Hatcher Group Limited
亦辰集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8365

2023-2024

Annual Report

For identification purpose only

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*This annual report, 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 annual report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this annual report misleading.*

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Li Man Keung Edwin *(Executive Chairman)*
Mr. Hui Ringo Wing Kun *(Chief Executive Officer)*
Mr. Yeung Chun Yue David *(Vice Chairman)*
Mr. Michael Stockford (appointed on 1 October 2024)

Independent Non-Executive Directors

Mr. William Robert Majcher
Mr. Ho Lik Kwan Luke
Mr. Lau Pak Kin Patric

BOARD COMMITTEES

Audit Committee

Mr. Ho Lik Kwan Luke *(Chairman)*
Mr. William Robert Majcher
Mr. Lau Pak Kin Patric

Nomination Committee

Mr. William Robert Majcher *(Chairman)*
Mr. Ho Lik Kwan Luke
Mr. Lau Pak Kin Patric

Remuneration Committee

Mr. Lau Pak Kin Patric *(Chairman)*
Mr. Hui Ringo Wing Kun
Mr. William Robert Majcher
Mr. Ho Lik Kwan Luke

COMPLIANCE OFFICER

Mr. Hui Ringo Wing Kun

COMPANY SECRETARY

Mr. Yeung Chun Yue David

AUTHORISED REPRESENTATIVES

Mr. Hui Ringo Wing Kun
Mr. Yeung Chun Yue David

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

21/F., Low Block, Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

REGISTERED OFFICE

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

AUDITOR

Baker Tilly Hong Kong Limited
Level 8, K11 ATELIER King's Road
728 King's Road
Quarry Bay
Hong Kong

TRADING STOCK CODE

8365

COMPANY WEBSITE

www.hatcher-group.com

Chairman's Statement

Dear Shareholders,

On behalf of the board of Directors (the "**Board**") of Hatcher Group Limited (the "**Company**", together with its subsidiaries, collectively the "**Group**"), I am pleased to present to you the annual report of the Company for the year ended 30 September 2024 (the "**Year**").

REVIEW

For the Year, the Group reported revenue of approximately HK$90.3 million, representing an increase of approximately 5.7% as compared to approximately HK$85.4 million for the previous year. The loss for the Year amounted to approximately HK$77.2 million as compared to a loss of approximately HK$14.3 million for the previous year.

To strengthen the financial position and improve the liquidity of the Group, on 23 September 2024, the Company proposed rights issue on the basis of three rights shares for every one share in issue on the record date (the "**Rights Issue**"). The Board expects that the Rights Issue will be completed in March 2025.

On 26 September 2024, the Company entered into a non-legally binding letter of intent with Chromatic Media Ltd., an investment holding company principally engaged in the development and operations of its social gaming platform, in relation to possible strategic cooperation in the gaming industry. According to public information, the global mobile online game industry was valued at approximately US$108.2 billion in 2022 and is projected to grow annually at a compound annual growth rate of approximately 13.6% during the period from 2023 to 2030, reaching approximately US$339.5 billion by 2030. In view of such prospects and after thorough consideration of the Directors, the Board considers that the Group will be able to benefit from the potential growth by investing in the gaming and entertainment business. Accordingly, a sum of HK$21.8 million out of the estimated net proceeds from the Rights Issue is earmarked for such purpose, with HK$6.4 million allocated for the establishment of a wholly-owned subsidiary to be incorporated in a gaming–friendly jurisdiction and the hiring of operational staff for the gaming platform, and HK$15.4 million allocated for marketing expense for capturing new customers to take part in the gaming platform.

On 30 September 2024, the Company disposed of its ESG advisory service business. Following the acquisition of the ESG advisory service business in November 2021, the Company had largely expanded the workforce of this business by recruiting more staff, including some very experienced professionals, in order to prepare for the opportunities arising from disclosures in relation to scope 3 greenhouse gas emissions (the "**Scope 3 Disclosures**"), which the Board at that time believed would become compulsory for all Hong Kong listed companies soon. However, according to the "Consultation Conclusions – Enhancement of Climate-related Disclosures Under the ESG Framework" published by the Stock Exchange in April 2024, only LargeCap listed companies (i.e. Hang Seng Composite LargeCap Index constituents) are subject to the Scope 3 Disclosures (along with other enhanced requirements for climate-related disclosures) mandatorily for financial years commencing on or after 1 January 2026 and there is no concrete timetable for the same on small to medium-sized listed companies, which are considered typical customers of the Group. In view of the uncertainty about when the Scope 3 Disclosures will become mandatory for small to medium-sized listed companies, the Board considers that discontinuation of the ESG advisory service business will enable the Group to streamline its operations with a view to reducing the Group's operational costs and improving the efficient use of its capital and cash-flow resources.

Chairman's Statement

OUTLOOK

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.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my sincere gratitude to our shareholders, customers and business partners for their continuous support, and to our management and staff members for their diligence and contribution to the growth of the Group.

Yours sincerely,
Li Man Keung Edwin
Executive Chairman and Executive Director

Hong Kong, 30 December 2024

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 Limited ("**VBG Capital**")	A licensed corporation under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**") to carry on Type 1 (dealing in 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 Management Limited	A licensed corporation under the SFO to carry on Type 4 (advising on securities) and Type 9 (asset management) regulated activities. The Group's 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.

Management Discussion and Analysis

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.

Management Discussion and Analysis

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 are approximately HK$10.0 million and the net issue price was approximately HK$1.40 per 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 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 annual report, 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 annual report, the CB Subscription was not yet completed.

Management Discussion and Analysis

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.

Management Discussion and Analysis

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.

Provision for impairment loss in respect of goodwill

The Group recognised an impairment loss in respect of goodwill amounting to approximately HK$37.9 million for the Year (2023: nil), of which approximately HK$33.2 million is attributable to the APEC Business CGU, which accounts for approximately 80% of the total revenue of the Non-Licensed Business segment, due to the unforeseen business environment in the near future. The Directors considered that the economic conditions of Hong Kong and the PRC have not recovered as expected after the end of COVID-19 pandemic and the prospects of the Hong Kong corporate finance market, especially the IPO market, for the coming years remain mixed. These factors adversely affect the financial projections of the APEC Business CGU, especially the revenue generated from business consulting services, and accounting and taxation services. In addition, since its acquisition by the Company in November 2021, the number of staff and the related staff costs of the APEC Business CGU have been increased by a maximum of 33 and approximately HK$15.7 million respectively between the year ended 30 September 2022 and the Year. This is a major factor contributing to the loss-making position of the Non-Licensed Business segment for the Year. To alleviate such adverse effects on the financial condition of the APEC Business CGU, the Group had implemented cost optimisation measures to strengthen control on staff costs and other operational costs.

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 an unlisted investment fund, during the Year.

Management Discussion and Analysis

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.

Management Discussion and Analysis

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 annual report, 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 23 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).

Management Discussion and Analysis

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.

Management Discussion and Analysis

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**	**Net proceeds utilised up to 30 September 2024**	**Net proceeds unutilised as at 30 September 2024**	**Expected time frame for remaining unutilised net proceeds**
	HK$ million	*HK$ million*	*HK$ million*	
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 18 to the consolidated financial statements, the Group did not hold any significant investments as at 30 September 2024.

Management Discussion and Analysis

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 sub-section headed "Share option scheme" in the section headed "Report of the Directors" of this annual report for details) 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).

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Li Man Keung Edwin ("**Mr. Li**"), aged 57, was appointed as an executive Director and executive chairman of the Board on 25 January 2022. He is primarily responsible for formulating corporate strategy, planning, business development and overseeing financials and risk management of the Group. Mr. Li obtained his diploma of Mechanical Engineering Technician – Drafting Design and diploma of Electro-Mechanical Engineering Technician from Humber College Institute of Technology and Advanced Learning in Canada in 1990 and 1991, respectively. Since 1991, he has been a director of Kwoon Kwen Metal Ware Company Limited, a company incorporated in Hong Kong, which is principally engaged in manufacturing of small metal parts, power tools and machinery parts. He has also been a director of Kwoon Kwen Ying Enterprises Limited since 1994, a company incorporated in Hong Kong, which is principally engaged in the business of property development.

Mr. Li has been an executive director of Cornerstone Technologies Holdings Limited (stock code: 8391), a company listed on GEM of the Stock Exchange, since 24 August 2020. Mr. Li is currently a standing committee member of the Guangzhou Panyu District Committee of the Chinese People's Political Consultative Conference.

Mr. Hui Ringo Wing Kun ("**Mr. Hui**"), aged 43, is an executive Director and chief executive officer of the Group. He has been a director of the Group since September 2013. He was appointed as a Director and was re-designated as an executive Director on 28 June 2016, appointed as the compliance officer of the Company on 29 June 2016 and chief executive officer of the Group on 25 January 2022. He is also a member of the remuneration committee of the Company. Mr. Hui is primarily responsible for overseeing the business corporate strategy, long term planning, all-round development and the daily operations of the Group and overseeing compliance and risk management. He is also responsible for business development of the Group, focusing on IPOs, M&A, capital markets and business consulting initiatives. Mr. Hui obtained a Bachelor of Science degree in management in July 2002 and a Master of Science degree in management in November 2003 from the London School of Economics and Political Science in the United Kingdom.

Mr. Hui was a non-executive director of Jayden Resources Inc., a company listed on TSX Venture Exchange in Canada, from May 2009 to June 2016.

Mr. Yeung Chun Yue David ("**Mr. Yeung**"), aged 43, was appointed as an executive Director on 5 July 2021 and vice chairman of the Board on 25 January 2022. He is primarily responsible for formulating corporate strategy, planning, business development and overseeing financials and risk management of the Group. Mr. Yeung has over 18 years of experience in accounting and tax advisory. From September 2017 to July 2021, he had been the managing partner and director of D & Partners CPA Limited. From July 2004 to September 2017, he worked in Cheng & Cheng Limited, Certified Public Accountants with his last position as a director. Mr. Yeung has been an independent non-executive director of TL Natural Gas Holdings Limited (stock code: 8536) since 29 December 2021; Nexion Technologies Limited (stock code: 8420) since 10 September 2020; SANVO Fine Chemicals Group Limited (stock code: 301) since 13 December 2019; and Aeso Holding Limited (stock code: 8341) since 12 April 2019.

Biographical Details of Directors and Senior Management

Mr. Yeung graduated from City University of Hong Kong with a bachelor of business administration in accountancy in November 2004. He is a Certified Public Accountant (Practising) of the Hong Kong Institute of Certified Public Accountants and a Certified Tax Adviser of the Taxation Institute of Hong Kong. He is currently a committee member of the Panyu Committee of Chinese People's Political Consultative Conference.

Mr. Michael Stockford ("**Mr. Stockford**"), aged 64, was appointed as an executive Director on 1 October 2024. He is primarily responsible for developing and implementing the global strategy of the Group. Mr. Stockford has over 40 years' experience in the financial services industry. He has extensive knowledge in senior management, operations, compliance and corporate governance issues and has a broad spectrum of expertise across numerous asset classes. He is the chief executive officer and founder of 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. He is also a shareholder of Redbridge Global Strategies Limited, a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO.

Mr. Stockford previously held positions of CEO, COO and CCO at NatWest Markets, Credit Agricole Asset Management and Degroof Asset Management (HK) Limited as well as setting up and owning several SFC licensed companies. He has also set up joint ventures in Saudi Arabia and South Korea with Quasi Government partners, and had formerly held the position as an executive director of a listed company on the Stock Exchange formerly known as Mastermind Capital Limited (stock code: 905).

Mr. Stockford graduated with a bachelor degree in accounting and finance in 1981 and is a full member of Hong Kong Securities Institute.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. William Robert Majcher ("**Mr. Majcher**"), aged 62, was appointed as an independent non–executive Director on 4 May 2017. He is also the chairman of the nomination committee, and a member of the audit and remuneration committees of the Company with effect from 26 May 2017. He is primarily responsible for providing independent advice to the Board in areas including conflict of interests, strategy, performance, resources and standard of conduct of the Company. From July 1985 to August 2007, Mr. Majcher served in the Royal Canadian Mounted Police (RCMP) and was involved in the detection and prosecution of some publicly reported money laundering cases in the United States of America and Canada as an undercover agent.

Mr. Majcher lectures extensively to financial professionals on anti-money laundering and compliance matters. Mr. Majcher has been a guest lecturer of the Faculty of Law of the University of Hong Kong on money laundering and terrorist financing matters.

Mr. Majcher obtained a degree of Bachelor of Commerce from St. Mary's University, Halifax, Nova Scotia, Canada in May 1984.

Biographical Details of Directors and Senior Management

Mr. Ho Lik Kwan Luke ("**Mr. Ho**"), aged 46, was appointed as an independent non-executive Director on 1 December 2017. He is also the chairman of the audit committee of the Company with effect from 13 December 2017, and a member of the nomination and remuneration committees of the Company with effect from 1 December 2017. He is primarily responsible for providing independent advice to the Board in areas including conflict of interest, strategy, performance, resources and standard of conduct of the Company. Mr. Ho has over 20 years of experience in the finance industry focusing on corporate finance. During the period from December 2014 to February 2016, Mr. Ho was a director of Ping An Securities Limited. From February 2016 to February 2018 and from March 2018 to May 2019, Mr. Ho served as a director of Huabang Securities Limited and Huabang Corporate Finance Limited, respectively, both of which are subsidiaries of Huabang Financial Holdings Limited (currently known as Hunlicar Group Limited), the shares of which are listed on the Main Board of the Stock Exchange (stock code: 3638). From September 2022 to July 2023, Mr. Ho was the chief financial officer and company secretary of Glory Sun Financial Group Limited (currently known as Renze Harvest International Limited), the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1282). He was also the executive director of the corporate finance division of Glory Sun Securities Limited, a subsidiary of Glory Sun Financial Group Limited, from May 2019 to October 2023. At present, Mr. Ho is the chief financial officer of Ficus Technology Holdings Limited (stock code: 8107) and has been one of the independent non-executive directors of JIN MI FANG GROUP HOLDINGS LIMITED (previously known as Royal Group Holdings International Company Limited) (stock code: 8300) since November 2023.

Mr. Ho obtained a Bachelor degree in Accounting and Financial Management from the University of Sheffield in the United Kingdom in July 2000. He worked in Deloitte Touche Tohmatsu for more than 3 years. At present, he is a member of each of the Hong Kong Institute of Certified Public Accountants, the American Institute of Certified Public Accountants and the Guam Board of Accountancy.

Mr. Lau Pak Kin Patric ("**Mr. Lau**"), aged 44, was appointed as an independent non-executive Director on 1 January 2022. He is also the chairman of the remuneration committee of the Company, and a member of the audit and nomination committees of the Company with effect from 1 January 2022. He is primarily responsible for providing independent advice to the Board in areas including conflict of interest, strategy, performance, resources and standard of conduct of the Company. Mr. Lau has more than 15 years of experience in the banking industry focusing on loans and credit risk management. During the period from December 2000 to April 2010, Mr. Lau had worked in the loan departments of Bank of China (Hong Kong) Limited, Chong Hing Bank Limited and Dah Sing Bank, Limited. During the period from April 2010 to April 2018, Mr. Lau had worked in the credit risk management divisions of OCBC Wing Hang Bank Limited, China Development Bank Corporation, CMB Wing Lung Bank Limited and Shanghai Pudong Development Bank Co., Ltd.

Mr. Lau is registered with the Securities and Futures Commission as a representative for Types 1, 2 and 4 regulated activities and as a responsible officer for Type 9 regulated activities for Funderstone Securities Limited, Funderstone Futures Limited and Funderstone Asset Management (HK) Limited, which are subsidiaries of G-Resources Group Limited (stock code: 1051), a company listed on the Main Board of the Stock Exchange. Mr. Lau is the deputy general manager of Funderstone Securities Limited. He is also the deputy general manager and director of Funderstone Asset Management (HK) Limited.

Biographical Details of Directors and Senior Management

Mr. Lau obtained a Master of Science degree in Finance from University College Dublin of National University of Ireland in 2015 and a Bachelor degree of Business Studies from University College Dublin of National University of Ireland in 2013. Mr. Lau achieved the Certified ESG Planner CEP® in International Chamber of Sustainable Development on 11 March 2022. On 2 March 2023, Mr. Lau was admitted by the Chartered Institute of Management Accountants as a Fellow Chartered Management Accountant and the Chartered Institute of Management Accountants as Chartered Global Management Accountant.

As at the date of this annual report, Mr. Lau does not hold any directorship in any public listed companies.

SENIOR MANAGEMENT

Company Secretary

Mr. Yeung Chun Yue David was appointed as the company secretary of the Company on 1 April 2022. Please refer to the sub-section headed "EXECUTIVE DIRECTORS" above for Mr. Yeung's qualification and experience.

Compliance Officer

Pursuant to Rule 5.19 of the GEM Listing Rules, **Mr. Hui Ringo Wing Kun**, who is also an executive Director, was appointed as the compliance officer of the Company upon Listing. Please refer to the sub-section headed "EXECUTIVE DIRECTORS" above for Mr. Hui's qualification and experience.

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The shares of the Company were listed on GEM on 26 May 2017 (the "**Listing Date**"). The Company has adopted the "**Corporate Governance Code**" (the "**CG Code**") as set out in Appendix C1 to the GEM Listing Rules as its own code of corporate governance. During the year ended 30 September 2024 (the "**Year**"), the Company has complied with all the applicable code provisions set out in the CG Code.

BOARD OF DIRECTORS

As at the date of this annual report, the board of Directors (the "**Board**") of the Company consists of seven members comprising four executive Directors and three independent non-executive Directors. Details of their composition by category are as follows:

Executive Directors

Mr. Li Man Keung Edwin *(Executive Chairman)*
Mr. Hui Ringo Wing Kun *(Chief Executive Officer)*
Mr. Yeung Chun Yue David *(Vice Chairman)*
Mr. Michael Stockford (appointed on 1 October 2024)

Independent Non-Executive Directors

Mr. William Robert Majcher
Mr. Ho Lik Kwan Luke
Mr. Lau Pak Kin Patric

Biographical details of the Directors are set out in the section headed "Biographical Details of Directors and Senior Management" of this annual report. There is no relationship among the members of the Board.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

According to code provision C.2.1 of the CG Code, the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual. During the Year, the positions of the chairman and the chief executive officer of the Company were held separately. Mr. Li Man Keung Edwin served as the executive chairman of the Company (the "**Chairman**"), and Mr. Hui Ringo Wing Kun served as the chief executive officer of the Company. The segregation of duties of the Chairman and the chief executive officer ensures a clear distinction in the Chairman's responsibility to provide leadership to the Group and formulation of corporate strategy, planning, business development, as well as operations of the Group, and the chief executive officer's responsibility to oversee the business corporate strategy, long-term planning, all-round development, and the daily operations of the Group as well as overseeing compliance and risk management of the Group. Their roles are clearly defined to ensure their respective independence.

RESPONSIBILITIES OF THE BOARD

The Board is accountable to the shareholders of the Company (the "**Shareholders**") and is discharging its corporate accountability. The Board assumes overall responsibility for leadership and monitoring of the Group. The Directors are collectively responsible for promoting the success of the Group by directing and supervising the Group's affairs as well as monitoring business and performance.

The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. To oversee particular aspects of the Company's affairs, the Board has also established three Board committees including the audit committee, the remuneration committee and the nomination committee. The Board has delegated to the Board committees responsibilities as set out in their respective terms of reference which are published on the websites of the Stock Exchange and the Company.

The Board monitors performance of the senior management against the achievement of financial and non-financial measures by reviewing monthly updates, internal and external audit reports, and collecting feedbacks from stakeholders. The Board has the full support of the senior management to discharge its responsibilities.

APPOINTMENT, RE-ELECTION AND RETIREMENT OF DIRECTORS

Pursuant to Article 83 of the articles of association of the Company (the "**Articles**"), the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director so appointed shall hold office only until the next following annual general meeting, at which time they shall retire and be eligible for re-election by the Shareholders.

Pursuant to Article 84 of the Articles, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

Accordingly, Mr. Yeung Chun Yue David, Mr. Michael Stockford and Mr. Lau Pak Kin Patric will retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company.

Corporate Governance Report

NON-EXECUTIVE DIRECTORS

Each of Mr. William Robert Majcher, Mr. Ho Lik Kwan Luke and Mr. Lau Pak Kin Patric as independent non-executive Director has entered into a letter of appointment with the Company for a term of three years commencing from 27 May 2023, 2 December 2023 and 1 January 2025 respectively.

Mr. Ho Lik Kwan Luke, one of the independent non-executive Directors, possesses the appropriate professional qualifications, or accounting or related financial management expertise as required under Rule 5.05(2) of the GEM Listing Rules. All independent non-executive Directors bring substantial experience to the Board and help to ensure that the Board maintains high standards in financial and other mandatory reporting as well as to provide adequate checks for safeguarding the interests of the Shareholders and the Company as a whole.

The Company has complied with Rule 5.05 of the GEM Listing Rules relating to the appointment of at least three independent non-executive Directors, with at least one of them possessing appropriate professional qualifications, accounting or related financial management expertise. The management of the Company is of the view that the membership of the Board represents suitable background and industry expertise to oversee and operate the Company efficiently and safeguard the interests of the various stakeholders of the Company. The Company has received written confirmation from each independent non-executive Director of his independence pursuant to the requirement of Rule 5.09 of the GEM Listing Rules. The Company considers all independent non-executive Directors to be independent in accordance with the independence guidelines set out in the GEM Listing Rules.

NOMINATION POLICY

Pursuant to the CG Code, the Board has adopted a policy for nomination of directors (the "**Nomination Policy**"). The Nomination Policy provides for the criteria and procedures to be adopted when considering candidates to be appointed or re-elected as directors of the Company.

Selection criteria

The Nomination Committee shall consider the following criteria in evaluating and selecting candidates for directorship:

- Character and integrity.
- Professional qualifications, skills, knowledge and experience that are relevant to the Company's business.
- Ability to devote adequate time to discharge duties as a member of the Board.
- Board diversity policy of the Company.
- Requirement for the Board to have independent directors in accordance with the GEM Listing Rules and whether the candidates would be considered independent in accordance with the GEM Listing Rules.
- Such other perspectives appropriate to the Company's business or as suggested by the Board.

Nomination procedures

The chairman of the Nomination Committee may invite nominations of candidates from the Board members, if any, for consideration by the Nomination Committee. The Nomination Committee may put forward candidates who are not nominated by the Board members.

The Board shall have the power from time to time and at any time to appoint any person as a director either to fill a causal vacancy on the Board or as an addition to the existing Board. Any director so appointed shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election in accordance with the Articles. The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election as director of the Company at any general meeting. The Shareholders may propose a person for election as a director in accordance with the Articles and applicable law.

BOARD COMMITTEES

Nomination Committee

The Company has established a nomination committee (the "**Nomination Committee**") with specific written terms of reference in line with the code provisions under the CG Code. The Nomination Committee currently consists of three members comprising three independent non-executive Directors, namely, Mr. William Robert Majcher, Mr. Ho Lik Kwan Luke and Mr. Lau Pak Kin Patric. Mr. William Robert Majcher is the chairman of the Nomination Committee. The primary duties of the Nomination Committee are (i) to review the structure, size and composition of the Board; (ii) to identify individuals suitably qualified to become Board members; (iii) to assess the independence of the independent non-executive Directors; and (iv) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for the Directors in particular the Chairman and the chief executive officer of the Company. During the Year, the Nomination Committee held three meetings to consider the appointment and retirement of Directors; to review the independence of the independent non-executive Directors as well as the current structure, size and diversity of the Board.

Remuneration Committee

Pursuant to Rule 5.34 of the GEM Listing Rules, the Company has established a remuneration committee (the "**Remuneration Committee**") with specific written terms of reference in line with the code provisions under the CG Code. The Remuneration Committee currently consists of four members comprising one executive Director, namely, Mr. Hui Ringo Wing Kun, and three independent non-executive Directors, namely, Mr. Lau Pak Kin Patric, Mr. William Robert Majcher and Mr. Ho Lik Kwan Luke. Mr. Lau Pak Kin Patric is the chairman of the Remuneration Committee.

The primary duties of the Remuneration Committee include: (i) making recommendations to the Board on the remuneration policy relating to the Directors and senior management; (ii) making recommendations to the Board on the remuneration packages of executive Directors and senior management and ensuring none of the Directors determines their own remuneration; (iii) reviewing and approving the management's performance-based remuneration proposals; and (iv) reviewing and approving matters relating to share schemes under Chapter 23 of the GEM Listing Rules. During the Year, the Remuneration Committee held three meetings to review the remuneration package and appointment/re-appointment of Directors and made recommendations to the Board accordingly.

Corporate Governance Report

Audit Committee

The Company has established an audit committee (the "**Audit Committee**") with specific written terms of reference formulated in accordance with the requirements of Rules 5.28 to 5.29 of the GEM Listing Rules and code provision D.3.3 of the CG Code. The Audit Committee currently consists of all the three independent non-executive Directors, namely, Mr. Ho Lik Kwan Luke, Mr. William Robert Majcher and Mr. Lau Pak Kin Patric. Mr. Ho Lik Kwan Luke is the chairman of the Audit Committee. The primary duties of the Audit Committee are (i) to review the annual reports and accounts and half-year reports of the Group; (ii) to make recommendations to the Board on the appointment and removal of external auditors; (iii) to provide advice in respect of financial reporting system, risk management and internal control systems of the Group; and (iv) to monitor any continuing connected transaction. During the Year, the Audit Committee held four meetings to review the annual results of the Group for the year ended 30 September 2023 and the interim results of the Group for the six months ended 31 March 2024, and make recommendations to the Board on the change of auditor of the Company. It has also reviewed the effectiveness of the risk management and internal control systems of the Group.

PRACTICE AND CONDUCT OF MEETINGS

The agenda of each meeting is made available to the Directors in advance such that each Director is given an opportunity to provide his/her input to the agenda items. Advance notice of at least 14 days is given for a regular Board meeting. For other Board and committee meetings, reasonable notices are generally given. Minutes of all Board and committee meetings recording sufficient details of matters considered and decisions reached are circulated to the Directors and open for inspection by the Directors.

The Articles contains provisions requiring the Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their close associates have a material interest. Board papers together with all appropriate, complete and reliable information are sent to all Directors well in advance before each Board meeting or Board committee meeting to keep the Directors appraised of the latest developments and financial position of the Company and to enable them to make informed decisions.

Corporate Governance Report

During the Year, the attendance of Directors at the board meetings, committees meetings, and general meetings was:

Name of Directors	Number of meetings attended/Number of meetings held Board Meeting	Audit Committee Meeting	Nomination Committee Meeting	Remuneration Committee Meeting	General Meeting
Executive Directors:					
Mr. Li Man Keung Edwin	6/6	–	–	–	2/2
Mr. Hui Ringo Wing Kun	6/6	–	–	3/3	2/2
Mr. Yeung Chun Yue David	6/6	–	–	–	2/2
Independent non-executive Directors:					
Mr. William Robert Majcher	6/6	4/4	3/3	3/3	2/2
Mr. Ho Lik Kwan Luke	6/6	4/4	3/3	3/3	2/2
Mr. Lau Pak Kin Patric	6/6	4/4	3/3	3/3	2/2

During the Year, the Board also reviewed the implementation and effectiveness of mechanisms to ensure independent views and input are available to the Board. Taking into account the following channels, the Board considered that the Company had in place mechanisms which remain effective to ensure a strong independent element on the Board:

- a sufficient number of three independent non-executive Directors representing at least one-third of the Board and all of them continue to devote adequate time contribution to the Company;
- the independent non-executive Directors have an equal status to other Board members;
- all independent non-executive Directors share their views and opinions through regular meetings;
- annual meeting between the Chairman and all independent non-executive Directors without presence of other Directors providing effective platform for the Chairman to listen independent views on various issues concerning the Group;
- interaction with management and other Board members including the Chairman outside the boardroom upon request by the Directors; and
- independent professional advice would be provided to independent non-executive Directors upon reasonable request to assist them to perform their duties to the Company.

Corporate Governance Report

CORPORATE GOVERNANCE FUNCTIONS

Code provision A.2 of the CG Code provides that the Board is responsible for performing the corporate governance duties of the Company. The Board shall have the following duties and responsibilities for performing the corporate governance duties of the Company:

(i) to develop and review the Group's policies and practices on corporate governance and make recommendations;

(ii) to review and monitor the training and continuous professional development of the Directors and senior management of the Group;

(iii) to review and monitor the Group's policies and practices on compliance with legal and regulatory requirements;

(iv) to develop, review and monitor the code of conduct and compliance manual applicable to employees and the Directors; and

(v) to review the Group's compliance with the CG Code and disclosure in the corporate governance report of the Company.

AUDITOR'S REMUNERATION

The analysis of the auditor's remuneration for the Year is presented as follow:

	Fee paid/ payable HK$'000
Audit service	900

FINANCIAL REPORTING

The Directors acknowledge their responsibilities for preparing the accounts. In preparing the consolidated financial statements for the Year, the Group has selected suitable accounting policies and applied them consistently. The Group has consistently adopted all the new and revised Hong Kong Accounting Standards, Hong Kong Financial Reporting Standards, amendments and interpretations issued by the Hong Kong Institute of Certified Public Accountants which are effective for the Year. A statement by the auditor about their reporting responsibilities is set out in the auditor's report on the financial statements.

DIVIDEND POLICY

Pursuant to the CG Code, the Board has adopted a dividend policy (the "**Dividend Policy**"). The Dividend Policy provides for the criteria and procedures to be adopted when considering whether to recommend or declare dividends of the Company.

In deciding whether to propose a dividend and in determining the dividend amount, the Board shall consider the following factors before declaring or recommending dividends:

- Profits generated by the Company during the year.
- Retained earnings and distributable reserves of the Company.
- Working capital requirements, capital expenditure requirements and future expansion plans of the Group.
- Liquidity position of the Group.
- Other factors that the Board may consider relevant and appropriate.

Such declaration and payment of dividend by the Company is also subject to any restrictions under the laws of the Cayman Islands, any applicable laws, rules and regulations and the Articles. The Board will continually review the Dividend Policy from time to time and there can be no assurance that dividends will be paid for any given period.

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. Following specific enquiries to all the Directors, each of them has confirmed that they have complied with such code of conduct adopted by the Company throughout the Year.

TRAINING FOR DIRECTORS AND CONTINUING PROFESSIONAL DEVELOPMENT

Pursuant to code provision C.1.4 of the CG Code, the Directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution into the Board remains informed and relevant. All Directors pursued continuous professional development during the Year with relevant details set out below:

Directors	Reading materials relevant to corporate governance
Mr. Li Man Keung Edwin	✓
Mr. Hui Ringo Wing Kun	✓
Mr. Yeung Chun Yue David	✓
Mr. William Robert Majcher	✓
Mr. Ho Lik Kwan Luke	✓
Mr. Lau Pak Kin Patric	✓

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is committed to the maintenance of sound and effective internal control and risk management systems of the Group. The Board acknowledges its responsibility for the risk management and internal control systems The Board has delegated responsibility to the Audit Committee to review the effectiveness of the Group's risk management and internal control matters annually. The risk management and internal control systems are designed to manage rather than eliminate risks of failure in operational systems so that the Company's objectives can be achieved, and can only provide reasonable but not absolute assurance against material misstatement or loss.

With an aim at providing reasonable assurance against material errors, losses or fraud, the Company has established risk management procedures which comprised the following steps:

- Risk identification: Identify major and significant risks that would affect the achievement of goals by the Group;

- Risk assessment: Assess and evaluate the any risk identified according to its probable impact and the likelihood of occurrence;

- Risk mitigation: Develop effective control procedures to mitigate the risks.

Risk identification and assessment are performed or updated annually, and the results of risk assessment, evaluation and mitigation of each function or operation are documented and communicated to the Board and the management for review.

With respect to procedures and internal controls for the handling and dissemination of inside information, certain measures have been taken from time to time to ensure that proper safeguards exist to prevent any breach of disclosure requirement in relation to the Group, which include:

- The access of information is restricted to a limited number of employees on a need-to-know basis.

- Employees who are in possession of inside information are fully conversant with their obligations to preserve confidentiality.

- All employees are required to strictly adhere to the employment terms regarding the management of confidential information.

- Code names are assigned to confidential projects so that any reference to them would not be linked to the projects themselves to minimize possibilities of unintentional leakage.

In addition, all employees are required to strictly adhere to the rules and regulations regarding the management of inside information, including that all employees who, because of his/her office or employment, are likely to be in possession of inside information in relation to the Company, are required to comply with the Standard of Dealings.

Corporate Governance Report

For the Year, the Group had an internal audit function. The internal audit team of the Company has conducted an annual review of and made recommendations to improve the effectiveness of the Group's risk management and internal control systems. During the Year, the Board, through its review and the review made by the internal audit team, was of the view that the risk management and internal control systems of the Group were effective and adequate.

SHAREHOLDERS' RIGHTS

Procedure for Shareholders to Convene an Extraordinary General Meeting

Pursuant to Article 58 of the Articles, any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company and carrying the right of voting at general meetings of the Company, on a one vote per share basis, shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition.

The requisition must be deposited for the attention of the Board or the company secretary of the Company by post to the principal place of business of the Company in Hong Kong at 21/F., Low Block, Grand Millennium Plaza, 181 Queen's Road Central, Hong Kong or the registered office of the Company in the Cayman Islands at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself/herself/themselves may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Procedure for Shareholders to Make Inquiries with the Board

Shareholders may send written enquiries to the Board or company secretary of the Company by post to the principal place of business of the Company in Hong Kong at 21/F., Low Block, Grand Millennium Plaza, 181 Queen's Road Central, Hong Kong or by email to info@hatcher-group.com.

Procedures of Proposing Proposals at General Meetings

Shareholders may put forward proposals relating to the operations and the management of the Company to be discussed at general meetings. Shareholders who wish to do so shall send a written requisition to the Board or company secretary of the Company by post to the principal place of business of the Company in Hong Kong at 21/F., Low Block, Grand Millennium Plaza, 181 Queen's Road Central, Hong Kong to require an extraordinary general meeting to be convened by following the procedures set out in "Procedure for Shareholders to Convene an Extraordinary General Meeting" above.

Corporate Governance Report

BOARD DIVERSITY

Board Diversity Policy

Pursuant to the CG Code, the Board has adopted a board diversity policy (the "**Board Diversity Policy**"). The Board Diversity Policy provides that, amongst other things, the appointments to the Board and the continuation of those appointments should be based on merit that complements and expands the skills, experience and expertise of the Board as a whole. All Board appointments will be based on merit, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. To implement the Board Diversity Policy, the following measurable objectives were adopted by the Board:

- Selection of candidates of the Board members will be based on a range of diversity perspectives, including but not limited to, professional experience, business perspective, skills, knowledge, gender, age, educational background and length of service and other factors considered to be relevant by the Board from time to time.

- The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Nomination Committee is responsible for monitoring the achievement of the above measurable objectives. The current composition of the Board has achieved the objectives set in the above. The Nomination Committee has reviewed the Board Diversity Policy to ensure its effectiveness and considered that the Company achieved the Board Diversity Policy during the Year.

As at the date of this annual report, the Board consists of seven (7) members, all of whom are male. In recognizing the importance of gender diversity at the Board level, the Company plans to appoint one female director who would be qualified to sit on the Board no later than 31 December 2024. The Company also aims to maintain an appropriate balance of diversity perspectives that are relevant to the Company's business growth and is also committed to ensure that recruitment and selection practices at the workforce level (including the senior management) are appropriately structured so that a diverse range of candidates are considered. As at 30 September 2024, male and female employees accounted for approximately 42% and 58% of the total workforce, respectively. The Board therefore considers that gender diversity has been achieved at the workforce level (including the senior management).

INVESTOR RELATIONS

Constitutional Documents

During the Year, pursuant to the special resolution passed on 3 January 2024, the Articles have been amended to comply with the relevant provisions of the GEM Listing Rules. Details of which are set out in Appendix I to the circular of the Company dated 8 December 2023. The Company's third amended and restated Articles are available on the websites of the Stock Exchange and the Company.

Communication with Shareholders

The Company endeavours to ensure that all Shareholders are informed of all major corporate developments of the Group in a timely manner through the communication channels, namely, (i) all Shareholders will have proper notice of any general meeting of the Company at which the Directors will be available to give explanation on any query raised by the Shareholders during the general meeting; (ii) all information relating to the Group could be obtained from the Company's website or financial reports and circulars sent to the Shareholders; and (iii) any enquiries by the Shareholders requiring the Board's attention can be sent in writing to the contact details set out in the paragraph headed "Procedure for Shareholders to Make Inquiries with the Board". The Company has assessed the above communication channels with Shareholders and considered that they were effective during the Year.

COMPANY SECRETARY

Mr. Yeung Chun Yue David is the company secretary of the Company, who has complied with the relevant training requirement under Rule 5.15 of the GEM Listing Rules during the Year. The Company does not engage any external service provider of company secretarial services. Please refer to the section headed "Biographical Details of Directors and Senior Management" of this annual report for the biographical details of Mr. Yeung.

Environmental, Social and Governance Report

ABOUT THIS REPORT

The Group and its subsidiaries hereby present the Environmental, Social, and Governance Report for the fiscal year 2023-2024 (the "**ESG Report**"). This comprehensive document delineates the Group's strategic management approaches, implemented policies, and established practices pertaining to ESG matters, with specific relevance to its principal stakeholders.

Reporting Boundary

This report covers the material Environmental, Social, and Governance (ESG) performance of the Group's principal operations in Hong Kong from October 1, 2023, to September 30, 2024 (the "**Year**"). It includes both licensed and non-licensed business activities, which account for approximately 91.3% of the Group's total revenue for the Year. Operations in Canada and Guangzhou, China, are excluded from this report's scope. The Group is committed to regularly reviewing its business operations and development, and will adjust the reporting boundary as needed, strictly adhering to the principle of materiality.

Licensed business	• VBG Capital Limited • VBG Asset Management Limited
Non-licensed business	• APEC GROUP INTERNATIONAL LIMITED • VBG Asia Limited

Reporting Standards

The ESG Report adheres to the Environmental, Social and Governance Reporting Guide (the "**ESG Guide**") outlined in Appendix C2 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). In preparing the report, the Group applied four key principles from the ESG Guide: materiality, consistency, quantitative measurement, and balanced reporting.

Reporting Principles	The Group's Application
Materiality	The Group conducted a questionnaire with stakeholders during the Year and identified material issues through materiality assessment for key disclosures.
Consistency	Unless otherwise stated, the Group adopts consistent methodologies in the measurement and calculation of key performance indicators ("**KPIs**") for delivering meaningful comparison of ESG performance.
Balance	The Group presented its ESG disclosures in an unbiased and transparent manner for an objective overview of ESG performance.
Quantitative	The Group collects and discloses quantifiable KPIs where feasible with comparative data and information on the standards, methodologies and assumptions adopted for the calculation.

Environmental, Social and Governance Report

Report Approval

The Group hereby affirms its responsibility for ensuring the veracity and integrity of this ESG Report. All information contained herein has been meticulously compiled from the Group's official internal policy documents and statistical records. The Board of Directors has conducted a comprehensive review and formally approved this ESG Report.

Report Publication and Contact

The Report is prepared in both Chinese and English and is available on the websites of Hong Kong Exchanges and Clearing Limited (the "**HKEX**") (www.hkexnews.hk) and the Group (hatcher-group.com).

The Group welcomes and values all feedback and suggestions on the Report or its sustainability performance.

Email: info@hatcher-group.com
Tel: (852) 2283 2202
Address: 21/F, Grand Millennium Plaza, 181 Queen's Road Central, Sheung Wan, Hong Kong

OUR ESG APPROACH

ESG Governance

As a conscientious business entity, the Group is steadfastly devoted to fostering sustainable growth while balancing the varied needs of our stakeholders. We acknowledge the pivotal role of a robust ESG management framework and are committed to continually improving our performance in this area. This dedication acts as a key driver for our long-term strategic development and organizational evolution.

Governance Structure

The Board

The Board, as the Group's highest governance body, oversees ESG matters, including key decisions and management approaches. It sets ESG strategies, goals, and targets, and monitors progress towards these objectives.

The Environmental, Social and Governance Committee

The Board-delegated Environmental, Social and Governance Committee (the "**ESG Committee**"), composed of senior management, oversees the Group's sustainability and climate-related matters. Its responsibilities encompass:

1. Developing ESG related goals and targets
2. Implementing and monitoring the Group's ESG policies, practices, and performances
3. Reviewing ESG material issues and preparing ESG reports for the Board's approval; &
4. Reporting to the Board on key matters

Environmental, Social and Governance Report

ESG Policy

In accordance with its commitment to sustainable practices, the Group has formulated a comprehensive ESG Policy that delineates its strategic approach to pivotal ESG matters. This policy encompasses a wide array of critical areas, including but not limited to: environmental protection, climate change mitigation and adaptation, employment practices and standards, occupational health and safety, labour rights and regulations, supply chain management, product liability, and community engagement initiatives. It is imperative that all business operations and personnel within the Group adhere strictly to the guidelines set forth in this policy. To maintain its relevance and efficacy, the ESG Committee is tasked with conducting systematic, periodic reviews of the policy.

ESG Strategy

The Group's operations are fundamentally grounded in a commitment to excellence through ESG integration. Sustainability is not merely a concept, but rather the foundation of our core values and the primary driver of our organizational mission. Our strategic approach to ESG is structured upon four key pillars, each carefully crafted to strengthen our business model. This approach is designed to ensure not only the continuity but also the prosperity of our operations within an increasingly complex global environment.

Environmental, Social and Governance Report

Main Focus	Commitment and Goal	Key Action
Sustainable Development	The Group operates in a sustainable manner while taking into account the interests of different stakeholders.	We regularly engage stakeholders to gather their thoughts on our ESG policies, practices, and performance.
Community and Development	The Group establishes good and positive relationships with all sectors of the community and promote community and societal development, aiming to make a positive impact.	We implement community investment strategies, collabourating with various sectors to actively contribute to society. We encourage employee engagement in local communities through volunteering and supporting community initiatives.
Inclusion and Diversity	The Group advocates for an inclusive culture and workplace diversity, striving to create a fair, equal environment that respects all differences.	To promote diversity and inclusion, we offer training that helps employees understand and respect each other's unique differences.
Climate and Environment	The Group is dedicated to advancing environmental sustainability and transforming into an environmentally friendly enterprise.	We actively work to reduce emissions and conserve resources. We develop and communicate environmental policies and objectives, staying updated on local and international standards. We raise environmental awareness among employees and encourage partners and customers to improve their practices.

To ensure the attainment of our strategic ESG objectives, the Group has implemented a comprehensive suite of initiatives and training programs. These are meticulously designed to inculcate ESG values throughout our organizational structure, seamlessly integrate them into our daily operational processes, and facilitate the fulfilment of our corporate responsibility commitments.

As we move forward, the Group remains committed to creating a sustainable business ecosystem and becoming more aware of environmental and social issues. We've aligned our global outlook with the United Nations Sustainable Development Goals. Our future targets and objectives will be designed to support this international agenda, strengthening our commitment to global sustainability.

Environmental, Social and Governance Report

ESG Risk Management

The Board holds ultimate responsibility for maintaining robust and effective risk management and internal control mechanisms within the organization. With the support of the Audit Committee, the Board conducts a comprehensive annual evaluation of the Group's risk management and internal control efficacy. This extensive annual risk assessment encompasses a wide range of factors, including strategic business risks, operational risks, financial risks, compliance risks, and ESG-related risks. During the Year, the Group identified several material ESG risks, which include:

Risk	Potential Impact	Risk Response	Relevant Section in the ESG Report
Cybersecurity	Potential threat of digital attacks aimed at accessing, changing, or destroying sensitive information, interrupting normal business processes, or implementing fraudulent activities could lead to financial, reputational, and operational damage.	The Code of Conduct outlines guidelines for handling confidential information and computer use. Measures such as security controls, firewalls, and regular backups are used to protect data. A tiered system of information access is implemented, with each department maintaining its own server, ensuring sensitive information is only accessible to those who require it.	Business Ethics – Data Privacy and Intellectual Property Rights
Data Privacy	Ineffective access controls could result in unauthorised data access, customer information leaks, compromised staff independence, and potential exposure of confidential and price-sensitive information across various business activities.		
Development and Training	Insufficient training, knowledge, skills, career opportunities, or experiences of key personnel could lead to a potential shortfall in the achievement of crucial business objectives.	The Group has an employment policy in place to recruit key personnel with the necessary qualifications, skills, and experience. Regular training is also provided to these individuals to keep them up-to-date with industry knowledge and the latest developments.	Employees – Training and Development

Please refer to the section headed "Corporate Governance Report" of this annual report for more details of the Group's corporate governance practices.

Stakeholder Engagement

The Group recognizes the critical importance of stakeholder engagement in enhancing its ESG management and performance, as well as propelling its business and sustainable development initiatives. We actively solicit stakeholder input to ascertain their expectations and concerns, subsequently incorporating these insights into our operational processes and strategic decision-making.

Throughout the Year, the Group maintained consistent and structured communication with key stakeholder groups through a variety of established channels.

Employees	• Annual performance appraisal • Regular meetings • Surveys • Employee events and training
Shareholders/ Investors	• Annual General Meeting • Financial reports, financial statements, and announcements • Corporate website
Customers	• Meetings and dialogues • Corporate website
Suppliers	• Meetings and dialogues • Supplier assessment
Community	• Community investment initiatives • Corporate website

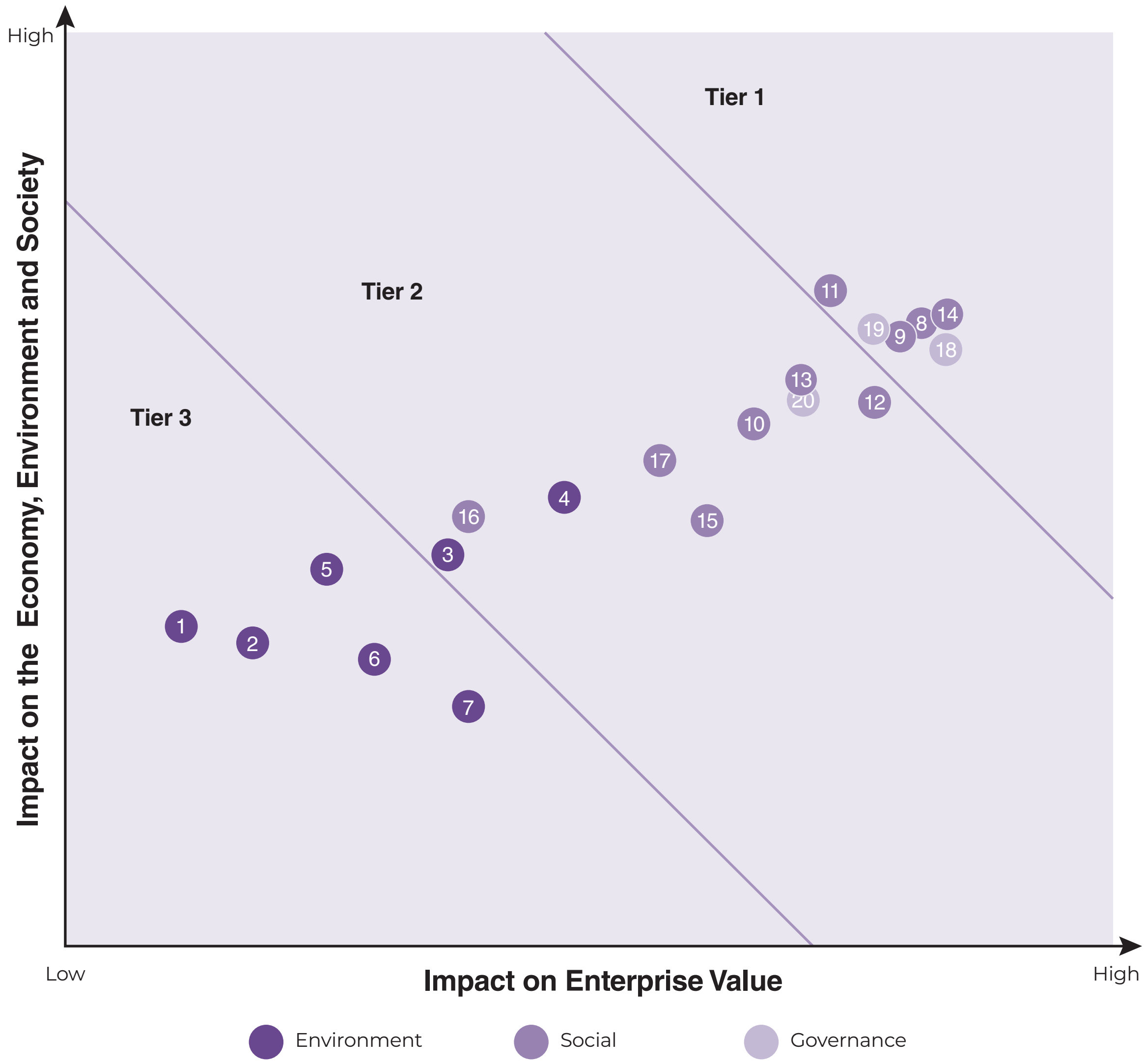
Materiality Assessment

To identify crucial ESG issues, the Group conducted a comprehensive materiality assessment. This process, overseen by an independent third-party consultancy, involved a three-step approach. The resulting analysis enabled the Group to pinpoint key ESG matters essential for developing its sustainability strategy and enhancing overall performance.

Step 1 Identify	• 20 relevant ESG issues were identified with reference to the ESG Guide, reporting trends and industry peers.
Step 2 Prioritise	• The Group invited internal and external stakeholders to participate in an online survey to rate the materiality of the ESG issues. • Views on the impact on the Group's enterprise value of issues and the Group's impact on the economy, environment and society were gathered and assessed to determine the overall materiality level of each issue. • A materiality matrix was developed.
Step 3 Validate	• The results of the materiality assessment were reviewed by the ESG Committee and the Board.

Environmental, Social and Governance Report

The materiality matrix presented below visualizes 20 key ESG issues. It plots each issue's impact on the Group's business value against its broader impact on economic, environmental, and social factors. Issues positioned in the upper right quadrant are deemed most significant to the Group and form the primary focus of this report's content.



With the new materiality assessment approach, 6 issues were identified as material this Year. Privacy and Data Security, Employment Practices, Anti-corruption, Training and Development, Risk Management, and Occupational Health and Safety, were the most material issues.

	Issue (in descending order of materiality)	Tier	Materiality
14	Privacy and Data Security	1	Material
8	Employment Practices	1	
18	Anti-corruption	1	
9	Training and Development	1	
19	Risk Management	1	
11	Occupational Health and Safety	1	
12	Labour Standards	2	Moderate
13	Product and Service Quality	2	
20	Protection of Intellectual Property Rights	2	
10	Diversity and Equal Opportunity	2	
17	Community Engagement and Investment	2	
15	Responsible Marketing	2	
4	Energy	2	
16	Responsible Supply Chain Management	2	
3	Waste	2	
7	Climate Change and Resilience	3	Monitored
5	Water	3	
6	Materials	3	
2	Greenhouse Gas Emissions	3	
1	Air Emissions	3	

Material Issue	Relevant Section in the Report
Privacy and Data Security	Business Ethics
Anti-corruption	
Employment Practices	Employees
Training and Development	
Occupational Health and Safety	
Risk Management	Our ESG Approach – ESG Governance

Environmental, Social and Governance Report

ENVIRONMENT

At Hatcher Group, we are dedicated to sustainable business practices that safeguard our environment and promote conservation. As a financial and consulting services provider with primarily office-based operations, our environmental focus centers on efficient management of emissions, resources, and climate change impacts. Our ESG Policy outlines environmental best practices for our employees in office settings.

We continuously strive to reduce our environmental footprint by minimizing emissions and conserving resources. This involves developing comprehensive environmental policies, setting and communicating measurable objectives to our staff, and staying abreast of local and international environmental standards. We foster environmental consciousness among our employees through regular internal communications and extend this ethos to our business partners and customers, encouraging them to enhance their own environmental performance.

Looking ahead, the Group is committed to enhancing its environmental stewardship. We plan to implement robust monitoring of our environmental Key Performance Indicators (KPIs) and explore viable targets for reducing emissions, managing waste more effectively, and improving our energy and water efficiency. This proactive approach underscores our commitment to environmental responsibility and sustainable business practices.

Environmental and Climate Actions

We have implemented and embraced a range of measures to reduce emissions and improve resources efficiency:

Greenhouse gas ("GHG") and air emissions

- Leveraged digital communication tools and virtual meeting platforms as our primary means of collaboration to reduce travel-related emissions
- Prioritised eco-friendly transportation options, favoring trains and maritime transport over flights for regional travel needs
- Implemented a comprehensive travel assessment framework to evaluate and optimize business travel decisions

Waste

- Established comprehensive office waste management protocols, including systematic sorting and recycling systems
- Demonstrated our commitment to reducing electronic waste through our printer cartridge recycling program demonstrates
- Featured sustainable dining solutions via our eco-friendly pantry, including reusable cutlery and advanced waste management technology such as smart food waste processors and automated recycling stations for beverage containers

Energy and water

- Utilised energy-efficient electrical appliances throughout our office premises
- Fostered responsible energy consumption amongst staff members:
  - Ensured all lights, air conditioning units, computers and monitors are switched off upon departure
  - Powered down all electrical equipment when not in active use
  - Maintained optimal temperature settings on air conditioning units to maximise energy efficiency
- Undertook regular maintenance of air conditioning filters to prevent dust accumulation and subsequent energy inefficiencies
- Ensured prompt notification to facilities management regarding any water leakages or maintenance requirements

Paper

- Utilised electronic platforms for document storage and sharing to minimise paper usage whilst reducing the necessity for printing and photocopying
- Implemented double-sided printing as standard practice
- Repurposed single-sided printed sheets for internal drafts and notes
- Ensured proper disposal of waste paper through designated recycling receptacles, with collection managed by certified recycling partners

The Group acknowledges the critical importance of climate adaptation and resilience for ensuring long-term business sustainability. We are dedicated to an ongoing process of assessment and improvement in our environmental management practices. In the near future, we plan to develop and implement comprehensive strategies to identify climate-related risks and opportunities specific to our operations. This proactive approach will enable us to craft targeted responses and measures, effectively addressing potential challenges while leveraging emerging opportunities in the evolving climate landscape.

Environmental, Social and Governance Report

ENVIRONMENTAL PERFORMANCE[1]

GHG and Air Emissions

In the Year, our Group's greenhouse gas (GHG) footprint reached 44,866.28 kgCO_2e, with an intensity ratio of 7.59 kgCO_2e/square feet. Our carbon footprint comprises two main components: Scope 1 emissions, generated from our company vehicle's fuel consumption, and Scope 2 emissions, arising from our purchased electricity usage. While we observed an uptick in Scope 1 emissions due to heightened vehicle usage, our Scope 2 emissions showed improvement, attributed to both a lower emission factor in electricity generation and reduced power consumption patterns.

Greenhouse Gas Emissions[2]	Unit	2023-2024	2022-2023	% Change
Scope 1 – Direct GHG emissions	kgCO_2e	12,227.63	11,370.13	+7.54
Scope 2 – Energy indirect GHG emissions	kgCO_2e	32,638.65	38,824.26	–15.93
Total GHG emissions	kgCO_2e	44,866.28	50,194.39	–10.61
GHG intensity (by area)	kgCO_2e/square feet	7.59	8.49	–10.60

Vehicle emissions during the Year included 2.69 kg of nitrogen oxides (NOx), 0.07 kg of sulphur oxides (SOx), and 0.20 kg of respiratory suspended particles (RSP). These emissions primarily resulted from our vehicle fleet's petrol consumption, which saw an increase during this period.

Air Emissions[3]	Unit	2023-2024	2022-2023	% Change
Nitrogen oxides (NO_x)	kg	2.69	2.50	+7.60
Sulphur oxides (SO_x)	kg	0.07	0.06	+16.67
Respiratory suspended particles (RSP)	kg	0.20	0.18	+11.11

1 The intensity figures are based on the Group's office area of approximately 5,912 square feet.

2 Emissions factor and global warming potential (GWP) were adopted with reference to "How to prepare an ESG report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange.

3 The travel distance of vehicles was estimated with reference to "Energy Utilisation Index – Transport Sector" released by the Electrical and Mechanical Services Department, HKSAR. Emission factors were adopted in accordance to "How to prepare an ESG report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange.

Waste

During the Year, we did not record the amount of non-harzardous waste generated as they were handled by the external property management team, while there was an insignificant amount of hazardous waste generated, given the Group's business nature. Non-hazardous waste produced from our operations was mainly domestic waste from offices, which was handed over to the property management of the office buildings for handling and disposal.

Non-hazardous Waste	Unit	2023-2024	2022-2023	% Change
Total waste generated	kg	n/a	362.08	n/a
Waste intensity (by area)	kg/square feet	n/a	0.06	n/a

Energy and Water

Our total energy consumption for the Year amounted to 94,003.81 kWh, translating to an intensity of 15.90 kWh/square feet of operational space.

Energy Consumption	Unit	2023-2024	2022-2023	% Change
Direct energy: petrol	kWh	44,551.31	41,427.00	+7.54
Indirect energy: electricity	kWh	49,452.50	57,094.50	-13.38
Total energy consumption	kWh	94,003.81	98,521.50	-4.59
Energy intensity (by area)	kWh/square feet	15.90	16.66	-4.56

Regarding water usage, while our facilities rely on municipal water supplies with no sourcing difficulties reported, specific consumption data remains unavailable as water services are centrally managed by the building administration.

Paper

The Group consumed 1,875 kg of paper during the Year. The significant increase of consumption was mainly due to the increase of office activities with more printing demands needed.

Paper Consumption	Unit	2023-2024	2022-2023	% Change
Total paper consumption	kg	1,875	825	+127.27

EMPLOYEES

Talent Attraction and Retention

Our employees are the cornerstone of our success. In line with our ESG Policy, we are committed to attracting, developing, and retaining top talent while ensuring their rights and interests are protected. We foster a work environment that values everyone's contribution and promotes their professional growth.

To support this commitment, we have implemented comprehensive human resources policies and practices. These cover all aspects of employment, including fair compensation, transparent recruitment and promotion processes, flexible working arrangements, and a strong focus on equal opportunity and diversity. We strictly adhere to anti-discrimination principles and labour standards, ensuring a respectful and inclusive workplace. Our Employee Handbook provides detailed information on these policies, serving as a valuable resource for all employees.

Environmental, Social and Governance Report

Recruitment and dismissal	The Group employs a transparent and fair recruitment process, guided by well-defined protocols. We evaluate candidates based on their skills, experience, and qualifications, ensuring an unbiased selection. When it comes to employee departures, whether voluntary or involuntary, we strictly follow legal guidelines to guarantee equitable treatment for all staff members.
Remuneration and welfares	The Group is committed to providing competitive compensation packages to attract and retain top talent. Our remuneration structure includes a base salary and performance-based bonuses, with compensation levels set according to industry standards and individual qualifications. Regular performance reviews ensure fair salary adjustments. We prioritize employee well-being through a comprehensive benefits program. This includes various types of paid leave such as annual, parental, educational, and compassionate leave. Furthermore, we offer robust medical and insurance coverage to support our employees' health and financial security.
Diversity, equal opportunity and anti-discrimination	At Hatcher Group, we pride ourselves on our commitment to diversity and inclusion. We actively cultivate an environment where differences are not just accepted, but celebrated. Our employment practices, from hiring to advancement, are rooted in fairness and equality, with decisions based purely on professional merit. We have a zero-tolerance policy for discrimination and harassment, protecting all individuals regardless of their personal characteristics or beliefs. To foster a truly inclusive workplace, we provide specialized training programs that promote understanding and respect for individual differences. We firmly believe that our diverse workforce is a key driver of both employee satisfaction and business success, creating a richer, more innovative professional environment for all.
Labour standards	The Group is committed to upholding human rights and maintaining ethical labour practices. We have a zero-tolerance policy for child labour and forced labour, extending this commitment to our business partners. Our rigorous hiring process includes thorough document verification to ensure all employees meet legal age requirements. Employment terms are transparently communicated through comprehensive contracts, protecting employee rights. In the unlikely event of inadvertent non-compliance, we have swift corrective measures in place, including immediate contract termination if necessary.

Environmental, Social and Governance Report

Training and Development

Our ESG Policy emphasises the importance of employee growth and development. We provide clear career trajectories and ample opportunities for professional advancement. By prioritising talent development, we not only foster individual growth but also drive our business forward. We strongly encourage lifelong learning and self-improvement, supporting our employees in their pursuit of knowledge and skills.

To ensure continuous improvement, we've implemented a comprehensive performance management system. This includes annual performance appraisals that assess employee contributions, identify areas for growth, and determine promotion readiness. Our system is designed to provide constructive feedback, develop tailored improvement plans, and offer promotion opportunities based on merit and capability.

We offer a diverse range of learning and development initiatives to enhance our employees' skills and prepare them for future challenges. This year, we conducted professional training for SFO licensing and internal sessions on relevant regulations and technical skills. To broaden perspectives and stay current with industry trends, we also encourage participation in external workshops, seminars, and industry events. These varied learning experiences aim to align our workforce with emerging themes and corporate strategies, ensuring we remain at the forefront of our industry.

Employee Engagement

At Hatcher Group, we prioritise open communication and employee engagement. We have established multiple channels for dialogue, including team meetings, employee surveys, performance reviews and internal newsletters. These platforms ensure that every employee's voice is heard and valued. Our Human Resources Department is always available to address feedback or concerns, handling all matters with utmost confidentiality and professionalism.

We believe in fostering a strong sense of community within our organisation. To this end, we regularly host a variety of team-building events and social gatherings. From festive celebrations to annual company dinners, these occasions serve multiple purposes. They provide a welcome break from work-related pressures, strengthen interpersonal bonds and contribute to a positive, inclusive corporate culture. By investing in these activities, we aim to create a workplace where employees feel truly connected and valued.

Workplace Health and Safety

The Group has placed the utmost importance on occupational health and safety. Our ESG Policy emphasises our commitment to creating and maintaining a safe, healthy work environment for all employees. To achieve this, we've implemented a comprehensive set of practices:

- Risk Assessment: We actively identify and evaluate potential workplace health and safety hazards
- Compliance: Our robust safety management system ensures adherence to all relevant legal requirements

Environmental, Social and Governance Report

- Continuous Improvement: We aim for zero work-related injuries and constantly enhance our safety measures
- Protective Equipment: Employees are provided with appropriate safety gear and devices
- Safety Education: Regular training sessions are conducted to boost employee safety awareness
- Incident Management: We've established efficient reporting and handling mechanisms for safety incidents
- Emergency Preparedness: Comprehensive emergency plans are in place, with regular drills to test their effectiveness

There were no work-related fatalities recorded in the past three reporting years, including the Year. One case of work-related injury due to mild personal negligence in the office was reported during the Year. The Group handled the case according to legal requirements.

	2023-2024	2022-2023	2021-2022
Work-related fatalities	0	0	0
Work-related injuries	1	1	0
Work-related injury rate (per 100 employees)[4]	0.86	0.83	0
Lost days due to work-related injuries	1.5	5	0

CUSTOMERS

The Group maintains an unwavering commitment to delivering exceptional professional services across our diverse industries. Our methodology is predicated on comprehending and fulfilling our clients' distinct requirements through bespoke, high-caliber solutions. In accordance with our ESG Policy, we ensure that all external communications are precise, comprehensive, and timely. We place paramount importance on transparency and veracity in our interactions with investors, clients, and partners. To uphold the utmost standards of integrity, all corporate communications are subject to rigorous management review prior to dissemination.

Client feedback is fundamental to our continuous enhancement processes. We have instituted various channels, including formal surveys and direct electronic correspondence, to efficiently collect and address client opinions. Our dedication extends to expeditiously responding to inquiries, meticulously analyzing feedback, and integrating client insights into our strategic planning initiatives. This client-centric approach has demonstrated efficacy, as evidenced by the absence of significant grievances during the Year.

During the Year, the Group did not receive any material complaints from clients.

[4] Work-related injury rate per 100 employees = number of work-related injuries/total number of employees at the end of the Year x 100.

Environmental, Social and Governance Report

COMMUNITY

The Group recognises its responsibility as a corporate citizen and leverages its expertise to positively impact society. We are dedicated to strengthening our community ties, identifying local needs, and making meaningful contributions through various channels including volunteerism, partnerships, sponsorships, and philanthropic giving.

Our community engagement strategy involves active collaboration with a diverse range of organisations, from charitable institutions and civil society groups to educational bodies and youth-focused initiatives. We actively encourage our employees to immerse themselves in local community activities, promoting volunteerism and supporting programmes that focus on community welfare, health promotion, youth development, and crisis response.

In a significant move towards strengthening our community engagement, we have continued to enhance the development of the Hatcher Foundation this year. The Foundation serves as the cornerstone of our local community investment initiatives. We have developed a comprehensive two-year strategy spanning 2023-2025, committing HK$520,000 to support various charitable organizations and facilitate community-focused activities and services.

Our community investment framework rests on three strategic pillars:

Support People in Need	Building Healthy Communities	Collabourate with local NGOs
Through strategic philanthropy and active community engagement, we aim to elevate living standards, champion social inclusion, and foster sustainable community growth.	Our focus extends to strengthening primary healthcare services, with particular emphasis on elderly care, chronic disease management, and healthcare system optimization.	We forge meaningful partnerships with local non-profit organizations to tackle pressing social and environmental challenges, driving positive change through collective action and shared expertise.

Environmental, Social and Governance Report

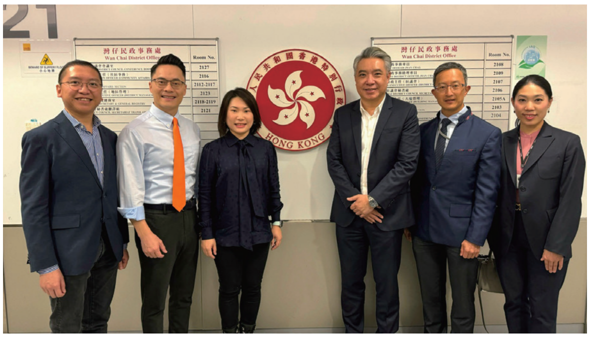
Care Team

In each of the 18 districts, the Home Affairs Department of the Government has been establishing Care Teams to bolster the local initiatives. Care Teams will coordinate caring and supportive activities, such as assisting those in need, and will provide valuable assistance during incidents and emergencies. Two Care Teams were formed by the Group with two employees joined as official members. The Hatcher Foundation, as a partner organisation, has mobilised a total of 50 volunteers to participate in social affairs. They serve the neighbourhood in Wanchai through taking part in the planning and delivery of local volunteer services.

Focus Area	Activity/Services	Beneficiary
Caring for Society	• Visiting people in need (disabled, low-income, ethnic minorities) • Blood donation • Home repair services	750 people
Health care	• Beat Osteoporosis • Medical health checkup and seminar • Physiotherapy workshops and talks • Out-Patient Escort Services	780 people
Youth	• “Workplace Expert, Positive Life” talk	100 people
Others	• Festive celebrations	600 people

Environmental, Social and Governance Report

Environmental, Social and Governance Report



Hatcher Group has been supporting non-profit organizations since 2023 through the Hatcher Foundation (referred to as the Foundation). The Foundation aims to actively support diverse forms of social participation to contribute to sustainable social development.

Social activities include but are not limited to supporting the policies of the HKSAR Government through the activities of caring for marginalized communities, regularly visiting elderly individuals living alone or in pairs, promoting youth development, advancing grassroots healthcare, and supporting creative cultural arts.

BUSINESS ETHICS

Compliance Management

Failure to adhere to legal and regulatory requirements may result in significant adverse consequences for our business operations, financial performance and corporate reputation. To address these potential risks, the Group has established and implemented a comprehensive framework of internal policies, guidelines and procedures. These measures are designed to ensure strict compliance with all applicable laws and regulations, whilst simultaneously upholding the highest standards of ethical business conduct.

We are pleased to report that throughout the fiscal year, the Group maintained full compliance with all ESG-related legislative and regulatory requirements. Moreover, no legal proceedings pertaining to corrupt practices were initiated against the Group or any of its employees Year.

Aspect	Major Laws and Regulations
Emissions	• Waste Disposal Ordinance (Cap. 354)
Employment and Labour Standards	• Employment Ordinance (Cap. 57) • Employees' Compensation Ordinance (Cap. 282) • Sex Discrimination Ordinance (Cap. 480) • Disability Discrimination Ordinance (Cap. 487) • Family Status Discrimination Ordinance (Cap. 527) • Race Discrimination Ordinance (Cap. 602)
Occupational Health and Safety	• Occupational Safety and Health Ordinance (Cap. 509)
Product Responsibility	• Copyright Ordinance (Cap. 528) • Prevention of Copyright Piracy Ordinance (Cap. 544) • Personal Data (Privacy) Ordinance (Cap. 486)
Anti-corruption	• Prevention of Bribery Ordinance (Cap. 201) • Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance (Cap. 615) • SFC's Guideline on Anti-Money Laundering and Counter Terrorist Financing (For Licensed Corporations)

Environmental, Social and Governance Report

Anti-corruption

The Group upholds the highest standards of integrity and ethical conduct in all business operations. We maintain a strict policy of zero tolerance towards any form of dishonest activities, including but not limited to corruption, bribery, extortion, fraud and money laundering. This unwavering stance is explicitly outlined in our ESG Policy.

Our Employee Handbook incorporates a comprehensive Code of Conduct that provides thorough guidelines for addressing potential corruption scenarios. These directives include the prohibition of making or accepting unauthorised payments, benefits or offers; the avoidance of document falsification or fraudulent accounting practices; and the management of conflicts of interest. We require our employees to consistently adhere to the highest standards of ethical conduct and professionalism. To reinforce these principles, the Board and all employees undergo regular anti-corruption training sessions and receive periodic reminders.

In furtherance of our commitment to ethical business practices, we have implemented rigorous procedures for the reporting, investigation and resolution of potential corruption incidents. These measures are designed to maintain accountability, integrity and transparency whilst mitigating corruption-related misconduct. We have established a confidential reporting mechanism for stakeholders to voice concerns regarding suspected misconduct or corruption. Our audit and supervision department meticulously documents, assesses and investigates all reports, escalating matters to appropriate regulatory bodies or law enforcement authorities when deemed necessary.

Data Privacy and Intellectual Property Rights

The Group is unequivocally committed to the protection of data privacy and intellectual property ("IP") rights, as explicitly outlined in our ESG Policy. We accord the highest priority to safeguarding the personal data of our customers, job applicants and employees, ensuring the utmost security of all employment-related information.

Our Code of Conduct provides explicit directives on the handling of confidential information and computer usage. We are resolutely dedicated to the lawful and responsible collection, storage, utilisation and processing of information. Employees are categorically prohibited from disclosing, exploiting or utilising confidential information without proper authorisation, whether through direct or indirect means.

We implement robust security measures, including stringent access and password controls, advanced firewalls and regular data backup protocols, to prevent data loss, damage or unauthorised access. Our organisational structure incorporates departmental server segregation, establishing a tiered information access system. This approach restricts server access to authorised personnel only, thereby enhancing both internal security protocols and operational efficiency.

Environmental, Social and Governance Report

The Group's marketing and human resources departments are entrusted with the oversight of customer and employee personal data management. This responsibility encompasses the supervision of file management by specialised personnel and the conduct of regular audits to evaluate and enhance the efficacy of our data protection measures.

To prevent infringement of privacy and IP rights, our IT department undergoes comprehensive training on the utilisation of genuine software. We strictly prohibit employees from installing or using unauthorised software. Prior to deployment, our IT department conducts thorough reviews of all new software applications to ensure their integrity, thereby guaranteeing that only genuine software is utilised across all operational domains.

Supply Chain Management

Our procurement practices are guided by a robust set of internal policies and procedures. These govern every aspect of our supply chain management, from supplier selection to ongoing evaluation. In line with our ESG Policy, we actively assess and manage environmental and social risks within our supply chain, implementing targeted strategies to mitigate these risks. We have also established an effective complaint system to ensure any issues are addressed promptly and fairly.

We expect our suppliers to align with our ESG standards:

Environmental	• We strive to minimize our environmental impact through emissions reduction, waste management, and optimal resource utilization
Social	• We ensure full compliance with employment legislation while safeguarding our workforce's fundamental rights • We honor and uphold globally recognized labour standards and practices
Governance	• We maintain unwavering commitment to exemplary business conduct and ethical excellence • We enforce a zero-tolerance policy against bribery and unethical business practices

The Group is committed to sustainable procurement practices, prioritising eco-friendly products and services for our office needs. In the past year, we have partnered with several local Hong Kong suppliers for essential materials and services, focusing primarily on office supplies and insurance. These partnerships were carefully selected and managed in strict accordance with our internal policies and procedures.

Looking ahead, we recognise the importance of continuously improving our supply chain management. We are developing comprehensive policies and guidelines for both our employees and suppliers to effectively monitor and mitigate environmental and social risks throughout our supply chain. This proactive approach will ensure that our procurement practices remain aligned with our commitment to sustainability and responsible business operations.

Environmental, Social and Governance Report

APPENDIX

Key Performance Statistics

Environmental Performance

Indicator	Unit	2024	2023[5]	2022
GHG Emissions[6]				
Scope 1 – Direct GHG emissions	$kgCO_2e$	12,227.63	11,370.13	9,422.51
Scope 2 – Energy indirect GHG emissions	$kgCO_2e$	32,638.65	38,824.26	47,596.27
Total GHG emissions	$kgCO_2e$	44,866.28	50,194.39	57,018.78
GHG intensity (by area)	$kgCO_2e$/square feet	7.59	8.49	9.64
Air Emissions[7]				
Nitrogen oxides (NOx)	kg	2.69	2.50	2.24
Sulphur oxides (SOx)	kg	0.07	0.06	0.05
Respiratory suspended particles (RSP)	kg	0.20	0.18	0.16
Waste[8]				
Total non-hazardous waste generated	kg	N/A	362.08	143
Non-hazardous waste intensity (by area)	kg/square feet	N/A	0.06	0.02
Energy				
Direct energy consumption Petrol	kWh	44,551.31	41,427.00	34,330
Indirect energy consumption Purchased electricity	kWh	49,452.50	57,094.50	67,037
Total energy consumption	kWh	94,003.81	98,521.50	101,367
Energy intensity (by area)	kWh/square feet	15.90	16.66	17.15
Paper				
Total paper consumption	kg	1,875	825	697

5 The intensity figures are based on the Group's office area of approximately 5,912 square feet.

6 Emissions factor and global warming potential (GWP) were adopted with reference to "How to prepare an ESG report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange.

7 The travel distance of vehicles was estimated with reference to "Energy Utilisation Index – Transport Sector" released by the Electrical and Mechanical Services Department, HKSAR. Emission factors were adopted in accordance to "How to prepare an ESG report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange.

8 As the non-hazardous wastes generated in 2024 were handled by external property management team, we did not have the amount generated.

Social Performance

Key Performance Indicators		2024
Total Employees[9]		
Total		**116**
By gender	Male	47%
	Female	53%
Be age group	30 or below	19%
	31-40	40%
	41-50	28%
	51 or above	13%
By employment level	Senior management	21%
	Middle management	25%
	General staff	54%
New Hire Rate[10]		
Total		**22%**
By gender	Male	19%
	Female	24%
Be age group	30 or below	27%
	31-40	24%
	41-50	18%
	51 or above	13%
By employment level	Senior management	17%
	Middle management	24%
	General staff	22%

9 Total number of employees at the end of the Year, all of which are full-time employees in Hong Kong. Other workers, such as cleaning staff and technician, are not included.

10 New hire rate = number of new employees of the category/total number of employees of the category at the end of the Year x 100%.

Environmental, Social and Governance Report

Key Performance Indicators		2024
Employee Turnover Rate[11]		
Total		**40%**
By gender	Male	33%
	Female	45%
By age group	30 or below	127%
	31-40	6%
	41-50	13%
	51 or above	7%
By employment level	Senior management	4%
	Middle management	24%
	General staff	60%
Health and Safety		
Work-related fatality		0
Work-related injuries		1
Work-related injury rate (per 100 employees)[12]		0.86
Lost days due to work-related injuries		1.5
Employee Trained Rate[13]		
Total		98%
By gender	Male	98%
	Female	98%
By employment level	Senior management	100%
	Middle management	100%
	General staff	97%
Average Training Hours[14]		
Total		2.57
By gender	Male	3.06
	Female	2.15
By employment level	Senior management	4.33
	Middle management	2.93
	General staff	1.73

[11] Employee turnover rate = number of turnover of the category/total number of employees of the category at the end of the Year x 100%.

[12] Work-related injury rate per 100 employees = number of work-related injuries/total number of employees at the end of the Year x 100.

[13] Employee trained rate = number of employees trained in the category/total number of employees of the category at the end of the Year x 100%.

[14] Average training hours = total hours of training received by employees of the category/total number of employees of the category at the end of the Year.

HKEX ESG Guide Content Index

Aspects, General Disclosure and KPIs		Description	Page/Remark
Mandatory Disclosure Requirements			
Governance Structure	(i)	A disclosure of the board's oversight of ESG issues.	34
	(ii)	The board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses).	34-37
	(iii)	How the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	34-36
Reporting Principles		Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.	33, 38-40
		Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.	33
		Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	33
Reporting Boundary		A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report.	33

Environmental, Social and Governance Report

Aspects, General Disclosure and KPIs	Description	Page/Remark
A1 Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	41, 43-44, 52
A1.1	The types of emissions and respective emissions data.	43
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity.	43
A1.3	Total hazardous waste produced and intensity.	44
A1.4	Total non-hazardous waste produced and intensity.	44
A1.5	Description of emission target(s) set and steps taken to achieve them.	36
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	36, 44
A2 Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	42, 44
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	44
A2.2	Water consumption in total and intensity.	44
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	36, 44
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	36, 44
A2.5	Total packaging material used for finished products and per unit produced.	Given its business nature, the Group did not involve in any packaging material for product production.

Environmental, Social and Governance Report

Aspects, General Disclosure and KPIs	Description	Page/Remark
A3 The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	41-42
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	41-42
A4 Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	36, 41-42
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	41-42
B1 Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	36, 44-45, 52
B1.1	Total workforce by gender, employment type, age group and geographical region.	56
B1.2	Employee turnover rate by gender, age group and geographical region.	57

Environmental, Social and Governance Report

Aspects, General Disclosure and KPIs	Description	Page/Remark
B2 Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	46-47, 52
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	47, 57
B2.2	Lost days due to work injury.	47, 57
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	46-47
B3 Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	46
B3.1	The percentage of employees trained by gender and employee category.	57
B3.2	The average training hours completed per employee by gender and employee category.	57
B4 Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	45, 52
B4.1	Description of measures to review employment practices to avoid child and forced labour.	45
B4.2	Description of steps taken to eliminate such practices when discovered.	45

Environmental, Social and Governance Report

Aspects, General Disclosure and KPIs	Description	Page/Remark
B5 Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	54
B5.1	Number of suppliers by geographical region.	54
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	54
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	54
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	54
B6 Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	52-54
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Given its business nature, the Group did not involve in any product production.
B6.2	Number of products and service-related complaints received and how they are dealt with.	47
B6.3	Description of practices relating to observing and protecting intellectual property rights.	53-54
B6.4	Description of quality assurance process and recall procedures.	Given its business nature, the Group did not involve in any quality assurance process and recall procedures for product production.
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	53-54

Environmental, Social and Governance Report

Aspects, General Disclosure and KPIs	Description	Page/Remark
B7 Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	52-53
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	52
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	53
B7.3	Description of anti-corruption training provided to directors and staff.	53
B8 Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	36, 48-51
B8.1	Focus areas of contribution.	48-51
B8.2	Resources contributed to the focus area.	48-51

Report of the Directors

The Directors are pleased to present their report and the audited consolidated financial statements of Hatcher Group Limited (the "**Company**") and its subsidiaries (collectively the "**Group**") for the year ended 30 September 2024 (the "**Year**").

PRINCIPAL ACTIVITIES

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.

Details of the principal subsidiaries of the Company as at 30 September 2024 are set out in note 12 to the consolidated financial statements.

BUSINESS REVIEW

Discussion and analysis of the business of the Group during the Year and the outlook of the business are provided in the section headed "Management Discussion and Analysis" on pages 6 to 16 of this annual report. The discussion forms part of this annual report.

SEGMENT INFORMATION

Details of segment information are set out in note 3 to the consolidated financial statements.

RESULTS AND DIVIDEND

The results of the Group for the Year and the financial position of the Group as at 30 September 2024 are set out in the consolidated financial statements on pages 81 to 83 of this annual report.

During the Year, the Directors did not recommend the payment of an interim dividend in respect of the six months ended 31 March 2024 (2023: nil). The Directors did not recommend the payment of a final dividend in respect of the Year (2023: nil).

FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last five financial years is set out on page 178 of this annual report.

MAJOR CUSTOMERS AND SUPPLIERS

Details of the Group's largest customer and top five largest customers during the Year are set out in the section headed "Management Discussion and Analysis" on pages 6 to 16 of this annual report.

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

Report of the Directors

PLANT AND EQUIPMENT

Details of movements in the plant and equipment of the Group during the Year are set out in note 15 to the consolidated financial statements.

SHARE CAPITAL

Pursuant to an ordinary resolution passed 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 (the "**Share Consolidation**") with effect from 5 January 2024.

Details of movements in the Company's share capital during the Year are set out in note 28 to the consolidated financial statements.

DEBENTURES

The Company did not issue any debentures during the Year.

RESERVES

Details of movement in the reserves of the Group and the Company during the Year are set out in the consolidated statement of changes in equity on pages 84 to 85 of this annual report and in note 38(a) to the consolidated financial statements respectively.

DISTRIBUTABLE RESERVES OF THE COMPANY

As at 30 September 2024, the Company's reserves available for distribution to the shareholders of the Company amounted to approximately HK$71.6 million (2023: approximately HK$152.7 million).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Save for 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 annual report.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles or the laws of the Cayman Islands, the jurisdiction in which the Company was incorporated, which would oblige the Company to offer shares on a pro rata basis to its existing shareholders of the Company.

Report of the Directors

SHARE OPTION SCHEME

The Company unconditionally adopted a share option scheme (the "**Share Option Scheme**") on 4 May 2017. The following is a summary of the principal terms and conditions of the Share Option Scheme.

The purpose of the Share Option Scheme is to grant options (the "**Share Options**") to subscribe for shares of the Company (the "**Shares**") to eligible participants as defined in the Share Option Scheme as incentives or rewards for their contribution to the Group.

Subject to the requirements of the GEM Listing Rules, the Board shall be entitled at any time within the period of 10 years after the date of adoption of the Share Option Scheme to make an offer to (1) any employee (whether full-time or part-time) of the Company and any of the subsidiaries; (2) any director (including executive, non-executive directors and independent non-executive directors) of the Company and any of the subsidiaries; and (3) any consultant and adviser of the Company and any of the subsidiaries (collectively the "**Eligible Participants**") to take up Share Options to subscribe for Shares.

The maximum number of Shares which may be issued upon exercise of all options granted and to be granted under the Share Option Scheme and any other share option schemes of the Company must not exceed 10% of the total number of Shares in issue upon the Listing Date, being 51,320,000 Shares. The total number of Shares issuable upon exercise of the options granted under the Share Option Scheme and any other share option schemes of the Company to each Eligible Participant in any 12-month period shall not exceed 1% of the Shares in issue.

The Share Options may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed 10 years from the date of grant subject to the provisions of early termination thereof.

The minimum period for which a Share Option must be held before it can be exercised is determined by the Board upon the grant of Share Options.

An offer for a grant of Share Option(s) must be accepted within 21 days after the date on which the offer was issued to an Eligible Participant. The amount payable by the grantee to the Company for each acceptance of grant of Share Option(s) is HK$1.

The Eligible Participants may subscribe for the Shares on exercise of the Share Options at a price determined by the Board, but shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a business day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations for the five business days immediately preceding the date of the offer of grant; and (iii) the nominal value of a Share.

Report of the Directors

As at the date of this annual report, the total number of Shares available for issue under the Share Option Scheme is 872,800 Shares, representing approximately 2.04% of the issued Shares. The Share Option Scheme has a remaining life of approximately 2.3 years as at the date of this annual report.

Details of the movements in share options under the Share Option Scheme during the Year were as follows:

				Number of share options								
Name or category of grantees	Date of grant	Exercise period	Vesting date	Outstanding as at 1 October 2023	Granted during the Year *(Note 1)*	Exercised during the Year	Lapsed during the Year	Cancelled during the Year	Adjustment upon Share Consolidation *(Note 2)*	Outstanding as at 30 September 2024	Exercise price per share before Share Consolidation (HK$)	Exercise price per share after Share Consolidation (HK$) *(Note 2)*
Directors/Substantial shareholder												
Li Man Keung Edwin	30 December 2022	30 December 2022 to 29 December 2032	Vested on date of grant	5,000,000	-	-	-	-	(4,800,000)	200,000	0.88	22
Hui Ringo Wing Kun	30 December 2022	30 December 2022 to 29 December 2032	Vested on date of grant	5,000,000	-	-	-	-	(4,800,000)	200,000	0.88	22
Yeung Chun Yue David	30 December 2022	30 December 2022 to 29 December 2032	Vested on date of grant	5,000,000	-	-	-	-	(4,800,000)	200,000	0.88	22
William Robert Majcher	30 December 2022	30 December 2022 to 29 December 2032	Vested on date of grant	200,000	-	-	-	(8,000)	(192,000)	-	0.88	22
Ho Lik Kwan Luke	30 December 2022	30 December 2022 to 29 December 2032	Vested on date of grant	200,000	-	-	-	(8,000)	(192,000)	-	0.88	22
Lau Pak Kin Patric	30 December 2022	30 December 2022 to 29 December 2032	Vested on date of grant	200,000	-	-	-	(8,000)	(192,000)	-	0.88	22
Sub-total				15,600,000	-	-	-	(24,000)	(14,976,000)	600,000		
Employees												
In aggregate	30 December 2022	30 December 2022 to 29 December 2032	Vested on date of grant	28,700,000	-	-	-	(1,163,200)	(27,532,800)	4,000	0.88	22
Total				**44,300,000**	**-**	**-**	**-**	**(1,187,200)**	**(42,508,800)**	**604,000**		

Notes:

(1) The closing price of the Shares on the trading day immediately before the grant date was HK$0.90 per Share.

(2) As a result of the Share Consolidation, the exercise price of the outstanding share options and the number of Shares falling to be issued upon the exercise of the outstanding share options are adjusted in accordance with the terms of the Share Option Scheme.

(3) The number of Shares that may be issued in respect of the share options granted under the Share Option Scheme during the Year divided by the weighted average number of Shares in issue for the Year was zero.

(4) The number of share options available for grant under the Share Option Scheme at 1 October 2023 and 30 September 2024 was 6,720,000 and 268,800 respectively.

EQUITY-LINKED AGREEMENTS

Save and except as disclosed in the sub-sections headed "Subscription of new shares under general mandate" and "Subscription of convertible bonds under specific mandate" in the section headed "Management Discussion and Analysis" of this annual report and the paragraph headed "SHARE OPTION SCHEME" above, no equity-linked agreement was entered into by the Company during the Year or subsisted as at 30 September 2024.

DONATION

Donations made by the Group during the Year amounted to HK$10,000 (2023: HK$30,000).

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The Directors during the Year and up to the date of this annual report were as follows:

Executive Directors

Mr. Li Man Keung Edwin *(Executive Chairman)*
Mr. Hui Ringo Wing Kun *(Chief Executive Officer)*
Mr. Yeung Chun Yue David *(Vice Chairman)*
Mr. Michael Stockford (appointed on 1 October 2024)

Independent non-executive Directors

Mr. William Robert Majcher
Mr. Ho Lik Kwan Luke
Mr. Lau Pak Kin Patric

Biographical details of the Directors are set out in the section headed "Biographical Details of Directors and Senior Management" on pages 17 to 20 of this annual report.

Pursuant to the Articles, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

Report of the Directors

Directors' service agreements

Executive Director, Mr. Hui Ringo Wing Kun, has entered into a service agreement with the Company for an initial term of three years commencing from 26 May 2017, which shall continue thereafter unless and until terminated by giving not less than three months' prior notice in writing to the Company. Each of Mr. Li Man Keung Edwin and Mr. Yeung Chun Yue David as executive Director has entered into a letter of appointment with the Company for a term of three years commencing from 25 January 2022 and 1 July 2024 respectively. Their appointment may be terminated by giving not less than three months' prior notice in writing to the Company. Mr. Michael Stockford as executive Director has entered into a service agreement with the Company for an initial term of three years commencing from 1 October 2024, which shall continue thereafter unless and until terminated by giving not less than six months' prior notice in writing to the Company.

Each of Mr. William Robert Majcher, Mr. Ho Lik Kwan Luke and Mr. Lau Pak Kin Patric as independent non-executive Director has entered into a letter of appointment with the Company for a term of three years commencing from 27 May 2023, 2 December 2023 and 1 January 2025 respectively. The independent non-executive Directors may terminate their letter of appointment by giving not less than three months' prior notice in writing to the Company.

None of the Directors who are proposed for re-election at the forthcoming annual general meeting of the Company has an unexpired service contract with the Company or any of its subsidiaries which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive Directors a confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules and considers all the independent non-executive Directors to be independent.

REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emolument of the Directors and five individuals with highest emoluments are set out in note 8 to the consolidated financial statements.

DIRECTORS' INTERESTS IN SIGNIFICANT TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

No transaction, arrangement or contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director or an entity associated with him has or had a material interest, whether directly or indirectly, subsisted at any time during the Year.

Report of the Directors

PERMITTED INDEMNITY PROVISIONS

The Articles provides that every Director is entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about executive of duties of his/her office or otherwise in relation thereto provided that such indemnity shall not extend to any matter in respect of fraud or dishonestly which may attach to the Director.

The Company has taken out and maintained Directors' liability insurance since May 2017, which provides appropriate cover for the Directors.

CORPORATE GOVERNANCE

The Board is of the view that the Company has met the code provisions set out in the Corporate Governance Code in Appendix C1 to the GEM Listing Rules. A report on the principal corporate governance practices adopted by the Company is set out in the section headed "Corporate Governance Report" on pages 21 to 32 of this annual report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

Please refer to the section headed "Environmental, Social and Governance Report" on pages 33 to 63 of this annual report.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the Year, to the best of knowledge of the Directors, there was no material breach of or non–compliance with the applicable laws and regulations by the Group that has a significant impact on the businesses and operations of the Group.

CONTRACT OF SIGNIFICANCE

No contracts of significance in relation to the Group's business in which the Company, any its subsidiaries or fellow subsidiaries, or its parent company was a party and in which a Director had a material interest, whether directly or indirectly, subsisted during the Year.

RELATED PARTY TRANSACTIONS

Details of the related party transactions undertaken by the Group are set out in note 34 to the consolidated financial statements.

CONNECTED TRANSACTIONS

During the Year, the Directors are not aware of any related party transactions which constituted a connected transaction or continuing connected transaction of the Company under Chapter 20 of the GEM Listing Rules which are required to comply with any of the disclosure requirements.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 September 2024, the interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "**SFO**")) held by the Directors and chief executives of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules are as follows:

Long positions in the shares or underlying shares of the Company

Name of Directors	Capacity/Nature of interest	Number of Shares held	Number of underlying Shares held pursuant to share options *(Note 4)*	Total number of Shares and underlying Shares held	Approximate percentage of the issued share capital of the Company *(Note 5)*
Mr. Li Man Keung Edwin ("**Mr. Li**")	Interests of controlled corporation/ Beneficial owner	6,398,800 *(Note 1)*	200,000	6,598,800	15.41%
Mr. Hui Ringo Wing Kun ("**Mr. Hui**")	Interests of controlled corporation/ Beneficial owner	700,000 *(Note 2)*	200,000	900,000	2.10%
Mr. Yeung Chun Yue David ("**Mr. Yeung**")	Interests of controlled corporation/ Beneficial owner	1,320,000 *(Note 3)*	200,000	1,520,000	3.55%

Notes:

(1) These 6,398,800 Shares include 4,549,200 Shares held by Tanner Enterprises Group Limited ("**Tanner Enterprises**"), a company incorporated in the British Virgin Islands (the "**BVI**") and wholly owned by Mr. Li. Therefore, Mr. Li is deemed to be interested in all the Shares held by Tanner Enterprises for the purpose of the SFO. In addition, Mr. Li beneficially owns 1,849,600 Shares.

(2) These 700,000 Shares are held by Bright Music Limited ("**Bright Music**"), a company incorporated in the BVI and wholly owned by Mr. Hui. Therefore, Mr. Hui is deemed to be interested in all the Shares held by Bright Music for the purpose of the SFO.

(3) These 1,320,000 shares are held by GREAT WIN GLOBAL LIMITED ("**Great Win**"), a company incorporated in the BVI and wholly owned by Mr. Yeung. Therefore, Mr. Yeung is deemed to be interested in all the shares held by Great Win for the purpose of the SFO.

(4) These share options were granted by the Company to the Directors on 30 December 2022 under the Share Option Scheme.

(5) The approximate percentage of shareholdings is based on 42,817,360 Shares in issue as at 30 September 2024.

Report of the Directors

Save as disclosed above, as at 30 September 2024, none of the Directors and chief executives of the Company and/or any of their respective associates had any interests and short positions in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the GEM Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the sections headed "DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS" and "SHARE OPTION SCHEME" above, neither the Company nor any of its subsidiaries or associated corporations was a party to any arrangement to enable the Directors and chief executives of the Company (including their respective spouse and children under 18 years of age) to acquire benefits by means of the acquisition of the shares or underlying shares in, or debentures of, the Company or any of its associated corporations at any time during the Year.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2024, the following parties (not being the Directors or chief executives of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Long positions in the shares or underlying shares of the Company

Name of substantial shareholders	Capacity	Number of Shares held	Number of underlying Shares held	Total number of Shares and underlying Shares held	Approximate percentage of the issued share capital of the Company *(Note 2)*
Mr. Gan Fanglun	Beneficial owner	7,416,000	–	7,416,000	17.32%
Tanner Enterprises	Beneficial owner	4,549,200	–	4,549,200 *(Note 1)*	10.62%

Notes:

(1) Tanner Enterprises is a company incorporated in the BVI and wholly owned by Mr. Li, an executive Director. Under the SFO, Mr. Li is deemed to be interested in all the Shares held by Tanner Enterprises.

(2) The approximate percentage of shareholdings is based on 42,817,360 Shares in issue as at 30 September 2024.

Report of the Directors

Save as disclosed above, the Directors were not aware of any other persons, other than the Directors or the chief executives of the Company who held an interests or short positions in the shares and/or underlying shares of the Company as at 30 September 2024 which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or in existence during the Year.

COMPETING INTERESTS

None of the Directors and their respective associates (as defined under the GEM Listing Rules) had any interest in any other companies as at 30 September 2024 which compete or may compete, directly or indirectly, with the Group's business.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and within the knowledge of the Directors, as at the date of this annual report, the Company has maintained sufficient public float in the issued share capital of the Company under the GEM Listing Rules.

TAX RELIEF

The Company is not aware of any relief on taxation available to the shareholders of the Company by reason of their holding of the shares of the Company. If the shareholders of the Company are unsure about the taxation implication of purchasing, holding, disposing of, dealing in, or exercise of any rights in relation to the Shares, they are advised to consult their professional advisers.

CLOSURE OF REGISTER OF MEMBERS

In order to ascertain the entitlements to attend and vote at the forthcoming annual general meeting of the Company to be held on Friday, 21 February 2025, the register of members of the Company will be closed from Tuesday, 18 February 2025 to Friday, 21 February 2025, both days inclusive, during which period no transfer of Shares will be registered. Shareholders of the Company are reminded to ensure that all properly executed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 17 February 2025.

Report of the Directors

AUDITOR

The consolidated financial statements of the Company for the Year have been audited by Baker Tilly Hong Kong Limited, who will retire and, being eligible, offer itself for re-appointment. A resolution for the re-appointment of Baker Tilly Hong Kong Limited as the auditor of the Company will be proposed at the forthcoming annual general meeting of the Company.

Baker Tilly Hong Kong Limited was appointed as the auditor of the Company on 29 August 2024 to fill the casual vacancy following the resignation of Forvis Mazars CPA Limited (formerly known as Mazars CPA Limited) on 29 August 2024. Save as disclosed above, there were no changes in auditor of the Company during the past three years.

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 annual report.

Director
Hui Ringo Wing Kun

Hong Kong, 30 December 2024

Independent Auditor's Report

bakertilly
天職國際

To the members of
Hatcher Group Limited
(incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Hatcher Group Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 81 to 177, which comprise the consolidated statement of financial position as at 30 September 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 September 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

The consolidated financial statements of the Group for the year ended 30 September 2023 were audited by another independent auditor whose report dated 29 December 2023 expressed an unmodified opinion on those consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report

Key Audit Matters *(Continued)*

Key Audit Matter	How our audit addressed the key audit matter
Impairment assessment of goodwill and intangible assets *Refer to note 2.4, note 13 and note 14 to the consolidated financial statements.* As at 30 September 2024, the Group's goodwill (net of accumulated impairment loss) and intangible assets amounted to approximately HK$41,655,000 and approximately HK$1,831,000 respectively relating to the acquisition of Baron Global Financial Canada Ltd. ("**Baron**") in April 2018, APEC GROUP INTERNATIONAL LIMITED and its subsidiaries ("**APEC Group**") in November 2021, and Earning Joy Development Limited and its subsidiaries ("**Earning Joy Group**") in November 2022 which are subject to impairment assessment in accordance with Hong Kong Accounting Standard 36 "*Impairment of Assets*" issued by the HKICPA. We considered the impairment of goodwill and intangible assets of Baron, APEC Group and Earning Joy Group to be a key audit matter due to the magnitude of the balances involved and significant judgements and estimates involved in determining the recoverable amounts of the relevant cash generating units ("**CGUs**") .	Our key procedures included: • Assessing the competence, capabilities and objectivity of independent professional qualified valuer (the "**Valuer**") that was appointed by the management to assist the management to determine the recoverable amounts of the relevant CGUs; • Discussing with the management and Valuer to understand the valuation methodologies and key estimates and assumptions adopted; • Assessing the historical accuracy of the prior year's assumptions and estimates made by management, as appropriate; • Checking the accuracy and relevance of the key inputs, on a sample basis, used in the valuation; • Challenging the judgement and estimates made by the management and the Valuer regarding the factors considered during the assessment; and • Challenging the management on the adequacy and appropriateness of sensitivity analysis.

Independent Auditor's Report

Key Audit Matters *(Continued)*

Key Audit Matter	How our audit addressed the key audit matter
Valuation of financial assets at fair value through profit or loss ("FVTPL") *Refer to note 2.4 and note 18 to the consolidated financial statements.*	
As at 30 September 2024, Group's unlisted investment fund and investment in mobile applications with carrying amount of HK$23,471,000 and HK$13,849,000 respectively were classified as financial assets at FVTPL. These investments are stated at fair value based on valuations carried out by the Valuer. We considered this matter to be a key audit matter due to the significance of carrying amounts and the application of significant judgement in assessing the fair value.	Our key procedures included: • Evaluating the competence, capabilities and objectivity of the Valuer; • Discussing with the management and Valuer to understand the valuation methodologies and key estimates and assumptions adopted: • Assessing the reasonableness of the significant assumptions adopted in the valuation; • Checking the accuracy and relevance of the key inputs, on a sample basis, used in the valuation and assessing the reasonableness of any significant unobservable input and the accuracy of the source data adopted by the Valuer; and • Challenging the judgement and estimates made by the management and the Valuer regarding the factors considered during the assessment.

Independent Auditor's Report

Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Independent Auditor's Report

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements *(Continued)*

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Independent Auditor's Report

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements *(Continued)*

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement director on the audit resulting in this independent auditor's report is Chan Ka Kit.

Baker Tilly Hong Kong Limited
Certified Public Accountants
Hong Kong, 30 December 2024

Chan Ka Kit
Practising Certificate number: P08291

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 30 September 2024

	Note	**2024 HK$'000**	2023 HK$'000 (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	13	**(37,943)**	–
Provision of impairment loss in respect of trade receivables	35(a)	**(6,202)**	(52)
Provision of impairment loss in respect of other receivables	35(a)	**(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)	9	**696**	(1,424)
Loss for the year from continuing operations		**(73,110)**	(17,528)
Discontinued operations			
(Loss) profit for the year from discontinued operations	21	**(4,092)**	3,197
Loss for the year		**(77,202)**	(14,331)
Other comprehensive income (loss):			
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**")	17	**(184)**	(185)
Other comprehensive income (loss) for the year		**46**	(582)
Total comprehensive loss for the year		**(77,156)**	(14,913)
Loss for the year attributable to:			
Owners of the Company		**(77,085)**	(13,829)
Non-controlling interests		**(117)**	(502)
		(77,202)	(14,331)
Total comprehensive loss attributable to:			
Owners of the Company		**(77,039)**	(14,411)
Non-controlling interests		**(117)**	(502)
		(77,156)	(14,913)
Total comprehensive (loss) 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)
Basic and diluted (loss) earnings per share	11		
– continuing operations (HK cents)		**(186.86)**	(51.23)
– discontinued operations (HK cents)		**(10.48)**	9.62

Consolidated Statement of Financial Position

At 30 September 2024

	Note	2024 HK$'000	2023 HK$'000
Non-current assets			
Goodwill	13	**41,655**	84,558
Intangible assets	14	**1,831**	3,452
Plant and equipment	15	**8,171**	10,360
Right-of-use assets	16	**7,623**	7,952
Designated FVTOCI	17	**984**	816
Financial assets at fair value through profit or loss ("**FVTPL**")	18	**15,345**	22,834
Deferred tax assets	27	**206**	167
		75,815	130,139
Current assets			
Financial assets at FVTPL	18	**24,923**	35,056
Trade and other receivables	19	**29,282**	62,151
Time deposits with original maturity over three months	20	**1,082**	120
Bank balances – client accounts	20	**–**	24,534
Bank balances – general accounts and cash	20	**36,766**	20,593
		92,053	142,454
Current liabilities			
Trade and other payables	22	**9,170**	36,611
Interest-bearing borrowings	23	**16,322**	24,621
Loan payables	24	**–**	240
Convertible note	26	**–**	932
Lease liabilities	25	**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

Consolidated Statement of Financial Position

At 30 September 2024

	Note	2024 HK$'000	2023 HK$'000
Non-current liabilities			
Lease liabilities	25	**4,984**	5,817
Other payables	22	**150**	150
Deferred tax liabilities	27	**1,007**	1,277
		6,141	7,244
NET ASSETS		**132,180**	198,226
Capital and reserves			
Share capital	28	**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

These consolidated financial statements on pages 81 to 177 were approved and authorised for issue by the Board of Directors on 30 December 2024 and signed on its behalf by

Yeung Chun Yue David
Director

Hui Ringo Wing Kun
Director

Consolidated Statement of Changes in Equity

Year ended 30 September 2024

		Attributable to equity holders of the Company											
			Reserves										
	Note	Share capital HK$'000	Share premium HK$'000 (note 29a)	Capital reserve HK$'000 (note 29b)	Exchange reserve HK$'000 (note 29c)	Investment revaluation reserve (non-recycling) HK$'000 (note 29d)	Convertible note reserve HK$'000 (note 29e)	Share option reserve HK$'000 (note 29f)	Accumulated losses HK$'000	Total reserve HK$'000	Subtotal HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1 October 2022		7,212	114,603	152	1,656	(4,957)	1,889	–	(50,715)	62,628	69,840	(501)	69,339
Loss for the year		–	–	–	–	–	–	–	(13,829)	(13,829)	(13,829)	(502)	(14,331)
Other comprehensive loss for the year													
Items that are reclassified or may be reclassified subsequently to profit or loss													
Exchange differences on translation of foreign operations		–	–	–	(397)	–	–	–	–	(397)	(397)	–	(397)
Items that will not be reclassified to profit or loss													
Fair value change on Designated FVTOCI reclassified to retained earnings upon disposal		–	–	–	–	11	–	–	(11)	–	–	–	–
Fair value loss on Designated FVTOCI		–	–	–	–	(185)	–	–	–	(185)	(185)	–	(185)
Total other comprehensive loss for the year		–	–	–	(397)	(174)	–	–	(11)	(582)	(582)	–	(582)
Total comprehensive loss for the year		–	–	–	(397)	(174)	–	–	(13,840)	(14,411)	(14,411)	(502)	(14,913)
Transactions with equity holders of the Company													
Contributions and distributions													
Issue of consideration shares	28(b)	386	34,390	–	–	–	–	–	–	34,390	34,776	–	34,776
Conversion of convertible note	28(c), 26	250	6,330	–	–	–	(1,889)	–	–	4,441	4,691	–	4,691
Issue of settlement shares	28(d), 31	501	41,117	–	–	–	–	–	–	41,117	41,618	–	41,618
Issue of placing shares	28(f)	570	38,760	–	–	–	–	–	–	38,760	39,330	–	39,330
Recognition of equity-settled-based transactions	32	–	–	–	–	–	–	23,044	–	23,044	23,044	–	23,044
Cancellation of share options		–	–	–	–	–	–	(121)	121	–	–	–	–
Issue of shares upon exercise of share options		1	68	–	–	–	–	(25)	–	43	44	–	44
		1,708	120,665	–	–	–	(1,889)	22,898	121	141,795	143,503	–	143,503
Changes in ownership interests													
Decognition of a subsidiary		–	–	297	–	–	–	–	–	297	297	–	297
At 30 September 2023		8,920	235,268	449	1,259	(5,131)	–	22,898	(64,434)	190,309	199,229	(1,003)	198,226

Consolidated Statement of Changes in Equity

Year ended 30 September 2024

		Attributable to equity holders of the Company											
			Reserves										
	Note	Share capital HK$'000	Share premium HK$'000 (note 29a)	Capital reserve HK$'000 (note 29b)	Exchange reserve HK$'000 (note 29c)	Investment revaluation reserve (non-recycling) HK$'000 (note 29d)	Convertible note reserve HK$'000 (note 29e)	Share option reserve HK$'000 (note 29f)	Accumulated losses HK$'000	Total reserve HK$'000	Subtotal HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1 October 2023		8,920	235,268	449	1,259	(5,131)	–	22,898	(64,434)	190,309	199,229	(1,003)	198,226
Loss for the year		–	–	–	–	–	–	–	(77,085)	(77,085)	(77,085)	(117)	(77,202)
Other comprehensive income (loss) for the year													
Items that are reclassified or may be reclassified subsequently to profit or loss													
Exchange differences on translation of foreign operations		–	–	–	230	–	–	–	–	230	230	–	230
Items that will not be reclassified to profit or loss													
Fair value loss on Designated FVTOCI		–	–	–	–	(184)	–	–	–	(184)	(184)	–	(184)
Total other comprehensive income (loss) for the year		–	–	–	230	(184)	–	–	–	46	46	–	46
Total comprehensive income (loss) for the year		–	–	–	230	(184)	–	–	(77,085)	(77,039)	(77,039)	(117)	(77,156)
Transactions with equity holders of the Company													
Contributions and distributions													
Issue of subscription shares	28(e)	1,784	8,206	–	–	–	–	–	–	8,206	9,990	–	9,990
Cancellation of share options		–	–	–	–	–	–	(14,335)	14,335	–	–	–	–
		1,784	8,206	–	–	–	–	(14,335)	14,335	8,206	9,990	–	9,990
Changes in ownership interests													
Disposal of subsidiaries	21	–	–	–	–	–	–	–	–	–	–	1,120	1,120
At 30 September 2024		10,704	243,474	449	1,489	(5,315)	–	8,563	(127,184)	121,476	132,180	–	132,180

Consolidated Statement of Cash Flows

Year ended 30 September 2024

	Note	2024 HK$'000	2023 HK$'000
OPERATING ACTIVITIES			
Loss before tax			
– Continuing operations		**(73,806)**	(16,104)
– Discontinued operations	21	**(4,092)**	3,197
Adjustments for:			
Bank interest income		**(150)**	(148)
Exchange difference		**230**	(397)
Finance costs		**1,431**	1,700
Amortisation of intangible assets		**1,621**	1,616
Depreciation of plant and equipment		**2,854**	3,246
Depreciation of right-of-use assets		**3,533**	3,871
Loss (gain) on disposal of subsidiaries	21	**3,010**	(5,618)
Gain on disposal of financial assets at FVTPL		**(91)**	(10,735)
Loss on settlement of promissory notes	31	**–**	6,518
Loss on disposal of other investments		**–**	162
Fair value change on financial assets at FVTPL	5	**16,668**	(13,555)
Share based payment expenses	32	**–**	23,044
Provision of impairment loss in respect of goodwill	13	**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
Loss on disposal of plant and equipment		**7**	34
Gain on written back of other payables		**–**	(2,879)
Gain on written back of loan payables		**–**	(120)
Cash flows used in operations before movements in working capital		**(3,619)**	(3,689)
Decrease (increase) in trade and other receivables		**28,575**	(42,606)
Decrease in trade and other payables		**(27,441)**	(66,812)
Decrease in bank balances – client accounts		**24,534**	113,347
Cash generated from operations		**22,049**	240

Consolidated Statement of Cash Flows

Year ended 30 September 2024

	Note	2024 HK$'000	2023 HK$'000
Bank interest received		**150**	148
Tax paid		**(1,524)**	(1,029)
Net cash from (used in) operating activities		**20,675**	(641)
INVESTING ACTIVITIES			
Cash paid on settlement for promissory notes	31	**–**	(3,000)
Increase in time deposit		**(962)**	(120)
Net cash from acquisition of a subsidiary	31	**–**	378
Net cash flow on disposal of a subsidiary	21	**–**	(40,534)
Purchase of Designated FVTOCI		**–**	(627)
Purchase of financial assets at FVTPL		**(62)**	(29,110)
Purchase of plant and equipment		**(650)**	(2,186)
Proceeds from disposal of Designated FVTOCI		**–**	358
Proceeds from disposal of financial assets at FVTPL		**1,107**	36,682
Proceeds from disposal of other investments		**–**	620
Net cash used in investing activities		**(567)**	(37,539)
FINANCING ACTIVITIES			
Interest paid	30	**(2,167)**	(1,216)
Repayment of loan payables	30	**(240)**	–
Repayment of bank loans	30	**(8,299)**	(1,302)
Issue of placing shares	28(f)	**–**	39,330
Issue of subscription shares	28(e)	**9,990**	–
Issue of shares upon exercise of share options		**–**	44
Lease payments	30	**(3,219)**	(3,677)
Net cash (used in) from financing activities		**(3,935)**	33,179
Net increase (decrease) in cash and cash equivalents		**16,173**	(5,001)
Cash and cash equivalents at beginning of year		**20,593**	25,594
Cash and cash equivalents at end of year, represented by bank balances – general accounts and cash		**36,766**	20,593

Notes to the Consolidated Financial Statements

Year ended 30 September 2024

1. GENERAL INFORMATION

Hatcher Group Limited (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 of Hong Kong Limited (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 the principal activities of its subsidiaries are set out in note 12 to the consolidated financial statements.

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is also the functional currency of the Company and its subsidiaries (collectively referred to as 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.

2.1 APPLICATION OF NEW AND AMENDMENTS TO HKFRSs AND CHANGES IN OTHER ACCOUNTING POLICIES

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the 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 February 2022 Amendments to HKFRS 17)	Insurance Contracts
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 Statement 2	Disclosure of Accounting Policies

Except as described below, 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 and/or on the disclosures set out in these consolidated financial statements.

Notes to the Consolidated Financial Statements

Year ended 30 September 2024

2.1 APPLICATION OF NEW AND AMENDMENTS TO HKFRSS AND CHANGES IN OTHER ACCOUNTING POLICIES (Continued)

Impacts on application of Amendments to HKAS 8 Definition of Accounting Estimates

The Group has applied the amendments for the first time in the current year. The amendments define accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. The amendments to HKAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors.

The application of the amendments in the current year had no material impact on the consolidated financial statements.

Impacts on application of Amendments to HKAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Group has applied the amendments for the first time in the current year. The amendments narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of HKAS 12 Income Taxes so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

(i) the Group has applied the new accounting policy retrospectively to leasing transactions that occurred on or after 1 October 2022;

(ii) the Group also, as at 1 October 2022, recognised a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary difference associated with right-of-use-assets and lease liabilities.

The application of the amendments has had no material impact on the Group's financial position and performance, except that the Group discloses the related deferred tax assets of HK$2,302,000 and deferred tax liabilities of HK$2,302,000 on a gross basis as at 1 October 2022 in note 27 but it had no impact on the accumulated losses as at the earliest period presented.

2.1 APPLICATION OF NEW AND AMENDMENTS TO HKFRSS AND CHANGES IN OTHER ACCOUNTING POLICIES (Continued)

Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies

The Group has applied the amendments for the first time in the current year. HKAS 1 Presentation of Financial Statements is amended to replace all instances of the term "Material accounting policy information" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 Making Materiality Judgements (the "**Practice Statement**") is also amended to illustrate how an entity applies the "four-step materiality process" to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group's financial positions and performance but has affected the disclosure of the Group's accounting policies set out in Note 2.4 to the consolidated financial statements.

Change in accounting policy as a result of application of the HKICPA guidance on the accounting implications of the abolition of the Mandatory Provident Fund ("MPF") – Long Service Payment ("LSP") offsetting mechanism in Hong Kong

As disclosed in note 33, in June 2022 the Hong Kong SAR Government (the "**Government**") gazetted the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "**Amendment Ordinance**"), which will come into effect from 1 May 2025 (the "**Transition Date**"). Once the Amendment Ordinance takes effect, an employer can no longer use any of the accrued benefits derived from its mandatory contributions to mandatory provident fund ("**MPF**") scheme to reduce the long service payment ("**LSP**") in respect of an employee's service from the Transition Date (the abolition of the "**offsetting mechanism**"). In addition, the LSP in respect of the service before the Transition Date will be calculated based on the employee's monthly salary immediately before the Transition Date and the years of service up to that date.

Notes to the Consolidated Financial Statements

Year ended 30 September 2024

2.1 APPLICATION OF NEW AND AMENDMENTS TO HKFRSS AND CHANGES IN OTHER ACCOUNTING POLICIES (Continued)

Change in accounting policy as a result of application of the HKICPA guidance on the accounting implications of the abolition of the Mandatory Provident Fund ("MPF") – Long Service Payment ("LSP") offsetting mechanism in Hong Kong (Continued)

In July 2023, the HKICPA published "Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong" that provides accounting guidance relating to the offsetting mechanism and the abolition of the mechanism. In particular, the guidance indicates that entities may account for the accrued benefits derived from mandatory MPF contributions that are expected to be used to reduce the LSP payable to an employee as deemed contributions by that employee towards the LSP.

However, applying this approach, upon the enactment of the Amendment Ordinance in June 2022, it is no longer permissible to apply the practical expedient in paragraph 93(b) of HKAS 19 that previously allowed such deemed contributions to be recognised as reduction of service cost (negative service cost) in the period the contributions were made; instead these deemed contributions should be attributed to periods of service in the same manner as the gross LSP benefit.

To better reflect the substance of the abolition of the offsetting mechanism, the Group has changed its accounting policy in connection with its LSP liability and has applied the above HKICPA guidance. The cessation of applying the practical expedient in paragraph 93(b) of HKAS 19 in conjunction with the enactment of the Amendment Ordinance resulted in a catchup profit or loss adjustment in June 2022 for the service cost up to that date. Since the amount of the catch-up profit or loss adjustment was not material, the Group did not restate the comparative figures in the consolidated financial statements.

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

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2024.
3 Effective for annual periods beginning on or after 1 January 2025.
4 Effective for annual periods beginning on or after 1 January 2026.
5 Effective for annual periods beginning on or after 1 January 2027.

Except for the amendments to HKFRSs mentioned below, the directors of the Company 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 and improve aggregation and disaggregation of information to be disclosed in 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.

Notes to the Consolidated Financial Statements

Year ended 30 September 2024

2.2 NEW AND AMENDMENTS TO HKFRSs ISSUED BUT NOT YET EFFECTIVE (Continued)

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.

2.2 NEW AND AMENDMENTS TO HKFRSs ISSUED BUT NOT YET EFFECTIVE (Continued)

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.

2.3 BASIS OF PREPARATION

The consolidated financial statements has been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**"), which collective term includes all applicable HKFRSs, Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), accounting principles generally accepted in Hong Kong, the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**").

Basis of measurement

The measurement basis used in the preparation of these consolidated financial statements is historical cost, except for Designated FVTOCI and financial assets at FVTPL, which are measured at fair value.

Notes to the Consolidated Financial Statements

Year ended 30 September 2024

2.4 MATERIAL ACCOUNTING POLICY INFORMATION

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is archived when the Company:

– has power over the investee;

– is exposed, or has rights, to variable returns from its involvement with the investee; and

– has the ability to use its power to affect its returns

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiary to bring its accounting policies into line with the Group’s accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group’s equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

(a) represents a separate major line of business or geographical area of operations;

(b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or

(c) is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal, when the operation meets the criteria to be classified as held for sale or when a business that represented a separate major line of business or geographical area of operations ceases operation. When an operation is classified as a discontinued operation, the comparative statement of profit or loss is re-stated as if the operation had been discontinued from the start of the comparative year.

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

Plant and equipment

Plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Customer relationship

Customer relationship with finite useful lives are acquired in a business combination and initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, customer relationship is carried at costs less any impairment losses and amortised on a straight-line basis over 2 to 4 years.

Financial instrument

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("**FVTPL**")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("**FVTOCI**"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 Business Combinations applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not a designated and effective hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(i) *Amortised cost and interest income*

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) *Equity instruments designated as at FVTOCI*

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the Investment revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to accumulated losses.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

(iv) *Financial assets at FVTPL*

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other income and other gains and losses, net" line item.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss ("**ECL**") model on financial assets (including trade and other receivables, time deposits with original maturity over three months and bank balances which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables. For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) *Significant increase in credit risk*

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

(i) *Significant increase in credit risk* (Continued)

- an actual or expected significant deterioration in the operating results of the debtor;

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) *Definition of default*

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) *Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

(iii) *Credit-impaired financial assets* (Continued)

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(e) the disappearance of an active market for that financial asset because of financial difficulties

(iv) *Write-off policy*

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) *Measurement and recognition of ECL*

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience and forward looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

(v) *Measurement and recognition of ECL* (Continued)

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and other receivables where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is reclassified to profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is not reclassified to profit or loss, but is transferred to reserves.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Perpetual instruments, which include no contractual obligation for the Group to deliver cash or other financial assets or the Group has the sole discretion to defer payment of distribution and redemption of principal amount indefinitely are classified as equity instruments.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities including trade and other payables, interest-bearing borrowings, loan payables and convertible note are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Convertible note

The component parts of the convertible loan notes are classified separately as financial liability and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component (including any embedded non-equity derivatives features) is estimated by measuring the fair value of similar liability that does not have an associated equity component.

A conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share capital and share premium. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to accumulated losses. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible note are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible note using the effective interest method.

Notes to the Consolidated Financial Statements

Year ended 30 September 2024

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Revenue from contracts with customers

The nature of the goods or services provided by the Group is principally engaged in the provision of (i) asset management services; (ii) corporate finance advisory services; (iii) placing and underwriting services; (iv) accounting and taxation services; (v) business consulting services; (vi) corporate secretarial services; (vii) ESG advisory services; (viii) human resources services; and (ix) risk management and internal control advisory services.

Identification of performance obligations

At contract inception, the Group assesses the goods or services promised in a contract with a customer and identifies as a performance obligation each promise to transfer to the customer either:

(a) a good or services (or a bundle of goods or services) that is distinct; or

(b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

A good or service that is promised to a customer is distinct if both of the following criteria are met:

(a) the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer (i.e. the good or service is capable of being distinct); and

(b) the Group's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (i.e. the promise to transfer the good or service is distinct within the context of the contract).

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Revenue from contracts with customers (Continued)

Timing of revenue recognition

Revenue is recognised when (or as) the Group satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

(b) the Group's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or

(c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If a performance obligation is not satisfied over time, the Group satisfies the performance obligation at a point in time when the customer obtains control of the promised asset. In determining when the transfer of control occurs, the Group considers the concept of control and such indicators as legal title, physical possession, right to payment, significant risks and rewards of ownership of the asset, and customer acceptance.

For asset management services, corporate finance advisory services, accounting and taxation services, business consulting services, corporate secretarial services, ESG advisory services, human resources services and risk management and internal control advisory services, the Group recognised the revenue over time when the relevant transactions have been arranged or the relevant services have been rendered.

For placing and underwriting commission income, the Group recognised income at a point in time in accordance with the terms of the underlying agreement or deal mandate when relevant significant act has been completed.

For brokerage and commission income for brokerage business, the Group recognised income at a point in time on a trade date basis.

For clearing, settlement and handling fee income, the Group recognised income at a point in time when the relevant transactions have been arranged or the relevant services have been rendered.

Notes to the Consolidated Financial Statements

Year ended 30 September 2024

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Revenue from contracts with customers (Continued)

Timing of revenue recognition (Continued)

For revenue recognised over time under HKFRS 15 "Revenue from Contracts with Customers ("**HKFRS 15**"), provided the outcome of the performance obligation can be reasonably measured, the Group applies the output method (i.e. based on the direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract) to measure the progress towards complete satisfaction of the performance obligation because the method provides a faithful depiction of the Group's performance and reliable information is available to the Group to apply the method. Otherwise, revenue is recognised only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

Foreign currency

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. When a fair value gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss. When a fair value gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is also recognised in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into presentation currency of the Group (i.e. HK$) using exchange rate prevailing at the end of the reporting period, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (the exchange reserve).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Impairment of other assets, other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of plant and equipment, intangible assets, right-of-use assets and other investments to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amounts of plant and equipment, intangible assets, right-of-use assets and other investment are estimated individually, when it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash generating unit ("**CGU**") to which the asset belongs.

In testing a CGUs for impairment, corporate assets are allocated to the relevant CGU when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the CGU or group of CGUs to which the corporate asset belongs, and is compared with the carrying amount of the relevant CGU or group of CGUs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a CGU) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a CGU, the Group compares the carrying amount of a group of CGUs, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of CGUs, with the recoverable amount of the group of CGUs. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of CGUs. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the assets is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leases

The Group assesses whether a contract is, or contains, a lease at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 "Leases" ("**HKFRS 16**") at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets (such as tablets and personal computers, small items of office furniture and telephones). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The right-of-use asset is initially measured at cost, which comprises:

(a) the amount of the initial measurement of the lease liability;

(b) any lease payments made at or before the commencement date, less any lease incentives received;

(c) any initial direct costs incurred by the Group; and

(d) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Right-of-use assets (Continued)

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated to write off the cost of items on a straight line basis over the shorter of its estimated useful life and the lease term.

When the Group obtains ownership of the underlying leased assets at the end of the lease term, upon exercising purchase options, the cost of the relevant right-of-use assets and the related accumulated depreciation and impairment loss are transferred to property and equipment.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include fixed payments (including in-substance fixed payments).

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Employee benefits

Short term employee benefits

Salaries, annual bonuses, paid annual leave and the cost of non-monetary benefits are accrued in the period in which the associated services are rendered by employees.

The Group has the defined benefit plans in relation to LSP under the Hong Kong Employment Ordinance.

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. The estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group's MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

Notes to the Consolidated Financial Statements

Year ended 30 September 2024

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Employee benefits (Continued)

Short term employee benefits (Continued)

The calculation of defined benefit obligation is performed by the management. Net interest expense for the period is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the reporting period to the then net defined benefit liability, taking into account any changes in the net defined benefit liability during the period. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

Share-based payment transactions

Equity-settled transactions

The Group's employees, including directors, receive remuneration in the form of share-based payment transactions, whereby the employees rendered services in exchange for shares or rights over shares. The cost of such transactions with employees is measured by reference to the fair value of the equity instruments at the grant date. The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a reserve within equity.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the vesting conditions are to be fulfilled, ending on the date on which the entitlement of relevant employees to the award is no longer conditional on the satisfaction of any nonmarket vesting conditions. During the vesting period, the number of share options that is expected to vest ultimately is reviewed. Any adjustment to the cumulative fair value recognised in prior periods is charged/credited to profit or loss for the year of review, with a corresponding adjustment to the reserve within equity.

When share options are exercised, the amount previously recognised in share-based payments reserve will be transferred to retained profits. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payments reserve will be transferred to accumulated losses.

Equity-settled share-based payment transactions with parties other than employees are measured at fair value of the goods or services received, except where the fair value cannot be reliably estimated, in which case they are measured at the fair value of the equity instruments granted. In all cases, the fair value is measured at the date the Group obtains the goods or the counterparty renders the services.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit/(loss) before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Critical accounting judgements and key sources of estimation uncertainly

In the application of the Group's accounting policies, which are described in note 2.4, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated, which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit (or a group of cash-generating units) and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss or further impairment loss may arise.

As at 30 September 2024, the carrying amount of goodwill is HK$41,655,000 (2023: HK$84,558,000) (net of accumulated impairment loss of HK$60,698,000 (2023: HK$22,755,000)). Details of the recoverable amount calculation are disclosed in note 13.

Revenue recognition

Revenue from corporate finance advisory services, business consulting services, ESG advisory services, and risk management and internal control advisory services is recognised when performance obligation is satisfied. The Group is required to identify services promised according to the terms of the underlying service agreements. Currently, the Group makes progress billings at pre-agreed intervals to the customers in accordance with the mandates. Because of the nature of the services provided, the date when the respective performance obligation is satisfied may fall into different accounting periods. A considerable amount of judgement is required in determining the project progress. Significant changes in management estimates may result in material revenue adjustments.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Critical accounting judgements and key sources of estimation uncertainly (Continued)

Loss allowance for ECL

The Group's management estimates the loss allowance for financial assets at amortised cost including trade and other receivables by using various inputs and assumptions including risk of a default loss. The estimation involves high degree of uncertainty which is based on the Group's past collection history of customers, concentration risk, the Group's actual loss experience, existing market conditions as well as forward-looking estimates at the end of each reporting period. Where the expectation is different from the original estimate, such difference will impact the carrying amount of the financial assets at amortised cost. Details of the key assumption and inputs used in estimating ECL are set out in note 35(a) to the consolidated financial statements.

Impairment of non-financial assets, other than goodwill

The Group assesses whether there are any indicators of impairment for all non-financial assets, including plant and equipment, intangible assets and right-of-use assets, at the end of each reporting period in accordance with the accounting policies as disclosed in the consolidated financial statements. In determining whether an asset is impaired or the event previously causing the impairment no longer exists, the management has to assess whether an event has occurred that may affect the asset value or such event affecting the asset value has not been in existence. If any such indication exists, the recoverable amounts of the asset would be determined as the greater of the fair value less costs of disposal and value in use, the calculations of which involve the use of estimates. Owing to inherent risk associated with estimations in the timing and amounts of the future cash flows and fair value less costs of disposal, the estimated recoverable amount of the asset may be different from the amount actually received and profit or loss could be affected by accuracy of the estimations.

Fair value estimation

The Group's unlisted financial assets at FVTPL have been valued based on the valuation from an independent professional valuer. The valuation requires the Group to make some estimation on a number of significant unobservable inputs associated with the investments. Details of the key assumption and inputs used in the valuation are set out in note 36 to the consolidated financial statements.

3. SEGMENT INFORMATION

The Group determines its operating segment and measurement of segment profit based on the internal reports to executive directors, being the Group's chief operating decision makers, 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.

3. SEGMENT INFORMATION (Continued)

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

	Continuing operations		Discontinued operations	
	Licensed business HK$'000	Non-licensed business HK$'000	Non-licensed business HK$'000	Total HK$'000
Revenue	24,113	61,380	4,793	90,286
Results				
Segment results	442	(5,805)	(4,092)	(9,455)
Unallocated corporate income				1,267
Unallocated corporate expenses				(69,710)
Loss before taxation				(77,898)

3. SEGMENT INFORMATION (Continued)

Segment revenue and results: (Continued)

Year ended 30 September 2023

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

Notes to the Consolidated Financial Statements

Year ended 30 September 2024

3. SEGMENT INFORMATION (Continued)

Other segment information:

Year ended 30 September 2024

	Continuing operations		Discontinued operations		
	Licensed business HK$'000	Non-licensed business HK$'000	Non-licensed business HK$'000	Unallocated HK$'000	Total HK$'000
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 equipment	(19)	(2,835)	–	–	(2,854)
Depreciation of right-of-use 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 21)	–	–	(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)
Provision of impairment loss in respect of other receivables	–	(975)	–	(46)	(1,021)
Loss on disposal of plant and equipment	–	(7)	–	–	(7)

3. SEGMENT INFORMATION (Continued)

Other segment information: (Continued)

Year ended 30 September 2023

	Continuing operations		Discontinued operations		
	Licensed business HK$'000	Non-licensed business HK$'000	Licensed business HK$'000	Unallocated HK$'000	Total 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 (note 31)	–	–	–	(6,518)	(6,518)
Gain on disposal of a subsidiary (note 21)	–	–	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 back of loan payables	–	120	–	–	120
Gain on written back of other payables	–	–	–	2,879	2,879

Notes to the Consolidated Financial Statements

Year ended 30 September 2024

3. SEGMENT INFORMATION (Continued)

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$'000	2023 HK$'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 Designated 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	**53,897**	63,447
The PRC	**2,144**	37,159
Canada	**3,239**	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
Continuing operations		
Customer A	**14,740**	13,598

Notes to the Consolidated Financial Statements

Year ended 30 September 2024

4. REVENUE

	2024 HK$'000	2023 HK$'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		
Revenue from contracts with customers within HKFRS 15		
ESG advisory services	**4,793**	7,396
Total (note 21)	**4,793**	7,556

Notes to the Consolidated Financial Statements

Year ended 30 September 2024

4. REVENUE (Continued)

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

Year ended 30 September 2024	**Continuing operations**		**Discontinued operations**	
	Licensed business HK$'000	**Non-licensed business HK$'000**	**Non-licensed business HK$'000**	**Total HK$'000**
Timing of revenue recognition:				
– at a point in time	**15,118**	**–**	**–**	**15,118**
– over time	**8,995**	**61,380**	**4,793**	**75,168**
Total revenue from contracts with customers within HKFRS 15 at fixed price	**24,113**	**61,380**	**4,793**	**90,286**

Year ended 30 September 2023	Continuing operations		Discontinued operations		
	Licensed business HK$'000	Non-licensed business HK$'000 (Restated)	Licensed business HK$'000	Non-licensed business HK$'000 (Restated)	Total HK$'000
Timing of revenue recognition:					
– at a point in time	3,701	–	108	–	3,809
– over time	11,668	62,517	–	7,396	81,581
Total revenue from contracts with customers within HKFRS 15 at fixed price	15,369	62,517	108	7,396	85,390

5. OTHER INCOME AND OTHER GAINS AND LOSSES, NET

Other Income

	2024 HK$'000	2023 HK$'000 (Restated)
Continuing operations		
Government subsidies (note a)	–	862
Interest income	150	147
Recharge income from disbursement costs	492	1,438
Gain on written back of other payables	–	2,879
	642	5,326
Discontinued operations (note 21)		
Government subsidies (note a)	–	12
Interest income	–	1
Recharge income from disbursement costs	60	35
	60	48
	702	5,374

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5. OTHER INCOME AND OTHER GAINS AND LOSSES, NET (Continued)

Other gains and losses

	2024 HK$'000	2023 HK$'000 (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 (note 31)	**–**	(6,518)
	(16,577)	17,610
Discontinued operations		
(Loss) gain on disposal of subsidiaries	**(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$658,000, approximately HK$120,000 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, Canadian Emergency Business Account Program due to COVID-19 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$'000	2023 HK$'000 (Restated)
Continuing operations		
Interest expenses on bank borrowings	**691**	641
Interest expenses on convertible note	**7**	180
Interest expenses on promissory notes	**–**	101
Interest expenses on lease liabilities	**537**	575
	1,235	1,497
Discontinued operations (note 21)		
Interest expenses on bank borrowings	**196**	199
Interest expenses on lease liabilities	**–**	4
	196	203
	1,431	1,700

Notes to the Consolidated Financial Statements

Year ended 30 September 2024

7. LOSS BEFORE TAX

Loss before tax has been arrived at after charging:

	2024 HK$'000	2023 HK$'000 (Restated)
Staff costs (including directors' remuneration):		
Continuing operations		
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
Continuing operations		
Auditor's remuneration	**815**	1,266
Amortisation		
– Intangible assets	**1,621**	1,616
Depreciation		
– Plant and equipment	**2,854**	3,221
– 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
Discontinued operations		
Auditor's remuneration	**85**	159
Depreciation		
– Plant and equipment	**–**	25
Professional fees	**77**	–

Notes to the Consolidated Financial Statements

Year ended 30 September 2024

8. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS AND EMPLOYEES' EMOLUMENTS

Directors' and chief executive officer's emoluments

For the years ended 30 September 2024 and 2023, the emoluments paid or payable to each director are set out below.

Year ended 30 September 2024

	Directors' fees HK$'000	Salaries and allowances HK$'000	Contributions to defined contribution plans HK$'000	Total HK$'000
Executive directors				
Mr. Hui Ringo Wing Kun (Chief executive officer)	–	2,160	18	2,178
Mr. Li Man Keung Edwin	120	–	–	120
Mr. Yeung Chun Yue David	–	1,181	30	1,211
Independent non-executive directors				
Mr. Ho Lik Kwan Luke	120	–	–	120
Mr. Lau Pak Kin Patric	120	–	–	120
Mr. William Robert Majcher	120	–	–	120
	480	3,341	48	3,869

8. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS AND EMPLOYEES' EMOLUMENTS (Continued)

Directors' and chief executive officer's emoluments (Continued)

Year ended 30 September 2023

	Directors' fees HK$'000	Salaries and allowances HK$'000	Contributions to defined contribution plans HK$'000	Equity-settled share-based payment expenses HK$'000	Total HK$'000
Executive directors					
Mr. Hui Ringo Wing Kun (Chief executive officer)	–	2,160	18	2,836	5,014
Mr. Li Man Keung Edwin	120	–	–	2,836	2,956
Mr. Yeung Chun Yue David	–	360	18	2,836	3,214
Independent non-executive directors					
Mr. Ho Lik Kwan Luke	120	–	–	113	233
Mr. Lau Pak Kin Patric	120	–	–	113	233
Mr. William Robert Majcher	120	–	–	113	233
	480	2,520	36	8,847	11,883

Mr, Hui Ringo Wing Kun is also the chief executive officer of the Company and his emoluments disclosed above include those for services rendered by him as the chief executive officer.

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

During the year ended 30 September 2023, directors were granted share options of the Company in respect of their service to the Group under the Scheme (as defined in note 32) and the Company recognised a total share-based payment expense of HK$8,847,000 (2024: nil), and included in share-based payment above.

No emoluments were paid by the Group to any of the directors or chief executive officer of the Company or five highest paid individuals of the Group as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors nor the chief executive officer waived or agreed to waive any emoluments for both years.

8. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS AND EMPLOYEES' EMOLUMENTS (Continued)

Employees' emoluments

The five highest paid individuals included two (2023: two) Directors of the Company, details of whose emoluments are set out above. The emoluments of the remaining three (2023: three) highest paid individuals are as follows:

Details of the remuneration of the above highest paid non-director individuals are as follows:

	2024	2023
	HK$'000	HK$'000
Salaries and allowances	**3,857**	4,254
Performance related bonus (note)	**1,000**	800
Contributions to defined contribution plans	**55**	54
Equity-settled share-based payment expenses	**–**	4,460
	4,912	9,568

Note: The bonus is determined based on the performance of the employees.

The number of the highest paid employees who are not the directors of the Company whose remuneration fell within the bands is as follows:

	2024	2023
HK$1,000,001 to HK$1,500,000	**1**	–
HK$1,500,001 to HK$2,000,000	**1**	–
HK$2,000,001 to HK$2,500,000	**1**	–
HK$3,000,001 to HK$3,500,000	**–**	3

Notes to the Consolidated Financial Statements

Year ended 30 September 2024

9. INCOME TAX (CREDIT) EXPENSE

	Note	2024 HK$'000	2023 HK$'000
Continuing operations			
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	27	**(309)**	2
Income tax (credit) expense from 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. INCOME TAX (CREDIT) EXPENSE (Continued)

Reconciliation of income tax expense from continuing operations

	2024 HK$'000	2023 HK$'000 (Restated)
Loss before taxation from continuing operations	**(73,806)**	(16,104)
Tax calculated at applicable tax rate	**(13,415)**	(2,900)
Tax effect of expenses not deductible for tax purpose	**10,837**	2,834
Tax effect of income not taxable for tax purpose	**(121)**	(2,597)
Overprovision in respect of prior year	**(514)**	(690)
Tax effect of tax losses not recognised	**3,508**	4,876
Tax effect of deductible temporary differences not recognised	**200**	173
Utilisation of tax losses previously not recognised	**(882)**	(24)
Others	**(309)**	(248)
Income tax (credit) expense	**(696)**	1,424

The applicable tax rate is the weighted average of rates prevailing in the territories in which the Group's entities operate against profit or loss before tax. The change in applicable tax rate is caused by changes in the taxable results of the Group's subsidiaries in the respective countries in which the Group operates.

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).

Notes to the Consolidated Financial Statements

Year ended 30 September 2024

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	2023
	HK$'000	HK$'000
		(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 28(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.

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Year ended 30 September 2024

12. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Particulars of the Company's principal subsidiaries as at 30 September 2024 are as follows:

Name of subsidiaries	Place of incorporation/ Place of operation	Issued and paid-up share capital/ registered capital	Equity interest attributable to the Company				Principal activities
			Directly		Indirectly		
			2024 %	2023 %	**2024** %	2023 %	
APEC GROUP INTERNATIONAL LIMITED ("**APEC GI**")	Hong Kong, Hong Kong	HK$100	**100**	100	**–**	–	Provision of advisory and management services
APEC Academy Limited	Hong Kong, Hong Kong	HK$1	**–**	–	**100**	100	Provision of education services
VBG Asia Limited	Hong Kong, Hong Kong	HK$1,000	**100**	100	**–**	–	Provision of business consulting services
VBG Asset Management Limited	Hong Kong, Hong Kong	HK$3,500,000	**100**	100	**–**	–	Carrying on Types 4 and 9 regulated activities in Hong Kong
VBG Capital Limited	Hong Kong, Hong Kong	HK$13,000,000	**100**	100	**–**	–	Carrying on Types 1 and 6 regulated activities in Hong Kong
APEC BUSINESS CONSULTANCY LIMITED	Hong Kong, Hong Kong	HK$3	**–**	–	**100**	100	Provision of accounting advisory and bookkeeping services
APEC BUSINESS SERVICES LIMITED	Hong Kong, Hong Kong	HK$1	**–**	–	**100**	100	Provision of business consulting services
APEC CAPITAL LIMITED	Hong Kong, Hong Kong	HK$1	**–**	–	**100**	100	Provision of business consulting services
APEC CLOUD SOLUTIONS LIMITED	Hong Kong, Hong Kong	HK$1	**–**	–	**100**	100	Provision of accounting services
APEC CORPORATE SERVICES LIMITED	Hong Kong, Hong Kong	HK$1	**–**	–	**100**	100	Provision of corporate secretarial services

12. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Name of subsidiaries	Place of incorporation/ Place of operation	Issued and paid-up share capital/ registered capital	Equity interest attributable to the Company				Principal activities
			Directly		Indirectly		
			2024 %	2023 %	**2024** %	2023 %	
APEC RISK MANAGEMENT LIMITED	Hong Kong, Hong Kong	HK$1	**–**	–	**100**	100	Provision of risk management and internal control advisory services
APEC TAXATION SERVICES LIMITED	Hong Kong, Hong Kong	HK$1	**–**	–	**100**	100	Provision of taxation services
Baron Global Financial Canada Ltd. ("**Baron Canada**")	Canada, Canada	CAD0.6	**–**	–	**100**	100	Provision of business consulting services
ESGrowth Limited**	Hong Kong, Hong Kong	HK$1	**–**	–	**–**	100	Provision of ESG advisory services
GBA TALENTS LIMITED (formerly known as Talent APEC Limited)	Hong Kong, Hong Kong	HK$1	**–**	–	**100**	100	Provision of human resources services
Hong Kong Sustainability Strategic Advisory Limited**	Hong Kong, Hong Kong	HK$270	**–**	–	**–**	70	Provision of ESG advisory services
建泉顧問(北京)有限公司 (VBG Consulting (Beijing) Co., Ltd*)	The PRC, the PRC	United States dollars ("**US$**") 1,700,000	**–**	–	**100**	100	Provision of business consulting services
廣州雅博企業諮詢服務有限公司	The PRC, the PRC	RMB4,000,000	**–**	–	**100**	100 (note 31)	Provision of accounting, taxation and business consultancy services in PRC

* English translation for identification purpose only. The company is registered as wholly foreign owned limited liability company under the PRC law.

** 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 at a consideration of HK$1 (the "**Disposal**"). The Disposal was completed on 30 September 2024. Upon completion of the Disposal, ESGrowth Limited and Hong Kong Sustainability Strategic Advisory Limited were no longer subsidiaries of the Company.

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13. GOODWILL

	Canada Business CGU HK$'000 (note a)	APEC Business CGU HK$'000 (note b)	Greater Bay Area Business CGU HK$'000 (note c)	Total HK$'000
COST				
At 1 October 2022	23,966	42,460	–	66,426
Arising on acquisition of subsidiaries (note 31)	–	–	40,887	40,887
At 30 September 2023	23,966	42,460	40,887	107,313
Disposal of subsidiaries (note 21)	–	(4,960)	–	(4,960)
At 30 September 2024	**23,966**	**37,500**	**40,887**	**102,353**
IMPAIRMENT				
At 1 October 2022 and 30 September 2023	**22,755**	**–**	**–**	**22,755**
Impairment loss recognised during the year – continuing operations	**–**	**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. GOODWILL (Continued)

Note:

(a) Canada Business CGU

In April 2018, the Group acquired 100% equity interests in Baron Canada at a consideration of approximately CAD6,150,000 (equivalent to approximately HK$36,900,000). Baron Canada is engaged in the provision of business consulting services to private and public companies in Canada (the "**Canada Business CGU**"). The excess of the consideration transferred over the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed amounted to approximately HK$23,966,000 and was recognised as a goodwill.

At 30 September 2024 and 2023, the Group assessed the recoverable amount of the Canada Business CGU with reference to a business valuation of Baron Canada determined under a market-based approach as stated in a valuation report issued by an independent professional valuer, which is the fair value less costs of disposal, and determined that no additional impairment loss in respect of Canada Business CGU was required.

In addition to goodwill, plant and equipment and right-of-use assets and other assets that generate cash flows together with the related goodwill and trademark are also included in the respective cash-generating unit for the purpose of impairment assessment.

Key assumptions and inputs used for the business valuation are as follows:

	2024	2023
Control premium*	**25%**	25%
Discount of lack of marketability#	**19%**	20%
Enterprise-value-to-sales multiples^	**3.42**	3.39
Enterprise-value-to-earning before interests, taxes, depreciation and amortisation multiples^	**18.68**	8.50
Enterprise-value-to-earnings multiples^	**n/a**	10.84
Enterprise-value-to-cashflow multiples^	**n/a**	8.65

* Control premium was adopted to reflect the degree of control associated with 100% equity interests of the company as the discount of lack of marketability adopted below is on a non-controlling basis.

\# Discount of lack of marketability was the median of the percentage variance of private placement price and market reference price of international transactions over the 12 months period; the level of value is presented on freely traded and non-controlling basis.

^ The multiples were estimated by the median of the multiples of the selected comparable companies whose principal business were comparable to that of Baron Canada.

During the year ended 30 September 2024 and 2023, management of the Group determines that there is no impairment on Canada Business CGU.

No write-down of the assets is considered necessary. The recoverable amount and headroom of the Canada Business CGU amounted to HK$7,608,000 (2023: HK$1,310,000) and HK$6,397,000 (2023: HK$99,000) as at 30 September 2024.

(b) APEC Business CGU

In November 2021, the Group acquired 100% equity interests in APEC GI at a consideration of approximately HK$46,957,000. APEC GI and its subsidiaries (together the "**APEC Group**") are engaged in the 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 in Hong Kong (the "**APEC Business CGU**"). The excess of the consideration transferred over the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed amounted to approximately HK$42,460,000 and was recognised as a goodwill.

At 30 September 2024 and 2023, the Group assessed the recoverable amount of the APEC Business CGU with reference to a business valuation of APEC Group determined under an income approach as stated in a valuation report issued by an independent professional valuer, which is the fair value, and determined that an impairment loss of HK$33,193,000 (2023: nil) in respect of APEC Business CGU was required.

In addition to goodwill, intangible assets, plant and equipment and right-of-use assets and other assets that generate cash flows together with the related goodwill and trademark are also included in the respective cash-generating unit for the purpose of impairment assessment.

13. GOODWILL (Continued)

Note: (Continued)

(b) APEC Business CGU (Continued)

The recoverable amount of this unit has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period (2023: 5-year), and discount rate of 16.37% (2023: 16.18%). Cash flows beyond the 5-year period (2023: 5-year) are extrapolated using a steady 2.5% growth rate (2023: 2.5% growth rate). Cash flow projection for the APEC Business CGU is based on the expected terminal growth rate, gross margin and sales growth rate during the budget period, which were determined based on past performance of the APEC Group and the management's expectations for the market development.

The directors of the Company have consequently determined impairment of goodwill amounting to HK$33,193,000 (2023: nil). The impairment loss has been included in profit or loss in the provision for impairment loss in respect of goodwill line item.

No other write-down of the assets is considered necessary. The recoverable amount of the APEC Business CGU amounted to HK$4,307,000 and HK$92,000,000 as at 30 September 2024 and 2023, respectively.

If the discount rate was changed to 16.61% (2023: 16.50%), while other parameters remain constant, the recoverable amount would be reduced to HK$25,170,000 (2023: HK$71,189,000) and a further impairment of goodwill of HK$452,000 (2023: HK$nil) would be recognised.

(c) Greater Bay Area Business CGU

In November 2022, the Group acquired 100% equity interests of Earning Joy Development Limited ("**Earning Joy**") and its subsidiaries (together the "**Earning Joy Group**") at a consideration of HK$38,000,000. Earning Joy Group are principally engaged in the provision of accounting, taxation and business consultancy services in the PRC (the "**Greater Bay Area Business CGU**"). The excess of the consideration transferred over the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed amounted to approximately HK$40,887,000 and was recognised as a goodwill.

At 30 September 2024 and 2023, the Group assessed the recoverable amount of the Greater Bay Area Business CGU with reference to a business valuation of Earning Joy Group determined under a market approach as stated in a valuation report issued by an independent professional valuer, which is the fair value less costs of disposal, and determined that an impairment loss of HK$4,750,000 (2023: nil) in respect of Greater Bay Area Business CGU was required.

In addition to goodwill, intangible assets, plant and equipment and right-of-use assets and other assets that generate cash flows together with the related goodwill and trademark are also included in the respective cash-generating unit for the purpose of impairment assessment.

Key assumptions and inputs used for the business valuation are as follows:

	2024	2023
Control premium*	**25%**	25%
Discount of lack of marketability#	**16%**	20%
Enterprise-value-to-sales multiples^	**2.26**	4.63
Enterprise-value-to-earning before interests and taxes	**22.45**	n/a
Enterprise-value-to-earning before interests, taxes, depreciation and amortisation multiples^	**9.97**	16.44
Enterprise-value-to-earnings multiples^	**n/a**	16.53
Enterprise-value-to-cashflow multiples^	**n/a**	8.22

* Control premium was adopted to reflect the degree of control associated with 100% equity interests of the company as the discount of lack of marketability adopted below is on a non-controlling basis.

Discount of lack of marketability was the median of the percentage variance of private placement price and market reference price of international transactions over the 12 months period; the level of value is presented on freely traded and non-controlling basis.

^ The multiples were estimated by the median of the multiples of the selected comparable companies whose principal business were comparable to that of Earning Joy Group.

13. GOODWILL (Continued)

Note: (Continued)

(c) Greater Bay Area Business CGU (Continued)

The directors of the Company have consequently determined impairment of goodwill amounting to HK$4,750,000 (2023: nil). The impairment loss has been included in profit or loss in the provision for impairment loss in respect of goodwill line item.

No other write-down of the assets is considered necessary. The recoverable amount of the Greater Bay Area Business CGU amounted to HK$40,887,000 and HK$52,300,000 as at 30 September 2024 and 2023, respectively.

If the discount for lack of marketability was changed to 17.0% (2023: 21.0%), while other parameters remain constant, the recoverable amount would be reduced to HK$40,400,000 (2023: HK$51,700,000) and a further impairment of goodwill of HK$487,000 (2023: HK$nil) would be recognised.

(d) Other information on fair value measurement

The description of valuation technique used in fair value measurement is as follows:

Fair value hierarchy	Valuation technique	
	2024	2023
Canada Business CGU		
Level 3	**Market-based approach**	Market-based approach
Greater Bay Area Business CGU		
Level 3	**Market-based approach**	Market-based approach

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14. INTANGIBLE ASSETS

	Customer relationship HK$'000
Cost	
At 1 October 2022	6,220
Acquired on acquisition of subsidiaries	304
At 30 September 2023 and 2024	**6,524**
Amortisation	
At 1 October 2022	1,456
Provided for the year	1,616
At 30 September 2023	3,072
Provided for the year	1,621
At 30 September 2024	**4,693**
Carrying Value	
At 30 September 2024	**1,831**
At 30 September 2023	3,452

The customer relationship arising from the acquisition of APEC Group and Earning Joy Group have allowed the Group to stabilise the revenue base from non-licensed business operating by APEC Group and Earning Joy Group. No impairment loss was recognised for the years ended 30 September 2024 and 2023.

The above intangible assets have finite useful lives. Such intangible assets are amortised on a straight-line basis over 3-10 years.

15. PLANT AND EQUIPMENT

COST	Leasehold improvement HK$'000	Furniture, fixtures and office equipment HK$'000	Computer equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
At 1 October 2022	8,890	4,828	651	576	14,945
Additions	–	1,509	677	–	2,186
Acquired on acquisition of subsidiaries (note 31)	–	6	4	–	10
Transfer from other investments	–	9	–	–	9
Disposals	(830)	(11)	(16)	–	(857)
At 30 September 2023	**8,060**	**6,341**	**1,316**	**576**	**16,293**
Exchange realignment	**–**	**3**	**19**	**–**	**22**
Additions	**–**	**278**	**372**	**–**	**650**
Disposals	**–**	**(9)**	**–**	**(576)**	**(585)**
At 30 September 2024	**8,060**	**6,613**	**1,707**	**–**	**16,380**
DEPRECIATION AND IMPAIRMENT					
At 1 October 2022	1,634	649	651	576	3,510
Eliminated on disposal	(823)	–	–	–	(823)
Provided for the year	1,505	1,664	77	–	3,246
At 30 September 2023	**2,316**	**2,313**	**728**	**576**	**5,933**
Eliminated on disposal	**–**	**(2)**	**–**	**(576)**	**(578)**
Provided for the year	**1,424**	**1,145**	**285**	**–**	**2,854**
At 30 September 2024	**3,740**	**3,456**	**1,013**	**–**	**8,209**
CARRYING VALUE					
At 30 September 2024	**4,320**	**3,157**	**694**	**–**	**8,171**
At 30 September 2023	5,744	4,028	588	–	10,360

The above items of plant and equipment, after taking into account the residual values, are depreciated on a straight-line basis at the following rates per annum:

Leasehold improvement	3-10 years or over the lease term, whichever is shorter
Furniture, fixtures and office equipment	3-5 years
Computer equipment	3-5 years
Motor vehicle	5 years

16. RIGHT-OF-USE ASSETS

	Office premises HK$'000	Carpark HK$'000	Motor vehicles HK$'000	Total HK$'000
As at 30 September 2024				
Carrying amount	**7,274**	**22**	**327**	**7,623**
As at 30 September 2023				
Carrying amount	7,404	90	458	7,952
For the year ended 30 September 2024				
Depreciation charge	**3,335**	**67**	**131**	**3,533**
For the year ended 30 September 2023				
Depreciation charge	3,605	45	221	3,871

For both years, the lease terms of the Group's offices premises, carpark and motor vehicles ranged from 3-10 years. Their lease terms are as follows:

Office premises	10 years
Carpark	3 years
Motor vehicles	5 years

16. RIGHT-OF-USE ASSETS (Continued)

The Group has recognised the following amounts for the year:

	2024	2023
	HK$'000	HK$'000
Lease payments:		
Short-term leases expenses	**419**	1,872
Total cash outflow for leases	**4,175**	6,124
Additions to right-of-use assets	**3,204**	135

As at 30 September 2023, the Group was committed to HK$163,000 (2024: nil) for short-term leases.

17. DESIGNATED FVTOCI

	2024	2023
	HK$'000	HK$'000
Equity securities listed overseas	**984**	816

These investments are not held for trading, instead, they are held for long-term strategic purposes. The directors of the Company have elected to designate these investments in equity instruments at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

Details of the fair value measurements are set out in note 36 to the consolidated financial statements.

18. FINANCIAL ASSETS AT FVTPL

	2024	2023
	HK$'000	HK$'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).

Details of the fair value measurements are set out in note 36 to the consolidated financial statements.

19. TRADE AND OTHER RECEIVABLES

	Note	2024 HK$'000	2023 HK$'000
Trade receivables			
Trade receivables	(a)	**20,918**	33,296
Less: Loss allowance	(b)	**(7,062)**	(860)
		13,856	32,436
Other receivables			
Prepayment		**952**	1,993
Deposits		**4,204**	3,616
Other receivables	(c)	**11,675**	26,533
Less: Loss allowance	(b)	**(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) Information about the Group's exposure to credit risks, ageing analysis and loss allowance for trade and other receivables is included in note 35(a) to the consolidated financial statements. Loss allowance on trade receivables and other receivables of approximately HK$7,062,000 (2023: HK$860,000) and approximately HK$1,405,000 (2023: HK$2,427,000) respectively were recognised at the end of the reporting period.

(c) 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 Securities Limited, 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).

20. TIME DEPOSITS WITH ORIGINAL MATURITY OVER THREE MONTHS, BANK BALANCES-CLIENT ACCOUNTS AND BANK BALANCE-GENERAL ACCOUNTS AND CASH

The Group receives and holds money deposited by clients in the course of the conduct of the regulated activities of its ordinary business. These clients' monies are maintained in one or more segregated bank accounts. The Group has recognised the corresponding accounts payable to respective clients (note 22).

Bank balances – general accounts and cash include demand deposits and short term deposits for the purpose of meeting the Group's short term cash commitments, which carry interest at market rates range from 0.00% to 0.375% (2023: 0.00% to 0.375%).

At 30 September 2024, time deposits with an original maturity over three months carry interest range from 3.35% to 4.20% (2023: 4.0%) per annum. Time deposits have an original maturity over three months but less than one year and are therefore classified as current assets.

21. 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.

21. DISCONTINUED OPERATIONS (Continued)

Disposal of ESGrowth Limited and Hong Kong Sustainability Strategic Advisory Limited (Continued)

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)
Loss for the year from discontinued operation	**(4,092)**	(1,811)
Net cash flows		
– Operating activities	**299**	95
– Investing activities	**–**	–
– Financing activities	**(645)**	(306)

	2024 HK$'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

21. DISCONTINUED OPERATIONS (Continued)

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

On 13 September 2021, the Group 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 HK$'000
Revenue	160
Other income, net	12
Administrative expenses and other operating expenses	(778)
Finance costs	(4)
Loss before tax	(610)
Taxation	–
Loss for the period	(610)
Gain on Disposal	5,618
Profit for the period from discontinued operations	5,008
Net cash flows	
– operating activities	(2,307)
– investing activities	52
– financing activities	(89)
	(2,344)

21. DISCONTINUED OPERATIONS (Continued)

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 19(c))	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)

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22. 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	(b)	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 of the Company, 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 Group and temporary receipts for the non-licensed business amount 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.

23. 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.

23. INTEREST-BEARING BORROWINGS (Continued)

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

	2024 Per annum	2023 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 HK$'000	2023 HK$'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

24. LOAN PAYABLES

	2024 HK$'000	2023 HK$'000
Government loan	**–**	240

The amount represents the government loan from Canadian Government of CAD40,000 (equivalent to approximately HK$240,000. The amounts were unsecured, interest-free and repaid in December 2023.

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25. LEASE LIABILITIES

	2024 HK$'000	2023 HK$'000
Lease liabilities payable:		
Within one year	**3,513**	2,695
Within a period of more than one year but not more than two years	**1,959**	3,134
Within a period of more than two years but not more than five years	**3,025**	2,683
	8,497	8,512
Less: Amount due for settlement within 12 months shown under current liabilities	**(3,513)**	(2,695)
Amount due for settlement after 12 months shown under non-current liabilities	**4,984**	5,817

The weighted average incremental borrowing rates applied to lease liabilities range from 2.50% to 3.88% (2023: from 2.50% to 3.88%).

26. CONVERTIBLE NOTE

The convertible note recognised at the end of the reporting period are calculated as follows:

	2024 HK$'000	2023 HK$'000
Liability component		
At 1 October	**932**	5,443
Interest expenses	**7**	180
Interest paid	**(939)**	–
Conversion of convertible note	**–**	(4,691)
At 30 September	**–**	932
Portion classified as non-current	**–**	–
Current portion	**–**	932
Equity component		
At 1 October	**–**	1,889
Equity component at the issue date	**–**	1,889
Conversion of convertible note	**–**	(1,889)
At 30 September	**–**	–

On 1 November 2021, the Company issued a convertible note with nominal value of HK$30,000,000, carrying interest rate of 5% per annum, to an independent third party (the "**Vendor**" or "**Noteholder**") as partial consideration of the acquisition of 100% equity interest in APEC GI. The convertible note will be matured on the second anniversary from the date of issue.

The Noteholder may convert the whole or part of the convertible note into shares at conversion price of HK$0.2, from the date of issue up to the maturity date. During the year ended 30 September 2023, convertible note with nominal value of HK$5,000,000 (2024: HK$nil) were converted into shares of the Company.

The fair values of the liability component and the equity conversion component were determined at issuance of the convertible notes. The fair value of the liability component was calculated using a effective interest rate of 9.43%. The residual amount, representing the value of the equity conversion component, has been included in the convertible note reserve.

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27. DEFERRED TAXATION

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	2024	2023
	HK$'000	HK$'000
Deferred tax assets	**206**	167
Deferred tax liabilities	**(1,007)**	(1,277)
	(801)	(1,110)

The followings are the deferred tax (assets) liabilities recognised and the movements thereon during the current and prior years:

	Depreciation allowance HK$'000	**Temporary difference of investments HK$'000**	**Collective impairment on trade receivables HK$'000**	**Right-of-use assets HK$'000**	**Lease liabilities HK$'000**	**Total HK$'000**
At 1 October 2022	880	520	(292)	2,302	(2,302)	1,108
Charged (credited) to profit or loss for the year (note 9)	2	–	–	(732)	732	2
At 30 September 2023	882	520	(292)	1,570	(1,570)	1,110
(Credited) charged to profit or loss for the year (note 9)	**(309)**	**–**	**–**	**216**	**(216)**	**(309)**
At 30 September 2024	**573**	**520**	**(292)**	**1,786**	**(1,786)**	**801**

At the end of the reporting period, the Group has unused tax losses of approximately HK$90,772,000 (2023: HK$75,211,000) available for offset against future profits. No deferred tax asset has been recognised in respect of such losses due to the unpredictability of future profit streams.

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28. SHARE CAPITAL

	2024		2023	
	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 (note a)	**(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 the beginning of the reporting period (at par value of HK$0.01 per share)	**892,034,000**	**8,920**	721,200,000	7,212
Issue of consideration shares (note b)	**–**	**–**	38,640,000	386
Conversion of convertible note (note c)	**–**	**–**	25,000,000	250
Issue of settlement shares (note d)	**–**	**–**	50,144,000	501
Issue of placing shares (note f)	**–**	**–**	57,000,000	570
Exercise of share options (note 32)	**–**	**–**	50,000	1
	892,034,000	**8,920**	892,034,000	8,920
Share Consolidation (note a)	**(856,352,640)**	**–**	–	–
Issue of subscription shares (note 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

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28. SHARE CAPITAL (Continued)

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.

Details of convertible note are set out in note 26 to the consolidated financial statements.

(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 Earning Joy Group. Details of the acquisition were set out in note 31 to the consolidated financial statements.

(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.

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

29. RESERVES

(a) Share premium

Share premium represents the excess of the net proceeds from issuance of the Company's shares over its par value. Under the laws of the Cayman Islands and the Company's Articles of Association, it is distributable to the Company's shareholders provided that the Company is able to pay its debts as they fall due in the ordinary course of business.

(b) Capital reserve

Capital reserve of the Group represents the capital contribution from the controlling shareholder of certain subsidiaries now comprising the Group before completion of the Group reorganisation to rationalise the group structure for the listing of the Company.

(c) Exchange reserve

Exchange reserve of the Group comprises all foreign exchange differences arising from the translation of the financial statements of operations outside Hong Kong with functional currencies other than in Hong Kong dollars upon consolidation. The reserve is dealt with in accordance with the accounting policies set out in note 2 to the consolidated financial statements.

(d) Investment revaluation reserve (non-recycling)

Investment revaluation reserve (non-recycling) comprises the accumulated net change in the fair value of Designated FVTOCI that have been recognised in other comprehensive income, net of the amounts reclassified to retained earnings when those investments are disposed of.

(e) Convertible note reserve

Convertible note reserve represents the value of equity component of the unconverted convertible note issued by the Company that has been recognised in accordance with the accounting policy adopted for convertible note in note 2.4 to the consolidated financial statements.

(f) Share option reserve

Share option reserve comprises the portion of the grant date fair value of unexercised share options granted to employees of the Group that has been recognised in accordance with the accounting policy adopted for share-based payments in note 2.4 to the consolidated financial statements.

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30. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

(a) Change in liabilities arising from financing activities

Details of the changes in the Group's liabilities from financing activities are as follows:

	Interest-bearing borrowings HK$'000	Loan payables HK$'000	Lease liabilities HK$'000	Convertible note HK$'000	Total HK$'000
2024					
At the beginning of the reporting period	**24,621**	**240**	**8,512**	**932**	**34,305**
Interest expenses	**691**	**–**	**537**	**7**	**1,235**
Addition of lease	**–**	**–**	**3,204**	**–**	**3,204**
Cash outflow in financing activities:					
Repayment of bank borrowings	**(8,299)**	**–**	**–**	**–**	**(8,299)**
Repayment of loan payables	**–**	**(240)**	**–**	**–**	**(240)**
Interest paid	**(691)**	**–**	**(537)**	**(939)**	**(2,167)**
Lease payments	**–**	**–**	**(3,219)**	**–**	**(3,219)**
At the end of the reporting period	**16,322**	**–**	**8,497**	**–**	**24,819**

	Interest-bearing borrowings HK$'000	Loan payables HK$'000	Lease liabilities HK$'000	Convertible note HK$'000	Total HK$'000
2023					
At the beginning of the reporting period	25,923	360	12,496	5,443	44,222
Interest expenses	641	–	575	180	1,396
Conversion of convertible note	–	–	–	(4,691)	(4,691)
Addition of lease	–	–	135	–	135
Disposal of leases	–	–	(442)	–	(442)
Cash outflow in financing activities:					
Repayment of bank borrowings	(1,302)	–	–	–	(1,302)
Write back of loan payables	–	(120)	–	–	(120)
Interest paid	(641)	–	(575)	–	(1,216)
Lease payments	–	–	(3,677)	–	(3,677)
At the end of the reporting period	24,621	240	8,512	932	34,305

31. ACQUISITION OF SUBSIDIARIES

On 1 November 2022, the Group acquired the 100% equity interests of Earning Joy Group from the Vendor at a consideration of HK$38,000,000 by issuing two 2% coupon promissory notes with principal amount of HK$19,000,000 each maturing on 1 November 2024. The acquisition was completed on the same day. The fair value of the promissory notes was approximately HK$38,000,000 at date of acquisition. Earning Joy Group is engaged in the provision of accounting, taxation and business consultancy services in the PRC.

On 27 December 2022, the Group settled the outstanding promissory notes and accrued interest by cash of HK$3,000,000 and remaining by allotment of 50,144,000 ordinary shares of the Company. The fair value of the settlement shares on the date of settlement was HK$0.83 per share (note 28). A loss on settlement of approximately HK$6,518,000 was recognised in profit or loss.

The following summarises the consideration transferred and the amounts of the assets acquired and liabilities assumed of Earning Joy Group at the date of acquisition:

	HK$'000
Consideration:	
Promissory notes	38,000
Total consideration transferred at fair value	38,000

	HK$'000
Recognised amounts of identifiable assets acquired and liabilities assumed:	
Intangible assets (note 14)	304
Plant and equipment (note 15)	10
Trade and other receivables	859
Bank balances and cash	378
Other payables	(85)
Due to directors	(4,349)
Tax payables	(4)
Total identifiable net liabilities	(2,887)
Goodwill arising on acquisition (note 13)	40,887
	38,000

31. ACQUISITION OF SUBSIDIARIES (Continued)

	HK$'000
Net cash flow on acquisition of subsidiaries:	
Net cash acquired from the subsidiaries	378

Note:

Pursuant to the sale and purchase agreement dated 1 November 2022, the Vendor guarantees to the Company that if the consolidated net profit of Earning Joy Group's management accounts for one year period commencing on the completion date is less than HK$3,000,000 (the "**Guaranteed Profit**") in the profit guarantee period, the Vendor would compensate the Group for the shortfall for an amount equivalent to the shortfall multiplied by 13.2 times.

The contingent consideration receivable was measured at fair value on initial recognition. The fair value of the contingent consideration receivable was based on the valuation performed by AP Appraisal Limited, an independent professional valuer in accordance with HKFRS 13 "Fair value Measurement", using multiple-scenario model, which was reviewed and approved by the directors of the Company. The fair value of contingent consideration receivable in relation to the acquisition of Earning Joy Group was nil.

The goodwill arising from the acquisition was attributable to the growth and profit potential as result of benefiting from expansion of its businesses in the PRC. It also includes certain intangible assets that could not be separately recognised due to their nature. Assets included in this balance consist of customers relationship in the PRC. None of the goodwill recognised was expected to be deductible for income tax purposes.

In respect of the acquired subsidiary, the fair value of trade and other receivables acquired included trade receivables with a fair value of approximately HK$859,000. The total gross contractual amount of the trade and other receivables was approximately HK$1,007,000, of which HK$148,000 was expected to be uncollectible.

The acquired business contributed revenue of approximately HK$8,452,000 and profit of approximately HK$3,475,000 to the Group in year ended 30 September 2023. If the business combination had been taken up at the beginning of the year ended 30 September 2023, the consolidated revenue and profit of the Group would have been approximately HK$8,669,000 and approximately HK$3,491,000 respectively.

There was no significant change in the fair value and no contingent consideration received during the year ended 30 September 2024.

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32. SHARE OPTION SCHEME

A share option scheme (the "**Scheme**") was adopted by the Company and was effective on 4 May 2017. Unless otherwise cancelled or amended, the Scheme will remain in force for a period of 10 years from the date of its adoption on 4 May 2017. The purpose of the Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group. Subject to the terms of the Scheme, the directors of the Company shall be entitled to make an offer of the grant of an option to subscribe for shares of the Company to any directors, employees of the Group, consultants or advisers of the Group, providers of goods and/or services to the Group, customers of the Group, holders of securities issued by any member of the Group, or any other person, who at the sole discretion of the directors of the Company, has contributed to the Group, whom the directors of the Company may select at its absolute discretion. Details of the Scheme are set out in Report of Directors.

On 30 December 2022, the Company granted 44,600,000 share options at an exercise price of HK$0.88 per share with no vesting conditions and vested on the same date. 15,000,000 share options were granted to 3 executive directors with 5,000,000 share options each and 600,000 share options were granted to 3 independent non-executive directors with 200,000 share options each. List of executive directors and independent non-executive directors is set out in note 8 to the consolidated financial statements. The remaining 29,000,000 share options were granted to the employees of the Group. The validity period of the share options is 10 years from the date of grant (i.e. 30 December 2022 to 29 December 2032).

32. SHARE OPTION SCHEME (Continued)

Details of movements in the share options under the share-based compensation plan to the directors and employees of the Group during the years ended 30 September 2024 and 2023 are as follows:

2024 Category of grantees	Number of share options Outstanding as at 1 October 2023 (note 4)	Granted during the year	Exercised during the year	Adjustment upon Share Consolidation (note 2)	Cancelled during the year (note 3)	Outstanding as at 30 September 2024 (note 4)	Exercise price per share before Share consolidation HK$ (note 1)	Exercise price per share after Share consolidation HK$ (note 2)
Executive directors	15,000,000	-	-	(14,400,000)	-	600,000	0.88	22
Independent non-executive directors	600,000	-	-	(576,000)	(24,000)	-	0.88	22
Employees	28,700,000	-	-	(27,532,800)	(1,163,200)	4,000	0.88	22
Total	44,300,000	-	-	(42,508,800)	(1,187,200)	604,000		

Note:

(1) The closing price of the Shares on the trading day immediately before the grant date was HK$0.90 per Share.

(2) As a result of the Share Consolidation which became effective on 5 January 2024, the exercise price per share and the number of outstanding share options granted under the Share Option Scheme have been adjusted accordingly.

(3) During the year 2024, there were 1,187,200 share options cancelled with fair value HK$14,335,000.

(4) The number of share options available for grant under the Share Option Scheme at 30 September 2024 and 30 September 2023 was 268,800 and 6,720,000 respectively.

2023 Category of grantees	Number of share options Outstanding as at 1 October 2022	Granted during the year	Exercised during the year	Cancelled during the year	Outstanding as at 30 September 2023	Exercise price per share HK$
Executive directors	–	15,000,000	–	–	15,000,000	0.88
Independent non-executive directors	–	600,000	–	–	600,000	0.88
Employees	–	29,000,000	(50,000)	(250,000)	28,700,000	0.88
Total	–	44,600,000	(50,000)	(250,000)	44,300,000	

32. SHARE OPTION SCHEME (Continued)

During the year ended 30 September 2023, share-based payment expenses of HK$23,044,000 was recognised in administrative expenses of the Company. The amount is with reference to the fair value of the share options determined at the date of grant using the Binomial option pricing model, with the corresponding amounts being credited to share option reserve. During the year ended 30 September 2024 and 2023, 1,187,000 and 250,000 unexercised share options were cancelled, respectively.

The following assumptions were used to estimate the fair values of share options:

	30 December 2022
Grant date share price	HK$0.88
Exercise price before share consolidation	HK$0.88
Volatility	99.53%
Option life	10 years
Risk-free interest rate	3.59%

33. RETIREMENT BENEFITS SCHEME

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group, in funds under the control of independent trustees. The Group contributes 5% of relevant payroll costs to the scheme, which contribution is matched by employees but subject to a maximum amount of HK$1,500 per month for each employee to the scheme.

Pursuant to the Employment Ordinance, Chapter 57, the Group has the obligation to pay LSP to qualifying employees in Hong Kong under certain circumstances (e.g. dismissal by employers or upon retirement), subject to a minimum of 5 years employment period, based on the following formula:

Last monthly wages (before termination of employment) × 2/3 × Years of service

Last monthly wages are capped at HK$22,500 while the amount of long service payment shall not exceed HK$390,000. This obligation is accounted for as a post-employment defined benefit plan.

Furthermore, the Mandatory Provident Fund Schemes Ordinance passed in 1995 permits the Group to utilise the Group's mandatory MPF contributions, plus/minus any positive/negative returns thereof, for the purpose of offsetting LSP payable to an employee (the "Offsetting Arrangement").

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33. RETIREMENT BENEFITS SCHEME (Continued)

The Amendment Ordinance was gazetted on 17 June 2022, which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset the LSP. The Abolition will officially take effect on the Transition Date (i.e., 1 May 2025). Separately, the Government of the HKSAR is also expected to introduce a subsidy scheme to assist employers for a period of 25 years after the Transition Date on the LSP payable by employers up to a certain amount per employee per year.

Under the Amendment Ordinance, the Group's mandatory MPF contributions, plus/minus any positive/negative returns, after the Transition Date can continue to be applied to offset the pre-Transition Date LSP obligation but are not eligible to offset the post-Transition Date LSP obligation. Furthermore, the LSP obligation before the Transition Date will be grandfathered and calculated based on the Last monthly wages immediately preceding the Transition Date and the years of service up to that date.

The total cost charged to profit or loss of HK$1,930,000 (2023: HK$1,849,000) represents contributions paid or payable to the above schemes by the Group.

34. RELATED PARTY TRANSACTIONS

In addition to the transactions/information disclosed elsewhere in these consolidated financial statements, the Group had the following transactions with related parties during the year:

Related party relationship	**Nature of transaction**	**2024** **HK$'000**	2023 HK$'000
A director and his controlling entity	Service income	**4,166**	2,195
	Sundry income	**66**	258
	Consultancy fee	**96**	3,133

34. RELATED PARTY TRANSACTIONS (Continued)

The remuneration of the directors of the Company during the years ended 30 September 2024 and 2023 is set out in note 8 to the consolidated financial statements. The remuneration of members of key management personnel other than directors as disclosed in note 8 to the consolidated financial statements was as follows:

	2024	2023
	HK$'000	HK$'000
Salaries and other benefits	**4,857**	5,054
Retirement benefit scheme contributions	**55**	54
Equity-settled share-based payment expenses	**–**	4,460
	4,912	9,568

The remuneration of key management personnel is determined by the performance of individuals and market trends.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise Designated FVTOCI, financial assets at FVTPL, trade and other receivables, bank balances and cash, trade and other payables and interest-bearing borrowings. The main purpose of these financial instruments is to raise and maintain finance for the Group's operations.

The main risks arising from the Group's financial instruments are credit risk, market price risk, interest rate risk and liquidity risk.

The directors of the Company generally adopt conservative strategies on its risk management and limit the Group's exposure to these risks to a minimum level. The directors of the Company review and agree policies for managing each risk as summarised below and they manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(a) Credit risk

The carrying amount of financial assets and contract assets recognised on the consolidated statement of financial position, which is net of impairment losses, represents the Group's exposure to credit risk without taking into account the value of any collateral held or other credit enhancements.

The Group reviews the recoverable amount of each individual financial assets and contract assets at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

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35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) Credit risk (Continued)

Trade receivables

The Group has a credit policy in place and exposures to credit risks are monitored on an ongoing basis. In order to minimise credit risk, the management of the Group has established credit limits, credit approvals and other monitoring procedures to ensure appropriate actions are taken to recover overdue debts. The Group trades with recognised and creditworthy third parties. The receivable balances are monitored on an ongoing basis by senior management and the Group's exposure to bad debts is not significant.

At 30 September 2024, the Group had a concentration of credit risk as approximately 10% (2023: 11%) and 29% (2023: 41%) of the total trade receivables was due from the Group's largest customer and the Group's five largest customers respectively.

Included in trade receivables (net of loss allowance) with the following ageing analysis of the trade receivables (net of loss allowance) by invoice date is as follows:

	2024	2023
	HK$'000	HK$'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

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) Credit risk (Continued)

Trade receivables (Continued)

The Group's customer base consists of a wide range of clients and the trade receivables are categorised by common risk characteristics that are representative of the customers' abilities to pay the amounts due in accordance with the contractual terms. The Group applies a simplified approach in calculating ECL for trade receivables arising from the business of corporate finance services and recognises a loss allowance based on lifetime ECL at each reporting date and has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. There was no change in the estimation techniques or significant assumptions made during the year.

As part of the Group's credit risk management, the Group uses debtors' aging to assess the impairment for its customers in relation to its operation because these customers consist of a large number of small customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The following table provides information about the exposure to credit risk for trade receivables which are assessed on a collective basis by using provision matrix within lifetime ECL (not credit-impaired). Debtors with credit-impaired with gross carrying amounts of HK$5,531,000 as at 31 December 2024 (2023: HK$nil) were assessed individually.

	2024			2023		
	Average loss rate	**Gross amount of trade receivables HK$'000**	**ECL amount HK$'000**	Average loss rate	Gross amount of trade receivables HK$'000	ECL amount HK$'000
Current	**0.99%**	**1,568**	**16**	0.27%	16,524	44
Within 30 days overdue	**1.07%**	**3,726**	**40**	0.65%	1,692	11
31 to 60 days overdue	**2.77%**	**2,257**	**62**	0.95%	1,154	11
61 to 90 days overdue	**2.29%**	**1,096**	**25**	1.02%	3,811	39
91 to 180 days overdue	**4.58%**	**1,883**	**86**	6.69%	5,172	346
181 to 365 days overdue	**5.91%**	**2,587**	**153**	8.87%	2,898	257
Over 365 days overdue	**50.63%**	**2,270**	**1,149**	7.43%	2,045	152
		15,387	**1,531**		33,296	860

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

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35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) Credit risk (Continued)

Trade receivables (Continued)

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach.

	Lifetime ECL (not credit-impaired) HK$'000	Lifetime ECL (credit-impaired) HK$'000	Total HK$'000
As at 1 October 2022	808	–	808
New financial assets originated	52	–	52
As at 30 September 2023 and 1 October 2023	**860**	**–**	**860**
Changes due to trade receivables recognised as at 1 October 2023:			
– Impairment losses recognised	**–**	**5,531**	**5,531**
New financial assets originated	**671**	**–**	**671**
As at 30 September 2024	**1,531**	**5,531**	**7,062**

The Group does not hold any collateral over trade receivables as at 30 September 2024 and 2023.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) Credit risk (Continued)

Other receivables

In estimating the ECL and in determining whether there is a significant increase in credit risk since initial recognition and whether the financial asset is credit-impaired, the Group has taken into account the historical actual credit loss experience for the borrowers and the financial position of the counterparties by reference to, among others, their management or audited accounts and available press information, adjusted for forward-looking factors that are specific to the debtors and general economic conditions of the industry in which the counterparties operate, in estimating the probability of default of these financial assets, as well as the loss upon default in each case. There was no change in the estimation techniques or significant assumptions made during the year.

The gross carrying amounts of the financial assets, by credit risk rating grades, are as follows:

At 30 September 2024

Internal credit rating	**ECL**	**Gross carrying amount HK$'000**
Performing	12-month	**10,271**
Underperforming (not credit-impaired)	Lifetime	**1,404**
		11,675

At 30 September 2023

Internal credit rating	ECL	Gross carrying amount HK$'000
Performing	12-month	8,496
Underperforming (not credit-impaired)	Lifetime	18,037
		26,533

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) Credit risk (Continued)

Other receivables (Continued)

At the end of the reporting period, the Group recognised loss allowance of HK$1,405,000 (2023: HK$2,427,000) on the other receivables. The movement in the loss allowance for other receivables during the year is summarised below.

	2024	2023
	HK$'000	HK$'000
At the beginning of the reporting period	**2,427**	–
Written off	**(2,043)**	–
Increase in allowance	**1,021**	2,427
At the end of the reporting period	**1,405**	2,427

Deposits with financial institution/Time deposits

The credit risk on deposits with financial institution and time deposits is limited because majority of the counterparties are financial institutions with high credit-ratings assigned by international credit-rating agencies and state-owned banks with good reputation. No loss allowance was recognised for both years.

(b) Market price risk

The Group is exposed to market price risk arising from the listed investments under Designated FVTOCI and financial assets at FVTPL. The sensitivity analysis has been determined based on the exposure to market price risk.

At 30 September 2024, if the quoted market prices of the listed equity securities classified as Designated FVTOCI had been 10% (2023: 10%) higher or lower while all other variables were held constant, the Group's investment revaluation reserve (non-recycling) for the year would be changed by approximately HK$98,000 (2023: HK$82,000).

At 30 September 2024, if the quoted market prices of the underlying listed equity securities under financial assets at FVTPL had been 10% (2023: 10%) higher or lower while all other variables were held constant, the Group's loss before taxation for the year would decrease/increase by approximately HK$145,000 (2023: HK$169,000).

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Market price risk (Continued)

The sensitivity analysis has been determined assuming that the reasonably possible changes in the stock market index or other relevant risk variables had occurred at the end of the reporting period and had been applied to the exposure to equity price risk in existence at that date. It is also assumed that the fair values of the Group's investments would change in accordance with the historical correlation with the relevant stock market index or the relevant risk variables and that all other variables remain constant. The stated changes represent management's assessment of reasonably possible changes in the relevant stock market index or the relevant risk variables over the period until the next annual end of the reporting period. The analysis is performed on the same basis for 2023.

(c) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to the Group's bank balances, payment for life insurance policy and interest-bearing borrowings.

The Group currently does not have interest rate risk hedging policy. However, the management of the Group closely monitors its exposure to future cash flow interest rate risk as a result of changes in market interest rate and will consider hedging changes in market interest rates should the need arise.

The sensitivity analysis below has been determined based on the exposure to interest rate risk on interest-bearing borrowings. The sensitivity analysis is prepared assuming the interest-bearing borrowings outstanding at the end of the reporting period were outstanding for the whole period. No sensitivity analysis is provided on bank balances and payment for life insurance policy as the management considers that the interest rate fluctuation on bank balances and payment for life insurance policy is minimal and the impact from the exposure to interest rate risk sensitivity is considered insignificant.

At 30 September 2024, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's loss before tax would be increased or decreased by approximately HK$68,000 (2023: HK$103,000) for the year ended 30 September 2024.

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35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility. The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The maturity profile of the financial liabilities and lease liabilities of the Group at the end of the reporting period based on remaining contractual undiscounted payments is summarised below:

	2024						
	On demand HK$'000	**Less than 1 year HK$'000**	**Over 1 year but within 2 years HK$'000**	**Over 2 years but within 5 years HK$'000**	**Over 5 years HK$'000**	**Total contractual undiscounted cash flows HK$'000**	**Total carrying amount HK$'000**
Trade and other payables	**9,170**	**–**	**–**	**–**	**–**	**9,170**	**9,170**
Interest-bearing borrowings	**18,015**	**–**	**–**	**–**	**–**	**18,015**	**16,322**
Lease liabilities	**–**	**3,991**	**2,208**	**3,396**	**–**	**9,595**	**8,497**
	27,185	**3,991**	**2,208**	**3,396**	**–**	**36,780**	**33,989**

	2023						
	On demand HK$'000	Less than 1 year HK$'000	Over 1 year but within 2 years HK$'000	Over 2 years but within 5 years HK$'000	Over 5 years HK$'000	Total contractual undiscounted cash flows HK$'000	Total carrying amount HK$'000
Trade and other payables	36,611	–	–	–	–	36,611	36,611
Interest-bearing borrowings	27,614	–	–	–	–	27,614	24,621
Loan payables	240	–	–	–	–	240	240
Lease liabilities	–	3,154	3,134	2,920	744	9,952	8,512
Convertible note	932	–	–	–	–	932	932
	65,397	3,154	3,134	2,920	744	75,349	70,916

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Liquidity risk (Continued)

Interest-bearing borrowings with a repayment on demand clause are included in the "on demand" time band in the above maturity analysis. As at 30 September 2024, the aggregate carrying amounts of these bank loans amounted to HK$16,322,000 (2023: HK$24,621,000). Taking into account the Group's financial position, the management does not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The management believes that such bank loans will be repaid in accordance with the scheduled repayment dates set out in the loan agreements, details of which are set out in the table below:

	Maturity Analysis – Interest-bearing borrowings with a repayment on demand clause based on scheduled repayments					
	Less than 1 year HK$'000	Over 1 year but within 2 years HK$'000	Over 2 years but within 5 years HK$'000	Over 5 years HK$'000	Total contractual undiscounted cash flows HK$'000	Total carrying amount HK$'000
30 September 2024	**3,235**	**3,234**	**9,166**	**2,380**	**18,015**	**16,322**
30 September 2023	4,033	4,025	12,026	7,530	27,614	24,621

36. FAIR VALUE MEASUREMENTS

The following presents the assets and liabilities measured at fair value or required to disclose their fair value in the consolidated financial statements on a recurring basis across the three levels of the fair value hierarchy defined in HKFRS 13 "Fair Value Measurement" with the fair value measurement categorised in its entirety based on the lowest level input that is significant to the entire measurement. The levels of inputs are defined as follows:

- Level 1 (highest level): quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 (lowest level): unobservable inputs for the asset or liability.

(a) Assets measured at fair value

Financial assets	Fair value as at 30 September		Value hierarchy	Valuation techniques
	2024 HK$'000	2023 HK$'000		
– Investments in listed equity securities classified as Designated FVTOCI	**984**	816	Level 1	Quoted prices in an active market
– Investments in listed equity securities classified as financial assets at FVTPL	**1,266**	1,360	Level 1	Quoted prices in an active market
– Derivatives – unlisted options issued by companies listed overseas classified as financial assets at FVTPL	**186**	332	Level 3	Derived from Black Scholes option pricing model
– Unlisted investments – payment for life insurance policy classified as financial assets at FVTPL	**1,496**	1,434	Level 3	Surrender cash value (including guaranteed interest) reported by the financial institution on a regular basis
– Investments in unlisted funds classified as financial assets at FVTPL	**23,471**	31,600	Level 3	Assets approach
– Investment in mobile application classified as financial assets at FVTPL	**13,849**	21,400	Level 3	Income approach
– Investment in unlisted equity securities classified as financial assets at FVTPL	**–**	1,764	Level 3	Adjusted net asset value as reported by management

During the years ended 30 September 2024 and 2023, there were no transfer between Level 1 and Level 2 fair value measurement, nor transfers into and out of Level 3 fair value measurements.

36. FAIR VALUE MEASUREMENTS (Continued)

(a) Assets measured at fair value (Continued)

The details of the movements of the fair value measurements categorised as Level 3 of the fair value hierarchy during the year are as follows:

	2024 HK$'000	2023 HK$'000
At the beginning of the reporting period	**56,530**	1,366
Additions	**62**	41,096
Fair value change in profit or loss	**(17,590)**	14,068
At the end of the reporting period	**39,002**	56,530

Quantitative information of the significant unobservable inputs and description of valuation techniques used in Level 3 fair value measurement

The quantitative information of the significant unobservable input and description of valuation techniques used in Level 3 fair value measurement, including the description of the sensitivity to changes in unobservable inputs for recurring Level 3 fair value measurements, are as follows:

Description	Fair value	Valuation techniques	Unobservable input	Sensitivity of unobservable inputs to fair value
Investment in unlisted funds classified as financial assets at FVTPL	HK$23,471,000 (2023: HK$31,600,000)	Assets approach	Discount for lack of marketability	The higher the discount for lack of marketability, the lower the fair value, and vice versa
			Enterprise value to sales ratio	The higher the enterprise value to sales ratio, the higher the fair value, and vice versa
Investment in mobile application classified as financial assets at FVTPL	HK$13,849,000 (2023: HK$21,400,000)	Income approach	Discount rate, taking into account of weighted average cost of capital determined using a Capital Asset Pricing Model	The higher the discount rate, the lower the fair value, and vice versa
			Forecast future cash flows	The higher the forecast future cash flow, the higher the fair value, and vice versa

36. FAIR VALUE MEASUREMENTS (Continued)

(a) Assets measured at fair value (Continued)

Quantitative information of the significant unobservable inputs and description of valuation techniques used in Level 3 fair value measurement (Continued)

The significant unobservable inputs of the investments of the Group are the net asset value of the underlying investments made by the Companies. The higher the net asset value of the underlying investments, the higher the fair value of the financial assets at fair value through profit or loss will be. The Group has determined that the reported net asset values represent the fair values of the investments provided by the external counterparties.

Valuation processes of the Group

The fair values of assets and liabilities that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows and net asset value, are used to determine fair value for other assets and liabilities.

The carrying value less impairment provision of trade and other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(b) Assets and liabilities with fair value disclosure, but not measured at fair value

The carrying amounts of financial assets and liabilities that are carried at amortised costs are not materially different from their fair values at the end of each reporting period.

37. CAPITAL MANAGEMENT

The objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to provide returns for equity owners. The Group manages its capital structure and makes adjustments, including payment of dividends to equity owners, call for additional capital from equity owners or sale of assets to reduce debts. No changes were made in the objectives, policies or processes during the years ended 30 September 2024 and 2023.

Certain group entities are regulated by the SFC and are required to comply with the financial resources requirements according to the Securities and Futures (Financial Resources) Rules (the "**SF(FR)R**"). These entities are subject to minimum paid-up share capital requirements and liquid capital requirements under the SF(FR)R. Management closely monitors, on a daily basis, the liquid capital level of these entities to ensure compliance with the minimum liquid capital requirements under the SF(FR)R. These entities have complied with the capital requirements imposed by the SF(FR)R during the years ended 30 September 2024 and 2023.

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Note	2024 HK$'000	2023 HK$'000
Non-current assets			
Investment in subsidiaries	12	**12,330**	92,604
Current assets			
Financial assets at FVTPL		**–**	1,763
Other receivables and prepayment		**933**	18,193
Due from subsidiaries		**56,031**	50,681
Bank balances and cash		**25,937**	3,328
		82,901	73,965
Current liabilities			
Other payables		**428**	831
Due to subsidiaries		**12,533**	3,167
Convertible note		**–**	932
		12,961	4,930
Net current assets		**69,940**	69,035
NET ASSETS		**82,270**	161,639
Capital and reserves			
Share capital	28	**10,704**	8,920
Reserves	38(a)	**71,566**	152,719
TOTAL EQUITY		**82,270**	161,639

This statement of financial position was approved and authorised for issue by the Board of Directors on 30 December 2024 and signed on its behalf by

Yeung Chun Yue David	**Hui Ringo Wing Kun**
Director	*Director*

Notes to the Consolidated Financial Statements

Year ended 30 September 2024

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

(a) Reserves

	Share premium HK$'000 (note 29a)	Convertible note reserve HK$'000 (note 29e)	Share option reserve HK$'000 (note 29f)	Accumulated losses HK$'000	Total HK$'000
At 30 September 2022 and 1 October 2022	114,603	1,889	–	(54,604)	61,888
Loss for the year and total comprehensive loss for the year	–	–	–	(50,964)	(50,964)
Transactions with equity holders of the Company					
Contributions and distributions					
Issue of consideration shares (note 28(b))	34,390	–	–	–	34,390
Conversion of convertible note (note 28(c))	6,330	(1,889)	–	–	4,441
Issue of settlement shares (note 28(d))	41,117	–	–	–	41,117
Issue of placing shares (note 28(f))	38,760	–	–	–	38,760
Recognition of equity-settled-based transactions	–	–	23,044	–	23,044
Cancellation of share options	–	–	(121)	121	–
Issue of shares upon exercise of share options (note 32)	68	–	(25)	–	43
	120,665	(1,889)	22,898	121	141,795
At 30 September 2023	235,268	–	22,898	(105,447)	152,719
At 30 September 2023 and 1 October 2023	**235,268**	**–**	**22,898**	**(105,447)**	**152,719**
Loss for the year and total comprehensive loss for the year	**–**	**–**	**–**	**(89,359)**	**(89,359)**
Transactions with equity holders of the Company					
Contributions and distributions					
Issue of subscription shares (note 28(e))	**8,206**	**–**	**–**	**–**	**8,206**
Cancellation of share options	**–**	**–**	**(14,335)**	**14,335**	**–**
	8,206	**–**	**(14,335)**	**14,335**	**8,206**
At 30 September 2024	**243,474**	**–**	**8,563**	**(180,471)**	**71,566**

Summary of Results, Assets and Liabilities of the Group

Year ended 30 September 2024

The following is a summary of the published results and assets and liabilities of the Group for the last five financial years:

Results of the Group for the five years ended 30 September

	2024 HK$'000	2023 HK$'000	2022 HK$'000	2021 HK$'000	2020 HK$'000
Revenue	**90,286**	85,442	72,962	37,228	62,650
Loss before tax	**(77,898)**	(12,907)	(7,429)	(22,249)	(35,464)
Income tax credit (expense)	**696**	(1,424)	(750)	2,161	238
Loss for the year	**(77,202)**	(14,331)	(8,179)	(20,088)	(35,226)
Other comprehensive income (loss) for the year	**46**	(582)	(1,893)	211	181
Total comprehensive loss for the year	**(77,156)**	(14,913)	(10,072)	(19,877)	(35,045)

Assets and liabilities of the Group as at 30 September

	2024 HK$'000	2023 HK$'000	2022 HK$'000	2021 HK$'000	2020 HK$'000
Non-current assets	**75,815**	130,139	74,348	14,979	29,155
Current assets	**92,053**	142,454	192,259	54,466	72,884
Total assets	**167,868**	272,593	266,607	69,445	102,039
Current liabilities	**29,547**	67,123	181,415	27,945	45,464
Non-current liabilities	**6,141**	7,244	15,853	4,201	4,349
Net assets	**132,180**	198,226	69,339	37,299	52,226