

Hatcher Group Limited

亦辰集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8365

2024-2025

Interim Report



**For identification purpose only*

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*This 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 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 report misleading.*

This report will remain on the “Latest Listed Company Information” page of the Stock Exchange’s website at www.hkexnews.hk for at least seven days from the date of its publication and will be published on the Company’s website at www.hatcher-group.com.

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The Board is pleased to present the unaudited condensed consolidated results of the Group for the six months ended 31 March 2025, together with the unaudited comparative figures for the corresponding period in 2024, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 March 2025

		Six months ended	
		31 March	
		2025	2024
	<i>Note</i>	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
			(Restated)
Continuing operations			
Revenue	4	36,689	41,291
Other income (loss), net	5	1,555	(2,119)
Provision of impairment loss in respect of trade receivables		(140)	(649)
Bad debt written off in respect of trade receivables		(1,621)	–
Administrative expenses and other operating expenses		(46,722)	(52,246)
Finance costs	6	(477)	(659)
Loss before tax from continuing operations	7	(10,716)	(14,382)
Income tax expense	8	(123)	(5)
Loss for the period from continuing operations		(10,839)	(14,387)
Discontinued operations			
Loss for the period from discontinued operations	9	(468)	(968)
Loss for the period		(11,307)	(15,355)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the six months ended 31 March 2025

		Six months ended 31 March	
		2025	2024
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
			(Restated)
Other comprehensive loss			
<i>Items that will not be reclassified to profit or loss</i>			
Fair value loss on financial assets designated at fair value through other comprehensive income ("Designated FVTOCI")	14	(42)	(66)
Other comprehensive loss for the period		(42)	(66)
Total comprehensive loss for the period		<u>(11,349)</u>	<u>(15,421)</u>
Loss for the period attributable to:			
Owners of the Company		(11,261)	(15,177)
Non-controlling interests		(46)	(178)
		<u>(11,307)</u>	<u>(15,355)</u>
Total comprehensive loss for the period attributable to:			
Owners of the Company		(11,303)	(15,243)
Non-controlling interests		(46)	(178)
		<u>(11,349)</u>	<u>(15,421)</u>
		HK cents	HK cents
			(Restated)
Basic and diluted loss per share			
– Continuing operations	10	(25.31)	(40.32)
– Discontinued operations		<u>(0.99)</u>	<u>(2.21)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION*At 31 March 2025*

		At 31 March 2025 HK\$'000 (Unaudited)	At 30 September 2024 HK\$'000 (Audited)
	<i>Note</i>		
Non-current assets			
Goodwill	11	41,655	41,655
Intangible assets	12	1,020	1,831
Plant and equipment	13	6,799	8,171
Right-of-use assets	13	5,947	7,623
Designated FVTOCI	14	942	984
Financial assets at fair value through profit or loss ("FVTPL")	15	15,377	15,345
Deferred tax assets		186	206
		71,926	75,815
Current assets			
Financial assets at FVTPL	15	25,023	24,923
Trade and other receivables	16	30,045	29,282
Time deposits with original maturity over three months		240	1,082
Bank balances – general accounts and cash		41,677	36,766
		96,985	92,053
Assets classified as held for sale	9	1,386	–
		98,371	92,053
Current liabilities			
Accruals and other payables	17	19,167	9,170
Interest-bearing borrowings	18	15,164	16,322
Lease liabilities	13	3,094	3,513
Income tax payables		114	542
		37,539	29,547
Liabilities associated with assets classified as held for sale	9	34	–
		37,573	29,547

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 31 March 2025

		At 31 March 2025 HK\$'000 (Unaudited)	At 30 September 2024 HK\$'000 (Audited)
	Note		
Net current assets		60,798	62,506
Total assets less current liabilities		132,724	138,321
Non-current liabilities			
Lease liabilities	13	3,744	4,984
Other payables	17	150	150
Deferred tax liabilities		1,005	1,007
		4,899	6,141
NET ASSETS		127,825	132,180
Capital and reserves			
Share capital	19	10,704	10,704
Reserves		117,167	121,476
Equity attributable to owners of the Company		127,871	132,180
Non-controlling interests		(46)	—
TOTAL EQUITY		127,825	132,180

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY*For the six months ended 31 March 2025*

	Attributable to owners of the Company									
	Investment revaluation reserve									
	Share capital HK\$'000	Share premium HK\$'000 (Note i)	Capital reserve HK\$'000 (Note ii)	Exchange reserve HK\$'000 (Note iii)	Investment revaluation reserve (non-recycling) HK\$'000 (Note iv)	Share option reserve HK\$'000 (Note v)	Accumulated losses HK\$'000 (Note vi)	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 October 2023 (audited)	8,920	235,268	449	1,259	(5,131)	22,898	(64,434)	199,229	(1,003)	198,226
Loss for the period	-	-	-	-	-	-	(15,177)	(15,177)	(178)	(15,355)
Other comprehensive loss for the period Items that will not be reclassified to profit or loss	-	-	-	-	(66)	-	-	(66)	-	(66)
Fair value loss on Designated FVTOCI	-	-	-	-	(66)	-	-	(66)	-	(66)
Total other comprehensive loss for the period	-	-	-	-	(66)	-	(15,177)	(15,243)	(178)	(15,421)
Total comprehensive loss for the period	-	-	-	-	(66)	-	-	-	-	-
Transactions with equity holders of the Company Contributions and distributions	-	-	-	-	-	(54)	54	-	-	-
Cancellation of share options	-	-	-	-	-	-	-	-	-	-
At 31 March 2024 (unaudited)	8,920	235,268	449	1,259	(5,197)	22,844	(79,557)	183,986	(1,181)	182,805

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 31 March 2025

	Attributable to owners of the Company									
	Investment revaluation									
	Share capital HK\$'000	Share premium HK\$'000 (Note i)	Capital reserve HK\$'000 (Note ii)	Exchange reserve HK\$'000 (Note iii)	Investment revaluation reserve (non-recycling) HK\$'000 (Note iv)	Share option reserve HK\$'000 (Note v)	Accumulated losses HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 October 2024 (audited)	10,704	243,474	449	1,489	(5,315)	8,563	(127,184)	132,180	-	132,180
Loss for the period	-	-	-	-	-	-	(11,261)	(11,261)	(46)	(11,307)
Other comprehensive loss for the period	-	-	-	-	(42)	-	-	(42)	-	(42)
Items that will not be reclassified to profit or loss	-	-	-	-	(42)	-	-	(42)	-	(42)
Fair value loss on Designated FVTOCI	-	-	-	-	(42)	-	-	(42)	-	(42)
Total other comprehensive loss for the period	-	-	-	-	(42)	-	(11,261)	(11,303)	(46)	(11,349)
Total comprehensive loss for the period	-	-	-	-	-	-	-	-	-	-
Transactions with equity holders of the Company	-	-	-	-	-	(49)	49	-	-	-
Contributions and distributions	-	-	-	-	-	-	-	-	-	-
Cancellation of share options	-	-	6,994	-	-	-	-	6,994	-	6,994
Changes in ownership interests	-	-	-	-	-	-	-	-	-	-
Derecognition of a subsidiary	-	-	-	-	-	-	-	-	-	-
At 31 March 2025 (unaudited)	10,704	243,474	7,443	1,489	(5,357)	8,514	(138,396)	127,871	(46)	127,825

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(CONTINUED)***For the six months ended 31 March 2025**Notes:*

- (i) 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.
- (ii) 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 listing of the shares of the Company on GEM of the Stock Exchange.
- (iii) 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.
- (iv) 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.
- (v) Share option reserve comprises the portion of the grant date fair value of unexercised share options granted to employees of the Group.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 March 2025

	Six months ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net cash from (used in) operating activities	8,961	(11,738)
INVESTING ACTIVITIES		
Decrease (increase) in time deposit	482	(1,502)
Consideration received for disposal of a subsidiary	75	5,500
Purchase of plant and equipment	(75)	(29)
Net cash from investing activities	482	3,969
FINANCING ACTIVITIES		
Repayment of bank loans	(1,157)	(1,601)
Interest paid	(253)	(443)
Lease payments	(1,952)	(1,913)
Net cash used in financing activities	(3,362)	(3,957)
Net increase (decrease) in cash and cash equivalents	6,081	(11,726)
Cash and cash equivalents at beginning of period	36,766	20,593
Cash and cash equivalents at end of period, represented by bank balances – general accounts and cash	42,847	8,867
Analysis of the balances of cash and cash equivalents		
Cash and cash equivalents	42,847	8,867
Less: Bank balances – general accounts and cash attributable to the subsidiary to be disposed classified as held for sale (Note 9)	(1,170)	–
Bank balances – general accounts and cash as stated in the condensed consolidated statement of financial position	41,677	8,867

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 March 2025

1. GENERAL INFORMATION

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

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

The condensed consolidated financial statements of the Group for the six months ended 31 March 2025 (the "**Condensed Consolidated Financial Statements**") are unaudited but have been reviewed by the audit committee of the Company. The Condensed Consolidated Financial Statements were approved and authorised for issue by the Directors on 30 May 2025.

The Condensed Consolidated Financial Statements are presented in Hong Kong dollars ("**HK\$**"), which is also the functional currency of the Group, except for the subsidiaries established in the People's Republic of China (the "**PRC**") and Canada whose functional currency is Renminbi and Canadian dollars respectively.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Condensed Consolidated Financial Statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable HKFRSs, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), accounting principles generally accepted in Hong Kong, the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the GEM Listing Rules.

The accounting policies and methods of computation used in the preparation of the Condensed Consolidated Financial Statements are consistent with those adopted in preparing the annual financial statements of the Group for the year ended 30 September 2024 (the “**2023/24 Annual Report**”), except for the new and revised HKFRSs issued by the HKICPA that are effective for the current accounting period of the Group. At the date of authorisation of the Condensed Consolidated Financial Statements, the Group has not early adopted the new and revised HKFRSs that have been issued but are not yet effective for the current period.

Adoption of new/revised HKFRSs

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRSs issued by the HKICPA which are effective for the Group’s financial year beginning on 1 October 2024:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs has had no material impact on the Group’s financial performance and position for the current and prior periods and/or on the disclosures set out in the Condensed Consolidated Financial Statements.

Basis of measurement

The Condensed Consolidated Financial Statements have been prepared on the historical cost basis except for the financial assets designated at FVTOCI and financial assets at FVTPL that are measured at fair value.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Condensed Consolidated Financial Statements in conformity with HKAS 34 “*Interim Financial Reporting*” requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

In preparing the Condensed Consolidated Financial Statements, the significant judgements made by the management in applying the Group’s accounting policies and key sources of estimation uncertainty were the same as those that applied to the 2023/24 Annual Report.

3. SEGMENT INFORMATION

The Group is currently organised into two operating divisions, namely licensed business and non-licensed business. These divisions are the basis on which the executive Directors and senior management of the Company, being the chief operating decision maker, review the operating results and financial information. The principal activities of these operating segments are as follows:

Licensed business	Provision of corporate finance advisory services, placing and underwriting services, and asset management services
Non-licensed business	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

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

Segment revenue and results

Six months ended 31 March 2025

	Continuing operations		Discontinued operations		Total HK\$'000 (Unaudited)
	Licensed business HK\$'000 (Unaudited)	Non-licensed business HK\$'000 (Unaudited)	Licensed business HK\$'000 (Unaudited)	Non-licensed business HK\$'000 (Unaudited)	
Revenue	6,280	30,409	191	400	37,280
Results					
Segment results	1,405	(8,697)	(156)	(325)	(7,773)
Unallocated other loss, net					(205)
Unallocated corporate expenses					(3,206)
Loss before taxation					(11,184)

Six months ended 31 March 2024 (Restated)

	Continuing operations		Discontinued operations		Total HK\$'000 (Unaudited)
	Licensed business HK\$'000 (Unaudited)	Non-licensed business HK\$'000 (Unaudited)	Licensed business HK\$'000 (Unaudited)	Non-licensed business HK\$'000 (Unaudited)	
Revenue	14,105	27,186	9	2,768	44,068
Results					
Segment results	306	(7,678)	(10)	(958)	(8,340)
Unallocated other loss, net					(3,859)
Unallocated corporate expenses					(3,151)
Loss before taxation					(15,350)

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:

	Six months ended	
	31 March	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
		(Restated)
<u>Continuing operations</u>		
Hong Kong	31,110	37,529
The PRC	2,634	1,956
Canada	2,945	1,806
	<u>36,689</u>	<u>41,291</u>
<u>Discontinued operations</u>		
Hong Kong	591	2,777

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:

	At	At
	31 March	30 September
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Hong Kong	49,805	53,897
The PRC	2,713	2,144
Canada	2,903	3,239
	<u>55,421</u>	<u>59,280</u>

Information about major customers

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

	Six months ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<u>Continuing operations</u>		
Customer A	8,107	7,759

4. REVENUE

	Six months ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited) (Restated)
<u>Continuing operations</u>		
<u>Licensed business</u>		
<i>Revenue from contracts with customers within HKFRS 15</i>		
Corporate finance advisory services	6,280	3,839
Placing and underwriting services	–	10,266
	6,280	14,105

**Six months ended
31 March**

2025	2024
HK\$'000	HK\$'000
(Unaudited)	(Unaudited)
	(Restated)

Non-licensed business

**Revenue from contracts with customers within
HKFRS 15**

Accounting and taxation services	18,128	17,530
Business consulting services	6,626	1,685
ESG advisory services	654	–
Risk management and internal control advisory services	1,204	3,899
Corporate secretarial services	2,806	3,122
Human resources services	991	950
	30,409	27,186
Total	36,689	41,291

Discontinued operations (Note 9)

Licensed business

**Revenue from contracts with customers within
HKFRS 15**

Asset management services	191	9
Non-licensed business		
Revenue from contracts with customers within HKFRS 15		
Business consulting services	400	904
ESG advisory services	–	1,864
Total	591	2,777

5. OTHER INCOME (LOSS), NET

	Six months ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited) (Restated)
Continuing operations		
Net loss on disposal of financial assets at FVTPL	–	(1,863)
Bad debts recovery	645	5
Interest income	8	38
Net unrealised gain (loss) on financial assets at FVTPL	132	(44)
Gain on write back of other payables	201	–
Others	569	(255)
	1,555	(2,119)
Discontinued operations (Note 9)		
Interest income	5	3
Others	8	35
	13	38

6. FINANCE COSTS

	Six months ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited) (Restated)
Continuing operations		
Interest expenses on bank borrowings	253	342
Interest expenses on lease liabilities	224	317
	477	659
Discontinued operations (Note 9)		
Interest expenses on bank borrowings	–	101

7. LOSS BEFORE TAX

This is stated after charging (crediting):

	Six months ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited) (Restated)
Staff costs (including directors' remuneration):		
<u>Continuing operations</u>		
Employee benefit expense	33,247	29,502
Contributions to defined contribution plans	1,020	766
	34,267	30,268
<u>Discontinued operations</u>		
Employee benefit expense	876	3,306
Contributions to defined contribution plans	28	110
	904	3,416
Total staff costs	35,171	33,684
<u>Continuing operations</u>		
Auditor's remuneration	460	608
Amortisation		
– Intangible assets	811	811
Depreciation		
– Plant and equipment	1,492	1,431
– Right-of-use assets	1,379	2,072
Exchange (gain) loss, net	(417)	92
Professional fees	3,147	2,598
Placing and related expenses	–	7,865
	13	57
<u>Discontinued operations</u>		
Auditor's remuneration	13	57
Depreciation		
– Plant and equipment	12	–
Professional fees	166	41

8. INCOME TAX EXPENSE

The Group's entities established in the Cayman Islands and the British Virgin Islands are exempted from income tax.

For the six months ended 31 March 2025 and 2024, only one entity in the Group is subject to the two-tiered Hong Kong profits tax rates while the remaining entities in the Group will continue to be taxed at the rate of 16.5%.

For the six months ended 31 March 2024, no Hong Kong Profits Tax has been provided as the Group incurred a loss for taxation purpose.

For the six months ended 31 March 2025 and 2024, the Group's entities established in the PRC is subject to Enterprise Income Tax at a statutory rate of 25%.

For the six months ended 31 March 2025 and 2024, no Corporate Income Tax of Canada has been provided as the entity incurred a loss for taxation purpose.

	Six months ended	
	31 March	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
		(Restated)
<u>Continuing operations</u>		
Current tax		
Hong Kong Profits Tax	6	–
PRC Enterprise Income Tax	117	5
	<hr/>	<hr/>
Income tax expenses for continuing operations	123	5
	<hr/> <hr/>	<hr/> <hr/>

9. DISCONTINUED OPERATIONS

On 28 February 2025, the Company entered into a sale and purchase agreement with BNG Holding (HK) Limited, an independent third party, to dispose of 80% of its equity interests in VBG Asset Management Limited (“**VBG Asset**”), a wholly-owned subsidiary of the Company, for a cash consideration of HK\$600,000 (the “**Disposal**”). The Disposal would cause the Group’s entire asset management service business and partial business consulting service business to be discontinued. As at the date of this report, the Disposal was not yet completed.

The results of VBG Asset for the six months ended 31 March 2025 and 2024 are as follows:

		Six months ended	
		31 March	
		2025	2024
<i>Note</i>		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Revenue			
– Asset management services	4	191	9
– Business consulting services	4	400	904
		591	913
Other income	5	13	3
Administrative expenses and other operating expenses		(1,072)	(1,842)
Loss before tax		(468)	(926)
Income tax expense		–	–
Loss for the period from VBG Asset		(468)	(926)

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 the Group’s ESG advisory services, to a shareholder of the Company for a consideration of HK\$1. The transaction was completed on 30 September 2024, on which date control of the Disposal Group was passed to the acquirer. Results of the Disposal Group for the six months ended 31 March 2024, which are presented as follows, had been included in the results of the Group’s discontinued operations for the same period:

		Six months ended 31 March 2024 HK\$'000 (Unaudited)
	Note	
Revenue	4	1,864
Other income	5	35
Administrative expenses and other operating expenses		(1,840)
Finance costs	6	(101)
		<hr/>
Loss before tax		(42)
Income tax expense		<hr/>
		—
Loss for the period from the Disposal Group		<hr/> <hr/> (42)

The major classes of assets and liabilities of VBG Asset held for sale measured at the lower of carrying amount and fair value less costs to sell as at 31 March 2025 are as follows:

	HK\$'000 (Unaudited)
Plant and equipment	82
Prepayments and other receivables	134
Bank balances – general accounts and cash	1,170
	<hr/>
Total assets classified as held for sale	<hr/> <hr/> 1,386
Accruals and other payables	<hr/> 34
Total liabilities associated with assets classified as held for sale	<hr/> <hr/> 34

11. GOODWILL

During the six months ended 31 March 2025, there is no movement in the carrying amount of goodwill allocated to the cash generating unit (“CGU”) relating to the business of Baron Global Financial Canada Ltd. (the “**Canada Business CGU**”), the business of APEC GROUP INTERNATIONAL LIMITED (the “**APEC Business CGU**”), and the business of Earning Joy Development Limited (the “**Greater Bay Area Business CGU**”).

Reconciliation of carrying amount – Six months ended 31 March 2025

	Canada Business CGU HK\$'000	APEC Business CGU HK\$'000	Greater Bay Area Business CGU HK\$'000	Total HK\$'000
Carrying amount				
At the beginning (audited) and end of the reporting period (unaudited)	<u>1,211</u>	<u>4,307</u>	<u>36,137</u>	<u>41,655</u>
At 31 March 2025				
Cost	23,966	37,500	40,887	102,353
Accumulated impairment loss	<u>(22,755)</u>	<u>(33,193)</u>	<u>(4,750)</u>	<u>(60,698)</u>
Carrying amount (unaudited)	<u>1,211</u>	<u>4,307</u>	<u>36,137</u>	<u>41,655</u>

12. INTANGIBLE ASSETS

The intangible assets represent customer base arising from the acquisition of APEC GROUP INTERNATIONAL LIMITED ("APEGIL") and Earning Joy Development Limited ("Earning Joy"), which have allowed the Group to stabilise the revenue base from non-licensed business operating by APEGIL, Earning Joy and their subsidiaries. No impairment loss on the intangible assets was recognised for the six months ended 31 March 2025.

Reconciliation of carrying amount

– Six months ended 31 March 2025

	<i>HK\$'000</i>
At 1 October 2024 (audited)	1,831
Amortisation	(811)
	<hr/>
At 31 March 2025 (unaudited)	1,020
	<hr/> <hr/>

13. PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(i) Plant and equipment and right-of-use assets

During the six months ended 31 March 2025, the Group acquired plant and equipment of approximately HK\$75,000 (2024: approximately HK\$29,000).

During the six months ended 31 March 2025, the Group had no addition of right-of-use assets (2024: approximately HK\$2,968,000).

As at 31 March 2025, the carrying amounts of plant and equipment and right-of-use assets were approximately HK\$6,799,000 (30 September 2024: approximately HK\$8,171,000) and HK\$5,947,000 (30 September 2024: approximately HK\$7,623,000) respectively.

The Group's depreciation during the six months ended 31 March 2025 amounted to approximately HK\$1,492,000 (2024: approximately HK\$1,431,000) and HK\$1,379,000 (2024: approximately HK\$2,072,000) in respect of plant and equipment and right-of-use assets respectively.

(ii) Lease liabilities

As at 31 March 2025, the carrying amount of lease liabilities was approximately HK\$6,838,000 (30 September 2024: approximately HK\$8,497,000).

(iii) Amounts recognised in profit or loss

	Six months ended	
	31 March	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Depreciation on plant and equipment	1,504	1,431
Depreciation on right-of-use assets	1,379	2,072
Finance costs on lease liabilities	224	317

(iv) Other

During the six months ended 31 March 2025, the total cash outflow for leases amounted to approximately HK\$2,762,000 (2024: approximately HK\$2,667,000).

14. DESIGNATED FVTOCI

	At	At
	31 March	30 September
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Equity securities listed overseas	942	984

During the six months ended 31 March 2025, the fair value loss on these equity securities of approximately HK\$42,000 was recognised in other comprehensive income (2024: approximately HK\$66,000).

Details of the fair value measurements are set out in note 22 to the Condensed Consolidated Financial Statements.

15. FINANCIAL ASSETS AT FVTPL

	At 31 March 2025 HK\$'000 (Unaudited)	At 30 September 2024 HK\$'000 (Audited)
Derivatives – unlisted options issued by companies listed overseas	186	186
Equity securities listed in Hong Kong	1,366	1,266
Payment for life insurance policy	1,528	1,496
Unlisted investment fund (<i>Note i</i>)	23,471	23,471
Investment in mobile applications (<i>Note ii</i>)	13,849	13,849
	40,400	40,268
Analysed as:		
Current	25,023	24,923
Non-current	15,377	15,345
	40,400	40,268

Notes:

- (i) 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 manufacturing of interior decorative parts of automotive and aluminium battery components for electric motor vehicles. The Fund is managed by a subsidiary of the Company.
- (ii) In June 2023, APEC Business Services Limited (“**APEC Business**”), a wholly-owned 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 and upgrade of its RC2.0 App (a mobile application providing users with personal wealth management solutions) to RC3.0 App. Regal Crown shall grant APEC Business the exclusive and irrevocable right to share the benefit and receive 50% of any income and revenue generated from the use of the RC3.0 App. For detailed terms of the transaction, please refer to the announcements of the Company dated 23 June 2023 and 18 July 2023. As the Group has a contractual right to receive cash in this arrangement for 15 years from the date of launch, the investment is classified as a non-current financial asset at FVTPL.

Details of the fair value measurements are set out in note 22 to the Condensed Consolidated Financial Statements.

16. TRADE AND OTHER RECEIVABLES

	At 31 March 2025 HK\$'000 (Unaudited)	At 30 September 2024 HK\$'000 (Audited)
Trade receivables		
Trade receivables	16,192	20,918
Less: Loss allowance	(1,387)	(7,062)
	14,805	13,856
Other receivables		
Prepayment	826	952
Deposits and other receivables	15,772	15,879
Less: Loss allowance	(1,358)	(1,405)
	15,240	15,426
	30,045	29,282

Generally, there is no credit term granted to customers and the settlement terms of trade receivables are due on receipt, except for trade receivables arising from the business of corporate finance advisory services with settlement terms determined in accordance with the contract terms, which are usually within 1 month to 3 months after billing.

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

	At 31 March 2025 HK\$'000 (Unaudited)	At 30 September 2024 HK\$'000 (Audited)
Within 30 days	3,052	5,982
31 to 60 days	1,232	1,492
61 to 90 days	2,242	844
Over 90 days	8,279	5,538
	14,805	13,856

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

	At 31 March 2025 HK\$'000 (Unaudited)	At 30 September 2024 HK\$'000 (Audited)
Not yet due	<u>1,565</u>	<u>1,552</u>
Past due:		
Within 30 days	1,735	3,686
31 to 60 days	1,432	2,195
61 to 90 days	1,669	1,071
Over 90 days	<u>8,404</u>	<u>5,352</u>
	<u>13,240</u>	<u>12,304</u>
	<u>14,805</u>	<u>13,856</u>

Before accepting a new customer, the Group assesses the potential customer's credit quality and determines credit limit. The majority of the Group's trade receivables that are past due but not impaired have good credit quality with reference to respective settlement history.

The Group's trade receivables which are past due at the end of each reporting period but which the Group has not impaired as there has not been any significant changes in credit quality of customers and the management believes that the amounts are fully recoverable.

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no history of default. The Group does not hold any collateral over the trade receivables.

17. ACCRUALS AND OTHER PAYABLES

	At 31 March 2025 HK\$'000 (Unaudited)	At 30 September 2024 HK\$'000 (Audited)
Other payables		
Accrual and other payables	19,317	9,320
Analysed as:		
Current	19,167	9,170
Non-current	150	150
	19,317	9,320

No ageing analysis of trade payables is disclosed as, in the opinion of the Directors, the ageing analysis does not give additional value in view of the nature of business.

18. INTEREST-BEARING BORROWINGS

	At 31 March 2025 HK\$'000 (Unaudited)	At 30 September 2024 HK\$'000 (Audited)
Secured bank borrowings repayable on demand	15,164	16,322

Bank borrowings as at 31 March 2025 carried interest at variable market rates benchmarking to the interest rates of 2.25% below HSBC Prime Rate or 2.5% below DBS Prime Rate (30 September 2024: 2.25% below HSBC Prime Rate or 2.5% below DBS Prime Rate).

As at 31 March 2025 and 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.

As at 31 March 2025 and 30 September 2024, the Group's banking facilities granted by financial institutions in Hong Kong, under which the borrowings were drawn, are secured by Hong Kong SAR Government guarantee under SME Loan Guarantee Scheme and personal guarantees issued by a director of the subsidiaries.

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:

	At 31 March 2025 HK\$'000 (Unaudited)	At 30 September 2024 HK\$'000 (Audited)
Within one year	197	2,712
In the second year	2,773	2,808
In the third to fifth years inclusive	10,328	8,484
After five years	1,866	2,318
	<u>15,164</u>	<u>16,322</u>

19. SHARE CAPITAL

	Number of shares	Amount HK\$'000
<i>Ordinary shares of HK\$0.01 each (before Share Consolidation) and HK\$0.25 each (after Share Consolidation)</i>		
Authorised:		
At 1 October 2023 (audited)	2,000,000,000	20,000
Share Consolidation (Note a)	(1,920,000,000)	—
At 30 September 2024 (audited) and 1 October 2024 (audited)	80,000,000	20,000
Increase in authorised share capital (Note b)	320,000,000	80,000
At 31 March 2025 (unaudited)	400,000,000	100,000
Issued and fully paid:		
At 1 October 2023 (audited)	892,034,000	8,920
Share Consolidation (Note a)	(856,352,640)	—
Issue of subscription shares (Note c)	7,136,000	1,784
At 30 September 2024 (audited), 1 October 2024 (audited) and 31 March 2025 (unaudited)	42,817,360	10,704

Notes:

- (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) Pursuant to an ordinary resolution passed by the shareholders of the Company at an extraordinary general meeting held on 21 February 2025, the Company's authorised share capital has been increased from HK\$20,000,000 divided into 80,000,000 shares to HK\$100,000,000 divided into 400,000,000 shares by the creation of an additional 320,000,000 new shares with effect from 21 February 2025.
- (c) In April 2024, the Company issued and allotted 57,000,000 shares at HK\$0.69 per share pursuant to a subscription agreement entered on 23 February 2024. These shares rank *pari passu* with all existing shares in all respects.

20. SHARE OPTION SCHEME

A share option scheme (the **"Share Option Scheme"**) was adopted by the Company and was effective on 4 May 2017. Unless otherwise cancelled or amended, the Share Option 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 Share Option 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 Share Option Scheme, the Directors 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, has contributed to the Group, whom the Directors may select at its absolute discretion. Details of the Share Option Scheme are set out in the section "STATUTORY AND GENERAL INFORMATION – D. SHARE OPTION SCHEME" of the prospectus of the Company dated 15 May 2017.

Since the adoption of the Share Option Scheme and up to 31 March 2025, an aggregate of 44,600,000 share options (equivalent to 1,784,000 share options following the Share Consolidation) were granted by the Company to the Directors and employees of the Group on 30 December 2022.

During the six months ended 31 March 2025 and 2024, no equity-settled share-based payment expenses for the Share Option Scheme were recognised in profit or loss.

During the six months ended 31 March 2025, 4,000 share options were cancelled and no share options were issued, exercised or lapsed. At the time when the share options are subsequently exercised, the amount previously recognised in share option reserve will be transferred to share premium.

21. DIVIDENDS

The Board did not recommend the payment of an interim dividend for the six months ended 31 March 2025 (2024: nil).

22. FAIR VALUE MEASUREMENTS

The following presents the assets and liabilities measured at fair value or required to disclose their fair value in the Condensed 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		Fair value hierarchy	Valuation techniques
	31 March	30 September		
	2025	2024		
	HK\$'000 (Unaudited)	HK\$'000 (Audited)		
– Investments in listed equity securities classified as Designated FVTOCI	942	984	Level 1	Quoted prices in an active market
– Investments in listed equity securities classified as financial assets at FVTPL	1,366	1,266	Level 1	Quoted prices in an active market
– Derivatives – unlisted options issued by companies listed overseas classified as financial assets at FVTPL	186	186	Level 3	Derived from Black-Scholes option pricing model

Financial assets	Fair value as at		Fair value hierarchy	Valuation techniques
	31 March	30 September		
	2025	2024		
	HK\$'000 (Unaudited)	HK\$'000 (Audited)		
- Unlisted investments - payment for life insurance policy classified as financial assets at FVTPL	1,528	1,496	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	23,471	Level 3	Assets approach
- Investment in mobile applications classified as financial assets at FVTPL	13,849	13,849	Level 3	Income approach

During the six months ended 31 March 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurement, nor transfers into and out of Level 3 fair value measurement.

Details of movements in the fair value measurements categorised as Level 3 of the fair value hierarchy during the six months ended 31 March 2025 are as follows:

At 1 October 2024 (audited)	39,002
Fair value change in profit or loss	32
At 31 March 2025 (unaudited)	39,034

(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.

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 environmental, social and governance (“**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 VBG Capital Limited (“**VBG Capital**”), a wholly-owned subsidiary of the Company. VBG Capital is 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 fundraising exercises of listed companies.

Corporate finance advisory business continues to be the core business of the Group’s Licensed Business. During the six months ended 31 March 2025 (the “**Period**”), corporate finance advisory business accounted for approximately 16.8% of the Group’s total revenue. The Group’s other Licensed Business, namely, placing and underwriting services accounted for nil% of its total revenue during the Period.

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 the Company's wholly-owned subsidiaries in Hong Kong, APEC GROUP INTERNATIONAL LIMITED and VBG Asia Limited; and the Company's wholly-owned subsidiary in Canada, Baron Global Financial Canada Ltd. During the Period, business consulting services accounted for approximately 17.8% of the Group's total revenue. The Group's other Non-Licensed Business, namely, (i) accounting and taxation services, (ii) corporate secretarial services, (iii) ESG advisory services, (iv) human resources services and (v) risk management and internal control advisory services, accounted for approximately 48.6%, 7.5%, 1.8%, 2.7% and 3.2% of its total revenue during the Period, respectively.

(ii) Discontinued Operations

Licensed Business

The Group's Licensed Business classified as discontinued operations represents the asset management business operated by VBG Asset Management Limited ("**VBG Asset**") for the Period. VBG Asset is a licensed corporation under the SFO to carry on Type 4 (advising on securities) and Type 9 (asset management) regulated activities. The asset management services provided by VBG Asset include advisory services for equity securities, fixed income securities, real estate securities, mutual funds and discretionary portfolio management services for professional clients.

On 28 February 2025, the Company as seller entered into an agreement for the disposal of 80% equity interest in VBG Asset (the "**Disposal**"). As at the date of this report, the Disposal was not yet completed.

Non-Licensed Business

The Group's Non-Licensed Business classified as discontinued operations represents the business consulting service business operated by VBG Asset and the ESG advisory service business operated by 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**") for a consideration of HK\$1. The transaction was completed on 30 September 2024, on which date control of the Disposal Group was passed to the acquirer.

FINANCIAL REVIEW

Continuing Operations

Revenue

The Group's revenue was derived from two principal businesses, namely, Licensed Business and Non-Licensed Business.

For the Period, the Group recorded a decrease in total revenue by approximately 11.1% to approximately HK\$36.7 million (2024: approximately HK\$41.3 million). The decrease in revenue was mainly attributable to a decrease in revenue generated from placing and underwriting services.

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

Licensed Business

The revenue from Licensed Business decreased by approximately HK\$7.8 million or 55.3% to approximately HK\$6.3 million for the Period (2024: approximately HK\$14.1 million). The decrease in revenue was primarily attributable to a combined effect of (i) a decrease in revenue from placing and underwriting services of approximately HK\$10.3 million; and (ii) an increase in revenue from corporate finance advisory services of approximately HK\$2.4 million during the Period.

The increase in revenue from corporate finance advisory services was mainly due to (i) an increase in revenue generated from acting as sponsor of approximately HK\$2.0 million; and (ii) an increase in revenue generated from acting as financial adviser and as independent financial adviser of approximately HK\$0.4 million for the Period.

Non-Licensed Business

The revenue from Non-Licensed Business increased by approximately HK\$3.2 million or 11.8% to approximately HK\$30.4 million for the Period (2024: approximately HK\$27.2 million). Such increase was mainly due to an increase in revenue generated from business consulting services.

Other income (loss), net

The Group's other income/loss mainly comprised interest income, gain/loss on disposal of financial assets at FVTPL and unrealised gain/loss on financial assets at FVTPL.

The Group recorded other income of approximately HK\$1.6 million during the Period, as compared to other loss of approximately HK\$2.1 million for the six months ended 31 March 2024. The change from other loss to other income is mainly attributable to (i) the recognition of a gain on write back of other payables in the amount of approximately HK\$0.6 million (2024: approximately HK\$5,000); and (ii) the absence of net loss on disposal of financial assets at FVTPL (2024: approximately HK\$1.9 million) during the Period.

Administrative expenses and other operating expenses

The Group's administrative expenses and other operating expenses mainly comprised staff costs 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\$5.5 million, or approximately 10.5%, from approximately HK\$52.2 million for the six months ended 31 March 2024 to approximately HK\$46.7 million for the Period. Such decrease was mainly attributable to a combined effect of (i) the absence of placing and related expenses during the Period (2024: approximately HK\$7.9 million) in relation to placing and underwriting services provided by the Group; and (ii) an increase in staff costs and related expenses of approximately HK\$4.0 million during the Period.

Finance costs

The Group's finance costs decreased to approximately HK\$0.5 million for the Period from approximately HK\$0.7 million for the six months ended 31 March 2024, mainly due to a decrease in the carrying amounts of interest-bearing borrowings and lease liabilities of the Group.

Loss for the period

As a result of foregoing, the Group recorded a loss from continuing operations of approximately HK\$10.8 million for the Period as compared to a loss of approximately HK\$14.4 million for the six months ended 31 March 2024.

Discontinued Operations

The Group recorded a loss from discontinued operations of approximately HK\$0.5 million for the Period (2024: approximately HK\$1.0 million).

MATERIAL EVENTS

Increase in authorised share capital

Upon the passing of the relevant resolution in relation to the increase in authorised share capital of the Company by the shareholders of the Company at an extraordinary general meeting held on 21 February 2025, the authorised share capital of the Company increased from HK\$20,000,000 divided into 80,000,000 shares of HK\$0.25 each to HK\$100,000,000 divided into 400,000,000 shares of HK\$0.25 each by the creation of an additional 320,000,000 new shares of HK\$0.25 each. Further details of the increase in authorised share capital were set out in the circular of the Company dated 10 January 2025.

Rights issue

References are made to the circular of the Company dated 10 January 2025, the prospectus of the Company dated 28 March 2025 and the announcement of the Company dated 28 April 2025 in relation to, among other things, the Rights Issue, the Underwriting Agreement and the Placing Agreement (the **“Rights Issue Documents”**). Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Rights Issue Documents.

The Company implemented the Rights Issue on the basis of three (3) Rights Shares for every one (1) Share held at the close of business on 6 March 2025 at the subscription price of HK\$0.25 per Rights Share. The closing price of the shares of the Company was HK\$0.365 on 23 September 2024, on which the terms of the Rights Issue were fixed. The net price (after deduction of expenses attributable to the Rights Issue) per Rights Share is approximately HK\$0.242. 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 and at the same time allow the Qualifying Shareholders to maintain their respective pro-rata shareholding interests in the Company. The Rights Issue was completed on 29 April 2025 with (i) 63,352,157 Rights Shares being allotted and issued to the Qualifying Shareholders; and (ii) 65,099,923 Unsubscribed Rights Shares being allotted and issued to the Underwriter pursuant to the terms of the Underwriting Agreement, as there are fewer than 88,452,080 Unsubscribed Rights Shares and accordingly no Unsubscribed Right Shares were placed under the Placing. As a result, an aggregate of 128,452,080 Rights Shares were allotted and issued under the Rights Issue. The gross proceeds from the Rights Issue were approximately HK\$32.1 million and the net proceeds from the Rights Issue, after deducting the related expenses, were approximately HK\$31.1 million.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

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

CHARGE ON ASSETS AND CONTINGENT LIABILITIES

As at 31 March 2025, 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\$0.3 million (2024: approximately HK\$0.4 million).

Save as disclosed above, the Group did not have any charges on its assets or material contingent liabilities as at 31 March 2025.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed above, no material subsequent event has occurred in relation to the Company or the Group after 31 March 2025 and up to the date of approval of this report.

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.

OTHER INFORMATION

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

As at 31 March 2025, 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 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 position in the shares (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. The number of share options had been adjusted following the effective date of the Share Consolidation.
- (5) The approximate percentage of shareholdings is based on 42,817,360 Shares in issue as at 31 March 2025.

Save as disclosed above, as at 31 March 2025, 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**” above and “**SHARE OPTION SCHEME**” below, 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 Period.

SUBSTANTIAL SHAREHOLDERS’ AND OTHER PERSONS’ INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

As at 31 March 2025, 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 31 March 2025.

Save as disclosed above, the Directors were not aware of any other persons, other than the Directors or chief executives of the Company who held any interests or short positions in the shares and/or underlying shares of the Company as at 31 March 2025 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.

SHARE OPTION SCHEME

The Company had adopted a share option scheme (the “**Share Option Scheme**”) by the resolutions in writing of the sole shareholder of the Company passed on 4 May 2017. Unless otherwise cancelled or amended, the Share Option Scheme will remain in force for a period of 10 years from the date of its adoption.

On 30 December 2022, an aggregate of 44,600,000 share options (equivalent to 1,784,000 share options upon the Share Consolidation becoming effective) were granted to the Directors and employees of the Group. Following the Share Consolidation, as at 31 March 2025, there were 600,000 (30 September 2024: 604,000) outstanding share options in aggregate, which have been vested and are issuable for 600,000 Shares under the Share Option Scheme.

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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 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) The number of Shares that may be issued in respect of the share options granted under the Share Option Scheme during the Period divided by the weighted average number of Shares in issue for the Period was zero.
- (4) The number of share options available for grant under the Share Option Scheme at 1 October 2024 and 31 March 2025 was 268,800 and 268,800 respectively.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

Save for the Rights Issue, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the Period and up to the date of this report.

COMPETING INTERESTS

None of the Directors, substantial shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) has any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group or has or may have any other conflict of interests with the Group during the Period.

CORPORATE GOVERNANCE CODE

During the Period, the Company had applied the principles and complied with all applicable code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the GEM Listing Rules.

DIRECTORS' SECURITIES TRANSACTIONS

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

AUDIT COMMITTEE

The audit committee of the Company (the **"Audit Committee"**) has been established with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules and code provision D.3.3 of Part 2 of the CG Code. The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Ho Lik Kwan Luke, as the chairman of the Audit Committee, Mr. William Robert Majcher and Mr. Lau Pak Kin Patric. The primary duty of the Audit Committee is to review and supervise the Company's financial reporting process, the risk management and internal control systems of the Group and the monitoring of continuing connected transactions.

The Audit Committee has reviewed the unaudited results of the Group for the Period and is of the opinion that the preparation of such results has complied with applicable accounting standards and the GEM Listing Rules, and that adequate disclosures have been made.

BOARD OF DIRECTORS

As at the date of this report, the Directors are:

Executive Directors:

Mr. Li Man Keung Edwin (*Executive Chairman*)

Mr. Hui Ringo Wing Kun

Mr. Yeung Chun Yue David (*Vice Chairman*)

Mr. Michael Stockford

Non-executive Director:

Ms. Chan Hiu Shan

Independent non-executive Directors:

Mr. William Robert Majcher

Mr. Ho Lik Kwan Luke

Mr. Lau Pak Kin Patric

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

Hong Kong, 30 May 2025