HATCHER GROUP LIMITED
亦辰集團有限公司*

(formerly known as VBG International Holdings Limited建泉國際控股有限公司*)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8365)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2021

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

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

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

*This announcement, for which the directors of Hatcher Group Limited (formerly known as VBG International Holdings Limited) (the "**Company**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company. The directors of the Company (the "**Directors**"), having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

* *For identification purpose only*

FINANCIAL HIGHLIGHTS

— On 1 November 2021, the Company successfully completed the acquisition of a 100% equity interest in APEC GROUP INTERNATIONAL LIMITED ("**APECGIL**"). APECGIL and its subsidiaries are engaged in the provision of environmental, social and governance ("**ESG**") advisory services, corporate secretarial services, accounting and taxation services, risk management and internal control advisory services, recruitment agency services and I.T. services in Hong Kong. Upon completion of the acquisition, APECGIL has become a direct wholly-owned subsidiary of the Company.

— The Company and its subsidiaries (the "**Group**") recorded a revenue of approximately HK$37.2 million for the year ended 30 September 2021, representing a decrease of approximately 40.7% when compared with a revenue of approximately HK$62.7 million for the year ended 30 September 2020.

— The Group recorded a loss of approximately HK$20.1 million for the year ended 30 September 2021 compared with a loss of approximately HK$35.2 million for the year ended 30 September 2020. The decrease in loss for the year ended 30 September 2021 was mainly attributable to the combined effect of (i) a decrease in contribution from the Group's provision of corporate finance advisory services and placing and underwriting services; (ii) a decrease in administrative expenses and other operating expenses; and (iii) a decrease in provision for impairment loss in respect of goodwill as compared to the year ended 30 September 2020.

— The basic and diluted loss per share for the year ended 30 September 2021 was approximately HK3.85 cents and the basic and diluted loss per share for the year ended 30 September 2020 was approximately HK6.86 cents.

— The board of Directors (the "**Board**") did not recommend the payment of a final dividend for the year ended 30 September 2021 (2020: nil).

ANNUAL RESULTS

The Board announces the consolidated results of the Group for the year ended 30 September 2021, together with the comparative figures for the year ended 30 September 2020, as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 September 2021

	Note	2021 HK$'000	2020 HK$'000 (Re-presented)
Continuing operations			
Revenue	*4*	**30,934**	45,256
Other income, net	*5*	**2,234**	2,598
Provision for impairment loss in respect of goodwill	*11*	**(1,505)**	(14,900)
Reversal (Provision) for impairment loss in respect of trade receivables arising from the business of corporate finance services		**600**	(1,234)
Bad debts written off in respect of trade receivables arising from the business of corporate finance services		**(200)**	(1,623)
Administrative expenses and other operating expenses		**(48,011)**	(64,509)
Finance costs	*6*	**(716)**	(827)
Loss before tax from continuing operations	*7*	**(16,664)**	(35,239)
Income tax credit	*8*	**2,161**	230
Loss for the year from continuing operations		**(14,503)**	(35,009)
Discontinued operations			
Loss for the year from discontinued operations	*16*	**(5,585)**	(217)
Loss for the year		**(20,088)**	(35,226)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Fair value gain on financial assets designated at fair value through other comprehensive income ("**Designated FVOCI**")	*13*	**211**	181
Other comprehensive income for the year		**211**	181
Total comprehensive loss for the year		**(19,877)**	(35,045)
		HK cents	*HK cents* (Re-presented)
From continuing and discontinued operations			
Loss per share			
Basic and diluted	*9*	**(3.85)**	(6.86)
From continuing operations			
Loss per share			
Basic and diluted	*9*	**(2.78)**	(6.82)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2021

	Note	2021 *HK$'000*	2020 *HK$'000*
Non-current assets			
Goodwill	*11*	**3,561**	12,973
Plant and equipment		**2,715**	4,122
Intangible assets		**–**	613
Right-of-use assets	*12*	**6,138**	7,748
Other deposits		**–**	205
Designated FVOCI	*13*	**2,565**	3,494
		14,979	29,155
Current assets			
Financial assets at fair value through profit or loss ("**FVPL**")	*14*	**1,061**	582
Trade and other receivables	*15*	**3,843**	19,108
Bank balances – client accounts		**–**	26,250
Bank balances – general accounts and cash		**18,958**	26,944
		23,862	72,884
Assets classified as held for sale	*16*	**30,604**	–
		54,466	72,884
Current liabilities			
Trade and other payables	*17*	**5,014**	36,533
Deposit received for disposal of a subsidiary	*16*	**2,000**	–
Loan payables	*18*	**2,000**	2,500
Lease liabilities		**3,133**	4,599
Income tax payables		**593**	1,832
		12,740	45,464
Liabilities associated with assets classified as held for sale	*16*	**15,205**	–
		27,945	45,464
Net current assets		**26,521**	27,420
Total assets less current liabilities		**41,500**	56,575
Non-current liabilities			
Loan payables	*18*	**360**	240
Lease liabilities		**3,382**	3,650
Deferred tax payables		**459**	459
		4,201	4,349
NET ASSETS		**37,299**	52,226
Capital and reserves			
Share capital	*19*	**5,462**	5,132
Reserves	*20*	**31,837**	47,094
TOTAL EQUITY		**37,299**	52,226

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2021

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands 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 offering 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 18/F, Prosperity Tower, 39 Queen's Road Central, Hong Kong.

Pursuant to the Certificate of Incorporation on Change of Name issued by the Registrar of Companies in the Cayman Islands on 22 October 2021 and the Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company issued by the Registrar of Companies in Hong Kong on 10 November 2021, the name of the Company was changed from VBG International Holdings Limited to Hatcher Group Limited with effect from 22 October 2021.

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of corporate finance advisory services, placing and underwriting services, business consultancy services, asset management services and securities brokerage and margin financing.

In the opinion of the Directors, the immediate holding company of the Company is Jayden Wealth Limited, which is incorporated in the British Virgin Islands (the "**BVI**") and is ultimately controlled by Ms. Wan Ho Yan Letty, the controlling shareholder, an executive Director and the chairperson of the Company.

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

2. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

The 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 ("**HKASs**") 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.

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2020 consolidated financial statements except for the adoption of the following new/revised HKFRSs that are relevant to the Group and effective from the current year.

Adoption of new/revised HKFRSs

Amendments to HKASs 1 and 8: Definition of Material

The amendments clarify the definition of material and align the definition used across HKFRSs.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to HKFRS 3: Definition of a Business

The amendments, among others, revise the definition of a business and include new guidance to evaluate whether an acquired process is substantive.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Basis of measurement

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

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company using consistent accounting policies.

All intra-group balances, transactions, incomes and expenses and profits and losses resulting from intra-group transactions are eliminated in full. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Changes in ownership interest

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. 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 the owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal 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 determined at the date when control is lost and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests at the date when control is lost. The amounts previously recognised in other comprehensive income in relation to the disposed subsidiary are accounted for on the same basis as would be required if the parent had directly disposed of the related assets or liabilities. Any investment retained in the former subsidiary and any amounts owed by or to the former subsidiary are accounted for as a financial asset, associate, joint venture or others as appropriate from the date when control is lost.

Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. A discontinued operation is a component of the Group that comprises operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Group. It represents a separate major line of business or geographical area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. It also occurs when the operation is abandoned.

Future changes in HKFRSs

As at the date of this announcement, the HKICPA has issued a number of new/revised HKFRSs that are relevant to the Group and are not yet effective for the current period, which the Group has not early adopted.

Amendments to HKAS 39, HKFRSs 4, 7, 9 and 16	Interest Rate Benchmark Reform – Phase 2[1]
Amendments to HKAS 16	Proceeds before Intended Use[2]
Amendments to HKAS 37	Cost of Fulfilling a Contract[2]
Amendments to HKFRS 3	Reference to the Conceptual Framework[2]
Annual Improvements to HKFRSs	2018–2020 Cycle[2]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current[3]
Amendments to HKAS 1	Disclosure of Accounting Policies[3]
Amendments to HKAS 8	Definition of Accounting Estimates[3]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[3]

1 Effective for annual periods beginning on or after 1 January 2021
2 Effective for annual periods beginning on or after 1 January 2022
3 Effective for annual periods beginning on or after 1 January 2023

The Directors do not anticipate that the adoption of these new/revised HKFRSs in future periods will have any material impact on the result of the Group.

3. SEGMENT INFORMATION

The Group is currently organised into three operating divisions, namely corporate finance, asset management and brokerage and margin financing. These divisions are the basis on which the executive Directors and senior management of the Company, being the chief operating decision maker, reviews the operating results and financial information. The principal activities of these operating segments are as follows:

Corporate finance	–	Provision of advisory and consultancy, placing and underwriting and business consulting services
Asset management	–	Provision of asset management services
Brokerage and margin financing	–	Provision of brokerage services in securities and margin financing 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 2021

	Continuing operations		**Discontinued operations**		
	Corporate finance *HK$'000*	**Asset management** *HK$'000*	**Corporate finance** *HK$'000*	**Brokerage and margin financing** *HK$'000*	**Total** *HK$'000*
Revenue	**30,836**	**98**	**5,077**	**1,217**	**37,228**
Other income, net, including bad debts written off and reversal of impairment loss in respect of trade receivables	**2,510**	**87**	**–**	**203**	**2,800**
	33,346	**185**	**5,077**	**1,420**	**40,028**
Results					
Segment results	**(7,790)**	**(1,428)**	**4,890**	**(10,475)**	**(14,803)**
Unallocated corporate income					**37**
Unallocated corporate expenses					**(7,483)**
Loss before taxation					**(22,249)**

Year ended 30 September 2020 (Re-presented)

	Continuing operations		Discontinued operations		
	Corporate finance	Asset management	Corporate finance	Brokerage and margin financing	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	45,256	–	16,803	591	62,650
Other income, net, including bad debts written off	631	93	–	191	915
	45,887	93	16,803	782	63,565
Results					
Segment results	(24,317)	(1,181)	2,403	(2,594)	(25,689)
Unallocated corporate income					251
Unallocated corporate expenses					(10,026)
Loss before taxation					(35,464)

Other segment information

Year ended 30 September 2021

	Continuing operations		Discontinued operations		
	Corporate finance	Asset management	Brokerage and margin financing	Unallocated	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Additions to plant and equipment	65	–	–	–	65
Depreciation of plant and equipment	(646)	–	(347)	–	(993)
Depreciation of right-of-use assets	(6,303)	–	(345)	–	(6,648)
Gain on disposal of plant and equipment	–	–	93	–	93
Government subsidies	1,104	86	217	35	1,442
Provision for impairment loss in respect of goodwill	(1,505)	–	(6,044)	–	(7,549)
Net unrealised gain on financial assets at FVPL	479	–	–	–	479
Bad debt written off in respect of trade receivables arising from the business of corporate finance services	(200)	–	–	–	(200)
Reversal of impairment loss in respect of trade receivables arising from the business of corporate finance services	600	–	–	–	600
Written back of other payables	193	–	–	–	193
Write off of plant and equipment	(7)	–	–	–	(7)
Write off of intangible assets	–	–	(113)	–	(113)

Year ended 30 September 2020 (Re-presented)

	Continuing operations		Discontinued operations		
	Corporate finance	Asset management	Brokerage and margin financing	Unallocated	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Additions to plant and equipment	361	–	–	–	361
Depreciation of plant and equipment	(770)	–	(232)	(7)	(1,009)
Depreciation of right-of-use assets	(6,644)	–	(168)	–	(6,812)
Government subsidies	1,469	72	266	191	1,998
Provision for impairment loss in respect of goodwill	(14,900)	–	–	–	(14,900)
Net unrealised loss on financial assets at FVPL	(120)	–	–	–	(120)
Bad debt written off in respect of trade receivables arising from the business of corporate finance services	(1,623)	–	–	–	(1,623)
Provision for impairment loss in respect of trade receivables arising from the business of corporate finance services	(1,234)	–	–	–	(1,234)
Write off of plant and equipment	(1,626)	–	–	(173)	(1,799)
Write off of other receivables	(33)	–	–	–	(33)
Written back of other payables	500	–	–	–	500

Information about geographical areas

The Group's operations are principally located in Hong Kong 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:

	2021	2020
	HK$'000	*HK$'000*
		(Re-presented)
Continuing operations		
Hong Kong	**25,722**	40,491
Canada	**5,212**	4,765
	30,934	45,256
Discontinued operations		
Hong Kong	**6,294**	17,394

The following is an analysis of the carrying amounts of non-current assets (excluding financial instruments) by geographical area in which the assets are located:

	2021	2020
	HK$'000	*HK$'000*
		(Re-presented)
Continuing operations		
Hong Kong	**3,538**	4,829
Canada	**8,876**	11,049
	12,414	15,878
Discontinued operations		
Hong Kong	**2,886**	9,783

Information about major customers

Revenue from customers of corporate finance segment that individually contributing 10% or more of the total revenue of the Group are as follows:

	2021	2020
	HK$'000	*HK$'000*
		(Re-presented)
Continuing operations		
Customer A	**7,909**	–
Customer B	–	14,823
Discontinued operations		
Customer A	**4,247**	–
Customer C	–	14,700

4. REVENUE

	2021	2020
	HK$'000	*HK$'000*
		(Re-presented)
Continuing operations		
Revenue from contracts with customers within HKFRS 15		
Corporate finance advisory services	**17,605**	21,895
Placing and underwriting services	**5,563**	17,948
Asset management services	**98**	–
Business consulting services	**7,668**	5,413
Total	**30,934**	45,256
Discontinued operations		
Revenue from contracts with customers within HKFRS 15		
Placing and underwriting services	**5,077**	16,803
Brokerage commission	**900**	494
Clearing, settlement and handling fee income	**78**	49
	6,055	17,346
Interest revenue calculated using the effective interest method		
Interest income from cash and margin clients	**239**	48
Total *(Note 16)*	**6,294**	17,394

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 2021

	Continuing operations				Discontinued operations			
	Corporate finance advisory services	**Placing and underwriting services**	**Asset management services**	**Business consulting services**	**Placing and underwriting services**	**Brokerage commission**	**Clearing, settlement and handling fee income**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Timing of revenue recognition:								
– at a point in time	**–**	**5,563**	**–**	**–**	**5,077**	**900**	**78**	**11,618**
– over time	**17,605**	**–**	**98**	**7,668**	**–**	**–**	**–**	**25,371**
Total revenue from contracts with customers within HKFRS 15 at fixed price	**17,605**	**5,563**	**98**	**7,668**	**5,077**	**900**	**78**	**36,989**

Year ended 30 September 2020 (Re-presented)

	Continuing operations			Discontinued operations			
	Corporate finance advisory services	Placing and underwriting services	Business consulting services	Placing and underwriting services	Brokerage commission	Clearing, settlement and handling fee income	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Timing of revenue recognition:							
– at a point in time	–	17,948	–	16,803	494	49	35,294
– over time	21,895	–	5,413	–	–	–	27,308
Total revenue from contracts with customers within HKFRS 15 at fixed price	21,895	17,948	5,413	16,803	494	49	62,602

5. OTHER INCOME, NET

	2021	2020
	HK$'000	*HK$'000*
		(Re-presented)
Continuing operations		
Government subsidies *(Note)*	**1,225**	1,732
Net unrealised gain (loss) on financial assets at FVPL	**479**	(120)
Interest income	**23**	135
Loan interest income	**290**	–
Gain on rental concession due to COVID-19	**–**	73
Refund of legal and professional fee	**–**	242
Written back of other payables	**193**	500
Others	**24**	36
	2,234	2,598
Discontinued operations *(Note 16)*		
Government subsidies *(Note)*	**217**	266
Gain on disposal of plant and equipment	**93**	–
Gain on lease modification (as lessee)	**6**	–
Loss on disposal of financial assets at FVPL	**–**	(134)
Write off of intangible assets	**(113)**	–
Others	**–**	59
	203	191
	2,437	2,789

Note:

During the year, the Group recognised government subsidies of HK$1,070,000 (2020: HK$1,335,000) and CAD62,000 (equivalent to approximately HK$372,000) (2020: CAD110,000, equivalent to approximately HK$663,000) in respect of the Employment Support Scheme under Anti-epidemic Fund of the Hong Kong SAR Government and the Canada Emergency Wage Subsidy of the Canadian Government respectively due to the COVID-19 pandemic.

6. FINANCE COSTS

	2021	2020
	HK$'000	*HK$'000*
		(Re-presented)
Continuing operations		
Interest expenses on loan payables	**193**	34
Interest expenses on lease liabilities	**523**	793
	716	827
Discontinued operations *(Note 16)*		
Interest expenses on lease liabilities	**11**	9
	727	836

7. LOSS BEFORE INCOME TAX

Loss before income tax has been arrived at after charging:

	2021	2020
	HK$'000	*HK$'000*
		(Re-presented)
Staff costs (including directors' remuneration):		
Continuing operations		
Employee benefit expense	**18,868**	27,760
Contributions to defined contribution plans	**430**	575
	19,298	28,335
Discontinued operations		
Employee benefit expense	**2,711**	1,941
Contributions to defined contribution plans	**111**	51
	2,822	1,992
Total staff costs	**22,120**	30,327
Continuing operations		
Auditor's remuneration	**650**	665
Depreciation		
– Plant and equipment	**646**	777
– Right-of-use assets	**6,303**	6,644
Exchange loss, net	**105**	58
Professional fees	**13,738**	8,741
Underwriting and related expenses	**3,885**	12,300
Write off of plant and equipment	**7**	1,799
Write off of other receivables	**–**	33
Discontinued operations		
Auditor's remuneration	**100**	85
Depreciation		
– Plant and equipment	**347**	232
– Right-of-use assets	**345**	168
Professional fees	**19**	20
Underwriting and related expenses	**–**	14,400

8. INCOME TAX CREDIT

The two-tiered profits tax rates regime has been implemented from 1 April 2018, under which, the profit 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 be continued 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.

For the years ended 30 September 2021 and 2020, Hong Kong Profits Tax has not been provided as the Group incurred a loss for taxation purposes.

The Group's entity established in Canada is subject to Corporate Income Tax of Canada at a statutory rate of 27%. For the year ended 30 September 2021, Corporate Income Tax of Canada has been provided on the Group's estimated assessable profits arising from Canada during the year. For the year ended 30 September 2020, no Corporate Income Tax of Canada has been provided as the entity incurred a loss for taxation purpose.

For the years ended 30 September 2021 and 2020, the Group's entities established in the Cayman Islands and the BVI are exempted from income tax.

For the years ended 30 September 2021 and 2020, for the Group's entity established in the PRC, no Enterprise Income Tax has been provided as the entity incurred a loss for taxation purpose.

	2021	2020
	HK$'000	*HK$'000*
		(Re-presented)
Continuing operations		
Current tax		
Hong Kong Profits Tax		
Overprovision in prior years *(Note)*	**(2,333)**	(230)
Canada Corporate Income Tax		
Current year	**172**	–
Income tax credit for continuing operations	**(2,161)**	(230)
Discontinued operations		
Current tax		
Hong Kong Profits Tax		
Underprovision in prior year	**–**	40
Deferred tax		
Reversal of temporary difference	**–**	(48)
Income tax credit for discontinuing operations *(Note 16)*	**–**	(8)

Note:

Included in the overprovision in the current year is the tax losses of HK$2,333,000 arising in prior years that were not expected to be allowable for deduction of assessable profits subsequently earned. Those tax losses were approved during the year.

9. LOSS PER SHARE

The calculation of the basic and diluted 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:

	2021	2020
	HK$'000	*HK$'000*
Loss		
Loss for the year for the purpose of basic loss per share		
– Continuing operations	**(14,503)**	(35,009)
– Discontinued operations	**(5,585)**	(217)
	(20,088)	(35,226)

	2021	2020
	'000	*'000*
Shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	**521,789**	513,200

Diluted loss per share is not presented as there were no dilutive potential ordinary shares outstanding during the years ended 30 September 2021 and 2020.

10. DIVIDENDS

During the year ended 30 September 2021, the Directors do not declare and pay an interim dividend (2020: nil).

The Board does not recommend the payment of a final dividend for the year ended 30 September 2021 (2020: nil).

11. GOODWILL

Year ended 30 September 2021

	Canada Business CGU *HK$'000* *(Note a)*	Wealth Link Business CGU *HK$'000* *(Note b)*	Total *HK$'000*
Reconciliation of carrying amount			
At the beginning of the reporting period	**5,066**	**7,907**	**12,973**
Impairment loss	**(1,505)**	**(6,044)**	**(7,549)**
Reclassified as assets held for sale *(Note 16)*	**–**	**(1,863)**	**(1,863)**
At the end of the reporting period	**3,561**	**–**	**3,561**
Cost	**23,966**	**–**	**23,966**
Accumulated impairment loss	**(20,405)**	**–**	**(20,405)**
At the end of the reporting period	**3,561**	**–**	**3,561**

Year ended 30 September 2020

	Canada Business CGU *HK$'000* *(Note a)*	Wealth Link Business CGU *HK$'000* *(Note b)*	Total *HK$'000*
Reconciliation of carrying amount			
At the beginning of the reporting period	19,966	–	19,966
Additions	–	7,907	7,907
Impairment loss	(14,900)	–	(14,900)
At the end of the reporting period	5,066	7,907	12,973
Cost	23,966	7,907	31,873
Accumulated impairment loss	(18,900)	–	(18,900)
At the end of the reporting period	5,066	7,907	12,973

Notes:

(a) Canada Business CGU

In April 2018, the Group acquired 100% equity interests in Baron Global Financial Canada Ltd. ("**Baron Canada**") at a consideration of approximately HK$36,900,000 (equivalent to approximately CAD6,150,000). 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 2021, 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 and an impairment loss in respect of corporate finance segment of HK$1,505,000 (2020: HK$14,900,000) was made for the current reporting period.

The recoverable amounts of the Canada Business CGU amounted to approximately HK$10,900,000 (2020: HK$10,600,000) are determined on fair value less costs of disposal.

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

	2021	2020
Control premium*	**25%**	25%
Discount of lack of marketability#	**16%**	16%
Price-to-sales multiples^	**2.68**	1.74
Price-to-book-value multiples^	**4.54**	3.41
Price-to-cashflow multiples^	**8.97**	6.33

* 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 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 40 years 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.

Sensitivity of key assumptions

The management considered that a reasonably possible change in the key assumptions and inputs on the Canada Business CGU would not cause significant additional impairment loss.

(b) Wealth Link Business CGU

In April 2020, the Group acquired 100% equity interests in Wealth Link Securities Limited ("**Wealth Link Securities**") at a consideration of HK$23,402,000. Wealth Link Securities is engaged in the provision of placing and underwriting services, brokerage services in securities and margin financing services in Hong Kong (the "**Wealth Link 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$7,907,000 and was recognised as a goodwill.

During the year ended 30 September 2021, the market became stable under the recovery of COVID-19. Accordingly, market-based approach becomes a more reliable valuation technique to assess the recoverable amount of the Wealth Link Business CGU. Therefore, the Group assessed the recoverable amount of the Wealth Link Business CGU with reference to a business valuation of Wealth Link Securities determined under a market-based approach as stated in a valuation report issued by an independent professional valuer.

During the year, following the management's intention to dispose 85% of the Company's equity interests in Wealth Link Securities at a consideration of HK$14,000,000, an indicator on goodwill impairment was noted as 85% of the net asset value (including goodwill), relating to the acquisition of Wealth Link Securities in 2020, is higher than the consideration. Accordingly, an impairment loss in respect of the Wealth Link Business CGU of HK$6,044,000 was recognised. The recoverable amounts of the Wealth Link Business CGU amounted to approximately HK$15,400,000 are determined on fair value less costs of disposal. The goodwill was subsequently classified under assets held for sale upon the signing of disposal agreement.

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

	2021	2020
Control premium*	**25%**	25%
Discount of lack of marketability#	**16%**	16%
Price-to-sales multiples^	**3.67**	–
Price-to-book-value multiples^	**1.09**	–
Average growth rate	**–**	14.5%
Long-term growth rate	**–**	2.95%
Pre-tax discount rate	**–**	8.39%

* 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 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 40 years 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 Wealth Link Securities.

Sensitivity of key assumptions

The management considered that any reasonably possible change in the key assumptions and inputs on the Wealth Link Business CGU would not cause significant additional impairment loss.

(c) **Other information on fair value measurement**

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

<u>**Fair value hierarchy**</u>	<u>**Valuation technique**</u>	
	2021	2020
Canada Business CGU		
Level 3	**Market-based approach**	Market-based approach
Wealth Link Business CGU		
Level 3	**Market-based approach**	Income approach – Discounted cash flow

12. RIGHT-OF-USE ASSETS

The movements of right-of-use assets within HKFRS 16 during the year ended 30 September 2021 are set out below:

	Office premises
	HK$'000
Reconciliation of carrying amount – year ended 30 September 2020	
At the beginning of the reporting period upon adoption of HKFRS 16	14,579
Additions	177
Additions – acquisition of a subsidiary	230
Rent deduction	(426)
Depreciation	(6,812)
At the end of the reporting period	7,748
Reconciliation of carrying amount – year ended 30 September 2021	
At the beginning of the reporting period	**7,748**
Lease modification *(Note)*	**5,241**
Depreciation	**(6,648)**
Reclassified as assets held for sale *(Note 16)*	**(203)**
At the end of the reporting period	**6,138**
At 30 September 2020	
Cost	14,560
Accumulated depreciation	(6,812)
Net carrying amount	7,748
At 30 September 2021	
Cost	**19,085**
Accumulated depreciation	**(12,947)**
Net carrying amount	**6,138**

Note:

During the year, the lease for the Hong Kong office premises was extended for 1 year.

At the end of the reporting period, the Group leased office premises in Hong Kong and Canada for its daily operations for a term ranging from 2.2 to 10 years with fixed lease payments (2020: 1.6 to 10 years).

The Group has recognised the following amounts for the year:

	2021	2020
	HK$'000	*HK$'000*
Lease payments:		
Continuing operations		
Low-value assets	**19**	23
Short-term leases expenses	**89**	424
	108	447
Discontinued operations		
Low-value assets	**16**	12
Expenses recognised in profit or loss	**124**	459
Lease payments on lease liabilities	**7,298**	7,049
Total cash outflow for leases	**7,422**	7,508

Commitments under operating leases

As at 30 September 2021, the Group was committed to HK$94,000 for short-term leases (2020: HK$27,000).

13. DESIGNATED FVOCI

	2021	2020
	HK$'000	*HK$'000*
Equity securities listed overseas	**2,265**	2,094
Equity securities unlisted overseas	**300**	1,400
	2,565	3,494

At the end of reporting period, the fair value of each investment classified as Designated FVOCI is as follows:

	2021	2020
	HK$'000	*HK$'000*
Equity securities – listed		
Cerro Mining Corporation	**400**	232
Cognetivity Neurosciences Ltd.	**253**	533
Hapbee Technologies Inc. (Listed on 30 October 2020)	**384**	–
Helius Medical Technologies, Inc.	**220**	214
Kiaro Brands Inc. (Listed on 20 October 2020)	**135**	–
Trillium Gold Mines Inc.	**309**	737
Providence Gold Mines Inc.	**90**	126
Vext Science Inc.	**474**	252
	2,265	2,094
Equity securities – unlisted		
Friday's Dog Inc. (formerly known as Cair By David Cosmetics Inc.)	**300**	300
Hapbee Technologies Inc. (Listed on 30 October 2020)	**–**	852
Kiaro Brands Inc. (Listed on 20 October 2020)	**–**	248
	300	1,400
	2,565	3,494

During the year ended 30 September 2021, Designated FVOCI at a carrying amount of HK$1,139,000 (2020: HK$224,000) were disposed of because they no longer matched with the Group's investment strategy. The cumulative gain of HK$257,000 (2020: HK$42,000) that was previously included in the investments revaluation reserve (non-recycling) was transferred directly to retained earnings during the year ended 30 September 2021.

During the year ended 30 September 2021, the fair value gain on Designated FVOCI of HK$211,000 (2020: HK$181,000) was recognised in other comprehensive income.

The fair values of listed and unlisted securities were based on quoted market price and the recent comparable transactions respectively at the end of the reporting period.

14. FINANCIAL ASSETS AT FVPL

	2021	2020
	HK$'000	*HK$'000*
Held for trading		
Derivatives – unlisted options issued by companies listed overseas	**1,061**	582

15. TRADE AND OTHER RECEIVABLES

	Note	2021 HK$'000	2020 HK$'000
Trade receivables			
Trade receivables arising from the business of securities brokerage *(see also Note 16)*			
– Cash clients	*(b)*	–	4,347
– Margin clients	*(c)*	–	993
– Hong Kong Securities Clearing Company Limited		–	6,253
	(a)	–	11,593
Trade receivables arising from the business of corporate finance services		**3,835**	7,769
Less: Loss allowance	*(d)*	**(2,120)**	(3,491)
		1,715	4,278
Total trade receivables		**1,715**	15,871
Prepayment		**205**	1,116
Deposits		**1,684**	2,015
Other receivables		**239**	106
		2,128	3,237
		3,843	19,108

Notes:

(a) No ageing analysis by invoice date is disclosed as in the opinion of the Directors, the ageing analysis does not give additional value in view of the nature of financial services business. The Group offset certain trade receivable and trade payable when the Group currently has a legally enforceable right to set off the balances; and intends to settle on a net basis or to realise the balances simultaneously.

(b) The settlement terms of trade receivables from cash client are usually two days after trade date and bear interest varied between 0.5% and Hong Kong Prime rate +8%. All the trade receivables from cash clients are neither past due nor impaired at 30 September 2020 and the Directors are of the opinion that the amounts are recoverable.

(c) Trade receivables from margin clients are repayable on demand and bear interest varied between 5% and Hong Kong Prime rate +4%, ranging from 5% to 9% per annum for the year ended 30 September 2021. The loans at 30 September 2020 are secured by pledged marketable securities with a total fair value of approximately HK$4,044,000. The Group is permitted to sell or repledge the marketable securities if the customers default on the payment when requested by the Group. During the year ended 30 September 2021 and 2020, no margin loans were granted to the Directors nor directors of subsidiaries.

(d) Loss allowance on trade receivables of approximately HK$2,120,000 (2020: approximately HK$3,491,000) was recognised at the end of the reporting period.

The trade and other receivables are expected to be recovered within one year, except for the deposits of HK$96,000 (2020: HK$2,015,000), which are expected to be recovered after more than one year.

Trade receivables arising from the business of corporate finance services

The settlement terms of trade receivables are determined in accordance with the contract terms, usually within 1 month to 3 months after billing.

The ageing analysis of trade receivables arising from the business of corporate finance services (net of loss allowance) by invoice date is as follows:

	2021	2020
	HK$'000	*HK$'000*
Within 30 days	**1,016**	1,510
31 to 60 days	**245**	195
61 to 90 days	**95**	1,895
Over 90 days	**359**	678
	1,715	4,278

The ageing analysis of trade receivables arising from the business of corporate finance services (net of loss allowance) by due date is as follows:

	2021	2020
	HK$'000	*HK$'000*
Net yet due	**1,206**	1,800
Within 30 days overdue	**150**	283
31 to 60 days overdue	**–**	1,800
61 to 90 days overdue	**160**	–
Over 90 days overdue	**199**	395
	509	2,478
	1,715	4,278

16. DISCONTINUED OPERATIONS

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 Securities, a wholly-owned subsidiary of the Group, for a cash consideration of HK$14,000,000 (the "**Disposal**"). Details of the Disposal have been disclosed in the Company's announcement dated 13 September 2021. During the year ended 30 September 2021, the Group has received refundable deposits of HK$2,000,000. The Disposal would cause the Group's entire brokerage and margin financing business and partial of corporate finance business to be discontinued. The Disposal was not yet completed as at the date of this announcement.

The results of Wealth Link Securities for the year/period ended 30 September 2021 and 2020 are analysed as follows:

	Note	**Year ended 30 September 2021** *HK$'000*	Period from 1 April 2020 (date of acquisition) to 30 September 2020 *HK$'000*
Revenue	*4*	**6,294**	17,394
Other income, net	*5*	**203**	191
Provision for impairment loss in respect of goodwill	*11*	**(6,044)**	–
Administrative expenses and other operating expenses		**(6,027)**	(17,801)
Finance costs	*6*	**(11)**	(9)
Loss before tax	*7*	**(5,585)**	(225)
Income tax credit	*8*	**–**	8
Loss for the year		**(5,585)**	(217)

The major assets of Wealth Link Securities were classified as assets held for sale in accordance with HKFRS 5. The major classes of assets and liabilities of Wealth Link Securities held for sale measured at the lower of carrying amount and fair value less costs to sell at the end of the reporting period are as follows:

	Note	*HK$'000*
Goodwill	*11*	1,863
Property and equipment		115
Intangible assets		500
Right-of-use assets	*12*	203
Other deposits		205
Trade receivables arising from the business of securities brokerage		
– Cash clients		2,267
– Margin client		1,941
Other receivables		178
Bank balances – client accounts		13,678
Bank balances – general accounts and cash		9,654
Total assets classified as held for sale		30,604
Trade payables arising from the business of dealing in securities		14,745
Other payables		255
Lease liabilities		205
Total liabilities associated with assets classified as held for sale		15,205

The cash flow information of Wealth Link Securities is as follows:

	Year ended 30 September 2021 ***HK$'000***	Period from 1 April 2020 (date of acquisition) to 30 September 2020 *HK$'000*
Net cash flow from (used in) operating activities	**1,676**	(2,625)
Net cash flow from investing activities	**690**	244
Net cash flow used in financing activities	**(1,556)**	(178)
Net increase (decrease) in cash and cash equivalents	**810**	(2,559)

The loss per share information of Wealth Link Securities is as follows:

	Year ended 30 September 2021 *HK Cents*	Period from 1 April 2020 (date of acquisition) to 30 September 2020 *HK Cents*
Loss per share for Wealth Link Securities		
Basic and diluted	**(1.07)**	(0.04)

The basic and diluted loss per share for Wealth Link Securities are calculated by dividing the loss for the year/period of Wealth Link Securities by the weighted average number of ordinary shares for basic loss per share computation and weighted average number of ordinary shares for diluted loss per share computation respectively. The denominators used are the same as those detailed in note 9 in this announcement.

17. TRADE AND OTHER PAYABLES

	Note	**2021** *HK$'000*	2020 *HK$'000*
Trade payable arising from the business of dealing in securities *(see also Note 16)*			
– Cash clients	*(b)*	–	33,324
– Margin clients	*(c)*	–	8
	(a)	–	33,332
Other payables			
Accrual and other payables		**4,647**	3,060
Contract liabilities	*(d)*	**367**	–
Deferred income – government subsidies		–	141
		5,014	3,201
		5,014	36,533

Notes:

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

(b) The normal settlement terms of trade payables to cash clients are repayable on demand.

(c) Trade payables to securities margin clients are repayable on demand.

(d) The movements (excluding those arising from increases and decreases both occurred within the same year) of contract liabilities from contracts with customers within HKFRS 15 during the year are as follows:

	2021	2020
	HK$'000	*HK$'000*
At the beginning of the reporting period	**–**	–
Receipt in advance	**367**	–
At the end of the reporting period	**367**	–

At the end of the reporting period, all (2020: none) of the contract liabilities are expected to be recognised as revenue within 12 months.

18. LOAN PAYABLES

		2021	2020
	Note	***HK$'000***	*HK$'000*
Non-current liabilities			
Government loan	*(a)*	**360**	240
Current liabilities			
Loans from a director	*(b)*	**2,000**	2,500

Notes:

(a) In 2020, Baron Canada obtained a government loan of CAD40,000 (equivalent to approximately HK$240,000) from the Canadian Government due to COVID-19 pandemic. During the year, an additional government loan of CAD20,000 (equivalent to approximately HK$120,000) was obtained from the Canadian Government. The amounts were unsecured, interest-free and repayable on 31 December 2022.

(b) The amount was unsecured, interest-free (2020: interest-bearing at 2% per annum) and repayable on demand.

19. SHARE CAPITAL

	2021		2020	
	No. of shares	***HK$'000***	No. of shares	*HK$'000*
Authorised				
At the beginning and end 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
Issued and fully paid				
At the beginning of the reporting period	**513,200,000**	**5,132**	513,200,000	5,132
Issue of new shares *(Note)*	**33,000,000**	**330**	–	–
At the end of the reporting period (at par value of HK$0.01 per share)	**546,200,000**	**5,462**	513,200,000	5,132

Note:

In June 2021, the Company entered into a share subscription agreement with a third-party investor to allot and issue 33,000,000 ordinary shares at the subscription price of HK$0.15 per subscription share. The issue of shares was completed in June 2021. The issued ordinary share capital and share premium of the Company increased from HK$5,132,000 to HK$5,462,000 and HK$70,935,000 to HK$75,555,000 respectively upon completion of transaction. The proceeds of HK$4,950,000, net of subscription expense of HK$14,000, were used for providing general working capital of the Group.

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

20. 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.

(d) Investment revaluation reserve (non-recycling)

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

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in the provision of (i) corporate finance advisory services; (ii) placing and underwriting services; (iii) business consultancy services; (iv) securities brokerage and margin financing; and (v) asset management services.

Corporate finance advisory

The Group's corporate finance advisory business is operated by its wholly-owned subsidiary VBG Capital Limited ("**VBG Capital**"), a licensed corporation under the Securities and Futures Ordinance (the "**SFO**") (Chapter 571 of the Laws of Hong Kong) 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.

Placing and underwriting

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.

Business consulting

The Group's business consulting business is operated primarily by its wholly-owned subsidiary in Canada, Baron Canada. The Group's business consulting business includes reviewing potential customers' business, capital structure and corporate strategic plans, advising on financial reporting, corporate management, internal control and corporate governance, and advising on mergers and acquisitions, to listed companies and private companies and potential listing applicants.

Securities brokerage and margin financing

The Group expanded its business to securities trading by acquiring a 100% equity interest in 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 in 2019. The acquisition was completed on 1 April 2020, and Wealth Link Securities has become a direct wholly-owned subsidiary of the Company since then. Details of the acquisition were set out in the Company's announcement dated 11 June 2019 and the circular dated 23 September 2019. Through Wealth Link Securities, the Group provides securities trading, margin financing and online trading services.

Asset management

The Group established asset management business under VBG Asset Management Limited ("**VBG Asset Management**"), a licensed corporation under the SFO to carry on Type 4 (advising on securities) and Type 9 (asset management) regulated activities in 2019. 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. During the year ended 30 September 2021, the corporate finance advisory business accounted for approximately 47.3% of the Group's total revenue. The Group's other businesses, namely, (i) placing and underwriting services; (ii) business consultancy services; (iii) securities brokerage and margin financing; and (iv) asset management services, accounted for approximately 28.6%, 20.6%, 3.3% and 0.2% of its total revenue during the year 30 September 2021, respectively.

Acquisition of the entire issued shares of APEC GROUP INTERNATIONAL LIMITED ("APECGIL")

On 11 June 2021, the Company as purchaser entered into an agreement (the "**Agreement**") with LUCK ACHIEVE DEVELOPMENTS LIMITED ("**Luck Achieve**") as vendor and Mr. Li Man Keung Edwin as guarantor for the acquisition (the "**Acquisition**") of the entire issued shares of APECGIL at a consideration (the "**Consideration**") of HK$40,000,000. APECGIL and its subsidiaries are engaged in the provision of ESG advisory services, corporate secretarial services, accounting and taxation services, risk management and internal control advisory services, recruitment agency services and I.T. services in Hong Kong. Subject to and conditional upon completion of the Acquisition in accordance with the terms of the Agreement, the Company will issue and allot 50,000,000 new shares (the "**Consideration Shares**") at an issue price of HK$0.20 per Consideration Share to Luck Achieve (or its nominee(s)) to settle the amount of HK$10,000,000 of the Consideration in accordance with the terms of the Agreement. Subject to and conditional upon completion of the Acquisition in accordance with the terms of the Agreement, the Company will create and issue the convertible note (the "**Convertible Note**") in an aggregate principal amount of HK$30,000,000, and the Company will issue and allot 150,000,000 new shares (the "**Conversion Shares**") upon full conversion of the Convertible Note at a conversion price of HK$0.20 per Conversion Share to Luck Achieve (or its nominee(s)) to settle the remaining amount of HK$30,000,000 of the Consideration in accordance with the terms of the Agreement. Completion of the Acquisition took place on 1 November 2021. The Company expects that the Acquisition will create synergy with the Group's current business; diversify the Group's revenue source; and expand the Group's client base, which will enable the Group to transform to a provider of extensive financial and consulting services. Details of the Acquisition were disclosed in the announcement of the Company dated 11 June 2021 and the circular of the Company dated 30 September 2021.

Strategic framework of cooperation memorandum of understanding (the "MOU")

On 28 June 2021, the Company entered into the MOU with APECGIL, Cornerstone Renewable Energy Limited, CHUN YANG INTERNATIONAL (HK) COMPANY LIMITED and HK RECYCLING CHAMBER OF COMMERCE LIMITED. According to the MOU, a one-stop sustainability service platform will be established utilizing the financial expertise of the Group and APECGIL and the expertise in environmental protection, recycling and renewable energy of the other parties to provide diversified ESG services including consultancy, green finance, sustainability strategy and environmental consultancy services. Details of the MOU were disclosed in the announcement of the Company dated 29 June 2021.

Disposal of 85% equity interest in Wealth Link Securities Limited ("Wealth Link Securities")

On 13 September 2021, the Company as seller entered into a disposal agreement (the "**Disposal Agreement**") with JUMBO HARVEST GROUP LIMITED (a wholly-owned subsidiary of Trendzon Holdings Group Limited, the shares of which are listed on the Stock Exchange (stock code: 1865)) as purchaser (the "**Purchaser**"), pursuant to which the Company has conditionally agreed to dispose of, and the Purchaser has conditionally agreed to acquire, 14,450,000 shares representing 85% of all the issued shares in the share capital of Wealth Link Securities, a wholly-owned subsidiary of the Company, at a consideration of HK$14,000,000 to be paid and settled in cash. The Company acquired Wealth Link Securities in 2019 in the anticipation that Wealth Link Securities would enable the Group to further expand or develop its placing and underwriting business for its IPO clients and their subsequent placement. However, since the completion of the acquisition of Wealth Link Securities, against the backdrop of a weak IPO market for small cap IPO companies, which is the sector that the Company focuses on, the placing and underwriting engagements for small cap IPO companies as originally envisaged at the time of the acquisition of Wealth Link Securities have not materialised. The Directors considered that in view of the regulatory requirements for Type 1 (advising on securities) regulated activity under the SFO are becoming increasingly challenging, and having considered that the IPO market for small cap IPO companies may not improve as expected, the Disposal will enable the Group to streamline its operation associated with Wealth Link Securities with the view to reducing the Group's operational costs and improve the efficient use of its capital and cash-flow resources. As at the date of this announcement, completion of the Disposal does not take place. Details of the Disposal were disclosed in the announcement of the Company dated 13 September 2021.

Subscription of shares of Cornerstone Technologies Holdings Limited ("Cornerstone Technologies")

On 29 November 2021, the Company as subscriber entered into the subscription agreement with Cornerstone Technologies (a company listed on GEM, stock code: 8391) as issuer, pursuant to which the Company has conditionally agreed to subscribe for, and Cornerstone Technologies has conditionally agreed to issue and allot, an aggregate of 8,000,000 new shares at the subscription price of HK$0.62 per share to the Company (the "**Share Subscription**"). Completion of the Share Subscription took place on 6 December 2021.

FINANCIAL REVIEW (CONTINUING AND DISCONTINUED OPERATIONS)

Revenue

For the year ended 30 September 2021, the Group's total revenue decreased by approximately 40.7% to approximately HK$37.2 million (2020: approximately HK$62.7 million) primarily attributable to a decrease in contribution from the Group's provision of placing and underwriting services from approximately HK$34.8 million for the year ended 30 September 2020 to approximately HK$10.6 million for the year ended 30 September 2021.

For the year ended 30 September 2021, the Group's revenue generated from the provision of corporate finance advisory services decreased by approximately 19.6% to approximately HK$17.6 million (2020: approximately HK$21.9 million), accounting for approximately 47.3% of the Group's total revenue (2020: approximately 34.9%). Such decrease was primarily attributable to (i) a decrease in revenue generated from acting as financial adviser and as independent financial adviser of approximately HK$2.3 million and (ii) a decrease in revenue generated from acting as sponsor of approximately HK$1.6 million for the year ended 30 September 2021.

For the year ended 30 September 2021, the Group's revenue generated from the provision of placing and underwriting services decreased by approximately 69.5% to approximately HK$10.6 million (2020: approximately HK$34.8 million) primarily attributable to a decrease in the size of placing and underwriting engagements handled by the Group in terms of transaction value from approximately HK$523.0 million for the year ended 30 September 2020 to approximately HK$267.4 million for the year ended 30 September 2021.

For the year ended 30 September 2021, the Group's revenue generated from the provision of business consultancy services increased by approximately 42.6% to approximately HK$7.7 million (2020: approximately HK$5.4 million). The increase is mainly attributable to the recognition of an income of approximately HK$1.8 million from business consulting services provided to the subsidiary of a Hong Kong listed company during the year ended 30 September 2021.

For the year ended 30 September 2021, the Group's revenue generated from securities brokerage and margin financing amounted to approximately HK$1.2 million (2020: approximately HK$591,000) under Wealth Link Securities.

For the year ended 30 September 2021, the Group's revenue generated from the provision of asset management services amounted to approximately HK$98,000 (2020: nil) under VBG Asset Management.

Other income

The Group's other income mainly represented government subsidies in relation to the COVID-19 pandemic, net unrealised gain on financial assets at FVPL and loan interest income. The other income decreased by approximately 14.3%, from approximately HK$2.8 million for the year ended 30 September 2020 to approximately HK$2.4 million for the year ended 30 September 2021, mainly resulting from the combined effect of (i) a decrease in government subsidies of approximately HK$556,000; (ii) an increase in net unrealised gain on financial assets at FVPL of approximately HK$599,000; and (iii) a decrease in other payables written back of approximately HK$307,000.

Administrative expenses and other operating expenses

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

The Group's administrative expenses and other operating expenses decreased by approximately HK$28.3 million, or approximately 34.4%, from approximately HK$82.3 million for the year ended 30 September 2020 to approximately HK$54.0 million for the year ended 30 September 2021. Such decrease was mainly attributable to the combined effect of (i) a decrease in staff costs and related expenses to approximately HK$22.1 million (2020: approximately HK$30.3 million) due to a reduction in headcount of the Group; (ii) a decrease in underwriting and related expenses to approximately HK$3.9 million (2020: approximately HK$26.7 million) due to a reduction in the size of placing and underwriting engagements in terms of transaction value handled by the Group during the year ended 30 September 2021; and (iii) an increase in professional fees to approximately HK$13.8 million (2020: approximately HK$8.8 million) for the year ended 30 September 2021.

Finance costs

The Group's finance costs decreased to approximately HK$727,000 for the year ended 30 September 2021 from approximately HK$836,000 for the year ended 30 September 2020, mainly resulting from a reduction in the balance of lease liabilities as at 30 September 2021.

Income tax credit

The Group's income tax credit increased to approximately HK$2.2 million for the year ended 30 September 2021 from approximately HK$230,000 for the year ended 30 September 2020, mainly resulting from over-provision of tax expenses in prior years.

Loss for the year

As a result of foregoing, the Group recorded a loss of approximately HK$20.1 million for the year ended 30 September 2021 as compared to a loss of approximately HK$35.2 million for the year ended 30 September 2020.

Net loss margin

For the year ended 30 September 2021, the Group's net loss margin ratio was approximately 54.0% (2020: approximately 56.2%).

LIQUIDITY AND CAPITAL RESOURCES

During the year ended 30 September 2021, the Group's working capital and other capital needs were principally financed by internal resources.

As at 30 September 2021, all of the Group's cash and cash equivalents were held in Hong Kong dollars, except an amount of approximately HK$5.2 million and HK$527,000, in CAD and RMB, respectively, for settling the operating expenses of the subsidiary in Canada and the PRC.

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

Bank borrowings

Save for the government loan and loan from a director as disclosed in note 18 to the consolidated financial statements in this announcement, the Group had no banking facilities and no borrowings as at 30 September 2021 (2020: nil).

Charge on assets

The Group did not have any charges on its assets as at 30 September 2021 (2020: nil).

Contingent liabilities

The Group did not have any material contingent liabilities as at 30 September 2021 (2020: nil).

Current ratio

As at 30 September 2021, the Group's current ratio was approximately 1.9 times (2020: approximately 1.6 times).

Gearing ratio

The Group's gearing ratio, calculated by dividing total interest-bearing borrowings by equity of the Group, was approximately 17.5% as at 30 September 2021 (2020: approximately 20.6%).

Capital structure

The Group's equity consists only of ordinary shares.

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 fair value through profit or loss for the purposes of maintaining the Group's solid and healthy liquidity position.

RISK EXPOSURE

The Board believes that all the major risk factors relevant to the Group have already been listed in the section headed "Risk factors" of the prospectus of the Company dated 15 May 2017 (the "**Prospectus**"). Please refer thereto for more information.

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 and RMB are insignificant. For the year ended 30 September 2021, the Group did not have any derivatives for hedging against the foreign exchange rate risk. The Directors will continue to monitor the foreign exchange exposure and will consider appropriate action to mitigate such risk, when necessary.

OUTLOOK AND PROSPECTS

Despite the uncertainty as to when the COVID-19 pandemic might come to an end, the business environment should improve in 2022 relative to 2021. The Company will continue to seek business opportunities for its corporate finance advisory and placing and underwriting businesses. The Company's acquisition of the APECGIL is expected to create synergy with the Group's current business and diversify the Group's revenue source; and expand the Group's client base, enabling the Group to transform to a provider of extensive financial and consulting services.

Future plan for material investments or capital assets

The Group did not have any future plans for material investments or capital assets as at 30 September 2021.

Use of proceeds from subscription of new shares under general mandate

On 15 June 2021, the Company as issuer entered into the subscription agreement (the "**Subscription Agreement**") with GREAT WIN GLOBAL LIMITED ("**Great Win**") as subscriber, pursuant to which Great Win conditionally agreed to subscribe for, and the Company conditionally agreed to issue and allot, an aggregate of 33,000,000 new shares of the Company at the subscription price of HK$0.15 per subscription share under the general mandate granted to the Directors by the shareholders of the Company at the annual general meeting of the Company held on 29 January 2021 (the "**Subscription**"). The aggregate nominal value of the subscription shares issued is HK$330,000. The closing price quoted on the Stock Exchange per ordinary share of the Company as at the date of the Subscription Agreement was HK$0.18. The gross proceeds from the Subscription is HK$4,950,000 and the net proceeds from the Subscription is approximately HK$4,936,000 after deducting the related expenses. The net issue price was approximately HK$0.15 per subscription share. The Directors consider that the Subscription represents a good opportunity to strengthen the capital base of the Company. Completion of the Subscription took place on 28 June 2021. The Company intended to apply the proceeds from the Subscription as general working capital of the Group. Details of the Subscription were disclosed in the announcement of the Company dated 15 June 2021.

As at 30 September 2021, the net proceeds from the Subscription were fully utilised.

Material acquisitions and disposals of subsidiaries

Save and except the transactions referred to in the sections headed "**Acquisition of the entire issued shares of APEC GROUP INTERNATIONAL LIMITED ("APECGIL")**" and "**Disposal of 85% equity interest in Wealth Link Securities Limited ("Wealth Link Securities")**", the Group did not have any material acquisitions and disposal of subsidiaries during the year ended 30 September 2021.

Significant investments held

Save for the overseas listed and unlisted equity securities and the unlisted options as disclosed in note 13 and note 14 to the consolidated financial statements in this announcement, the Group did not hold any significant investments as at 30 September 2021.

OTHER INFORMATION

Profit guarantee in relation to the acquisition of the entire issued shares of Wealth Link Securities as stated in the announcement of the Company dated 23 April 2021

Reference is made to the announcement of the Company referred to above in respect of the profit guarantee relating to the Company's acquisition of the entire issued shares of Wealth Link Securities. Unless otherwise stated, capitalised terms used below shall have the same meanings as those defined in the announcement referred to above. As stated in the announcement referred to above, the Seller guarantees to the Company that the net profit after tax of Wealth Link Securities for the period commencing on the Completion Date and ending on the first anniversary of the Completion Date (the "**Period**"), both days inclusive, shall not be less than HK$2,000,000. The performance of Wealth Link Securities was satisfactory and that based on Wealth Link Securities' management accounts for the Period, the guaranteed net profit has been fulfilled.

Profit guarantee in relation to the acquisition of the entire issued shares of APECGIL as stated in the announcement (the "Announcement") of the Company dated 11 June 2021 and the circular (the "Circular") of the Company dated 30 September 2021

Reference is made to the Announcement and the Circular in respect of the Company's acquisition of the entire issued shares of APECGIL. Unless otherwise stated, capitalised terms used below shall have the same meanings as those defined in the Announcement and the Circular. Completion of the Company's acquisition of APECGIL took place on 1 November 2021 (the "**Completion Date**"). As stated in the Announcement and the Circular, the Vendor guarantees to the Company that the net profit after tax of APECGIL for each of (i) the one (1) year period commencing on the Completion Date (the "**1st Profit Guarantee Period**") and (ii) the one (1) year period commencing on the day immediately following the last day of the 1st Profit Guarantee Period (the "**2nd Profit Guarantee Period**") as stated in APECGIL's management accounts shall not be less than HK$5,000,000. The Company will disclose in its annual report for each of the year ending 30 September 2022 and the year ending 30 September 2023 whether such guarantee in respect of the 1st Profit Guarantee Period and the 2nd Profit Guarantee Period is satisfied respectively.

Change of company name, amendments to the existing amended and restated memorandum and articles of association and the adoption of the second amended and restated memorandum and articles of association of the Company

On 2 September 2021, the Company announced that it proposed to (i) change the name of the Company from "VBG International Holdings Limited" to "Hatcher Group Limited" (the "**Proposed Change of Company Name**") and adopt the Chinese name of "亦辰集團有限公司" to replace its existing Chinese name of "建泉國際控股有限公司" for identification purposes; (ii) amend the existing amended and restated memorandum and articles of association; and (iii) adopt a second amended and restated memorandum and articles of association of the Company containing the Proposed Change of Company Name and certain other miscellaneous housekeeping amendments. The Board considers that the

Proposed Change of Company Name will better reflect its direction of future development. The Board believes that the new name can provide the Company with a more appropriate corporate image and identity which will benefit the Company's business development and is in the best interests of the Company and shareholders as a whole. The Proposed Change of Company Name will not affect the rights of any shareholder or the Company's daily business operation and its financial position. All existing share certificates of the Company in issue bearing the existing name of the Company will, upon the Proposed Change of Company Name becoming effective, continue to be valid evidence of legal title to the shares of the Company and will continue to be valid for trading, settlement, registration and delivery purposes. On 22 October 2021, the Proposed Change of Company Name became effective. Details of the Proposed Change of Company Name were disclosed in the announcements of the Company dated 2 September 2021 and 16 November 2021.

Employees and remuneration policies

As at 30 September 2021, the Group employed a total of 32 employees (2020: 48). For the year ended 30 September 2021, employee benefits costs of the Group (including the Directors' emoluments) were approximately HK$22.1 million (2020: approximately HK$30.3 million). Employees' remuneration is determined with reference to market terms and the performance, qualifications and experience of employees. Apart from basic remuneration, the Company may grant share options under the share option scheme (please refer to the disclosure in the section headed "Appendix IV – Statutory and general information" of the Prospectus) 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 ended 30 September 2021, the revenue attributable to the Group's largest customer accounted for approximately 32.7% (2020: approximately 23.7%) of the Group's total revenue and the revenue attributable to the Group's top five largest customers accounted for approximately 51.6% (2020: approximately 62.1%) 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.

LITIGATION UPDATE

Reference is made to the section headed "LITIGATION" on page 13 of the Company's annual report for the year ended 30 September 2020 (the "**2020 Annual Report**"). Unless otherwise stated, capitalised terms used below shall have the same meanings as those defined in the 2020 Annual Report. In May 2021, a settlement was reached between the Company as the defendant and Innovax as the plaintiff in relation to the claim made by Innovax against the Company under the Writ of Summons, pursuant to which the Company had paid Innovax a sum of HK$300,000 (inclusive of interests) in full and final settlement of Innovax's claim. On 8 June 2021, Innovax filed a notice of discontinuance with the Court wholly discontinuing its legal action against the Company.

DIVIDEND

The Board did not recommend the payment of a final dividend for the year ended 30 September 2021 (2020: nil).

ANNUAL GENERAL MEETING

The annual general meeting (the "**AGM**") of the Company for the year ended 30 September 2021 will be held at Room 2402, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on Friday, 25 February 2022 at 10:30 a.m. The notice of AGM together with a form of proxy will be published on the Company's website at www.vbg-group.com and the GEM website at www.hkgem.com and despatched to the shareholders of the Company on or about 21 December 2021.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 22 February 2022 to Friday, 25 February 2022, both days inclusive, for the purposes of determining the entitlements of the shareholders to attend and vote at the AGM. During this closure period, no transfer of Shares will be registered. In order to qualify for attending and voting at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration by no later than 4:30 p.m. on Monday, 21 February 2022.

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

During the year ended 30 September 2021, 33,000,000 new ordinary shares of the Company were issued and allotted to GREAT WIN GLOBAL LIMITED as subscriber at a subscription price of HK$0.15 per share. Details of the share allotment were disclosed in the announcement of the Company dated 15 June 2021.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the year ended 30 September 2021 and up to the date of this announcement and neither the Company nor any of its subsidiaries had issued or granted any convertible securities, options, warrants or similar rights or exercise any conversion or subscription rights under any convertible securities, options, warrants or similar rights during the year ended 30 September 2021 and up to the date of this announcement.

CORPORATE GOVERNANCE

The Company has not engaged in any activities falling under the continuing disclosure requirements pursuant to the Rules 17.22 and 17.24 of the GEM Listing Rules.

During the year ended 30 September 2021 and up to the date of this announcement, the Board has reviewed the Group's corporate governance practices and is satisfied that the Group has complied with the code provisions of the Corporate Governance Code (the "**Code**") as set out in Appendix 15 to the GEM Listing Rules.

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 C.3.3 of the 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. Kam Cheuk Fai David and Mr. William Robert Majcher. The primary duty of the Audit Committee is to review and supervise the Company's financial reporting process, the risk management and internal control systems of the Group and the monitoring of continuing connected transactions.

Pursuant to code provision C.3.3 of the Code, the Audit Committee together with the management of the Company have reviewed the financial reporting matters including the review of the annual results of the Group for the year ended 30 September 2021 and confirmed that the preparation of such complied with applicable accounting principles and practices adopted by the Company and the requirements of the Stock Exchange, and adequate disclosure had been made. The Audit Committee also reviewed the effectiveness of the risk assessment and internal control systems of the Group.

SCOPE OF WORK OF MAZARS CPA LIMITED

The figures in respect of the Company's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 30 September 2021 as set out in the preliminary announcement have been agreed by the Company's auditor, Mazars CPA Limited ("**Mazars**"), to the amounts set out in the Company's audited consolidated financial statements for the year. The work performed by Mazars in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Mazars on the preliminary announcement.

BOARD OF DIRECTORS

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

Executive Directors:
Ms. Wan Ho Yan Letty *(Chairperson)*
Mr. Hui Ringo Wing Kun
Mr. Yeung Chun Yue David

Non-executive Director:
Mr. Wan Chuen Fai

Independent Non-executive Directors:
Mr. Kam Cheuk Fai David
Mr. William Robert Majcher
Mr. Ho Lik Kwan Luke

By Order of the Board
Hatcher Group Limited
Wan Ho Yan Letty
Chairperson

Hong Kong, 10 December 2021

This announcement will remain on the GEM website at www.hkgem.com on the "Latest Listed Company Information" page for at least seven days from the day of its posting. This announcement will also be published and remains on the Company's website at www.vbg-group.com.