaming-friendly jurisdiction and the strategic cooperation with the Target Company following the Company's development in the gaming industry (the "**Possible Transaction**"), subject to the legal due diligence to be conducted prior to entering into any potential transaction. The Company and the Target Company will continue to proceed with further negotiation of and enter into of a formal and binding agreement in respect of the Possible Transaction.

For details of the LOI, please refer to the announcements of the Company dated 26 September 2024 and 5 November 2024.

# FINANCIAL REVIEW

#### **Continuing Operations**

#### Revenue

The Group's revenue was derived from two principal businesses, namely, Licensed Business and Non–Licensed Business which are set out in note 4 to the consolidated financial statements.

For the Year, the Group recorded an increase in revenue by approximately 9.8% to approximately HK\$85.5 million (2023: approximately HK\$77.9 million). The increase in revenue was mainly due to an increase in revenue generated from placing and underwriting services under Licensed Business and a decrease in revenue generated from business consulting services under Non-Licensed Business.

Details of changes in the revenue derived from Licensed Business and Non-Licensed Business are analysed below.

#### Licensed Business

The revenue from Licensed Business increased by approximately HK\$8.7 million or 56.5% to approximately HK\$24.1 million for the Year (2023: approximately HK\$15.4 million). The increase in revenue was mainly due to (i) an increase in revenue generated from placing and underwriting services of approximately HK\$11.4 million; and (ii) a decrease in revenue generated from corporate finance advisory services of approximately HK\$2.6 million during the Year.

The decrease in revenue from corporate finance advisory services was primarily attributable to (i) a decrease in revenue generated from acting as financial adviser and as independent financial adviser of approximately HK\$3.7 million; and (ii) an increase in revenue generated from acting as sponsor of approximately HK\$1.1 million during the Year.

The increase in revenue from placing and underwriting services was primarily attributable to an increase in the size of placing and underwriting engagements handled by the Group in terms of transaction value from approximately HK\$322.7 million for the year ended 30 September 2023 to approximately HK\$1,289.4 million for the Year.

# Non-Licensed Business

The revenue from Non-Licensed Business remained stable and decreased slightly by approximately HK\$1.1 million or 1.8% to approximately HK\$61.4 million for the Year (2023: approximately HK\$62.5 million). Such decrease was mainly due to (i) a decrease in revenue generated from business consulting services of approximately HK\$3.4 million; and (ii) an increase in revenue generated from corporate secretarial services of approximately HK\$1.3 million during the Year.

# Other income and other gains and losses, net

The Group's other income and net other gains and losses generally comprised government subsidies, recharge income from disbursement costs, net gain on disposal of financial assets at FVTPL and fair value change on financial assets at FVTPL. The other income and net other gains and losses changed from a net positive amount of approximately HK\$22.9 million for the year ended 30 September 2023 to a net negative amount of approximately HK\$15.9 million for the Year, mainly resulting from (i) a decrease in net gain on disposal of financial assets at FVTPL of approximately HK\$10.6 million; and (ii) the recognition of a fair value loss on financial assets at FVTPL of approximately HK\$16.7 million, compared to a fair value gain of approximately HK\$13.6 million, which is primarily attributable to the Group's investment in the RC3.0 App Project and the Fund, during the Year.

# Administrative expenses and other operating expenses

The Group's administrative expenses and other operating expenses mainly comprised staff costs and related expenses, placing and related expenses, depreciation of plant and equipment and right-of-use assets, and professional fees.

The Group's administrative expenses and other operating expenses decreased by approximately HK\$16.0 million, or approximately 14.2%, from approximately HK\$113.0 million for the year ended 30 September 2023 to approximately HK\$97.0 million for the Year. Such decrease was mainly attributable to a combined effect of (i) the absence of recognition of equity-settled share-based payment expenses during the Year (2023: approximately HK\$23.0 million) in relation to the grant of share options by the Company under the Share Option Scheme; and (ii) an increase in placing and related expenses of approximately HK\$11.3 million (2023: nil) during the Year, which comprise referral fees, in relation to placing and underwriting services provided by the Group.

## **Finance costs**

The Group's finance costs decreased to approximately HK\$1.2 million for the Year from approximately HK\$1.5 million for the year ended 30 September 2023, mainly because no interest expenses were incurred on promissory notes and there was a decrease in interest expenses incurred on convertible note during the Year.

## Income tax credit/expense

The Group recorded an income tax credit of approximately HK\$0.7 million for the Year, as compared to an income tax expense of approximately HK\$1.4 million for the year ended 30 September 2023, mainly resulting from a decrease in provision for profits tax arising from the loss-making position of certain subsidiaries for the Year.

#### Loss for the year

As a result of foregoing, the Group recorded a loss from continuing operations of approximately HK\$73.1 million for the Year as compared to a loss of approximately HK\$17.5 million for the year ended 30 September 2023.

# **Discontinued Operations**

The Group recorded a loss from discontinued operations of approximately HK\$4.1 million for the Year as compared to a profit of approximately HK\$3.2 million for the year ended 30 September 2023.

#### Net loss margin

For the Year, the Group's net loss margin ratio was approximately 85.5% (2023: approximately 16.8%).

# LIQUIDITY AND CAPITAL RESOURCES

During the Year, the Group's working capital and other capital needs were principally financed by internal resources and bank borrowings.

The functional currency of the Group is Hong Kong dollars. As at 30 September 2024, approximately HK\$3.5 million of the Group's cash and cash equivalents was denominated in other currencies, principally Canadian dollars ("CAD") and United States dollars ("USD").

The Directors are of the view that at the date of this announcement, the Group's financial resources are sufficient to support its business and operations.

## **Bank borrowings**

Save for the interest-bearing borrowings of approximately HK\$16.3 million as disclosed in note 16 to the consolidated financial statements, the Group had neither banking facilities nor borrowings as at 30 September 2024 (2023: interest-bearing borrowings and government loan of approximately HK\$24.9 million).

#### Charge on assets

As at 30 September 2024, the Group's obligation under finance lease was secured by the lessor's title to the leased assets, which had a carrying value of approximately HK\$327,000 (2023: approximately HK\$458,000).

#### **Contingent liabilities**

The Group did not have any material contingent liabilities as at 30 September 2024 (2023: nil).

#### **Current ratio**

As at 30 September 2024, the Group's current ratio was approximately 3.1 times (2023: approximately 2.1 times).

#### Gearing ratio

The Group's gearing ratio, calculated by dividing total interest-bearing borrowings (including lease liabilities and convertible note) by total equity of the Group, was approximately 18.8% as at 30 September 2024 (2023: approximately 17.2%).

#### Capital structure

The Group's equity consists of ordinary shares of the Company.

The Group's objective in managing capital is to safeguard the ability to continue as a going concern, so that it can continue to provide returns for the Company's shareholders. The Group's overall strategy remains unchanged since the Listing.

The Group's risk management reviews the capital structure on a regular basis. As part of the review, the management considers the cost of capital and the risk associated with capital and will balance the overall capital structure through the payment of dividends, new share issues as well or sale of assets to reduce debts.

# **Treasury policies**

The Directors will continue to follow a prudent policy in managing the Group's bank balances, trade receivables and financial assets at FVTPL for the purposes of maintaining the Group's solid and healthy liquidity position.

#### Foreign exchange exposure

Majority of the Group's revenue is denominated in Hong Kong dollars and the Group's accounts are prepared in Hong Kong dollars. Consequently, the exposure to the risk of foreign exchange rate fluctuations for the Group is not material provided that the bank balances denominated in CAD, USD and other currencies are insignificant. For the Year, the Group did not have any derivatives for hedging against the foreign exchange rate risk. The Directors will continue to monitor the foreign exchange exposure and will consider appropriate action to mitigate such risk, when necessary.

## **OUTLOOK AND PROSPECTS**

The business environment of the Group in 2025 remains challenging compared to 2024. The Group will continue to seek business opportunities for our licensed business and non-licensed business. Apart from the intended investment in the gaming and entertainment business, the Company and the Board have been actively exploring new business opportunities in order to bring a higher return for the shareholders of the Company, in particular acquisition targets with its business focus in the Greater Bay Area and the opportunities arising therefrom.

#### Future plan for material investments or capital assets

Save as disclosed in the paragraph headed "Rights issue" above, the Group did not have any future plans for material investments or capital assets as at 30 September 2024.

#### Use of proceeds from the Share Subscription

The following table sets forth the status of net proceeds from the Share Subscription:

Intended use of net proceeds	Net proceeds raised HK\$ million	Net proceeds utilised up to 30 September 2024 HK\$ million	Net proceeds unutilised as at 30 September 2024 HK\$ million	Expected time frame for remaining unutilised net proceeds
General working capital	10.0	10.0	Nil	Fully utilised

The net proceeds from the Share Subscription were fully utilised by the Group during the Year in accordance with its intended use as disclosed in the announcements of the Company dated 23 February 2024 and 22 May 2024.

# Material acquisitions and disposals of subsidiaries, associates and joint ventures

The Group did not have any material acquisitions and disposal of subsidiaries, associates and joint ventures during the Year.

#### Significant investments held

Save for the financial assets as disclosed in note 13 to the consolidated financial statements, the Group did not hold any significant investments as at 30 September 2024.

#### **OTHER INFORMATION**

#### **Employees and remuneration policies**

As at 30 September 2024, the Group employed a total of 144 employees (2023: 150). For the Year, employee benefits costs of the Group (including the Directors' emoluments) were approximately HK\$62.4 million (2023: approximately HK\$88.0 million). Employees' remuneration is determined with reference to market terms and the performance, qualifications and experience of employees. Apart from basic remuneration, the Company may grant share options under the share option scheme (please refer to the disclosure in the section headed "Appendix IV – Statutory and general information" of the prospectus of the Company dated 15 May 2017) adopted by the Company on 4 May 2017 to eligible employees by reference to the Group's performance as well as the individual employee's contributions to the development and growth of the Group. The Directors believe that the compensation packages offered by the Group to its staff are competitive in comparison with market standards and practices.

#### Major customers and suppliers

During the Year, the revenue attributable to the Group's largest customer accounted for approximately 16.3% (2023: approximately 16.1%) of the Group's total revenue and the revenue attributable to the Group's top five largest customers accounted for approximately 37.9% (2023: approximately 32.7%) of the Group's total revenue.

The Group had no major suppliers due to the nature of the principal activities of the Group.

None of the Directors or any of their close associates, or any shareholder of the Company (who to the knowledge of the Directors own 5% or more of the issued shares of the Company) had any beneficial interest in any the Group's major customers above.

# DIVIDEND

The Board did not recommend the payment of a final dividend for the Year (2023: nil).

# PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Save as the Share Subscription, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Year and up to the date of this announcement.

# EVENTS AFTER THE REPORTING PERIOD

The Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 30 September 2024 and up to the date of this announcement.

# **CORPORATE GOVERNANCE PRACTICES AND CODE COMPLIANCE**

The corporate governance practices of the Group are based on the principles and the code provisions in the Corporate Governance Code (the "**CG Code**") set out in Appendix C1 to the GEM Listing Rules.

The Company has complied with the code provisions of the CG Code during the Year.

# DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for dealing in securities of the Company by the Directors (the "**Required Standard of Dealings**"). Having made specific enquiries of all Directors, each of the Directors confirmed that he has complied with the Required Standard of Dealings throughout the Year and up to the date of this announcement.

# AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") has been established with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules and code provision D.3.3 of the CG Code. The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Ho Lik Kwan Luke (chairman of the Audit Committee), Mr. William Robert Majcher and Mr. Lau Pak Kin Patric. The primary duty of the Audit Committee is to review and supervise the Company's financial reporting process, the risk management and internal control systems of the Group and the monitoring of continuing connected transactions.

Pursuant to code provision D.3.3 of the CG Code, the Audit Committee together with the management of the Company have reviewed the financial reporting matters including the review of the annual results of the Group for the Year and confirmed that the preparation of such complied with applicable accounting principles and practices adopted by the Company and the requirements of the Stock Exchange, and adequate disclosure had been made. The Audit Committee also provided recommendations to the Board on the appointment of external auditor of the Company and reviewed the effectiveness of the risk assessment and internal control systems of the Group.

# SCOPE OF WORK OF BAKER TILLY HONG KONG LIMITED

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the Year as set out in this announcement have been agreed by the Group's auditor, Baker Tilly Hong Kong Limited ("**Baker Tilly**"), with the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by Baker Tilly in this respect did not constitute an assurance engagement performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Baker Tilly on this announcement.

# PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews. hk) and the Company (www.hatcher-group.com). The annual report of the Company for the Year will be published on the above websites and dispatched to the shareholders of the Company in due course.

By Order of the Board Hatcher Group Limited Hui Ringo Wing Kun Executive Director

Hong Kong, 30 December 2024

As at the date of this announcement, the Board comprises:

Executive Directors: Mr. Li Man Keung Edwin *(Executive Chairman)* Mr. Hui Ringo Wing Kun Mr. Yeung Chun Yue David *(Vice Chairman)* Mr. Michael Stockford

Independent Non-executive Directors: Mr. William Robert Majcher Mr. Ho Lik Kwan Luke Mr. Lau Pak Kin Patric

This announcement will remain on the "Latest Listed Company Information" page of the Stock Exchange's website at www.hkexnews.hk for at least 7 days from the date of its publication and will be published on the Company's website at www.hatcher-group.com.