Hatcher Group Limited
亦辰集團有限公司*

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

**For identification purpose only*

Annual Report
2021 – 2022

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Li Man Keung Edwin
(Executive Chairman)
(appointed as Executive Director and Executive Chairman on 25 January 2022)
Mr. Hui Ringo Wing Kun
(Chief Executive Officer) (appointed and resigned as Chairman on 1 January 2022 and 25 January 2022 respectively. Appointed as Chief Executive Officer on 25 January 2022)
Mr. Yeung Chun Yue David *(Vice Chairman)*
(appointed as Vice Chairman on 25 January 2022)
Ms. Wan Ho Yan Letty *(Chairperson)*
(resigned as Executive Director and Chairperson on 1 January 2022)

Non-Executive Director

Mr. Wan Chuen Fai
(resigned on 1 January 2022)

Independent Non-Executive Directors

Mr. William Robert Majcher
Mr. Ho Lik Kwan Luke
Mr. Lau Pak Kin Patric
(appointed on 1 January 2022)
Mr. Kam Cheuk Fai David
(resigned on 1 January 2022)

BOARD COMMITTEES

Audit Committee

Mr. Ho Lik Kwan Luke *(Chairman)*
Mr. William Robert Majcher
Mr. Lau Pak Kin Patric
(appointed on 1 January 2022)
Mr. Kam Cheuk Fai David
(resigned on 1 January 2022)

Nomination Committee

Mr. William Robert Majcher *(Chairman)*
Mr. Ho Lik Kwan Luke
Mr. Lau Pak Kin Patric
(appointed on 1 January 2022)
Mr. Kam Cheuk Fai David
(resigned on 1 January 2022)

Remuneration Committee

Mr. Lau Pak Kin Patric *(Chairman)*
(appointed on 1 January 2022)
Mr. Hui Ringo Wing Kun
Mr. William Robert Majcher
Mr. Ho Lik Kwan Luke
Mr. Kam Cheuk Fai David *(Chairman)*
(resigned on 1 January 2022)

COMPLIANCE OFFICER

Mr. Hui Ringo Wing Kun

COMPANY SECRETARY

Mr. Yeung Chun Yue David
(appointed on 1 April 2022)
Mr. Lo Tsz Kit Harry
(resigned on 1 April 2022)

AUTHORIZED REPRESENTATIVES

Mr. Hui Ringo Wing Kun
Mr. Yeung Chun Yue David
(appointed on 1 April 2022)
Mr. Lo Tsz Kit Harry
(resigned on 1 April 2022)

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

Corporate Information

REGISTERED OFFICE

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

AUDITOR

Mazars CPA Limited
42/F., Central Plaza
18 Harbour Road
Wanchai
Hong Kong

TRADING STOCK CODE

8365

COMPANY WEBSITE

www.hatcher-group.com

Financial Highlights

– On 1 November 2022, the Company successfully completed the acquisition of a 100% equity interest in of Earning Joy Development Limited ("**Earning Joy**"). Earning Joy and its subsidiaries are principally engaged in the provision of accounting, taxation and business consultancy services in the PRC. Upon completion of the acquisition, Earning Joy has become a direct wholly-owned subsidiary of the Company.

– The Company and its subsidiaries (the "**Group**") recorded a revenue of approximately HK$73.0 million for the year ended 30 September 2022, representing an increase of approximately 96.2% when compared with a revenue of approximately HK$37.2 million for the year ended 30 September 2021.

– The Group recorded a loss of approximately HK$8.2 million for the year ended 30 September 2022 compared with a loss of approximately HK$20.1 million for the year ended 30 September 2021. The decrease in loss for the year ended 30 September 2022 was mainly attributable to the combined effect of (i) an increase in the Group's revenue as a result of the revenue contribution from APEC GROUP INTERNATIONAL LIMITED ("**APECGIL**") of approximately HK$48.9 million since its acquisition by the Company on 1 November 2021 and up to 30 September 2022; (ii) an increase in administrative expenses and other operating expenses; and (iii) an increase in finance costs as compared to the year ended 30 September 2021.

– The basic and diluted loss per share attributable to the owners of the Company for the year ended 30 September 2022 was approximately HK1.24 cents (2021: approximately HK3.85 cents).

– The board of Directors (the "**Board**") did not recommend the payment of a final dividend for the year ended 30 September 2022 (2021: nil).

Chairman's Statement

Dear Shareholders,

On behalf of the board of Directors (the "**Board**") of Hatcher Group Limited (the "**Company**"), I am pleased to present to you the annual report of the Company and its subsidiaries (collectively the "**Group**") for the year ended 30 September 2022.

REVIEW

On 13 September 2021, the Company entered into an agreement for the disposal of its 85% equity interest in Wealth Link Securities Limited ("**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 Securities and Futures Commission has approved the change in substantial shareholders of Wealth Link Securities on 12 December 2022 and the Directors expected that the disposal will be completed by 31 December 2022.

On 1 November 2022, the Company successfully completed the acquisition of a 100% equity interest in Earning Joy Development Limited ("**Earning Joy**"). Earning Joy and its subsidiaries are principally engaged in the provision of accounting, taxation and business consultancy services in the PRC. The acquisition of Earning Joy shall create synergy with our current business and enhance our strategy of becoming an integrated one-stop financial services provider. Upon completion of the acquisition, Earning Joy has become a direct wholly-owned subsidiary of the Company.

For the year ended 30 September 2022, the Group recorded a loss of approximately HK$8.2 million compared to a loss of approximately HK$20.1 million for the year ended 30 September 2021. The decrease in loss for the year ended 30 September 2022 was mainly attributable to the combined effect of (i) an increase in the Group's revenue as a result of the revenue contribution from APECGIL of approximately HK$48.9 million since its acquisition by the Company on 1 November 2021 and up to 30 September 2022; (ii) an increase in administrative expenses and other operating expenses; and (iii) an increase in finance costs as compared to the year ended 30 September 2021. The Group's revenue increased by approximately 96.2% to approximately HK$73.0 million for the year ended 30 September 2022 as compared to the Group's revenue of approximately HK$37.2 million for the year ended 30 September 2021 primarily attributable to the aforementioned reason.

OUTLOOK

With an expected better business environment in 2023 relative to 2022, the Group will continue to seek business opportunities for our licensed business and non-licensed business. Apart from the acquisition of APECGIL and Earning Joy, 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 due to the recent relaxed quarantine measures in the PRC and the opportunities arising from the Greater Bay Area.

Chairman's Statement

APPRECIATION

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

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

Hong Kong, 19 December 2022

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, asset management services and securities brokerage and margin financing ("**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 its wholly-owned subsidiaries:

VBG Capital Limited ("**VBG Capital**")	A licensed corporation under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**") to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. The Group's corporate finance advisory services include (i) acting as sponsor in IPO exercises, advising companies on compliance requirements and acting as compliance adviser to listed companies post-IPO; (ii) acting as financial adviser in transactions or compliance matters under the Rules Governing the Listing of Securities on the Stock Exchange, the GEM Listing Rules and/or the Codes on Takeovers and Mergers and Share Buy-backs; and (iii) acting as independent financial adviser to the independent board committees and independent shareholders of listed companies. Through VBG Capital, the Group acts as placing agent, lead manager and/or underwriter in primary and/or secondary market equity fund-raising exercises of listed companies.
VBG Asset Management Limited	A licensed corporation under the SFO to carry on Type 4 (advising on securities) and Type 9 (asset management) regulated activities. The Group's asset management services include providing advisory services for equity securities, fixed income securities, real estate securities, mutual funds and discretionary portfolio management services for professional clients.

Corporate finance advisory business continues to be the core business of the Group's Licensed Business. During the year ended 30 September 2022 (the "**Year**"), corporate finance advisory business accounted for approximately 15.2% of the Group's total revenue. The Group's other Licensed Businesses, namely, (i) placing and underwriting services and (ii) asset management services, accounted for approximately 2.1% and 0.4% of its total revenue during the Year, respectively.

Management Discussion and Analysis

Non-Licensed Business

The Group's Non-Licensed Businesses and operations in respect of the provision of business consulting services, ESG advisory services, corporate secretarial services, accounting and taxation services, risk management and internal control advisory services, and human resources services are carried out under its wholly-owned subsidiaries in Hong Kong, APEC GROUP INTERNATIONAL LIMITED ("**APECGIL**") and VBG Asia Limited ("**VBG Asia**"); and its wholly-owned subsidiary in Canada, Baron Global Financial Canada Ltd. During the Year, business consulting services accounted for approximately 44.4% 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 16.6%, 4.6%, 9.6%, 1.4% and 4.6% of its total revenue during the Year, respectively.

(ii) Discontinued Operations

Licensed Business

The Group expanded its business to securities brokerage and margin financing by acquiring a 100% equity interest in Wealth Link Securities Limited ("**Wealth Link Securities**"), a licensed corporation under the SFO to carry on Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities in 2019. The Group's securities brokerage and margin financing business accounted for approximately 1.1% of its total revenue during the Year. On 13 September 2021, the Company as seller entered into an agreement for the disposal of 85% equity interest in Wealth Link Securities. The Directors expected that the Disposal will be completed by 31 December 2022.

Update on disposal of 85% equity interest in Wealth Link Securities Limited

Reference is made to the sub-section headed "**Disposal of 85% equity interest in Wealth Link Securities Limited ("Wealth Link Securities")**" under the section headed "**Management Discussion and Analysis**" in the annual report of the Company for the year ended 30 September 2021. The Directors would like to provide an update on the transaction that as the Securities and Futures Commission has approved the change in substantial shareholders of Wealth Link Securities on 12 December 2022, the Directors expected that the Disposal will be completed by 31 December 2022.

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 the Stock Exchange, 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.

Management Discussion and Analysis

Memorandum of understanding with Sky Meta Limited (the "MOU")

On 14 February 2022, the Company entered into the MOU with Sky Meta Limited ("**Sky Meta**"), a company incorporated in the British Virgin Islands which is intended to be engaged in the operation of a NFT gaming guild, guild management platform, early stage GameFi token/NFT investment and GameFi NFT asset management. Pursuant to the MOU, the Company and Sky Meta intend to collaborate jointly in respect of (i) setting up a fund or other form of collaboration for the purpose of crypto asset management; and (ii) provision of NFT-asset related consulting services to the Company. The MOU shall be valid for a period of 5 year from 14 February 2022. Details of the MOU were disclosed in the announcement of the Company dated 14 February 2022.

Acquisition of the entire issued shares of Earning Joy Development Limited ("Earning Joy")

On 14 June 2022, the Company as purchaser entered into an agreement with Liang Zihao and Tse Chi Ming as vendors, independent third parties to the Group, to acquire the entire equity interest of Earning Joy at a consideration of HK$38,000,000 to be paid and settled by the issuance of promissory notes by the Company. The promissory notes shall bear simple interest at the rate of 2.0% per annum payable annually in arrears for the period of two years. Earning Joy together with its subsidiaries are principally engage in the provision of accounting, taxation and business consultancy services in the PRC. Completion of the acquisition of Earning Joy took place on 1 November 2022. Immediately after completion, Earning Joy becomes a wholly-owned subsidiary of the Company and the financial results, assets and liabilities of Earning Joy will be consolidated into the accounts of the Group. The Directors are of the view that the acquisition of Earning Joy shall create synergy with our current business and enhance our strategy of becoming an integrated one-stop financial services provider.

Strategic cooperation agreement with Grand Tai Financial Holdings Limited (the "Cooperation Agreement I")

On 25 July 2022, APECGIL entered into the Cooperation Agreement I with Grand Tai Financial Holdings Limited ("**GTFHL**"). According to the Cooperation Agreement I, each of APECGIL and GTFHL intends to explore opportunities for business collaboration in areas, including but not limited to, corporate finance advisory services, placing and underwriting services, business consultancy services, company secretarial services, accounting and taxation services, risk management and internal control advisory services. The Cooperation Agreement I shall be valid for two years from 25 July 2022. Details of the Cooperation Agreement I were disclosed in the announcement of the Company dated 25 July 2022.

Strategic cooperation agreement with K-noon Consulting Company Limited (the "Cooperation Agreement II")

On 10 August 2022, VBG Asia, a wholly-owned subsidiary of the Company, entered into the Cooperation Agreement II with K-noon Consulting Company Limited ("**K-noon Consulting**"). According to the Cooperation Agreement II, each of VBG Asia and K-noon Consulting intends to explore opportunities for business collaboration in areas, including but not limited to, corporate finance advisory services, placing and underwriting services, business consultancy services, company secretarial services, accounting and taxation services, risk management and internal control advisory services. The Cooperation Agreement II shall be valid for two years from 10 August 2022. Details of the Cooperation Agreement II were disclosed in the announcement of the Company dated 10 August 2022.

Management Discussion and Analysis

FINANCIAL REVIEW (CONTINUING AND DISCONTINUED OPERATIONS)

Revenue

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

For the Year, the Group recorded an increase in total revenue by approximately 96.2% to approximately HK$73.0 million (2021: approximately HK$37.2 million). The increase in revenue was mainly due to increase in revenue generated from business consulting services and accounting and taxation services under Non-Licensed Business.

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

Licensed Business

The revenue from Licensed Business decreased by approximately HK$15.9 million or 53.7% to approximately HK$13.7 million for the Year (2021: approximately HK$29.6 million). The decrease in revenue was mainly due to (i) a decrease in revenue from corporate finance advisory services of approximately HK$6.5 million; and (ii) a decrease in revenue from placing and underwriting services of approximately HK$9.1 million during the Year.

The decrease in revenue from corporate finance advisory services was primarily attributable to (i) a decrease in revenue generated from acting as sponsor of approximately HK$4.3 million; and (ii) a decrease in revenue generated from acting as financial adviser and as independent financial adviser of approximately HK$2.2 million for the Year.

The decrease in revenue from placing and underwriting services was 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$267.4 million for the year ended 30 September 2021 to approximately HK$39.3 million for the Year.

Non-Licensed Business

The revenue from Non-Licensed Business increased by approximately HK$51.6 million or 6.7 times to approximately HK$59.3 million for the Year (2021: approximately HK$7.7 million). Such increase was mainly due to an increase in revenue generated from business consulting services, accounting and taxation services, and ESG advisory services as a result of the revenue contribution from APECGIL following its acquisition by the Company during the Year.

Other income, net

The Group's other income mainly represented government subsidies in relation to the COVID-19 pandemic, net unrealised loss/gain on financial assets at FVPL and gain on disposal of financial assets at FVPL. The other income decreased by approximately 65.2%, from approximately HK$2.4 million for the year ended 30 September 2021 to approximately HK$849,000 for the Year, mainly resulting from the recognition of a net unrealised loss on financial assets at FVPL of approximately HK$1.1 million during the Year, as compared with a net unrealised gain of approximately HK$479,000 recognised for the year ended 30 September 2021.

Management Discussion and Analysis

Administrative expenses and other operating expenses

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

The Group's administrative expenses and other operating expenses increased by approximately HK$19.3 million, or approximately 35.7%, from approximately HK$54.0 million for the year ended 30 September 2021 to approximately HK$73.3 million for the Year. Such increase was mainly attributable to an increase in staff costs due to the acquisition of APECGIL by the Company during the Year.

Finance costs

The Group's finance costs increased to approximately HK$2.5 million for the Year from approximately HK$727,000 for the year ended 30 September 2021, mainly resulting from the interest expenses incurred on the convertible note and the bank borrowings due to the acquisition of APECGIL by the Company during the Year.

Income tax expense

The Group's income tax expenses amounted to approximately HK$750,000 for the Year, as compared to an income tax credit of approximately HK$2.2 million for the year ended 30 September 2021, mainly resulting from an increase in provision for profits tax arising from profits generated by certain subsidiaries for the Year.

Loss for the year

As a result of foregoing, the Group recorded a loss of approximately HK$8.2 million for the Year as compared to a loss of approximately HK$20.1 million for the year ended 30 September 2021.

Net loss margin

For the Year, the Group's net loss margin ratio was approximately 11.2% (2021: approximately 54.0%).

LIQUIDITY AND CAPITAL RESOURCES

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

The functional currency of the Group is Hong Kong dollars. As at 30 September 2022, approximately HK$3.8 million of the Group's cash and cash equivalents was denominated in other currencies, principally Canadian dollars and United States dollars ("**USD**").

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

Management Discussion and Analysis

Bank borrowings

Save for the interest-bearing borrowings and government loan as disclosed in notes 24 and 25 to the consolidated financial statements respectively, the Group had neither banking facilities nor borrowings as at 30 September 2022 (2021: government loan and loans from a director of approximately HK$2.4 million).

Charge on assets

As at 30 September 2022, 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$1.1 million (2021: nil).

Contingent liabilities

The Group did not have any material contingent liabilities as at 30 September 2022 (2021: nil).

Current ratio

As at 30 September 2022, the Group's current ratio was approximately 1.1 times (2021: approximately 1.9 times).

Gearing ratio

The Group's gearing ratio, calculated by dividing total interest-bearing borrowings by equity of the Group, was approximately 64.0% as at 30 September 2022 (2021: approximately 17.5%).

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 FVPL for the purposes of maintaining the Group's solid and healthy liquidity position.

Management Discussion and Analysis

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

OUTLOOK AND PROSPECTS

With an expected better business environment in 2023 relative to 2022, the Group will continue to seek business opportunities for our Licensed Business and Non-Licensed Business. Apart from the acquisition of APECGIL and Earning Joy, 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 due to the recent relaxed quarantine measures in the PRC and the opportunities arising from the Greater Bay Area.

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 2022.

Material acquisitions and disposals of subsidiaries, associates and joint ventures

Save and except the transaction referred to in the sub-section headed "**Acquisition of the entire issued shares of Earning Joy Development Limited ("Earning Joy")**", the Group did not have any material acquisitions and disposal of subsidiaries, associates and joint ventures during the Year.

Significant investments held

Save for the Hong Kong listed equity securities as disclosed in note 18 to the consolidated financial statements, the Group did not hold any significant investments as at 30 September 2022.

Management Discussion and Analysis

OTHER INFORMATION

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 consolidated 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 performance of APECGIL was satisfactory and that based on APECGIL's management accounts for the 1st Profit Guarantee Period, the guaranteed net profit has been fulfilled. The Company will disclose in its annual report for the year ending 30 September 2023 whether such guarantee in respect of the 2nd Profit Guarantee Period is satisfied.

Change of company name, stock short name and company website

As disclosed in the announcement of the Company dated 16 November 2021, the name of the Company has been changed from "VBG International Holdings Limited" to "Hatcher Group Limited" and the change of the name of the Company in Chinese for identification purpose from "建泉國際控股有限公司" to "亦辰集團有限公司" has also become effective. The Company's stock short name has been updated accordingly.

As disclosed in the announcement of the Company dated 24 June 2022, the website of the Company has been changed from "www.vbg-group.com" to "www.hatcher-group.com".

Employees and remuneration policies

As at 30 September 2022, the Group employed a total of 189 employees (2021: 32). For the Year, employee benefits costs of the Group (including the Directors' emoluments) were approximately HK$46.1 million (2021: approximately HK$22.1 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.

Management Discussion and Analysis

Major customers and suppliers

During the Year, the revenue attributable to the Group's largest customer accounted for approximately 15.5% (2021: approximately 32.7%) of the Group's total revenue and the revenue attributable to the Group's top five largest customers accounted for approximately 29.4% (2021: approximately 51.6%) of the Group's total revenue.

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

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

DIVIDEND

The Board did not recommend the payment of a final dividend for the Year (2021: nil).

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Li Man Keung Edwin ("Mr. Li"), aged 55, was appointed as an executive Director and executive chairman of the Board on 25 January 2022. He is primarily responsible for formulating corporate strategy, planning, business development and overseeing financials and risk management of the Group. Mr. Li obtained his diploma of Mechanical Engineering Technician – Drafting Design and diploma of Electro-Mechanical Engineering Technician from Humber College Institute of Technology and Advanced Learning in Canada in 1990 and 1991, respectively. Since 1991, he has been a director of Kwoon Kwen Metal Ware Company Limited, a company incorporated in Hong Kong, which is principally engaged in manufacturing of small metal parts, power tools and machinery parts. He has also been a director of Kwoon Kwen Ying Enterprises Limited since 1994, a company incorporated in Hong Kong, which is principally engaged in the business of property development.

Mr. Li has been an executive director of Cornerstone Technologies Holdings Limited (a company listed on GEM of the Stock Exchange, stock code: 8391) since 24 August 2020.

Mr. Hui Ringo Wing Kun ("Mr. Hui"), aged 41, is an executive Director and chief executive officer of the Group. He has been a director of the Group since September 2013. He was appointed as a Director and was re-designated as an executive Director on 28 June 2016, appointed as the compliance officer of the Company on 29 June 2016 and chief executive officer of the Group on 25 January 2022. Mr. Hui is primarily responsible for overseeing the business corporate strategy, long term planning, all-round development and the daily operations of the Group and overseeing compliance and risk management. He is also responsible for business development of the Group, focusing on IPOs, M&A, capital markets and business consulting initiatives. Mr. Hui obtained a Bachelor of Science degree in management in July 2002 and a Master of Science degree in management in November 2003 from the London School of Economics and Political Science in the United Kingdom.

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

Mr. Yeung Chun Yue David ("Mr. Yeung"), aged 41, was appointed as an executive Director on 5 July 2021 and vice chairman of the Board on 25 January 2022. He is primarily responsible for formulating corporate strategy, planning, business development and overseeing financials and risk management of the Group. Mr. Yeung has over 18 years of experience in accounting and tax advisory. From September 2017 to July 2021, he had been the managing partner and director of D & Partners CPA Limited. From July 2004 to September 2017, he worked in Cheng & Cheng Limited, Certified Public Accountants with his last position as a director. He is currently a member of the 14th Committee Member of the Guangzhou City Panyu District Chinese People's Political Consultative Conference.

Mr. Yeung graduated from the City University of Hong Kong with a bachelor of business administration in accountancy in November 2004. Mr. Yeung is currently a Certified Public Accountant (Practising) of the Hong Kong Institute of Certified Public Accountants and a Certified Tax Advisor of the Taxation Institute of Hong Kong.

Biographical Details of Directors and Senior Management

Mr. Yeung's past and current directorships in other companies listed on the Stock Exchange are set out below:

Name of company	Stock exchange	Principal business activities	Period of service	Position
Cornerstone Technologies Holdings Limited	The Stock Exchange (stock code: 8391)	Provisions of printing, typesetting and translation services in Hong Kong and supplying electric vehicle integrated charging solutions, including central management system, hub for e-payment, load management system and license plate recognition system to electric vehicle and smart parking	August 2022 to present	Executive director
Aeso Holding Limited	The Stock Exchange (stock code: 8341)	Provision of fitting-out and renovation (including alteration and addition) contracting services of Hong Kong premises	April 2019 to present	Independent non-executive director
SANVO Fine Chemicals Group Limited	The Stock Exchange (stock code: 0301)	Researching, developing, manufacturing and sales of hardware and building materials and automotive maintenance industrial chemical products in the PRC	December 2019 to present	Independent non-executive director
Nexion Technologies Limited	The Stock Exchange (stock code: 8420)	Provision of cyber infrastructure solutions services, provision of cyber security solutions services, and software-as-a-service	September 2020 to present	Independent non-executive director
TL Natural Gas Holdings Limited	The Stock Exchange (stock code: 8536)	Sales of compressed natural gas and provision of automated car wash services in the PRC	December 2021 to present	Independent non-executive director
Nova Group Holdings Limited (formerly known as Mega Expo Holdings Limited)	The Stock Exchange (stock code: 1360)	Organisation and sponsorship of exhibitions, events and operation of cultural and entertainment comprehensive services platform and provision of loan and financing services	December 2014 to March 2017	Independent non-executive director

Biographical Details of Directors and Senior Management

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. William Robert Majcher ("Mr. Majcher"), aged 60, was appointed as an independent non-executive Director on 4 May 2017. He is also the chairman of the nomination committee, and a member of the audit and remuneration committees of the Company with effect from 26 May 2017. He is primarily responsible for providing independent advice to the Board in areas including conflict of interests, strategy, performance, resources and standard of conduct of the Company. From July 1985 to August 2007, Mr. Majcher served in the Royal Canadian Mounted Police (RCMP) and was involved in the detection and prosecution of some publicly reported money laundering cases in the United States of America and Canada as an undercover agent.

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

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

Mr. Majcher's past and current directorships in other companies listed on the Stock Exchange and overseas are set out below:

Name of company	Stock exchange	Principal business activities	Period of service	Position
Unitas Holdings Limited (formerly known as Chanceton Financial Group Limited)	The Stock Exchange (stock code: 8020)	Provision of corporate finance advisory services mainly to listed and non-listed companies in Hong Kong and the PRC and provision of dry bulk shipping service	September 2011 to May 2018	Independent non-executive director
Yorkshine Holdings Limited^ (formerly known as Novo Group Ltd.)	The Stock Exchange (stock code: 1048)	Trading and distribution of iron ore, coal and steel products; and manufacturing, sales and distribution of tinplate and related products for metal packaging industry	November 2015 to December 2019	Independent non-executive director
	Singapore Exchange Limited (stock code: MR8)		November 2015 to December 2019	

Biographical Details of Directors and Senior Management

Name of company	Stock exchange	Principal business activities	Period of service	Position
Evolving Gold Corporation	Canadian Securities Exchange (stock code: EVG)	Acquisition and exploration of natural resource properties with the goal of moving key properties into production	September 2007 to May 2022	Independent director
	Frankfurt Stock Exchange (stock code: EV7)		September 2007 to May 2022	
Pan American Goldfields Ltd.	OTC Bulletin Board (stock code: MXOM)	Precious metals mining and exploration company with projects straddling the border between Argentina and Chile	June 2013 to April 2016	Director
GBA Holdings Limited (formerly known as CCT Land Holdings Limited)	The Stock Exchange (stock code: 0261)	Design and development, manufacture and sale of telecom, electronic and child products and property development	June 2015 to February 2016	Independent non-executive director

^ The listing of the shares of Yorkshine Holdings Limited on The Stock Exchange of Hong Kong Limited was cancelled on 27 December 2019.

Mr. Ho Lik Kwan Luke ("Mr. Ho"), aged 44, was appointed as an independent non-executive Director on 1 December 2017. He is also the chairman of the audit committee of the Company with effect from 13 December 2017, and a member of the nomination and remuneration committees of the Company with effect from 1 December 2017. He is primarily responsible for providing independent advice to the Board in areas including conflict of interest, strategy, performance, resources and standard of conduct of the Company. Mr. Ho has over 15 years of experience in the finance industry focusing on corporate finance. During the period from December 2014 to February 2016, Mr. Ho was a director of Ping An Securities Limited and registered with the Securities and Futures Commission as a responsible officer for Type 6 regulated activity. During the period from September 2016 to May 2019, Mr. Ho was registered with the Securities and Futures Commission as a responsible officer for Type 6 regulated activity for Glory Sun Securities Limited, a subsidiary of Glory Sun Financial Group Limited (stock code: 1282), a company listed on the Main Board of the Stock Exchange. He was also a consultant of Huabang Securities Limited (formerly known as Qian Hai Securities Limited).

Biographical Details of Directors and Senior Management

At present, Mr. Ho is the Chief Financial Officer of Glory Sun Financial Group Limited (stock code: 1282) and an executive director of one of its subsidiaries, Glory Sun Securities Limited. Currently, he does not hold any other directorship in other public listed companies.

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

Mr. Lau Pak Kin Patric ("Mr. Lau"), aged 42, was appointed as an independent non-executive Director on 1 January 2022. He is also the chairman of the remuneration committee of the Company, and a member of the audit and nomination committees of the Company with effect from 1 January 2022. He is primarily responsible for providing independent advice to the Board in areas including conflict of interest, strategy, performance, resources and standard of conduct of the Company. Mr. Lau has more than 15 years of experience in the banking industry focusing on loans and credit risk management. During the period from December 2000 to April 2010, Mr. Lau had worked in the loan departments of Bank of China (Hong Kong) Limited, Chong Hing Bank Limited and Dah Sing Bank, Limited. During the period from April 2010 to April 2018, Mr. Lau had worked in the credit risk management divisions of OCBC Wing Hang Bank Limited, China Development Bank Corporation, CMB Wing Lung Bank Limited and Shanghai Pudong Development Bank Co., Ltd.

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

Mr. Lau obtained a Master of Science degree in Finance from University College Dublin of National University of Ireland in 2015 and a Bachelor degree of Business Studies from University College Dublin of National University of Ireland in 2013. Mr. Lau achieved the Certified ESG Planner CEP® in International Chamber of Sustainable Development on 11 March 2022.

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

Biographical Details of Directors and Senior Management

SENIOR MANAGEMENT

Company Secretary

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

Compliance Officer

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

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The shares of the Company were listed on GEM on 26 May 2017 (the "**Listing Date**"). The Company has adopted the "**Corporate Governance Code**" (the "**CG Code**") as set out in Appendix 15 to the GEM Listing Rules. During the year ended 30 September 2022 (the "**Year**"), the Company has complied with all the applicable code provisions set out in the CG Code.

BOARD OF DIRECTORS

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

Executive Directors

Ms. Wan Ho Yan Letty *(Chairperson)*	(appointed on 5 February 2016 and resigned on 1 January 2022)
Mr. Li Man Keung Edwin *(Executive Chairman)*	(appointed on 25 January 2022)
Mr. Hui Ringo Wing Kun *(Chief Executive Officer)*	(appointed on 28 June 2016)
Mr. Yeung Chun Yue David *(Vice Chairman)*	(appointed on 5 July 2021)

Non-Executive Director

Mr. Wan Chuen Fai	(appointed on 28 June 2016 and resigned on 1 January 2022)

Independent Non-Executive Directors

Mr. Kam Cheuk Fai David	(appointed on 4 May 2017 and resigned on 1 January 2022)
Mr. William Robert Majcher	(appointed on 4 May 2017)
Mr. Ho Lik Kwan Luke	(appointed on 1 December 2017)
Mr. Lau Pak Kin Patric	(appointed on 1 January 2022)

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

There is no relationship among the members of the Board.

The Company maintains appropriate directors' and officers' liabilities insurance.

Corporate Governance Report

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

According to code provision C.2.1 of the CG Code, the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual. During the Year, the positions of the chairman and the chief executive officer of the Company were held separately. Mr. Li Man Keung Edwin was appointed as executive chairman of the Company, and Mr. Hui Ringo Wing Kun was appointed as chief executive officer, each with effect from 25 January 2022. The segregation of duties of the chairman and the chief executive officer ensures a clear distinction in the chairman's responsibility to provide leadership to the Group and formulation of corporate strategy, planning, business development, as well as operations of the Group, and the chief executive officer's responsibility to oversee the business corporate strategy, long-term planning, all-round development, and the daily operations of the Group as well as overseeing compliance and risk management of the Group. Their roles are clearly defined to ensure their respective independence.

RESPONSIBILITIES OF THE BOARD

The Board oversees the overall management and administration of the business and operations of the Group. The Board is primarily responsible for overall development, strategic planning, reviewing and monitoring the business performance, approving the financial statements and annual budgets, internal controls and risk management as well as supervising the management of the Group.

The Board may delegate any of its powers, authorities and discretions to committees, consisting of such Director(s) and other persons as the Board thinks fit, and they may, from time to time, revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations which may be imposed on it by the Board.

NON-EXECUTIVE DIRECTORS

Mr. William Robert Majcher as independent non-executive Director has entered into a letter of appointment with the Company for a term of three years commencing from 27 May 2020. Mr. Ho Lik Kwan Luke as independent non-executive Director has entered into a letter of appointment with the Company for a term of three years commencing from 2 December 2020. Mr. Lau Pak Kin Patric as independent non-executive Director has entered into a letter of appointment with the Company for a term of three years commencing from 1 January 2022. They are all subject to retirement by rotation and shall be eligible for re-election at the Company's annual general meeting at least once every three years in accordance with the articles of association of the Company (the "**Articles**").

Corporate Governance Report

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

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

Pursuant to Article 84 of the Articles, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. Accordingly, two executive Directors, being Mr. Li Man Keung Edwin and Mr. Hui Ringo Wing Kun, and one independent non-executive Director, being Mr. Lau Pak Kin Patric, will retire and, being eligible, offer themselves for re-election as Directors at the forthcoming annual general meeting of the Company.

NOMINATION POLICY

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

Selection criteria

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

- Character and integrity.

- Professional qualifications, skills, knowledge and experience that are relevant to the Company's business.

Corporate Governance Report

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

Nomination procedures

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

Any director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting after his/her appointment and be subject to re-election at such meeting, and any director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election, in accordance with the Articles. The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election as director of the Company at any general meeting. The Shareholders may propose a person for election as a director in accordance with the Articles and applicable law.

BOARD COMMITTEES

Nomination Committee

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

Corporate Governance Report

Remuneration Committee

Pursuant to Rule 5.34 of the GEM Listing Rules, the Company has established a remuneration committee (the "**Remuneration Committee**") with specific written terms of reference in line with the code provisions under the CG Code. The Remuneration Committee currently consists of four members comprising one executive Director, namely, Mr. Hui Ringo Wing Kun, and three independent non-executive Directors, namely, Mr. Lau Pak Kin Patric, Mr. William Robert Majcher and Mr. Ho Lik Kwan Luke. Mr. Lau Pak Kin Patric is the chairman of the Remuneration Committee. The primary duties of the Remuneration Committee are (i) to make recommendations to the Board on the remuneration policy relating to the Directors and senior management of the Group; (ii) to review remuneration proposals; and (iii) to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management of the Group. During the Year, the Remuneration Committee held one meeting to consider certain adjustments to the existing remuneration packages of a Director.

Audit Committee

The Company has established an audit committee (the "**Audit Committee**") with specific written terms of reference formulated in accordance with the requirements of Rules 5.28 to 5.29 of the GEM Listing Rules and code provision D.3.3 of the CG Code. The Audit Committee currently consists of all the three independent non-executive Directors, namely, Mr. Ho Lik Kwan Luke, Mr. William Robert Majcher and Mr. Lau Pak Kin Patric. Mr. Ho Lik Kwan Luke is the chairman of the Audit Committee. The primary duties of the Audit Committee are (i) to review the annual reports and accounts, half-year reports and quarterly reports of the Group; (ii) to make recommendations to the Board on the appointment and removal of external auditors; (iii) to provide advice in respect of financial reporting system, risk management and internal control systems of the Group; and (iv) to monitor any continuing connected transaction. During the Year, the Audit Committee held four meetings to review the annual results of the Group for the year ended 30 September 2021, the first quarterly results of the Group for the three months ended 31 December 2021, the interim results of the Group for the six months ended 31 March 2022 and the third quarterly results of the Group for the nine months ended 30 June 2022. It has also reviewed the effectiveness of the risk management and internal control systems of the Group.

PRACTICE AND CONDUCT OF MEETINGS

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

Corporate Governance Report

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

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

	Number of meetings attended/Number of meetings held				
Name of Directors	Board Meeting	Audit Committee Meeting	Nomination Committee Meeting	Remuneration Committee Meeting	General Meeting
Executive Directors:					
Ms. Wan Ho Yan Letty^	1/5	–	–	–	0/2
Mr. Li Man Keung Edwin*	3/5	–	–	–	0/2
Mr. Hui Ringo Wing Kun	5/5	–	–	1/1	2/2
Mr. Yeung Chun Yue David	4/5	–	–	–	0/2
Non-Executive Director:					
Mr. Wan Chuen Fai^	2/5	–	–	–	0/2
Independent Non-Executive Directors:					
Mr. Kam Cheuk Fai David^	2/5	1/4	1/1	0/1	0/2
Mr. William Robert Majcher	4/5	4/4	1/1	1/1	0/2
Mr. Ho Lik Kwan Luke	5/5	4/4	1/1	1/1	0/2
Mr. Lau Pak Kin Patric#	3/5	3/4	0/1	1/1	0/2

^ Resigned on 1 January 2022
* Appointed on 25 January 2022
\# Appointed on 1 January 2022

Corporate Governance Report

CORPORATE GOVERNANCE FUNCTIONS

Code provision D.3.1 of the CG Code provides that the Board is responsible for performing the corporate governance duties of the Company. The Board shall have the following duties and responsibilities for performing the corporate governance duties of the Company:

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

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

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

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

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

AUDITOR'S REMUNERATION

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

	Fee paid/ payable HK$'000
Audit service	1,250
Tax compliance service	21
Total	1,271

FINANCIAL REPORTING

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

Corporate Governance Report

DIVIDEND POLICY

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

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

- Profits generated by the Company during the year.

- Retained earnings and distributable reserves of the Company.

- Working capital requirements, capital expenditure requirements and future expansion plans of the Group.

- Liquidity position of the Group.

- Other factors that the Board may consider relevant and appropriate.

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

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for dealing in securities of the Company by the Directors. Following specific enquiries to all the Directors, each of them has confirmed that they have complied with such code of conduct adopted by the Company throughout the Year.

Corporate Governance Report

TRAINING FOR DIRECTORS AND CONTINUING PROFESSIONAL DEVELOPMENT

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

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

RISK MANAGEMENT AND INTERNAL CONTROLS

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

SHAREHOLDERS' RIGHTS

Procedure for Shareholders to Convene an Extraordinary General Meeting

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

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

Procedure for Shareholders to Make Inquiries with the Board

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

Procedures of Proposing Proposals at General Meetings

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

BOARD DIVERSITY

Board Diversity Policy

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

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

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

Corporate Governance Report

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

As at the date of this annual report, the Board consists of six (6) members, all of whom are male. As at 30 September 2022, the gender ratio of the employees (including senior management) of the Group is approximately 82 males per 100 females. In recognizing the importance of gender diversity at both the Board level, the Company plans to appoint one female director who would be qualified to sit on the Board no later than 31 December 2024.

INVESTOR RELATIONS

Constitutional Documents

The Company adopted the amended and restated Memorandum and Articles of Association of the Company on 4 May 2017 to comply with the GEM Listing Rules in Hong Kong. The amended and restated Articles of Association of the Company took effect on the Listing Date. During the Year, the Company has amended the Memorandum and Articles of Association, details of which are set out in the announcement dated 22 October 2021 and the circular dated 30 September 2021 of the Company. The Shareholders have approved the amendments at the extraordinary general meeting of the Company held on 22 October 2021. The Company's second amended and restated Memorandum and Articles of Association is available for inspection on the websites of the Company and the Hong Kong Stock Exchange.

Communication with Shareholders

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

COMPANY SECRETARY

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

Environmental, Social and Governance Report

The Group endeavours sustainability development with the Board's understanding of the importance on sustainable business and community. This Environmental, Social and Governance ("**ESG**") Report of the Group (the "**ESG Report**") is prepared in accordance with the Environmental, Social and Governance Reporting Guide as set out in Appendix 20 to the GEM Listing Rules.

SCOPE AND REPORTING PERIOD

The ESG Report is prepared with the relevant data and information that are directly accessed and managed by the Group.

The ESG Report covers the performance over the period from 1 October 2021 to 30 September 2022, both days inclusive (the "**Year**"). It focuses on corporate finance advisory business operated by VBG Capital Limited, securities brokage and margin financing operated by Wealth Link Securities Limited, and non-licensed business operated by APEC GROUP INTERNATIONAL LIMITED in the Hong Kong Special Administrative Region ("**Hong Kong**"), which in aggregate accounts for approximately 85.3% of the Group's total revenue for the Year.

STATEMENT FROM THE BOARD

The Board has the overall responsibility for ESG compliance and is responsible for overseeing the ESG management approach and preparation of the ESG Report.

The Board delegates implementation and monitoring of policies and practices on the related ESG areas to members of senior management and other employees. The Board reviews and monitors the ESG issues and potential risk with particular reference to key performance indicators ("**KPIs**") established on a regular basis.

The Board sets ESG related goals and targets which relate to its business. The Board will also keep monitoring and overseeing the progress against goals and targets, addressing climate change, monitoring the achievement of these goals and continuing to improve the Group's performance on key ESG matters.

REPORTING FRAMEWORK

The preparation of the ESG Report follows the Environmental, Social and Governance Reporting Guide as set out in Appendix 20 to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited. The information presented in the ESG Report is prepared based on the principles of materiality, quantitative and consistency. Please refer to the section headed "Corporate Governance Report" of this annual report for more details of the Group's corporate governance practices.

Materiality

The scope of the ESG Report should cover the material ESG topics that are sufficiently important and relevant to the business operation and stakeholders of the Group based on the results of the stakeholder engagement.

Quantitative

The Group regularly collects and assesses the quantitative data, and discloses quantifiable KPIs to ensure that both internal and external stakeholders KPIs can deepen their understanding of the Group's ESG performance.

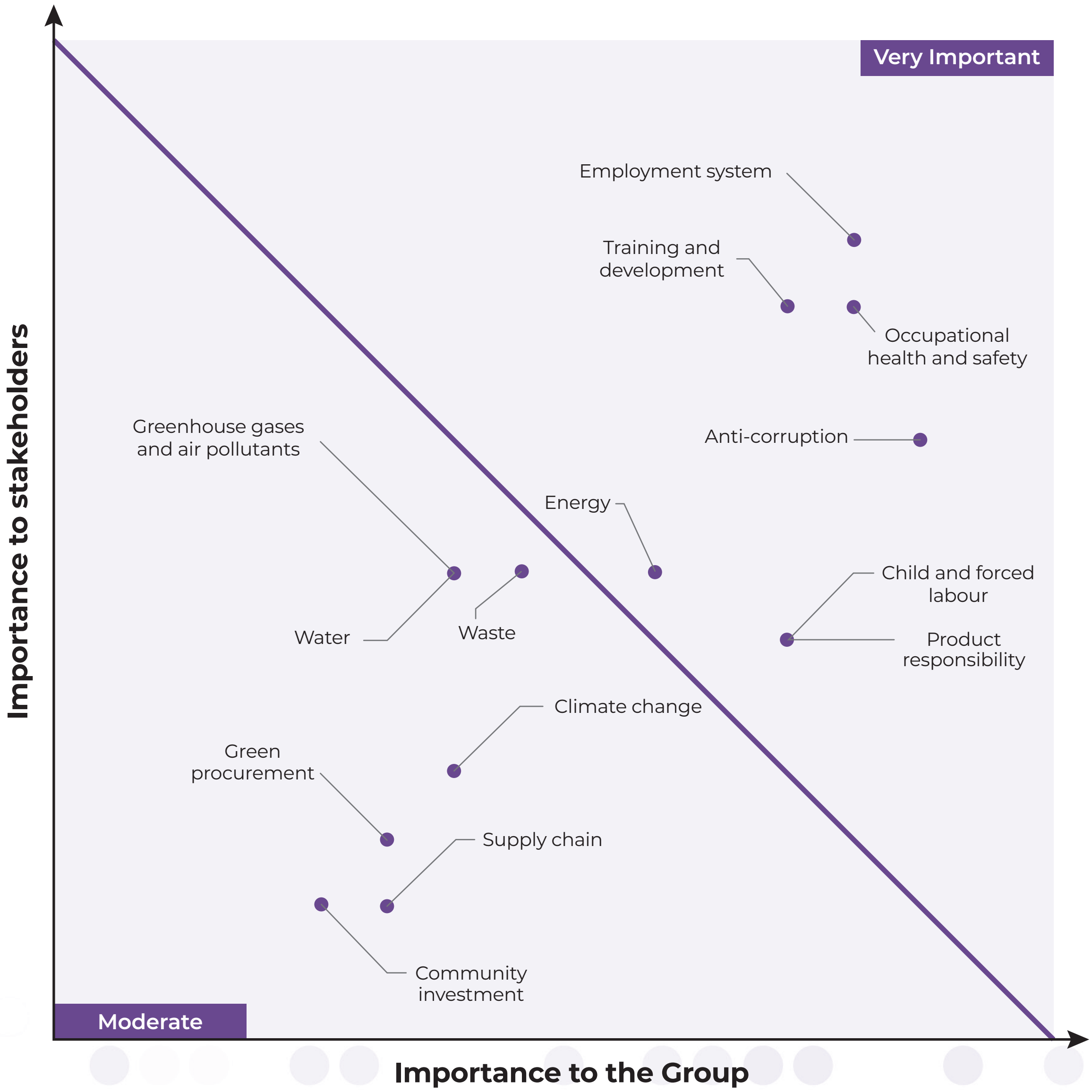
Environmental, Social and Governance Report

Consistency

The Group uses consistent data calculation methods, disclosure of statistical methods and assumptions in compiling data, delivering a meaningful comparison of the performance of the ESG data over time.

STAKEHOLDER ENGAGEMENT

The Group recognises the communication with different stakeholders that help continuous improvement of sustainability performance and governance. During the Year, a total of 75 stakeholders, including the Board and employees, were invited to conduct a sustainability questionnaire. They were asked to rank the importance of 14 issues from four different aspects, which are "Environmental Protection", "People", "Operating Practices" and "Community". The result of the stakeholder engagement is as follows:



Environmental, Social and Governance Report

Among the 14 issues, 7 issues were identified as very important issues (please see the top right area above the curve in the diagram above). They cover the aspects of "People", "Operating Practices" and "Environmental Protection". The ESG Report focuses on the disclosure of these issues.

ENVIRONMENTAL

The Group strives to protect the environment and achieve sustainable development of the Group and environment. As a provider of extensive financial and consulting services with the operating activities at offices, the Group focuses on commitments of emissions and the use of resources while there are no direct impacts on the environment or climate-related issues. During the Year, the Group was not aware of any non-compliance of relevant laws and regulations which have significant impacts on the Group relating to air and greenhouse gas ("**GHG**") emissions, discharging into water and land, and generation of hazardous and non-hazardous wastes.

Emissions

With the daily operation at offices, the Group's major source of non-hazardous waste is the commercial waste such as paper. The Group implements monitoring and reduction measures in relation to commercial waste consumption, including minimising the use of paper and recycling to reduce waste generation. At the same time, external service provider is hired for handling and recycling of the generated waste.

During the Year, the Group generated 143 kg of non-hazardous waste, with the intensity of about 0.02 kg/square feet (2021: 313 kg and approximately 0.05 kg/square feet). Besides, there is no generation of hazardous waste due to the Group's business nature.

GHG emissions of the Group are mainly generated from electricity consumption due to the use of lighting systems, air-conditioning and office equipment as well as the use of office paper. Because of the enhancement of reporting boundary, the amount of GHG emissions was increased to 57,018.78 kg during the Year.

GHG Emissions[1]

Type of GHG emissions	**2022** **CO_2e emission (kg)**	**2021** **CO_2e emission (kg)**
Scope 1[2]	9,422.51	12,320.78
Scope 2[3]	47,596.27	32,013.90
Total	**57,018.78**	**44,334.68**
Intensity (kg/square feet)	**9.64**	**7.11**

1 It is calculated with reference to "How to prepare an ESG report – Appendix 2: Reporting Guidance on Environmental KPIs" (the "**Guidance**") issued by The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").
2 Scope 1 refers to direct emissions from vehicles owned by the Group.
3 Scope 2 refers to indirect emissions from the generation of purchased electricity consumed by the Group.

Environmental, Social and Governance Report

During the Year, a total of 2.24 kg nitrogen oxides, 0.05 kg sulphur oxides and 0.16 kg respiratory suspended particles were emitted.

Air Pollutants Emissions[4]

Type of air pollutants	**2022** **kg**
Nitrogen oxides (NOx)	2.24
Sulphur oxides (SOx)	0.05
Respiratory suspended particles (RSP)	0.16

Use of resources

The Group strives to sustain the use of resources and decrease the carbon footprint of the operation by various measures. They are established and managed by the administration department for resources conservation. Measures implemented include but not limited to:

- Switching off the unused lighting systems
- Maximising the use of natural lighting
- Encouraging staff to turn off electronic devices after office hours or use

Although the use of water resource does not have significant impacts to the Group and there is no problem in sourcing water, the Group is committed to reducing the water wastage in daily operation. Staff is encouraged to conserve the water usage. Since the water is provided and managed by the management of the building, relevant data is not available for disclosure. Besides, the Group does not produce any packaging materials due to the business nature.

During the Year, there was a total energy consumption of 101,367 kWh, with the intensity of 17.15 kWh/square feet. With the enhancement of reporting boundary, petrol consumption from the vehicles is disclosed.

Energy consumption

Type of energy consumption	**2022** **kWh**	**2021** **kWh**
Petrol	34,330	40,690
Electricity	67,037	45,090
Total	**101,367**	**85,780**
Intensity (kWh/square feet)[5]	**17.15**	**14.08**

[4] It is generated from the gasoline consumption of vehicles. The relevant travel distance is estimated by the Electrical and Mechanical Services Department's "Energy Utilisation Index – Transport Sector", with the emissions factors with reference to the Guidance.

[5] Based on the Group's office area of approximately 5,912 square feet.

Use of paper and reduction of waste

The Group endeavours the minimisation of the environmental impacts from the use of paper which is the main source of waste generated from the business operation. A series of reduction measures are implemented and managed by the administration department of the Group, including but not limited to:

- Recycling used paper boxes
- Promoting the use of email for administrative notices
- Encouraging double-side printing
- Reusing single-side printed paper
- Eliminating the use of disposable supplies and providing reusable supplies

During the Year, the Group consumed 697 kg of paper (2021: 1,287 kg).

The Group does not establish any quantitative targets or processes for tracing the achieved result due to the insignificant amounts of emissions and energy usage. It is believed that the established measures help raise employee's environmental awareness on saving energy, conserving resources and reducing waste generation.

SOCIAL

Employment and Labour Practices

The Group advocates the importance of recruitment and retention of talents. An employment policy has been established to recruit and maintain the pool of qualified human resources with the requirement and planning on manpower of the Group. During the Year, the Group was not aware of non-compliance of relevant employment laws and regulations.

In order to retain talents, the Group strives to maintain a fair working environment with zero tolerance of any kinds of discriminations, including but not limited to gender, age, religion, disability and sexual orientation. Furthermore, the Group stipulates arrangements on compensation and dismissal, working hours, rest periods and other relevant welfares in the employment contract to protect the rights and benefits of staff. An employee handbook is also distributed to them with information of relevant policies, such as remuneration and allowances, termination and business conduct as well as the medical insurance to permanent staff.

Environmental, Social and Governance Report

As at 30 September 2022, the Group had a total of 174 full-time employees (2021: 27 employees), comprising 79 males and 95 females (2021: 14 males and 13 females), that are all based in Hong Kong.

Employees by Gender	**2022**	**2021**
Male	45%	56%
Female	55%	44%
Employees by Age		
30 or below	37%	39%
31 to 40	36%	28%
41 to 50	17%	22%
51 or above	10%	11%

Occupational Health and Safety

The Group recognises the importance of employees' health and safety to the business operation. Relevant measures have been established for the concerns of their occupational health and safety, especially during the COVID-19 pandemic. For example, staffs were provided with surgical masks and all staff and guests were required to wear masks and take body temperature checks for the safety of all personnel at offices. The Group is abided by the relevant laws and regulations in response to the occupational health and safety.

For maintaining a comfortable working environment for employees, different measures have been taken in the daily operation with the supervision and management by the administration department. For example:

- Providing adjustable chairs
- Ensuring spacious working space with sufficient storage area
- Placing equipment and tools at reachable locations
- Installing air cleaning systems

During the last three years ended 30 September 2022, there was no work-related fatality, work injury or lost days due to work injury.

Environmental, Social and Governance Report

DEVELOPMENT AND TRAINING

As regulated by the Securities and Futures Commission (the "**SFC**") under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**"), there were a total of 6 and 17 employees licensed and registered with the SFC as responsible officers and licensed representatives respectively as at 30 September 2022. They are required to obtain certain hours of continuous professional training for the licensing under the SFO. On the other hand, the Group provides internal training for employees' understandings of relevant regulations, enhancing knowledge and technical skills. They are also encouraged to undertake external training to enhance their knowledge of business operations of industries.

Employee Training by Gender	**2022**		**2021**	
	Average training hours (hours/ employee)	**Percentage of employee trained (%)**	**Average training hours (hours/ employee)**	**Percentage of employee trained (%)**
Male	2.47	25	3.46	35
Female	1.63	16	3.46	35
Employee Training by Employment Category				
Senior management	3.68	37	10	100
Middle management	4	40	10	100
General	1.69	17	5.77	57

Environmental, Social and Governance Report

Labour Standards

All forms of child and forced labour are prohibited. To ensure the eligibility of candidates, their identification documents are checked for the compliance of minimum legal working age during the hiring process. Besides, forced labour is eliminated during the process.

Employees Turnover Rate by Gender	2022	2021
Male	41%	35%
Female	54%	50%

Employees Turnover Rate by Age		
30 or below	38%	19%
31 to 40	42%	27%
41 to 50	18%	19%
51 or above	8%	19%

OPERATING PRACTICES

The Group advocates the importance of creating confidence to the services and customer loyalty. It is committed to providing high quality and professional services and enhancing the operation with regular evaluation and improvement of services

Supply Chain Management

Although there are no major suppliers due to the Group's business nature, purchasing environmentally friendly products is prioritised, such as the purchasing of refillable ballpoint pens and environmental paper to perform concept of environmental protection in the procurement of office supplies.

SERVICE RESPONSIBILITIES

Service Quality

The Group is strictly abided by the rules and regulations of the SFC, the Stock Exchange and other relevant regulatory requirements, such as the Prevention of Bribery Ordinance, the Code of Conduct for Persons Licensed by or Registered with the SFC, the Corporate Finance Adviser Code of Conduct, the Guidelines on Competence, and the Hong Kong Sponsor Due Diligence Guidelines. The relevant regulations and requirements are applicable to all employees with the responsibilities of performing their duties with high standards of credibility and professionals. During the Year, the Group was not aware of any complaints regarding to the provided services.

Environmental, Social and Governance Report

Privacy Protection

The Group strives to protect the personal information and privacy of customers by complying with the Personal Data (Privacy) Ordinance and implementing a series of measures. For example, information stored on the hard disk or server requires password for accessing with the backup services security features on computers. Also, employees are prohibited to providing any information of the Group or customers to the third parties or use for personal purpose without permission.

Anti-corruption

Integrity and honesty are the core parts of the Group's business operation. The Group strives to promote business ethics with employees' responsibility to observe and comply with the Prevention of Bribery Ordinance, Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance, the SFC's Guideline on Anti-Money Laundering and Counter Terrorist Financing (For Licensed Corporations) and other relevant laws and regulations. All forms of dishonest activities, including but not limited to corruption, bribery, extortion, fraudulent behaviour and money laundering, are prohibited and eliminated from offering, soliciting or accepting. At the same time, the Group has established a whistle-blowing policy for the highest possible standards of openness and accountability. If there is any misconduct or malpractices, employees should report to the relevant personnel or department for investigation. Directors are also provided with anti-corruption training to ensure their understandings and commitments to the ethical operation. During the Year, the Group was not aware of any non-compliance of corruption which was brought against the Group or its employees.

Community Investment

The Group understands improving society well-being through donations or voluntary work will help enhance the development of the society. During the Year, a total of HK$165,000 was donated to charitable institutions in Hong Kong (2021: HK$1,000).

Report of the Directors

The Directors are pleased to present their report and the audited consolidated financial statements of Hatcher Group Limited (the "**Company**") and its subsidiaries (collectively the "**Group**") for the year ended 30 September 2022.

PRINCIPAL ACTIVITIES

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

Details of the principal subsidiaries of the Company as at 30 September 2022 are set out in note 12 to the consolidated financial statements.

BUSINESS REVIEW

Discussion and analysis of the business of the Group during the year ended 30 September 2022 and the outlook of the business are provided in the section headed "Management Discussion and Analysis" on pages 8 to 16 of this annual report. The discussion forms part of this annual report.

SEGMENT INFORMATION

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

RESULTS AND DIVIDEND

The results of the Group for the year ended 30 September 2022 and the financial position of the Group as at that date are set out in the consolidated financial statements on pages 59 to 62 of this annual report.

During the year ended 30 September 2022, the Directors did not recommend the payment of an interim dividend in respect of the six months ended 31 March 2022 (2021: nil). The Directors did not recommend the payment of a final dividend in respect of the year ended 30 September 2022 (2021: nil).

FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last five financial years is set out on page 152 of this annual report.

MAJOR CUSTOMERS AND SUPPLIERS

Details of the Group's largest customer and top five largest customers during the year ended 30 September 2022 are set out in the section headed "Management Discussion and Analysis" on pages 8 to 16 of this annual report.

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

Report of the Directors

PLANT AND EQUIPMENT

Details of movements in the plant and equipment of the Group during the year ended 30 September 2022 are set out in note 15 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the Company's share capital during the year ended 30 September 2022 are set out in note 29 to the consolidated financial statements.

DEBENTURES

The Company did not issue any debentures during the year ended 30 September 2022.

RESERVES

Details of movement in the reserves of the Group and the Company during the year ended 30 September 2022 are set out in the consolidated statement of changes in equity on pages 63 to 64 of this annual report and in note 41(a) to the consolidated financial statements respectively.

DISTRIBUTABLE RESERVES OF THE COMPANY

As at 30 September 2022, the Company's reserves available for distribution to the shareholders of the Company amounted to approximately HK$61.9 million (2021: approximately HK$31.6 million).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 30 September 2022, (i) an aggregate of 50,000,000 new ordinary shares have been issued and allotted by the Company to LUCK ACHIEVE DEVELOPMENTS LIMITED at the issue price of HK$0.20 per share to pay and settle the sum of HK$10,000,000 being part of the consideration for the acquisition (the "**APEC Acquisition**") of the entire issued shares of APEC GROUP INTERNATIONAL LIMITED (the remaining balance of the consideration of the APEC Acquisition in the sum of HK$30,000,000 was paid and settled by the issue a 5% coupon 2-year convertible note (the "**Convertible Note**") in the principal amount of HK$30,000,000 by the Company) and (ii) an aggregate of 125,000,000 new ordinary shares have been issued and allotted by the Company at the issue price of HK$0.20 per share pursuant to the exercise of the conversion rights attached to the Convertible Note in the principal amount of HK$25,000,000. Details of the APEC Acquisition were disclosed in the announcement and circular of the Company dated 11 June 2021 and 30 September 2021 respectively.

Report of the Directors

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 30 September 2022 and up to the date of this annual report 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 2022 and up to the date of this annual report.

PRE-EMPTIVE RIGHTS

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

SHARE OPTION SCHEME

The Company unconditionally adopted a share option scheme (the "**Scheme**") on 4 May 2017 which became unconditional upon the listing of the Company. The purpose of the Scheme is to grant an option to subscribe for shares of the Company (the "**Option**") to eligible persons as defined in the Scheme as incentives or rewards for their contribution to the Group. Unless otherwise cancelled or amended, the Scheme will remain in force for a period of 10 years from the date of its adoption on 4 May 2017.

The total number of shares issued and which may fall to be issued upon exercise of the Options granted under the Scheme to each participant in any 12-month period shall not exceed 1.0% of the issued share capital of the Company for the time being. The Option may be exercised in accordance with the terms of the Scheme at any time during a period as the Board may determine which shall not exceed 10 years from the date of grant subject to the provisions of early termination thereof. Unless otherwise determined by the Board and stated in the offer of the grant of Option to a grantee, there is no minimum period required under the Scheme for the holding of the Option before it can be exercised. A nominal consideration of HK$1.00 is payable on acceptance of the grant of the Option.

Pursuant to the Scheme, the eligible persons may subscribe for the shares on exercise of the Option at a price determined by the Board, but shall not be less than the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a business day; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations for the five business days immediately preceding the date of the offer of grant; and (iii) the nominal value of a share.

Since the adoption of the Scheme and up to 30 September 2021, no Option has been granted by the Company. As of the date of this annual report, the Company had 72,120,000 shares available for issue under the Scheme (representing 10% of the existing issued share capital of the Company as at the date of this annual report). Details of the Scheme are set out in Appendix IV to the Prospectus.

Report of the Directors

EQUITY-LINKED AGREEMENTS

Save as disclosed in the section headed "Share Option Scheme" of this annual report, no equity-linked agreement was entered into by the Company during the year ended 30 September 2022 or subsisted as at 30 September 2022.

DONATION

Donations made by the Group during the year ended 30 September 2022 amounted to HK$165,000 (2021: HK$11,000).

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The Directors of the Company during the year ended 30 September 2022 and up to date of this annual report were as follows:

Executive directors

Ms. Wan Ho Yan Letty *(Chairperson)*
(Resigned as Executive Director and Chairperson on 1 January 2022)
Mr. Li Man Keung Edwin *(Executive Chairman)*
(Appointed as Executive Director and Executive Chairman on 25 January 2022)
Mr. Hui Ringo Wing Kun *(Chief Executive Officer)*
(Appointed and resigned as Chairman on 1 January 2022 and 25 January 2022 respectively. Appointed as Chief Executive Officer on 25 January 2022)
Mr. Yeung Chun Yue David *(Vice Chairman)*
(Appointed as Vice Chairman on 25 January 2022)

Non-executive director

Mr. Wan Chuen Fai (Resigned on 1 January 2022)

Independent non-executive directors

Mr. Kam Cheuk Fai David (Resigned on 1 January 2022)
Mr. William Robert Majcher
Mr. Ho Lik Kwan Luke
Mr. Lau Pak Kin Patric (Appointed on 1 January 2022)

Biographical details of the Directors of the Company is set out in the section headed "Biographical Details of Directors and Senior Management" on pages 17 to 22 of this annual report.

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

Report of the Directors

Directors' service agreements

Executive director, Mr. Hui Ringo Wing Kun, has entered into a service agreement with the Company for an initial term of three years commencing from 26 May 2017, which shall continue thereafter unless and until terminated by giving not less than three months' prior notice in writing to the Company. Each of Mr. Li Man Keung Edwin and Mr. Yeung Chun Yue David as executive Director has entered into a letter of appointment with the Company for a term of three years commencing from 25 January 2022 and 5 July 2021 respectively. Their appointment may be terminated by giving not less than three months' prior notice in writing to the Company.

Mr. William Robert Majcher as independent non-executive Director has entered into a letter of appointment with the Company for a term of three years commencing from 27 May 2020, and Mr. Ho Lik Kwan Luke as independent non-executive Director has entered into a letter of appointment with the Company for a term of three years commencing from 2 December 2020. Mr. Lau Pak Kin Patric as independent non-executive Director has entered into a letter of appointment with the Company for a term of three years commencing from 1 January 2022. The non-executive Directors may terminate their letter of appointment by giving not less than three months' prior notice in writing to the Company.

All the Directors are subject to retirement by rotation and shall be eligible for re-election at the Company's annual general meeting at least once every three years in accordance with the Articles. None of the Directors who are proposed for re-election at the forthcoming annual general meeting has an unexpired service agreement with the Company or any of its subsidiaries which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

CONFIRMATION OF INDEPENDENCE

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

REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

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

DIRECTORS' INTERESTS IN SIGNIFICANT TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

No transaction, arrangement or contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director of the Company or an entity associated with him has or had a material interest, whether directly or indirectly, subsisted at any time during the year ended 30 September 2022.

PERMITTED INDEMNITY PROVISIONS

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

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

CORPORATE GOVERNANCE

The Board is of the view that the Company has met the code provisions set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 15 to the GEM Listing Rules. A report on the principal corporate governance practices adopted by the Company is set out in the section headed "Corporate Governance Report" on pages 23 to 33 of this annual report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

Please refer to the section headed "Environmental, Social and Governance Report" on pages 34 to 42 of this annual report.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the year ended 30 September 2022, to the best of knowledge of the Directors, there was no material breach of or non-compliance with the applicable laws and regulations by the Group that has a significant impact on the businesses and operations of the Group.

DISCLOSURES UNDER RULES 17.22 TO 17.24 OF THE GEM LISTING RULES

As at 30 September 2022, the Group had no circumstances which would give rise to a disclosure obligation under Rules 17.22 to 17.24 of the GEM Listing Rules.

CONTRACT OF SIGNIFICANCE

No contracts of significance in relation to the Group's business in which the Company, any its subsidiaries or fellow subsidiaries, or its parent company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted during the year ended 30 September 2022.

RELATED PARTY TRANSACTIONS

Details of the related party transactions undertaken by the Group are set out in notes 25 and 36 to the consolidated financial statements.

CONNECTED TRANSACTIONS

During the year ended 30 September 2022, the Directors are not aware of any related party transactions which constituted a connected transaction or continuing connected transaction of the Company under Chapter 20 of the GEM Listing Rules which are required to comply with any of the disclosure requirements.

Report of the Directors

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

As at 30 September 2022, the interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "**SFO**")) held by the Directors and chief executives of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules are as follows:

Long positions in the shares of the Company:

Name of Directors	Capacity/Nature	Number of shares interested	Approximate percentage of the issued share capital of the Company *(Note 3)*
Mr. Li Man Keung Edwin ("**Mr. Li**")	Interests of controlled corporation/Beneficial owner	116,870,000 *(Note 1)*	16.20%
Mr. Yeung Chun Yue David ("**Mr. Yeung**")	Interests of controlled corporation	33,000,000 *(Note 2)*	4.58%

Notes:

(1) These 116,870,000 shares include 113,730,000 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.

(2) These 33,000,000 shares are held by GREAT WIN GLOBAL LIMITED ("**Great Win**"), a company incorporated in the BVI and wholly owned by Mr. Yeung as at the date of this annual report. Therefore, Mr. Yeung is deemed to be interested in all the shares held by Great Win for the purpose of the SFO.

(3) The approximate percentage of shareholdings is based on 721,200,000 shares in issue as at 30 September 2022.

Save as disclosed above, as at 30 September 2022, 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.

Report of the Directors

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the sections headed "**DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS**" and "**SHARE OPTION SCHEME**" above, neither the Company nor any of its subsidiaries or associated corporations was a party to any arrangement to enable the Directors and chief executives of the Company (including their respective spouse and children under 18 years of age) to acquire benefits by means of the acquisition of the shares or underlying shares in, or debentures of, the Company or any of its associated corporations at any time during the year ended 30 September 2022.

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

As at 30 September 2022, 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	Nature of interests	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 4)*
Ms. Wan Ho Yan Letty ("**Ms. Letty Wan**")	Interests of controlled corporation/ Beneficial owner	143,305,000	–	143,305,000 *(Note 1)*	19.87%
Jayden Wealth	Beneficial owner	143,100,000	–	143,100,000 *(Note 1)*	19.84%
Tanner Enterprises	Beneficial owner	113,730,000	–	113,730,000 *(Note 2)*	15.77%
LUCK ACHIEVE DEVELOPMENTS LIMITED ("**Luck Achieve**")	Beneficial owner	50,000,000	25,000,000	75,000,000 *(Note 3)*	10.40%

Report of the Directors

Notes:

(1) Jayden Wealth is a company incorporated in the BVI and wholly owned by Ms. Letty Wan. Under the SFO, Ms. Letty Wan is deemed to be interested in all the shares held by Jayden Wealth.

(2) 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.

(3) Luck Achieve is a company incorporated in the BVI and owned as to 60% by Mr. Li Chun Fung, 20% by Mr. Li Man Keung Edwin and 20% by Mr. Li Man Chun respectively. Under the SFO, Mr. Li Chun Fung is deemed to be interested in all the shares held by Luck Achieve. Luck Achieve is the beneficial owner of the convertible note of the Company which is convertible into a maximum of 25,000,000 shares of the Company (the "**Convertible Note**"). Therefore, Luck Achieve is deemed to be interested in 25,000,000 shares which may fall to be issued and allotted by the Company following the exercise of the conversion rights attaching to the Convertible Note (assuming full conversion of the Convertible Note).

(4) The approximate percentage of shareholdings is based on 721,200,000 shares in issue as at 30 September 2022.

Save as disclosed above, the Directors were not aware of any other persons, other than the Directors or the chief executives of the Company who held an interests or short positions in the shares and/or underlying shares of the Company as at 30 September 2022 which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or in existence during the year ended 30 September 2022.

COMPETING INTERESTS

None of the Directors and nor their respective associates (as defined under the GEM Listing Rules) had any interest in any other companies as at 30 September 2022 which compete or may compete, directly or indirectly, with the Group's business.

SUFFICIENCY OF PUBLIC FLOAT

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

Report of the Directors

TAX RELIEF

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

AUDITOR

The consolidated financial statements of the Company for the year ended 30 September 2022 were audited by Mazars CPA Limited, Certified Public Accountants, who will retire and, being eligible, offer itself for re-appointment at the forthcoming annual general meeting of the Company to re-appoint Mazars CPA Limited, Certified Public Accountants, as the auditor of the Company.

Director
Hui Ringo Wing Kun

Hong Kong, 19 December 2022

Independent Auditor's Report

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

Opinion

We have audited the consolidated financial statements of Hatcher Group Limited (the "**Company**") and its subsidiaries (together the "**Group**") set out on pages 59 to 151, which comprise the consolidated statement of financial position as at 30 September 2022, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 30 September 2022, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

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

Key Audit Matters

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

Independent Auditor's Report

Key Audit Matters *(Continued)*

Key Audit Matter	How our audit addressed the key audit matter
Impairment assessment of goodwill and intangible assets *Refer to note 2, note 13 and note 14 to the consolidated financial statements.*	
We identified the impairment assessment of goodwill and intangible assets as a key audit matter due to significant judgements and estimations exercised by the Group's management in impairment assessment. As at 30 September 2022, the Group's goodwill (net of accumulated impairment loss of approximately HK$22,755,000) and intangible assets amounted to approximately HK$43,671,000 and approximately HK$4,764,000 respectively relating to the acquisition of Baron Global Financial Canada Ltd. in 2018 and APEC GROUP INTERNATIONAL LIMITED and its subsidiaries in 2021, which are subject to impairment assessment in accordance with Hong Kong Accounting Standard 36 "*Impairment of Assets*" issued by the HKICPA. We considered the impairment of goodwill and intangible assets to be a key audit matter because management's impairment review assessment of the goodwill is based on the recoverable amount of the relevant cash generating unit ("**CGU**") which involved significant judgements and estimates.	Our key procedures included: • Assessing the competence, capabilities and objectivity of independent professional valuer that was appointed by the management to assist the management to determine the recoverable amounts of the relevant CGU; • Checking the calculations and assessing the assumptions and methodologies used by the independent professional valuer and management; • Challenging the reasonableness of key assumptions and inputs used in the valuation based on our knowledge of the business and industry; and • Challenging the management on the adequacy and appropriateness of sensitivity analysis.

Independent Auditor's Report

Key Audit Matters *(Continued)*

Key Audit Matter	How our audit addressed the key audit matter

Revenue recognition
Refer to note 2 and note 4 to the consolidated financial statements.
 	
Under HKFRS 15, the Group is required to identify the services promised (i.e. performance obligation) and recognise the revenue from corporate finance advisory services, business consulting services, environmental, social, and governance ("**ESG**") advisory services and risk management and internal control advisory services and when the performance obligation is satisfied according to the underlying service agreement.
 	
The determination of the progress towards complete satisfaction of the performance obligation of revenue recognition involves significant management's judgement.
	Our key procedures included:
	
	• Reviewing the Group's accounting policies on recognition of revenue from corporate finance advisory services, business consulting services, ESG advisory services and risk management and internal control advisory services and assessing whether they meet the requirements of prevailing applicable accounting standards; and
	
	• Reviewing the relevant terms and conditions of samples of client service agreements for projects of the Group and performing the following procedures:
	
	  • Inquiring the project teams about the status of the projects;
	
	  • Reading client correspondence and information published on the websites of stock exchanges and obtaining the project status reports for corporate finance advisory services business to ascertain the management's determination of the progress towards complete satisfaction for performance obligation are support with evidence; and
	
	  • Comparing revenue recognised subsequent to the financial year end with the relevant client service correspondence and making inquiries of management to assess whether the related revenue was recognised in the appropriate accounting year.

Independent Auditor's Report

Key Audit Matters *(Continued)*

Key Audit Matter	How our audit addressed the key audit matter
Loss allowance for expected credit losses ("ECL") on trade receivables *Refer to note 2, note 20 and note 37 to the consolidated financial statements.*	
As at 30 September 2022, the Group recognised the gross amount of trade receivables of approximately HK$16,683,000. Loss allowance amounting to approximately HK$808,000 has been provided on the relevant trade receivables. We considered this matter to be a key audit matter because of the assessment of loss allowances for trade receivables requires the management's use of judgement and estimates.	Our key procedures included: • Obtaining an understanding of and evaluating the Group's credit policies; • Assessing, on a sample basis, management's judgement over the ECL and creditworthiness of the customers by assessing the available information, such as background information of the customers, past collection history of customers, concentration risk, the Group's actual loss experience, subsequent settlement and ageing analysis of the trade receivables, adjusted for forward-looking factors specific to the debtors and the economic environment; and • Challenging the critical judgements made by management regarding the factors considered during the ECL assessment.

Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the Company's 2021-22 annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

Independent Auditor's Report

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

Independent Auditor's Report

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

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

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

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

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

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

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

Mazars CPA Limited
Certified Public Accountants
Hong Kong, 19 December 2022

The engagement director on the audit resulting in this independent auditor's report is:

Fung Shiu Hang
Practising Certificate number: P04793

Consolidated Statement of Comprehensive Income

Year ended 30 September 2022

	Note	2022 HK$'000	2021 HK$'000
Continuing operations			
Revenue	4	**72,157**	30,934
Other income, net	5	**647**	2,234
Provision for impairment loss in respect of goodwill	13	**(2,350)**	(1,505)
(Provision) Reversal of impairment loss in respect of trade receivables	37(a)	**(531)**	600
Bad debt written off in respect of trade receivables		**–**	(200)
Administrative expenses and other operating expenses		**(69,899)**	(48,011)
Finance costs	6	**(2,454)**	(716)
Loss before tax from continuing operations	7	**(2,430)**	(16,664)
Income tax (expense) credit	9	**(750)**	2,161
Loss for the year from continuing operations		**(3,180)**	(14,503)
Discontinued operations			
Loss for the year from discontinued operations	22	**(4,999)**	(5,585)
Loss for the year		**(8,179)**	(20,088)
Other comprehensive (loss) income:			
Items that will not be reclassified to profit or loss			
Fair value (loss) gain on financial assets designated at fair value through other comprehensive income ("**Designated FVOCI**")	17	**(1,893)**	211
Other comprehensive (loss) income for the year		**(1,893)**	211
Total comprehensive loss for the year		**(10,072)**	(19,877)
(Loss) Profit for the year attributable to:			
Owners of the Company		**(8,253)**	(20,088)
Non-controlling interests		**74**	–
		(8,179)	(20,088)
Total comprehensive (loss) income attributable to:			
Owners of the Company		**(10,146)**	(19,877)
Non-controlling interests		**74**	–
		(10,072)	(19,877)

Consolidated Statement of Comprehensive Income

Year ended 30 September 2022

	Note	2022 HK Cents	2021 HK Cents
From continuing and discontinued operations			
Loss per share			
Basic and diluted	11	**(1.24)**	(3.85)
From continuing operations			
Loss per share			
Basic and diluted	11	**(0.49)**	(2.78)

Consolidated Statement of Financial Position

At 30 September 2022

	Note	2022 HK$'000	2021 HK$'000
Non-current assets			
Goodwill	13	**43,671**	3,561
Intangible assets	14	**4,764**	–
Plant and equipment	15	**11,518**	2,715
Right-of-use assets	16	**12,130**	6,138
Designated FVOCI	17	**732**	2,565
Financial assets at fair value through profit or loss ("**FVPL**")	18	**1,366**	–
Deferred tax assets	28	**167**	–
		74,348	14,979
Current assets			
Financial assets at FVPL	18	**3,551**	1,061
Other investments	19	**791**	–
Trade and other receivables	20	**20,521**	3,843
Bank balances – client accounts	21	**101,502**	–
Bank balances – general accounts and cash		**16,825**	18,958
		143,190	23,862
Assets classified as held for sale	22	**49,069**	30,604
		192,259	54,466
Current liabilities			
Trade and other payables	23	**107,675**	5,014
Interest-bearing borrowings	24	**25,923**	–
Deposit received for disposal of a subsidiary	22	**3,500**	2,000
Loan payables	25	**360**	2,000
Lease liabilities	26	**3,661**	3,133
Income tax payables		**1,627**	593
		142,746	12,740
Liabilities associated with assets classified as held for sale	22	**38,669**	15,205
		181,415	27,945
Net current assets		**10,844**	26,521
Total assets less current liabilities		**85,192**	41,500

Consolidated Statement of Financial Position

At 30 September 2022

	Note	2022 HK$'000	2021 HK$'000
Non-current liabilities			
Loan payables	25	–	360
Lease liabilities	26	**8,835**	3,382
Other payables	23	**300**	–
Convertible note	27	**5,443**	–
Deferred tax liabilities	28	**1,275**	459
		15,853	4,201
NET ASSETS		**69,339**	37,299
Capital and reserves			
Share capital	29	**7,212**	5,462
Reserves		**62,628**	31,837
Equity attributable to owners of the Company		**69,840**	37,299
Non-controlling interests		**(501)**	–
TOTAL EQUITY		**69,339**	37,299

These consolidated financial statements on pages 59 to 151 were approved and authorised for issue by the Board of Directors on 19 December 2022 and signed on its behalf by

Yeung Chun Yue David
Director

Hui Ringo Wing Kun
Director

Consolidated Statement of Changes in Equity

Year ended 30 September 2022

	Note	Share capital HK$'000	Reserves: Share premium HK$'000 (note 30a)	Capital reserve HK$'000 (note 30b)	Exchange reserve HK$'000 (note 30c)	Investment revaluation reserve (non-recycling) HK$'000 (note 30d)	Accumulated losses HK$'000	Total reserve HK$'000	Total HK$'000
At 1 October 2020		5,132	70,935	152	1,656	(3,002)	(22,647)	47,094	52,226
Loss for the year		–	–	–	–	–	(20,088)	(20,088)	(20,088)
Other comprehensive income (loss) for the year									
Items that will not be reclassified to profit or loss									
Fair value change on Designated FVOCI reclassified to retained earnings upon disposal	17	–	–	–	–	(257)	257	–	–
Fair value gain on Designated FVOCI	17	–	–	–	–	211	–	211	211
Total other comprehensive (loss) income for the year		–	–	–	–	(46)	257	211	211
Total comprehensive loss for the year		–	–	–	–	(46)	(19,831)	(19,877)	(19,877)
Transactions with equity holders of the Company									
Contributions and distributions									
Subscription of new shares	29	330	4,620	–	–	–	–	4,620	4,950
At 30 September 2021		5,462	75,555	152	1,656	(3,048)	(42,478)	31,837	37,299

Consolidated Statement of Changes in Equity

Year ended 30 September 2022

		Attributable to equity holders of the Company										
			Reserves									
	Note	Share capital HK$'000	Share premium HK$'000 (note 30a)	Capital reserve HK$'000 (note 30b)	Exchange reserve HK$'000 (note 30c)	Investment revaluation reserve (non-recycling) HK$'000 (note 30d)	Convertible note reserve HK$'000 (note 30e)	Accumulated losses HK$'000	Total reserve HK$'000	Subtotal HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1 October 2021		5,462	75,555	152	1,656	(3,048)	–	(42,478)	31,837	37,299	–	37,299
(Loss) Profit for the year		–	–	–	–	–	–	(8,253)	(8,253)	(8,253)	74	(8,179)
Other comprehensive income (loss) for the year												
Items that will not be reclassified to profit or loss												
Fair value change on Designated FVOCI reclassified to retained earnings upon disposal	17	–	–	–	–	(16)	–	16	–	–	–	–
Fair value loss on Designated FVOCI	17	–	–	–	–	(1,893)	–	–	(1,893)	(1,893)	–	(1,893)
Total other comprehensive (loss) income for the year		–	–	–	–	(1,909)	–	16	(1,893)	(1,893)	–	(1,893)
Total comprehensive (loss) income for the year		–	–	–	–	(1,909)	–	(8,237)	(10,146)	(10,146)	74	(10,072)
Transactions with equity holders of the Company												
Contributions and distributions												
Issue of consideration shares	29(a)	500	7,550	–	–	–	–	–	7,550	8,050	–	8,050
Issue of convertible note	27	–	–	–	–	–	11,335	–	11,335	11,335	–	11,335
Conversion of convertible note	27, 29(b)	1,250	31,498	–	–	–	(9,446)	–	22,052	23,302	–	23,302
		1,750	39,048	–	–	–	1,889	–	40,937	42,687	–	42,687
Changes in ownership interests												
Acquisition of subsidiaries	32	–	–	–	–	–	–	–	–	–	(575)	(575)
At 30 September 2022		7,212	114,603	152	1,656	(4,957)	1,889	(50,715)	62,628	69,840	(501)	69,339

Consolidated Statement of Cash Flows

Year ended 30 September 2022

	Note	2022 HK$'000	2021 HK$'000
OPERATING ACTIVITIES			
Cash generated from (used in) operations	31(a)	**5,219**	(137)
Bank interest received		**19**	23
Other interest received		**–**	290
Tax (paid) refund		**(720)**	922
Net cash from operating activities		**4,518**	1,098
INVESTING ACTIVITIES			
Net cash flows on acquisition of subsidiaries	32	**14,784**	–
Deposits received for disposal of a subsidiary	22	**1,500**	2,000
Purchase of Designated FVOCI		**(94)**	–
Purchase of financial assets at FVPL		**(6,910)**	–
Purchase of other investments		**(853)**	–
Purchase of plant and equipment		**(9,810)**	(65)
Proceeds from disposal of Designated FVOCI		**34**	1,140
Proceeds from disposal of financial assets at FVPL		**3,910**	–
Proceeds from disposal of other investments		**69**	–
Proceeds from disposal of plant and equipment		**–**	450
Net cash from investing activities		**2,630**	3,525
FINANCING ACTIVITIES	31(b)		
Interest paid		**(1,477)**	–
Issue of share capital		**–**	4,950
New loans raised		**–**	62,120
Repayment of loans		**(2,000)**	(62,500)
Repayment of loan interests		**–**	(227)
Lease payments		**(6,689)**	(7,298)
Net cash used in financing activities		**(10,166)**	(2,955)
Net (decrease) increase in cash and cash equivalents		**(3,018)**	1,668
Cash and cash equivalents at beginning of year		**28,612**	26,944
Cash and cash equivalents at end of year, represented by bank balances – general accounts and cash		**25,594**	28,612
Analysis of the balances of cash and cash equivalents			
Cash and cash equivalent		**25,594**	28,612
Less: Bank balances – general accounts and cash attributable to the subsidiary to be disposed classified as held for sale	22	**(8,769)**	(9,654)
Bank balances – general accounts and cash as stated in the consolidated statement of financial position		**16,825**	18,958

Notes to the Consolidated Financial Statements

Year ended 30 September 2022

1. GENERAL INFORMATION

Hatcher Group Limited (the "**Company**") was incorporated as an exempted company with limited liability on 5 February 2016 under the Companies Law, Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The shares of the Company were listed on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") by way of placing and public offer on 26 May 2017 (the "**Listing**"). The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business has been changed from 18/F, Prosperity Tower, 39 Queen's Road Central, Hong Kong to 21/F., Low Block, Grand Millennium Plaza, 181 Queen's Road Central, Hong Kong with effect from 24 May 2022.

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 change from VBG International Holdings Limited to Hatcher Group Limited with effect from 22 October 2021.

The Company is an investment holding company and the principal activities of its subsidiaries are set out in note 12 to the consolidated financial statements.

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

Notes to the Consolidated Financial Statements

Year ended 30 September 2022

2. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

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

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2021 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 HKAS 39, HKFRSs 4, 7, 9 and 16: Interest Rate Benchmark Reform – Phase 2

The amendments address issues that might affect financial reporting when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the interest rate benchmark reform (the "**Reform**"). The amendments complement those issued in November 2019 and relate to:

- changes to contractual cash flows – a company will not have to derecognise or adjust the carrying amount of financial instruments for changes required by the Reform, but will instead update the effective interest rate to reflect the change to the alternative benchmark rate;

- hedge accounting – a company will not have to discontinue its hedge accounting solely because it makes changes required by the Reform, if the hedge meets other hedge accounting criteria; and

- disclosures – a company will be required to disclose information about new risks arising from the reform and how it manages the transition to alternative benchmark rates.

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

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Adoption of new/revised HKFRSs (Continued)

Amendments to HKFRS 16: Covid-19-Related Rent Concessions Beyond 30 June 2021

The amendments exempt lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the covid-19 pandemic are lease modifications and allow lessees to account for such rent concessions as if they were not lease modifications. It applies to covid-19-related rent concessions that reduce lease payments due on or before 30 June 2022. The amendments do not affect lessors.

These amendments shall be applied for annual periods beginning on or after 1 April 2021 with earlier application permitted. The Group has elected to early adopt the amendments in the current year. In accordance with the transition provisions therein, the amendments have been applied retrospectively by the Group recognising the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings and therefore the comparative information has not been restated.

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

A summary of the principal accounting policies adopted by the Group is set out below:

Basis of measurement

The measurement basis used in the preparation of these consolidated financial statements is historical cost, except for financial asset designated at fair value through other comprehensive income ("**Designated FVOCI**") and financial assets at fair value through profit or loss ("**FVPL**"), which are measured at fair value as explained in the accounting policies set out below.

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 balance, transactions, income 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.

Notes to the Consolidated Financial Statements

Year ended 30 September 2022

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

Non-controlling interests are presented, separately from owners of the Company, in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position. The non-controlling interests in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in event of liquidation, are measured initially either at fair value or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This choice of measurement basis is made on an acquisition-by-acquisition basis. Other types of non-controlling interests are initially measured at fair value, unless another measurement basis is required by HKFRSs.

Allocation of total comprehensive income

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

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.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

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.

Subsidiaries

A subsidiary is an entity that is controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

In the Company's statement of financial position which is presented within these notes, an investment in a subsidiary is stated at cost less accumulated impairment loss. The carrying amount of the investment is reduced to its recoverable amount on an individual basis, if it is higher than the recoverable amount. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Goodwill

Goodwill arising on an acquisition of a business is measured at the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree (if applicable) and the fair value of any previously held equity interests in the acquiree over the acquisition date amounts of the identifiable assets acquired and the liabilities assumed of the acquired business.

Goodwill on acquisition of business is recognised as a separate asset and is carried at cost less accumulated impairment losses, which is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For the purpose of impairment test and determination of gain or loss on disposal, goodwill is allocated to cash-generating units. An impairment loss on goodwill is not reversed.

Notes to the Consolidated Financial Statements

Year ended 30 September 2022

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Goodwill (Continued)

On the other hand, any excess of the acquisition date amounts of identifiable assets acquired and the liabilities assumed of the acquired business over the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree (if applicable) and the fair value of the acquirer's previously held interest in the acquiree, if any, after reassessment, is recognised immediately in profit or loss as an income from bargain purchase.

Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an item of plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is provided to write off the cost less accumulated impairment losses of plant and equipment over their estimated useful lives as set out below from the date on which they are available for use and after taking into account their estimated residual values, using the straight-line method. Where parts of an item of plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis and depreciated separately:

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

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

Intangible assets

Trading rights

Trading rights confer eligibility on the Group to trade on the Stock Exchange. The trading rights have no foreseeable limit to the period over which the Group can use to generate cash flows. As a result, the trading rights are considered by the management of the Group as having indefinite useful lives because they are expected to contribute to net cash inflows indefinitely. The trading rights will not be amortised until its useful life is determined to be finite. They will be tested for impairment annually and whenever there is an indication that they may be impaired.

The useful life of the trading rights is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is account for on a prospective basis.

Notes to the Consolidated Financial Statements

Year ended 30 September 2022

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Intangible assets (Continued)

Vehicle registration marks

Vehicle registration marks with indefinite useful life are stated at costs less any impairment losses. Impairments are reviewed annually or when there are any indications that the vehicle registration marks have suffered impairment loss.

Customer relationship

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

Other investments

Other investments are stated at cost less accumulated impairment losses.

Financial instruments

Financial assets

Recognition and derecognition

Financial assets are recognised when and only when the Group becomes a party to the contractual provisions of the instruments and on a trade date basis.

A financial asset is derecognised when and only when (i) the Group's contractual rights to future cash flows from the financial asset expire or (ii) the Group transfers the financial asset and either (a) it transfers substantially all the risks and rewards of ownership of the financial asset, or (b) it neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but it does not retain control of the financial asset.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises the financial asset to the extent of its continuing involvement and an associated liability for amounts it may have to pay.

Classification and measurement

Financial assets (except for trade receivables without a significant financing component which are initially measured at their transaction price) are initially recognised at their fair value plus, in the case of financial assets not carried at FVPL, transaction costs that are directly attributable to the acquisition of the financial assets.

Notes to the Consolidated Financial Statements

Year ended 30 September 2022

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and measurement (Continued)

On initial recognition, a financial asset is classified as (i) measured at amortised cost; (ii) debt instrument measurement at fair value through other comprehensive income ("**Mandatory FVOCI**"); (iii) Designated FVOCI; or (iv) measured at FVPL.

The classification of financial assets at initial recognition depends on the Group's business model for managing the financial assets and the financial asset's contractual cash flow characteristics. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing them, in which case all affected financial assets are reclassified on the first day of the first annual reporting period following the change in the business model.

(1) Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

(i) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

(ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses arising from impairment, derecognition or through the amortisation process are recognised in profit or loss.

The Group's financial assets at amortised cost include trade and other receivables and bank balances and cash.

(2) Designated FVOCI

Upon initial recognition, the Group may make an irrevocable election to present subsequent changes in the fair value of an investment in an equity instrument that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 applies in other comprehensive income. The classification is determined on an instrument-by-instrument basis.

Notes to the Consolidated Financial Statements

Year ended 30 September 2022

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and measurement (Continued)

(2) Designated FVOCI (Continued)

These equity investments are subsequently measured at fair value and are not subject to impairment. Dividends are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other gains or losses are recognised in other comprehensive income and shall not be subsequently reclassified to profit or loss. Upon derecognition, the cumulative gain or loss is transferred directly to accumulated profits or losses.

The Group's Designated FVOCI includes listed and unlisted equity securities not held for trading.

(3) Financial assets at FVPL

These investments include financial assets that are not measured at amortised cost or FVOCI, including financial assets held for trading, financial assets designated upon initial recognition as at FVPL, financial assets resulting from a contingent consideration arrangement in a business combination to which HKFRS 3 applies and financial assets that are otherwise required to be measured at FVPL. They are carried at fair value, with any resultant gain and loss recognised in profit or loss, which does not include any dividend or interest earned on the financial assets. Dividend or interest income is presented separately from fair value gain or loss.

A financial asset is classified as held for trading if it is:

(i) acquired principally for the purpose of selling it in the near term;

(ii) part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking on initial recognition; or

(iii) a derivative that is not a financial guarantee contract or not a designated and effective hedging instrument.

Financial assets are designated at initial recognition as at FVPL only if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains or losses on them on different bases.

The Group's financial assets mandatorily measured at FVPL include unlisted options, listed equity securities held for trading and payment for life insurance policy.

Notes to the Consolidated Financial Statements

Year ended 30 September 2022

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities

Recognition and derecognition

Financial liabilities are recognised when and only when the Group becomes a party to the contractual provisions of the instruments.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the relevant contract is discharged, cancelled or expires.

Classification and measurement

Financial liabilities are initially recognised at their fair value plus, in the case of financial liabilities not carried at FVPL, transaction costs that are directly attributable to the issue of the financial liabilities.

The Group's financial liabilities include trade and other payables, interest-bearing borrowings, deposit received from disposal of a subsidiary and loan payables. All financial liabilities are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

Impairment of financial assets and other items under HKFRS 9

The Group recognises loss allowances for expected credit losses ("**ECL**") on financial assets that are measured at amortised cost and contract assets to which the impairment requirements apply in accordance with HKFRS 9. Except for the specific treatments as detailed below, at each reporting date, the Company measures a loss allowance for a financial asset at an amount equal to the lifetime ECL if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for that financial asset at an amount equal to 12-month ECL.

Measurement of ECL

ECL is a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument.

For financial assets, a credit loss is the present value of the difference between the contractual cash flows that are due to an entity under the contract and the cash flows that the entity expects to receive.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument while 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Notes to the Consolidated Financial Statements

Year ended 30 September 2022

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets and other items under HKFRS 9 (Continued)

Measurement of ECL (Continued)

Where ECL is measured on a collective basis, the financial instruments are grouped based on (i) past due information and/or (ii) nature of instrument.

Loss allowance is remeasured at each reporting date to reflect changes in the financial instrument's credit risk and loss since initial recognition. The resulting changes in the loss allowance are recognised as an impairment gain or loss in profit or loss with a corresponding adjustment to the carrying amount of the financial instrument, except in the case of Mandatory FVOCI, the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve (recycling).

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that the Group may not receive the outstanding contractual amounts in full if the financial instrument that meets any of the following criteria.

(i) information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group); or

(ii) there is a breach of financial covenants by the counterparty.

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

Assessment of significant increase in credit risk

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

- the debtor's failure to make payments of principal or interest on the due dates;

Notes to the Consolidated Financial Statements

Year ended 30 September 2022

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets and other items under HKFRS 9 (Continued)

Assessment of significant increase in credit risk (Continued)

- an actual or expected significant deterioration in the financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- actual or expected changes in the technological, market, economic or legal environment that have or may have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 30 days past due.

Low credit risk

A financial instrument is determined to have low credit risk if:

(a) it has a low risk of default;

(b) the borrower has a strong capacity to meet its contractual cash flow obligations in the near terms; and

(c) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

As detailed in note 37(a) to the consolidated financial statement, bank balances – general accounts are determined to have low credit risk.

Simplified approach of ECL

For trade receivables and contract assets without a significant financing components, the Group applies a simplified approach in calculating ECL. The Group recognises a loss allowance based on lifetime ECL at each reporting date and has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Notes to the Consolidated Financial Statements

Year ended 30 September 2022

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets and other items under HKFRS 9 (Continued)

Credit-impaired financial asset

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

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

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

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

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

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

(f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Write-off

The Group writes off a financial asset when the Group has no reasonable expectations of recovering the contractual cash flows on a financial asset in its entirety or a portion thereof. The Group has a policy of writing off the gross carrying amount based on historical experience of recoveries of similar assets. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities under the Group's procedures for recovery of amounts due, taking into account legal advice if appropriate. Any subsequent recovery is recognised in profit or loss.

Convertible bond

The component of the convertible bond that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of issue costs. The corresponding dividends on those shares are charged as interest expense in profit or loss.

On the issue of the convertible bond, the fair value of the liability component is determined using a market rate for a similar bond that does not have a conversion option; and this amount is carried as a long-term liability on the amortised cost basis until extinguished on conversion or redemption.

Notes to the Consolidated Financial Statements

Year ended 30 September 2022

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Convertible bond (Continued)

The remainder of the proceeds is allocated to the conversion option that is recognised and included in the convertible bond equity reserve within shareholders' equity, net of issue costs. The value of the conversion option carried in equity is not changed in subsequent years. When the conversion option is exercised, the balance of the convertible bond equity reserve is transferred to share capital or other appropriate reserve. When the conversion option remains unexercised at the expiry date, the balance remained in the convertible bond equity reserve is transferred to accumulated profits/losses. No gain or loss is recognised in profit or loss upon conversion or expiration of the option.

Issue costs are apportioned between the liability and equity components of the convertible bond based on the allocation of proceeds to the liability and equity components when the instruments are first recognised. Transaction costs that relate to the issue of the convertible bond are allocated to the liability and equity components in proportion to the allocation of proceeds.

Cash equivalents

For the purpose of the consolidated statement of cash flows, cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Revenue recognition

Dividend income

Dividend income from financial assets is recognised when the Group's rights to receive dividend is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Interest income

Interest income from financial assets is recognised using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the assets while it is applied to the amortised cost (i.e. the gross carrying amount net of loss allowance) in case of credit-impaired financial assets.

Revenue from contracts with customers within HKFRS 15

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

Notes to the Consolidated Financial Statements

Year ended 30 September 2022

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Revenue from contracts with customers within HKFRS 15 (Continued)

Identification of performance obligations

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

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

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

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

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

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

Timing of revenue recognition

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

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

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

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

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

Notes to the Consolidated Financial Statements

Year ended 30 September 2022

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Revenue from contracts with customers within HKFRS 15 (Continued)

Timing of revenue recognition (Continued)

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

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

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

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

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

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

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Contract assets and contract liabilities

If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the contract is presented as a contract asset, excluding any amounts presented as a receivable. Conversely, if a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the contract is presented as a contract liability when the payment is made or the payment is due (whichever is earlier). A receivable is the Group's right to consideration that is unconditional or only the passage of time is required before payment of that consideration is due.

For a single contract or a single set of related contracts, either a net contract asset or a net contract liability is presented. Contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

For certain services provided by the Group, in accordance with the underlying service agreements which negotiated on a case-by-case basis with customer, the Group may receive from the customer the whole or some of the contractual payments before the services are completed or when the goods are delivered (i.e. the timing of revenue recognition for such transactions). The Group recognises a contract liability until it is recognised as revenue. During that period, any significant financing components, if applicable, will be included in the contract liability and will be expensed as accrued unless the interest expense is eligible for capitalisation.

Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The consolidated financial statements are presented in the currency of HK$, which is also the functional currency of the Company.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve.

The results and financial position of all the group entities that have a functional currency different from the presentation currency ("**foreign operations**") are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented, are translated at the closing rate at the end of each reporting period;

Notes to the Consolidated Financial Statements

Year ended 30 September 2022

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Foreign currency translation (Continued)

- income and expenses for each statement of comprehensive income are translated at average exchange rate;

- all resulting exchange differences arising from the above translation and exchange differences arising from a monetary item that forms part of the Group's net investment in a foreign operation are recognised as a separate component of equity.

Impairment of other assets, other than goodwill

At the end of each reporting period, the Group reviews internal and external sources of information to determine whether there is any indication that its plant and equipment, intangible assets, right-of-use assets and other investments may be impaired or impairment loss previously recognised no longer exists or may be reduced. If any such indication exists, the recoverable amount of the asset is estimated, based on the higher of its fair value less costs of disposal and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest group of assets that generates cash flows independently (i.e. cash-generating unit).

If the recoverable amount of an asset or a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognised as an expense in profit or loss immediately.

A reversal of impairment loss is limited to the carrying amount of the asset or cash-generating unit that would have been determined had no impairment loss been recognised in prior periods. Reversal of impairment loss is recognised as income in profit or loss immediately.

The accounting policy for recognition of the impairment loss for goodwill is stated in the accounting policy for goodwill in the earlier part of this note.

Borrowing costs

Borrowing costs incurred, net of any investment income on the temporary investment of the specific borrowings, that are directly attributable to the acquisition, construction or production of qualifying assets, i.e. assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Notes to the Consolidated Financial Statements

Year ended 30 September 2022

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of obligation can be made. Expenditures for which a provision has been recognised are charged against the related provision in the year in which the expenditures are incurred. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount provided is the present value of the expenditures expected to be required to settle the obligation. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the years necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred income account/recognised as a deduction from the carrying amount of the relevant asset and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

The benefit of a government loan received at a below-market rate of interest is treated as a government grant. The benefit of the below-market rate of interest shall be measured as the difference between the initial fair value of the loan and the proceeds received.

Leases

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

As lessee

The Group applies the recognition exemption to short-term leases and low-value asset leases. Lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Amounts payable by the Group that do not give rise to a separate component are considered to be part of the total consideration that is allocated to the separately identified components of the contract.

The Group recognises a right-of-use asset and a lease liability at the commencement date of the lease.

Notes to the Consolidated Financial Statements

Year ended 30 September 2022

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Leases (Continued)

As lessee (Continued)

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

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

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

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

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

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability. Depreciation is provided on a straight-line basis over the shorter of the lease term and the estimated useful life of the right-of-use asset as follows:

Office premises	3-10 years
Motor vehicles	5 years

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date of the contract.

The lease payments including in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

(a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;

(b) variable lease payments that depend on an index or a rate;

(c) amounts expected to be payable under residual value guarantees;

(d) exercise price of a purchase option if the Group is reasonably certain to exercise that option; and

(e) payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Leases (Continued)

As lessee (Continued)

The lease payments are discounted using the interest rate implicit in the lease, or where it is not readily determinable, the incremental borrowing rate of the lessee.

Subsequently, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The lease liability is remeasured using a revised discount rate when there are changes to the lease payments arising from a change in the lease term or the reassessment of whether the Group will be reasonably certain to exercise a purchase option.

The lease liability is remeasured by using the original discount rate when there is a change in the residual value guarantee, the in-substance fixed lease payments or the future lease payments resulting from a change in an index or a rate (other than floating interest rate). In case of a change in future lease payments resulting from a change in floating interest rates, the Group remeasures the lease liability using a revised discount rate.

The Group recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. If the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the remeasurement in profit or loss.

A lease modification is accounted for as a separate lease if:

(a) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

(b) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

When a lease modification is not accounted for as a separate lease, at the effective date of the lease modification,

(a) the Group allocates the consideration in the modified contract on the basis of relative stand-alone price as described above.

(b) the Group determines the lease term of the modified contract.

Notes to the Consolidated Financial Statements

Year ended 30 September 2022

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Leases (Continued)

As lessee (Continued)

(c) the Group remeasures the lease liability by discounting the revised lease payments using a revised discount rate over the revised lease term.

(d) for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease and recognising any gain or loss relating to the partial or full termination of the lease in profit or loss.

(e) for all other lease modifications, the Group accounts for the remeasurement of the lease liability by making a corresponding adjustment to the right-of-use asset.

Employee benefits

Short term employee benefits

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

Defined contribution plans

The Group, other than overseas subsidiaries, operates Mandatory Provident Fund schemes to provide retirement benefits for its full time permanent employees in Hong Kong. The obligations for contributions to defined contribution retirement scheme are recognised as an expense in profit or loss as incurred. The assets of the scheme are held separately from those of the Group in an independently administered fund.

Overseas subsidiaries also operate pension schemes or similar arrangements for their employees in accordance with the statutory requirements prescribed by the relevant legal authorities. Contributions to these plans are expensed in profit or loss as incurred and other than these monthly contributions, the Group has no further obligation for the payment of retirement benefits to its employees.

Long service payments

The Group's net obligation in respect of long service payments under the Hong Kong Employment Ordinance is the amounts of future benefit that employees have earned in return for their services in the current and prior periods. The obligation is calculated using the projected unit credit method and discounted to its present value and after deducting the fair value of any related assets, including those retirement scheme benefits.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Share-based payment transactions

Equity-settled transactions

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

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

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

Taxation

The charge for current income tax is based on the results for the period as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each reporting period between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, any deferred tax arising from initial recognition of goodwill; or other asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss is not recognised.

The deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is recovered or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and credits can be utilised.

Notes to the Consolidated Financial Statements

Year ended 30 September 2022

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Taxation (Continued)

Deferred tax is provided on temporary differences arising on investment in subsidiaries, except where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Related parties

A related party is a person or entity that is related to the Group that is defined as:

(a) A person or a close member of that person's family is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of the holding company of the Group.

(b) An entity is related to the Group if any of the following conditions applies:

(i) the entity and the Group are members of the same group (which means that each holding company, subsidiary and fellow subsidiary is related to the others).

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) both entities are joint ventures of the same third party.

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.

(vi) the entity is controlled or jointly controlled by a person identified in (a).

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a holding company of the entity).

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the holding company of the Group.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Related parties (Continued)

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(a) that person's children and spouse or domestic partner;

(b) children of that person's spouse or domestic partner; and

(c) dependants of that person or that person's spouse or domestic partner.

In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

Critical accounting estimates and judgements

Estimates and assumptions concerning the future and judgements are made by the management in the preparation of the consolidated financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Where appropriate, revisions to accounting estimates are recognised in the period of revision and future periods, in case the revision also affects future periods.

Revenue recognition

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

Loss allowance for ECL

The Company's management estimates the loss allowance for financial assets at amortised cost including trade receivables by using various inputs and assumptions including risk of a default loss. The estimation involves high degree of uncertainty which is based on the Group's past collection history of customers, concentration risk, the Group's actual loss experience, existing market conditions as well as forward-looking estimates at the end of each reporting period. Where the expectation is different from the original estimate, such difference will impact the carrying amount of the financial assets at amortised cost. Details of the key assumption and inputs used in estimating ECL are set out in note 37(a) to the consolidated financial statements.

Notes to the Consolidated Financial Statements

Year ended 30 September 2022

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Critical accounting estimates and judgements (Continued)

Impairment of non-financial assets, other than goodwill

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

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating units to which the goodwill is allocated. Estimating the recoverable amount requires the Group to choose a suitable valuation model and make estimation of the key valuation parameter and other relevant business assumptions. Details of the estimates used to calculate the recoverable amount are given in note 13 to the consolidated financial statements.

Acquisition of subsidiaries

The initial accounting on the acquisition of subsidiaries involves identifying and determining the value to be assigned to the identifiable assets and liabilities of the acquired entities. The values of the identified assets and liabilities and consideration, including contingent consideration receivable, are determined by reference to the valuation performed by an independent professional valuer where applicable. Any changes in assumptions used and estimates made in determining the value will impact the carrying amount of these assets and liabilities.

Notes to the Consolidated Financial Statements

Year ended 30 September 2022

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Future changes in HKFRSs

At the date of authorisation of these consolidated financial statements, 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 16	Proceeds before Intended Use [1]
Amendments to HKAS 37	Cost of Fulfilling a Contract [1]
Amendments to HKFRS 3	Reference to the Conceptual Framework [1]
Annual Improvements to HKFRSs	2018-2020 Cycle [1]
Amendments to HKAS 1	Disclosure of Accounting Policies [2]
Amendments to HKAS 8	Definition of Accounting Estimates [2]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction [2]
HKFRS 17	Insurance Contracts [2]
Amendment to HKFRS 17	Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information [2]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current [3]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback [3]
Amendments to HKAS 1	Non-current Liabilities with Covenants [3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [4]

[1] Effective for annual periods beginning on or after 1 January 2022
[2] Effective for annual periods beginning on or after 1 January 2023
[3] Effective for annual periods beginning on or after 1 January 2024
[4] The effective date to be determined

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

3. SEGMENT INFORMATION

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

In the current year, the Group reorganised its internal reporting structure for clearer descriptive information about their operation which resulted in changes to the composition of its reportable segments. The Group is currently organised into two operating divisions, namely licensed business and non-licensed business (2021: three operating divisions, namely corporate finance, asset management and brokerage and margin financing). Prior year segment disclosures have been represented to conform with the current year's presentation.

Notes to the Consolidated Financial Statements

Year ended 30 September 2022

3. SEGMENT INFORMATION (Continued)

The principal activities of these operating segments are as follows:

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

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

Segment revenue and results:

Year ended 30 September 2022

	Continuing operations		Discontinued operations	
	Licensed business HK$'000	Non-licensed business HK$'000	Licensed business HK$'000	Total HK$'000
Revenue	12,877	59,280	805	72,962
Other income (loss), net, including provision of impairment loss in respect of trade receivables	709	(598)	202	313
	13,586	58,682	1,007	73,275
Results				
Segment results	(2,581)	6,402	(4,999)	(1,178)
Unallocated corporate income				5
Unallocated corporate expenses				(6,256)
Loss before taxation				(7,429)

Notes to the Consolidated Financial Statements

Year ended 30 September 2022

3. SEGMENT INFORMATION (Continued)

Segment revenue and results: (Continued)

Year ended 30 September 2021 (Re-presented)

	Continuing operations		Discontinued operations	
	Licensed business HK$'000	Non-licensed business HK$'000	Licensed business HK$'000	Total HK$'000
Revenue	23,266	7,668	6,294	37,228
Other income, net, including bad debts written off and reversal of impairment loss in respect of trade receivables	1,379	1,218	203	2,800
	24,645	8,886	6,497	40,028
Results				
Segment results	(6,372)	(2,846)	(5,585)	(14,803)
Unallocated corporate income				37
Unallocated corporate expenses				(7,483)
Loss before taxation				(22,249)

Notes to the Consolidated Financial Statements

Year ended 30 September 2022

3. SEGMENT INFORMATION (Continued)

Other segment information:

Year ended 30 September 2022

	Continuing operations		Discontinued operations		
	Licensed business HK$'000	Non-licensed business HK$'000	Licensed business HK$'000	Unallocated HK$'000	Total HK$'000
Additions to intangible assets	–	6,220	–	–	6,220
Additions to plant and equipment	–	11,182	–	–	11,182
Additions to right-of-use assets	–	11,958	–	–	11,958
Amortisation of intangible assets	–	(1,456)	–	–	(1,456)
Depreciation of plant and equipment	(36)	(1,916)	–	–	(1,952)
Depreciation of right-of-use assets	–	(5,966)	–	–	(5,966)
Government subsidies	639	560	188	22	1,409
Gain on disposal of other investments	–	–	–	7	7
(Loss) gain on disposal of financial assets at FVPL	(58)	–	–	677	619
Loss on derecognition of subsidiaries	–	–	–	(372)	(372)
Net unrealised loss on financial assets at FVPL	–	(701)	–	(402)	(1,103)
Provision for impairment loss in respect of goodwill	–	(2,350)	(1,863)	–	(4,213)
Provision for impairment loss in respect of intangible assets	–	–	(230)	–	(230)
Provision for impairment loss in respect of plant and equipment	–	–	(53)	–	(53)
Provision for impairment loss in respect of right-of-use assets	–	–	(410)	–	(410)
Provision of impairment loss in respect of trade receivables	–	(531)	–	–	(531)
Write off of plant and equipment	(9)	(418)	–	–	(427)

Notes to the Consolidated Financial Statements

Year ended 30 September 2022

3. SEGMENT INFORMATION (Continued)

Other segment information: (Continued)

Year ended 30 September 2021 (Re-presented)

	Continuing operations		Discontinued operations		
	Licensed business HK$'000	Non-licensed business HK$'000	Licensed business HK$'000	Unallocated HK$'000	Total HK$'000
Additions to plant and equipment	–	65	–	–	65
Depreciation of plant and equipment	(54)	(592)	(347)	–	(993)
Depreciation of right-of-use assets	(3,240)	(3,063)	(345)	–	(6,648)
Gain on disposal of plant and equipment	–	–	93	–	93
Government subsidies	750	440	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	–	(200)	–	–	(200)
Reversal of impairment loss in respect of trade receivables	–	600	–	–	600
Written back of other payables	193	–	–	–	193
Write off of plant and equipment	(7)	–	–	–	(7)
Write off of intangible assets	–	–	(113)	–	(113)

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:

	2022 HK$'000	2021 HK$'000
Continuing operations		
Hong Kong	**67,372**	25,722
Canada	**4,785**	5,212
	72,157	30,934
Discontinued operations		
Hong Kong	**805**	6,294

Notes to the Consolidated Financial Statements

Year ended 30 September 2022

3. SEGMENT INFORMATION (Continued)

Information about geographical areas (Continued)

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:

	2022 HK$'000	2021 HK$'000
Continuing operations		
Hong Kong	**66,264**	3,538
Canada	**5,819**	8,876
	72,083	12,414
Discontinued operations		
Hong Kong	**1,017**	2,886

Information about major customers

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

	2022 HK$'000	2021 HK$'000
Continuing operations		
Customer A	**(note)**	7,909
Customer B	**11,279**	–
Discontinued operations		
Customer A	**(note)**	4,247

Note:

The customer contributed less than 10% of the total revenue of the Group for the relevant reporting periods.

Notes to the Consolidated Financial Statements

Year ended 30 September 2022

4. REVENUE

	2022 HK$'000	2021 HK$'000
Continuing operations		
Licensed business		
Revenue from contracts with customers within HKFRS 15		
Corporate finance advisory services	**11,076**	17,605
Placing and underwriting services	**1,521**	5,563
Asset management services	**280**	98
	12,877	23,266
Non-licensed business		
Revenue from contracts with customers within HKFRS 15		
Accounting and taxation services	**12,105**	–
Business consulting services	**32,385**	7,668
Corporate secretarial services	**3,382**	–
ESG advisory services	**7,046**	–
Human resources services	**1,010**	–
Risk management and internal control advisory services	**3,352**	–
	59,280	7,668
	72,157	30,934
Discontinued operations		
Licensed business		
Revenue from contracts with customers within HKFRS 15		
Placing and underwriting services	**10**	5,077
Brokerage commission	**420**	900
Clearing, settlement and handling fee income	**30**	78
	460	6,055
Interest revenue calculated using the effective interest method		
Interest income from cash and margin clients	**345**	239
Total (note 22)	**805**	6,294

Notes to the Consolidated Financial Statements

Year ended 30 September 2022

4. REVENUE (Continued)

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

	Continuing operations		Discontinued operations	
Year ended 30 September 2022	**Licensed business HK$'000**	**Non-licensed business HK$'000**	**Licensed business HK$'000**	**Total HK$'000**
Timing of revenue recognition:				
– at a point in time	**1,521**	**–**	**460**	**1,981**
– over time	**11,356**	**59,280**	**–**	**70,636**
Total revenue from contracts with customers within HKFRS 15 at fixed price	**12,877**	**59,280**	**460**	**72,617**

	Continuing operations		Discontinued operations	
Year ended 30 September 2021 (Re-presented)	Licensed business HK$'000	Non-licensed business HK$'000	Licensed business HK$'000	Total HK$'000
Timing of revenue recognition:				
– at a point in time	5,563	–	6,055	11,618
– over time	17,703	7,668	–	25,371
Total revenue from contracts with customers within HKFRS 15 at fixed price	23,266	7,668	6,055	36,989

Notes to the Consolidated Financial Statements

Year ended 30 September 2022

5. OTHER INCOME, NET

	2022 HK$'000	2021 HK$'000
Continuing operations		
Gain on disposal of financial assets at FVPL	**619**	–
Gain on disposal of other investments	**7**	–
Government subsidies (note)	**1,221**	1,225
Interest income	**19**	23
Loan interest income	**–**	290
Loss on derecognition of subsidiaries	**(372)**	–
Net unrealised (loss) gain on financial assets at FVPL	**(1,103)**	479
Recharge income from disbursement costs	**257**	–
Written back of other payables	**–**	193
Others	**(1)**	24
	647	2,234
Discontinued operations (note 22)		
Government subsidies (note)	**188**	217
Gain on disposal of plant and equipment	**–**	93
Gain on lease modification (as lessee)	**–**	6
Write off of intangible assets	**–**	(113)
Others	**14**	–
	202	203
	849	2,437

Note:

During the year, the Group recognised government subsidies of HK$1,001,000, HK$122,000 and HK$286,000 respectively in respect of the Employment Support Scheme under Anti-epidemic Fund of the Hong Kong SAR Government due to the COVID-19 pandemic, Financial Industry Recruitment Scheme for Tomorrow and Financial Industry Recruitment Scheme for Young Graduates under the Financial Service and the Treasury Bureau (2021: HK$1,070,000 and CAD62,000 (equivalent to approximately HK$372,000) respectively 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 due to the COVID-19 pandemic).

Notes to the Consolidated Financial Statements

Year ended 30 September 2022

6. FINANCE COSTS

	2022 HK$'000	2021 HK$'000
Continuing operations		
Interest expenses on bank borrowings	**666**	–
Interest expenses on convertible note	**1,173**	–
Interest expenses on lease liabilities	**615**	523
Interest expenses on loan payables	**–**	193
	2,454	716
Discontinued operations		
Interest expenses on lease liabilities (note 22)	**11**	11
	2,465	727

Notes to the Consolidated Financial Statements

Year ended 30 September 2022

7. LOSS BEFORE TAX

Loss before tax has been arrived at after charging:

	2022 HK$'000	2021 HK$'000
Staff costs (including directors' remuneration):		
Continuing operations		
Employee benefit expense	**42,612**	18,868
Contributions to defined contribution plans	**1,370**	430
	43,982	19,298
Discontinued operations		
Employee benefit expense	**2,004**	2,711
Contributions to defined contribution plans	**101**	111
	2,105	2,822
Total staff costs	**46,087**	22,120
Continuing operations		
Auditor's remuneration	**1,150**	650
Amortisation		
– Intangible assets (included in "Administrative expenses and other operating expenses")	**1,456**	–
Depreciation		
– Plant and equipment	**1,952**	646
– Right-of-use assets	**5,966**	6,303
Professional fees	**7,330**	13,738
Underwriting and related expenses	**–**	3,885
Write off of plant and equipment	**427**	7
Discontinued operations		
Auditor's remuneration	**100**	100
Depreciation		
– Plant and equipment	**–**	347
– Right-of-use assets	**–**	345
Professional fees	**23**	19

Notes to the Consolidated Financial Statements

Year ended 30 September 2022

8. DIRECTORS' EMOLUMENTS

(a) Information about the benefits of directors

Directors' remuneration

For the years ended 30 September 2022 and 2021. The emoluments paid or payable to each director are set out below.

Year ended 30 September 2022

	Directors' fees HK$'000	Salaries and allowances HK$'000	Contributions to defined contribution plans HK$'000	Total HK$'000
Executive directors				
Mr. Hui Ringo Wing Kun	–	2,520	20	2,540
Mr. Li Man Keung Edwin (appointed on 25 January 2022)	82	–	–	82
Mr. Yeung Chun Yue David	–	360	18	378
Ms. Wan Ho Yan Letty ("**Ms. Letty Wan**") (resigned on 1 January 2022)	–	240	5	245
Non-executive director				
Mr. Wan Chuen Fai (resigned on 1 January 2022)	30	–	–	30
Independent non-executive directors				
Mr. Ho Lik Kwan Luke	120	–	–	120
Mr. Lau Pak Kin Patric (appointed on 1 January 2022)	90	–	–	90
Mr. William Robert Majcher	120	–	–	120
Mr. Kam Cheuk Fai David (resigned on 1 January 2022)	30	–	–	30
	472	3,120	43	3,635

8. DIRECTORS' EMOLUMENTS (Continued)

(a) Information about the benefits of directors (Continued)

Directors' remuneration (Continued)

Year ended 30 September 2021

	Directors' fees HK$'000	Salaries and allowances HK$'000	Contributions to defined contribution plans HK$'000	Total HK$'000
Executive directors				
Ms. Letty Wan	–	960	18	978
Mr. Hui Ringo Wing Kun	–	2,012	18	2,030
Mr. Yeung Chun Yue David	–	86	4	90
Non-executive director				
Mr. Wan Chuen Fai	120	–	–	120
Independent non-executive directors				
Mr. Ho Lik Kwan Luke	120	–	–	120
Mr. Kam Cheuk Fai David	120	–	–	120
Mr. William Robert Majcher	120	–	–	120
	480	3,058	40	3,578

During the year ended 30 September 2022, the non-cash benefits including rent-free accommodation provided to Ms. Letty Wan are excluded in the salaries and allowances disclosed above with the aggregate estimated money value of HK$383,000 (2021: HK$766,000).

During the year ended 30 September 2022, no emoluments were paid by the Group to any of these directors as an inducement to join or upon joining the Group, or as a compensation for loss of office (2021: Nil). There was no arrangement under which a director waived or agreed to waive any remuneration for the year ended 30 September 2022 (2021: Nil).

Notes to the Consolidated Financial Statements

Year ended 30 September 2022

8. DIRECTORS' EMOLUMENTS (Continued)

(b) Individuals with highest emoluments

An analysis of the five highest paid individuals is as follows:

	Number of individuals	
	2022	2021
Director	**1**	2
Non-director	**4**	3
	5	5

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

	2022	2021
	HK$'000	HK$'000
Salaries and allowances	**4,943**	4,188
Discretionary bonus	**–**	800
Contributions to defined contribution plans	**69**	44
	5,012	5,032

The number of these non-director individuals whose emoluments fell within the following emoluments band is as follows:

	2022	2021
HK$500,000 to HK$1,000,000	**1**	–
HK$1,000,001 to HK$1,500,000	**2**	2
HK$1,500,001 to HK$2,000,000	**1**	–
HK$2,000,001 to HK$2,500,000	**–**	–
HK$2,500,001 to HK$3,000,000	**–**	1

During the year ended 30 September 2022, no remuneration was paid by the Group to any of these highest paid non-director individuals as an inducement to join or upon joining of the Group, or as a compensation for loss of office (2021: Nil). There was no arrangement under which any of these highest paid non-director individuals waived or has agreed to waive any emoluments during the year ended 30 September 2022 (2021: Nil).

Notes to the Consolidated Financial Statements

Year ended 30 September 2022

9. INCOME TAX EXPENSE (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 continue to be taxed at the rate of 16.5%. If the entity has one or more connected entities, the two-tiered profits tax rates would only apply to the one which is nominated to be chargeable at the two-tiered rates.

For the years ended 30 September 2022 and 2021, 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% (2021: 27%). For the year ended 30 September 2022, Corporate Income Tax of Canada has not been provided as the entity established in Canada incurred a loss for taxation purpose. 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.

For the years ended 30 September 2022 and 2021, the Group's entities established in the Cayman Islands and the BVI are exempted from income tax.

For the years ended 30 September 2022 and 2021, 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.

	Note	**2022** **HK$'000**	2021 HK$'000
Continuing operations			
Current tax			
Hong Kong Profits Tax			
Current year		**1,189**	–
Overprovision in prior years (note)		**–**	(2,333)
		1,189	(2,333)
Canada Corporate Income Tax			
Current year		**–**	172
Overprovision in prior year		**(198)**	–
		(198)	172
		991	(2,161)
Deferred Tax			
Origination and reversal of temporary difference	28	**(241)**	–
Income tax expense (credit) for continuing operations		**750**	(2,161)

Notes to the Consolidated Financial Statements

Year ended 30 September 2022

9. INCOME TAX EXPENSE (CREDIT) (Continued)

Reconciliation of income tax expense (credit) from continuing operations

	2022	2021
	HK$'000	HK$'000
Loss before taxation	**(2,430)**	(16,664)
Tax calculated at applicable tax rate	**(875)**	(2,835)
Non-deductible expenses	**1,628**	1,759
Tax exempt revenue	**(331)**	(795)
Overprovision in prior years	**(198)**	(2,333)
Unrecognised tax losses	**951**	1,815
Utilisation of previous unrecognised tax losses	**(10)**	–
Others	**(415)**	228
Income tax expense (credit)	**750**	(2,161)

Note:

Included in the overprovision in the current year is the tax losses of nil (2021: 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.

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

10. DIVIDENDS

During the year ended 30 September 2022, the directors of the Company do not declare and pay an interim dividend (2021: Nil).

The directors of the Company do not recommend the payment of a final dividend for the year ended 30 September 2022 (2021: Nil).

Notes to the Consolidated Financial Statements

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11. LOSS PER SHARE

Basic loss per share

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

	2022	2021
	HK$'000	HK$'000
Loss		
Loss for the year attributable to owners of the Company for the purpose of basic loss per share		
– Continuing operations	**(3,254)**	(14,503)
– Discontinued operations	**(4,999)**	(5,585)
	(8,253)	(20,088)

	2022	2021
Shares		
Weighted average number of ordinary shares for the purpose of basic loss per share ('000)	**663,323**	521,789
Basic loss per share (HK cents)	**(1.24)**	(3.85)

Diluted loss per share

As the Company's outstanding convertible notes had an anti-dilutive effect to the basic loss per share calculation for the year ended 30 September 2022, the conversion of the potential dilutive ordinary shares is not assumed in the computation of the diluted loss per share for the year ended 30 September 2022. There were no potential dilutive ordinary shares in issue during the year ended 30 September 2021. The diluted loss per share is the same as the basic loss per share for the years ended 30 September 2022 and 2021.

Notes to the Consolidated Financial Statements

Year ended 30 September 2022

12. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Particulars of the Company's principal subsidiaries as at 30 September 2022 are as follows:

Name of subsidiaries	Place of incorporation/ Place of operation	Issued and paid-up share capital/ registered capital	Equity interest attributable to the Company				Principal activities
			Directly		Indirectly		
			2022 %	2021 %	**2022** %	2021 %	
APEC GROUP INTERNATIONAL LIMITED ("**APEC GI**")	Hong Kong, Hong Kong	HK$100,000	**100**	–	**–**	–	Provision of advisory and management services
VBG Asia Limited	Hong Kong, Hong Kong	HK$1,000	**100**	–	**–**	100	Provision of business consulting services
VBG Asset Management Limited	Hong Kong, Hong Kong	HK$3,500,000	**100**	100	**–**	–	Carrying on Types 4 and 9 regulated activities in Hong Kong
VBG Capital Limited	Hong Kong, Hong Kong	HK$13,000,000	**100**	–	**–**	100	Carrying on Types 1 and 6 regulated activities in Hong Kong
Wealth Link Securities Limited ("**Wealth Link**")	Hong Kong, Hong Kong	HK$17,000,000	**100**	100	**–**	–	Carrying on Types 1 and 4 regulated activities in Hong Kong
APEC BUSINESS CONSULTANCY LIMITED	Hong Kong, Hong Kong	HK$3	**–**	–	**100**	–	Provision of accounting advisory and bookkeeping services
APEC BUSINESS SERVICES LIMITED	Hong Kong, Hong Kong	HK$1	**–**	–	**100**	–	Provision of business consulting services
APEC CAPITAL LIMITED	Hong Kong, Hong Kong	HK$1	**–**	–	**100**	–	Provision of business consulting services
APEC CLOUD SOLUTIONS LIMITED	Hong Kong, Hong Kong	HK$1	**–**	–	**100**	–	Provision of accounting services
APEC CORPORATE SERVICES LIMITED	Hong Kong, Hong Kong	HK$1	**–**	–	**100**	–	Provision of corporate secretarial services

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

Name of subsidiaries	Place of incorporation/ Place of operation	Issued and paid-up share capital/ registered capital	Equity interest attributable to the Company				Principal activities
			Directly		Indirectly		
			2022 %	2021 %	**2022 %**	2021 %	
APEC RISK MANAGEMENT LIMITED	Hong Kong, Hong Kong	HK$1	**–**	–	**100**	–	Provision of risk management and internal control advisory services
APEC TAXATION SERVICES LIMITED	Hong Kong, Hong Kong	HK$1	**–**	–	**100**	–	Provision of taxation services
Baron Global Financial Canada Ltd. (“**Baron Canada**”)	Canada, Canada	CAD0.6	**–**	–	**100**	100	Provision of business consulting services
ESGrowth Limited	Hong Kong, Hong Kong	HK$1	**–**	–	**100**	–	Provision of ESG advisory services
GBA TALENTS LIMITED (formerly known as Talent APEC Limited)	Hong Kong, Hong Kong	HK$1	**–**	–	**100**	–	Provision of human resources services
Hong Kong Sustainability Strategic Advisory Limited	Hong Kong, Hong Kong	HK$270	**–**	–	**70**	–	Provision of ESG advisory services
建泉顧問(北京)有限公司 (VBG Consulting (Beijing) Co., Ltd*)	The PRC, the PRC	United States dollars (“**US$**”) 1,700,000	**–**	–	**100**	100	Provision of business consulting services

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

Notes to the Consolidated Financial Statements

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13. GOODWILL

	Canada Business CGU HK$'000 (note a)	Wealth Link Business CGU HK$'000 (note 22)	APEC Business CGU HK$'000 (note b)	Total HK$'000
Reconciliation of carrying amount				
– year ended 30 September 2021				
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 22)	–	(1,863)	–	(1,863)
At the end of the reporting period	3,561	–	–	3,561
Reconciliation of carrying amount				
– year ended 30 September 2022				
At the beginning of the reporting period	**3,561**	**–**	**–**	**3,561**
Additions – acquisition of subsidiaries (note 32)	**–**	**–**	**42,460**	**42,460**
Impairment loss	**(2,350)**	**–**	**–**	**(2,350)**
At the end of the reporting period	**1,211**	**–**	**42,460**	**43,671**
At 30 September 2021				
Cost	23,966	–	–	23,966
Accumulated impairment loss	(20,405)	–	–	(20,405)
Net carrying amount	3,561	–	–	3,561
At 30 September 2022				
Cost	**23,966**	**–**	**42,460**	**66,426**
Accumulated impairment loss	**(22,755)**	**–**	**–**	**(22,755)**
Net carrying amount	**1,211**	**–**	**42,460**	**43,671**

13. GOODWILL (Continued)

Note:

(a) Canada Business CGU

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

At 30 September 2022, 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 non-licensed business segment of HK$2,350,000 (2021: HK$1,505,000) was made for the current reporting period.

The recoverable amounts of the Canada Business CGU amounted to approximately HK$5,300,000 (2021: HK$10,900,000) are determined on fair value less costs of disposal.

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

	2022	2021
Control premium*	**25%**	25%
Discount of lack of marketability#	**16%**	16%
Price-to-sales multiples^	**1.63**	2.68
Price-to-book-value multiples^	**2.54**	4.54
Price-to-cashflow multiples^	**7.03**	8.97

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

\# Discount of lack of marketability was the median of the percentage variance of private placement price and market reference price of international transactions over the 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 during the years ended 30 September 2022 and 2021.

(b) APEC Business CGU

In November 2021, the Group acquired 100% equity interests in APEC GI at a consideration of approximately HK$46,957,000. APEC GI and its subsidiaries (together the "**APEC Group**") are engaged in the provision of accounting and taxation services, business consulting services, corporate secretarial services, ESG advisory services, human resources services, and risk management and internal control advisory services in Hong Kong (the "**APEC Business CGU**"). The excess of the consideration transferred and non-controlling interests over the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed amounted to approximately HK$42,460,000 and was recognised as a goodwill.

At 30 September 2022, the Group assessed the recoverable amount of the APEC Business CGU with reference to a business valuation of APEC Group based on the value in use calculations.

Notes to the Consolidated Financial Statements

Year ended 30 September 2022

13. GOODWILL (Continued)

Note: (Continued)

(b) APEC Business CGU (Continued)

The value in use calculations used discounted future cash flow model based on financial budgets approved by management covering a five-year period and a pre-tax discount rate of 15.1%. Cash flows beyond five-year period is extrapolated using a steady growth rate of 2.5%. Cash flow projection for the APEC Business CGU is based on the expected terminal growth rate, gross margin and sales growth rate during the budget period, which were determined based on past performance of the APEC Group and the management's expectations for the market development.

Because of the expansion of customer base, the management of the Group considers that no impairment loss on goodwill of APEC Business CGU with reference to the value in use calculation based on the valuation report issued by an independent professional valuer.

Sensitivity of key assumptions

The management considered that a reasonably possible change in the key assumptions and inputs on the APEC Business CGU would not cause the aggregate carrying amount of APEC Business CGU to exceed its aggregate recoverable amount at the end of the reporting period.

(c) Other information on fair value measurement

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

Fair value hierarchy	**Valuation technique**	
	2022	2021
Canada Business CGU		
Level 3	**Market-based approach**	Market-based approach
APEC Business CGU		
Level 3	**Income approach – Discounted cash flow**	N/A

Notes to the Consolidated Financial Statements

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14. INTANGIBLE ASSETS

	Trading rights in Stock Exchange HK$'000	Vehicle registration marks HK$'000	Customer relationship HK$'000	Total HK$'000
Reconciliation of carrying amount – year ended 30 September 2021				
At the beginning of the reporting period	500	113	–	613
Write off	–	(113)	–	(113)
Reclassified as assets held for sale (note 22)	(500)	–	–	(500)
At the end of the reporting period	–	–	–	–
Reconciliation of carrying amount – year ended 30 September 2022				
At the beginning of the reporting period	**–**	**–**	**–**	**–**
Additions – acquisition of subsidiaries (note 32)	**–**	**–**	**6,220**	**6,220**
Amortisation	**–**	**–**	**(1,456)**	**(1,456)**
At the end of the reporting period	**–**	**–**	**4,764**	**4,764**
At 30 September 2021				
Cost	–	–	–	–
Accumulated amortisation	–	–	–	–
Net carrying amount	–	–	–	–
At 30 September 2022				
Cost	**–**	**–**	**6,220**	**6,220**
Accumulated amortisation	**–**	**–**	**(1,456)**	**(1,456)**
Net carrying amount	**–**	**–**	**4,764**	**4,764**

The customer base arising from the acquisition of APEC Group has allowed the Group to stabilise the revenue base from non-licensed business operating by APEC Group. No impairment loss was recognised for the year ended 30 September 2022.

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15. PLANT AND EQUIPMENT

	Leasehold improvement HK$'000	Furniture, fixtures and office equipment HK$'000	Computer equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
Reconciliation of carrying amount – year ended 30 September 2021					
At the beginning of the reporting period	2,897	311	379	535	4,122
Additions	–	–	65	–	65
Depreciation	(522)	(101)	(192)	(178)	(993)
Disposal	–	–	–	(357)	(357)
Write off	–	–	(7)	–	(7)
Reclassified as assets held for sales (note 22)	(98)	–	(17)	–	(115)
At the end of the reporting period	2,277	210	228	–	2,715
Reconciliation of carrying amount – year ended 30 September 2022					
At the beginning of the reporting period	**2,277**	**210**	**228**	**–**	**2,715**
Additions	**5,916**	**3,868**	**26**	**–**	**9,810**
Additions – acquisition of subsidiaries (note 32)	**561**	**811**	**–**	**–**	**1,372**
Depreciation	**(1,210)**	**(632)**	**(110)**	**–**	**(1,952)**
Write off	**(288)**	**(78)**	**(61)**	**–**	**(427)**
At the end of the reporting period	**7,256**	**4,179**	**83**	**–**	**11,518**
At 30 September 2021					
Cost	3,530	577	1,023	576	5,706
Accumulated depreciation	(1,253)	(367)	(795)	(576)	(2,991)
Net carrying amount	2,277	210	228	–	2,715
At 30 September 2022					
Cost	**8,890**	**4,828**	**651**	**576**	**14,945**
Accumulated depreciation	**(1,634)**	**(649)**	**(568)**	**(576)**	**(3,427)**
Net carrying amount	**7,256**	**4,179**	**83**	**–**	**11,518**

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16. RIGHT-OF-USE ASSETS

The movements of right-of-use assets within HKFRS 16 during the year ended 30 September 2022 are set out below:

	Office premises HK$'000	Motor vehicles HK$'000	Total HK$'000
Reconciliation of carrying amount – year ended 30 September 2021			
At the beginning of the reporting period	7,748	–	7,748
Lease modification	5,241	–	5,241
Depreciation	(6,648)	–	(6,648)
Reclassified as assets held for sale (note 22)	(203)	–	(203)
At the end of the reporting period	6,138	–	6,138
Reconciliation of carrying amount – year ended 30 September 2022			
At the beginning of the reporting period	**6,138**	**–**	**6,138**
Additions	**8,798**	**1,257**	**10,055**
Additions – acquisition of subsidiaries (note 32)	**1,903**	**–**	**1,903**
Depreciation	**(5,830)**	**(136)**	**(5,966)**
At the end of the reporting period	**11,009**	**1,121**	**12,130**
At 30 September 2021			
Cost	19,085	–	19,085
Accumulated depreciation	(12,947)	–	(12,947)
Net carrying amount	6,138	–	6,138
At 30 September 2022			
Cost	**14,792**	**1,257**	**16,049**
Accumulated depreciation	**(3,783)**	**(136)**	**(3,919)**
Net carrying amount	**11,009**	**1,121**	**12,130**

At the end of the reporting period, the Group leased office premises and motor vehicles in Hong Kong and Canada for its daily operations for a term ranging from 3 to 10 years with fixed lease payments (2021: 2.2 to 10 years).

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16. RIGHT-OF-USE ASSETS (Continued)

The Group has recognised the following amounts for the year:

	2022	2021
	HK$'000	HK$'000
Lease payments:		
Continuing operation		
Low-value assets	**–**	19
Short-term leases expenses	**976**	89
	976	108
Discontinued operation		
Low-value assets	**–**	16
Expenses recognised in profit or loss	**976**	124
Lease payments on lease liabilities	**6,689**	7,298
Total cash outflow for leases	**7,665**	7,422

Commitments under operating leases

As at 30 September 2022, the Group was committed to HK$36,000 for short-term leases (2021: HK$94,000).

17. DESIGNATED FVOCI

	2022	2021
	HK$'000	HK$'000
Equity securities listed overseas	**732**	2,265
Equity securities unlisted overseas	**–**	300
	732	2,565

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17. DESIGNATED FVOCI (Continued)

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

	2022 HK$'000	2021 HK$'000
Equity securities – listed		
Friday's Dog Holdings	**102**	400
Cognetivity Neurosciences Ltd.	**227**	253
Hapbee Technologies Inc.	**90**	384
Helius Medical Technologies, Inc.	**–**	220
Kiaro Brands Inc.	**5**	135
Trillium Gold Mines Inc.	**101**	309
Providence Gold Mines Inc.	**48**	90
Vext Science Inc.	**159**	474
	732	2,265
Equity securities – unlisted		
Friday's Dog Inc. (amalgamated with Friday's Dog Holdings on 25 February 2022)	**–**	300
	–	300
	732	2,565

During the year ended 30 September 2022, Designated FVOCI at a carrying amount of HK$35,000 (2021: HK$1,139,000) were disposed of because they no longer matched with the Group's investment strategy. The cumulative gain of HK$16,000 (2021: HK$257,000) that was previously included in the investments revaluation reserve (non-recycling) was transferred directly to retained earnings during the year ended 30 September 2022.

During the year ended 30 September 2022, the fair value loss on Designated FVOCI of HK$1,893,000 (2021: fair value gain of HK$211,000) was recognised in other comprehensive income.

Details of the fair value measurements are set out in note 38 to the consolidated financial statements.

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18. FINANCIAL ASSETS AT FVPL

	2022 HK$'000	2021 HK$'000
Derivatives – unlisted options issued by companies listed overseas	**334**	1,061
Equity securities listed in Hong Kong	**3,217**	–
Payment for life insurance policy (note)	**1,366**	–
	4,917	1,061
Analysed as:		
Current	**3,551**	1,061
Non-current	**1,366**	–
	4,917	1,061

Note:

The life insurance policy was entered into by a subsidiary of the Company with an insurance company to insure a director of the subsidiary. Under this policy, the subsidiary is the beneficiary and policy holder and the total insured sum is US$700,000 (equivalent to approximately HK$5,446,000). The Group paid a single premium of US$198,824 (equivalent to approximately HK$1,547,000) at inception. The Group can, at any time, withdraw cash based on the account value of the policy ("**Account Value**") at the date of withdrawal, which is determined by the gross premium paid plus accumulated guaranteed interest earned and minus any charges made in accordance with the terms and conditions of the policy. If withdrawal is made between the 1st to 14th policy year, there is a specified amount of surrender charge deducted from Account Value. This insurance company will pay the Group a guaranteed interest at 3.90% per annum for the 1st to 5th policy year and a variable return per annum afterwards (with minimum guaranteed interest rate of 2.25% per annum) during the effective period of the policy.

As represented by the director of the subsidiary, the Group will not terminate the policy nor withdraw cash prior to the 14th policy year for the policy and the expected life of the policy remained unchanged from the initial recognition. The balance of the payment for life insurance policy is denominated in US$, being a currency other than the functional currency of the relevant subsidiary.

The fair value of the payment for life insurance policy is determined by reference to the surrender cash value of the life insurance policy reported by the financial institution at the end of the reporting period, together with the guaranteed interest as mentioned above.

Details of the fair value measurements are set out in note 38 to the consolidated financial statements.

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19. OTHER INVESTMENTS

	2022	2021
	HK$'000	HK$'000
Reconciliation of carrying amount – year ended 30 September 2022		
At the beginning of the reporting period	**–**	–
Additions	**853**	–
Disposals	**(62)**	–
At the end of the reporting period	**791**	–
At 30 September 2022		
Cost	**791**	–
Accumulated impairment losses	**–**	–
Net carrying amount	**791**	–

At the end of the reporting period, other investments represent collectible figures acquired by the Group for capital appreciation.

The recoverable amounts of the other investments were assessed by the directors with reference to the respective collectible figures' fair value less costs of disposal. The directors consider recent market prices of similar collectible figures exceeds the cost of purchase due to favourable market condition. No impairment loss was recognised during the year ended 30 September 2022.

The fair value measurement is categorised as a Level 2 fair value based on the market value using direct comparison approach.

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20. TRADE AND OTHER RECEIVABLES

	Note	2022 HK$'000	2021 HK$'000
Trade receivables			
Trade receivables	(a)	16,683	3,835
Less: Loss allowance	(b)	(808)	(2,120)
		15,875	1,715
Contract assets	(c)	117	–
Less: Loss allowance	(b)	–	–
		117	–
Other receivables			
Prepayment		1,275	205
Deposits		3,170	1,684
Other receivables		84	239
		4,529	2,128
		20,521	3,843

Note:

(a) Generally, there is no credit term granted to customers, 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, usually within 1 month to 3 months after billing.

(b) Information about the Group's exposure to credit risks and loss allowance for trade and other receivables is included in note 37(a) to the consolidated financial statements. Loss allowance on trade receivables of approximately HK$808,000 (2021: HK$2,120,000) was recognised at the end of the reporting period.

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

	2022 HK$'000	2021 HK$'000
At the beginning of the reporting period	–	–
Recognition of revenue	117	–
At the end of the reporting period	117	–

The trade and other receivables are expected to be recovered within one year, except for the deposits of HK$96,000 (2021: HK$96,000), which are expected to be recovered after more than one year.

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21. BANK BALANCES – CLIENT ACCOUNTS

The Group receives and holds money deposited by clients in the course of the conduct of the regulated activities of its ordinary business. These clients' monies are maintained in one or more segregated bank accounts. The Group has recognised the corresponding accounts payable to respective clients (note 23).

22. DISCONTINUED OPERATIONS

In April 2020, the Group acquired 100% equity interests in Wealth Link at a consideration of HK$23,402,000. Wealth Link is engaged in 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, following the management's intention to dispose 85% of its equity interests at a consideration of HK$14,000,000 (the "**Disposal**") to a buyer, an indicator on goodwill impairment was noted as 85% of the net asset value (including goodwill), relating to the acquisition of Wealth Link in 2020, is higher than the consideration. Accordingly, an impairment loss in respect of 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. Details of the Disposal have been disclosed in the Company's announcement dated 13 September 2021. The Disposal would cause the Group's entire brokerage and margin financing business and partial of corporate finance business to be discontinued since then.

During the years ended 30 September 2021 and 2022, the Group has received aggregate refundable deposits of HK$3,500,000. Subject to the completion of certain conditions specified in the sale and purchase agreement which are beyond the Group's control, the Disposal was not yet completed up to the date of approving these consolidated financial statements. On 12 December 2022, the Securities and Futures Commission (the "**SFC**") has approved the change in substantial shareholder of Wealth Link and the management expected the transaction will be completed by 31 December 2022.

As at 30 September 2022, the recoverable amount of the Wealth Link Business CGU amounted to approximately HK$10,400,000 are determined with reference to a business valuation under market-based approach. An indicator on goodwill and other assets was noted as the 85% of the net asset value (including goodwill) of Wealth Link is higher than the recoverable amount. Accordingly, total impairment loss of HK$2,556,000 was recognised during the year ended 30 September 2022.

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22. DISCONTINUED OPERATIONS (Continued)

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

	2022	2021
Control premium*	**25%**	25%
Discount of lack of marketability#	**16%**	16%
Price-to-sales multiples^	**4.11**	3.67
Price-to-book-value multiples^	**0.72**	1.09

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

\# Discount of lack of marketability was the median of the percentage variance of private placement price and market reference price of international transactions over the 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.

Sensitivity of key assumptions

The management considered that a reasonably possible change in the key assumptions and inputs on the Wealth Link Business CGU would not cause significant additional impairment loss during the years ended 30 September 2022 and 2021.

Other information on fair value measurement

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

Fair value hierarchy	**Valuation technique**	
	2022	2021
Wealth Link Business CGU		
Level 3	**Market-based approach**	Market-based approach

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Year ended 30 September 2022

22. DISCONTINUED OPERATIONS (Continued)

The results of Wealth Link for the year ended 30 September 2022 and 2021 are analysed as follows:

	Note	2022 HK$'000	2021 HK$'000
Revenue	4	**805**	6,294
Other income, net	5	**202**	203
Provision for impairment loss in respect of goodwill		**(1,863)**	(6,044)
Provision for impairment loss in respect of intangible assets		**(230)**	–
Provision for impairment loss in respect of plant and equipment		**(53)**	–
Provision for impairment loss in respect of right-of-use assets		**(410)**	–
Administrative expenses and other operating expenses		**(3,439)**	(6,027)
Finance costs	6	**(11)**	(11)
Loss before tax	7	**(4,999)**	(5,585)
Income tax credit		**–**	–
Loss for the year		**(4,999)**	(5,585)

In the opinion of the directors, there is sufficient evidence that the Group remains committed to its plan to sell Wealth Link. Accordingly, the major assets of Wealth Link were continued to be classified as assets held for sale in accordance with HKFRS 5 as at 30 September 2022.

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22. DISCONTINUED OPERATIONS (Continued)

The major classes of assets and liabilities of Wealth Link held for sale measured at the lower of carrying amount and fair value less costs to sell at the end of the reporting period are as follows:

	2022 HK$'000	2021 HK$'000
Goodwill	–	1,863
Intangible assets	270	500
Plant and equipment	62	115
Right-of-use assets	480	203
Other deposits	205	205
Trade receivables arising from the business of securities brokerage		
– Cash clients	2,632	2,267
– Margin clients	69	1,941
Other receivables	203	178
Bank balances – client accounts	36,379	13,678
Bank balances – general accounts and cash	8,769	9,654
Total assets classified as held for sale	**49,069**	30,604
Trade payables arising from the business of dealing in securities	37,927	14,745
Other payables	194	255
Lease liabilities	548	205
Total liabilities associated with assets classified as held for sale	**38,669**	15,205

The cash flow information of Wealth Link is as follows:

	2022 HK$'000	2021 HK$'000
Net cash flow (used in) from operating activities	(875)	1,676
Net cash flow from investing activities	345	690
Net cash flow used in financing activities	(355)	(1,556)
Net (decrease) increase in cash and cash equivalents	(885)	810

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22. DISCONTINUED OPERATIONS (Continued)

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

	2022 HK Cents	2021 HK Cents
Loss per share for Wealth Link		
Basic and diluted	**(0.75)**	(1.07)

The basic and diluted loss per share for Wealth Link are calculated by dividing the loss for the year of Wealth Link 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 11 to the consolidated financial statements.

23. TRADE AND OTHER PAYABLES

	Note	2022 HK$'000	2021 HK$'000
Trade payables			
Trade payables arising from clients account under the business of corporate finance advisory services	(a)	**101,502**	–
Other payables			
Accrual and other payables		**6,473**	4,647
Contract liabilities	(b)	**–**	367
		6,473	5,014
		107,975	5,014
Analysed as:			
Current		**107,675**	5,014
Non-current		**300**	–
		107,975	5,014

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23. TRADE AND OTHER PAYABLES (Continued)

Note:

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

(b) 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:

	2022 **HK$'000**	2021 HK$'000
At the beginning of the reporting period	**367**	–
Recognised as revenue	**(367)**	–
Receipt of advances or recognition of receivables	**–**	367
At the end of the reporting period	**–**	367

At 30 September 2022 and 2021, none of the contract liabilities are expected to be settled after 12 months.

24. INTEREST-BEARING BORROWINGS

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

	2022 **HK$'000**	2021 HK$'000
Secured bank borrowings repayable on demand	**25,923**	–

Bank borrowings as at 30 September 2022 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.

The effective interest rates on the Group's bank borrowings during the years ended 30 September 2022 and 2021 were as follows:

	2022 **Per annum**	2021 Per annum
Effective interest rate:		
Variable rate	**2.75% to 3.13%**	–

Details of the pledges are set out in note 33 to the consolidated financial statements.

As at 30 September 2022, 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.

24. INTEREST-BEARING BORROWINGS (Continued)

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:

	2022 HK$'000	2021 HK$'000
Within one year	**1,578**	–
In the second year	**3,343**	–
In the third to fifth years inclusive	**10,627**	–
Over fifth years	**10,375**	–
	25,923	–

25. LOAN PAYABLES

	Note	2022 HK$'000	2021 HK$'000
Non-current liabilities			
Government loan	(a)	**–**	360
Current liabilities			
Government loan	(a)	**360**	–
Loans from a director	(b)	**–**	2,000
		360	2,000

Note:

(a) In 2020, Baron Canada obtained a government loan of CAD40,000 (equivalent to approximately HK$240,000) from Canadian Government due to COVID-19 pandemic. In 2021, an addition government loan of CAD20,000 (equivalent to approximately HK$120,000) was obtained from Canadian Government. The amounts were unsecured, interest-free and repayable on 31 December 2022.

(b) The amount was unsecured, interest-free and repayable on demand.

26. LEASE LIABILITIES

	2022 HK$'000	2021 HK$'000
Current portion	**3,661**	3,133
Non-current portion	**8,835**	3,382
	12,496	6,515

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27. CONVERTIBLE NOTE

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

	2022 **HK$'000**	2021 HK$'000
Liability component		
At 1 October	**–**	–
Fair value of liabilities component at date of issue	**27,572**	–
Interest expenses	**1,173**	–
Conversion of convertible note	**(23,302)**	–
At 30 September	**5,443**	–
Portion classified as non-current	**(5,443)**	–
Current portion	**–**	–
Equity component		
At 1 October	**–**	–
Fair value of convertible bonds at date of issue	**38,907**	–
Fair value of liabilities component at date of issue	**(27,572)**	–
Equity component at the issue date	**11,335**	–
Conversion of convertible note	**(9,446)**	–
At 30 September	**1,889**	–

On 1 November 2021, the Company issued a convertible note with nominal value of HK$30,000,000, carrying interest rate of 5% per annum, to an independent third party (the "**Vendor**" or "**Noteholder**") as partial consideration of the acquisition of 100% equity interest in APEC GI (note 32). The convertible note will be matured on the second anniversary from the date of issue.

The Noteholder may convert the whole or part of the convertible note into shares at conversion price of HK$0.2, from the date of issue up to the maturity date. During the year ended 30 September 2022, convertible note with nominal value of HK$25,000,000 were converted into shares of the Company.

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

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28. DEFERRED TAXATION

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

	Depreciation allowance HK$'000	Temporary difference of investments HK$'000	Collective impairment on trade receivables HK$'000	Total HK$'000
At 1 October 2020, 30 September 2021 and 1 October 2021	(61)	520	–	459
Acquisition of subsidiaries (note 32)	1,182	–	(292)	890
Credit to profit or loss for the year (note 9)	(241)	–	–	(241)
At 30 September 2022	**880**	**520**	**(292)**	**1,108**

Unrecognised deferred tax assets arising from

	2022 HK$'000	2021 HK$'000
Tax losses arising in		
– Hong Kong	**50,056**	39,548
– The PRC	**3,566**	4,958
	53,622*	44,506*

* The amount has excluded the tax losses arising from the discontinued operations.

The unrecognised tax losses arising in Hong Kong do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because there is uncertainty on whether the unused tax losses can be utilised in the future.

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28. DEFERRED TAXATION (Continued)

At the end of the reporting period, the Group has the following unrecognised tax losses arising in the PRC that can be offset against future taxation profits of the subsidiary for a maximum of 5 years from the year in which the tax loss was incurred:

	2022 HK$'000	2021 HK$'000
Year of expiry		
2022	–	1,392
2023	1,498	1,498
2024	1,288	1,288
2025	640	640
2026	140	140
	3,566	4,958

29. SHARE CAPITAL

	2022		2021	
	No. of shares	HK$'000	No. of shares	HK$'000
Authorised				
At the beginning and **the 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 apaid				
At the beginning of the reporting period	546,200,000	5,462	513,200,000	5,132
Issue of consideration shares (note a)	50,000,000	500	–	–
Conversion of convertible note (note b)	125,000,000	1,250	–	–
Issue of new shares	–	–	33,000,000	330
At the end of the reporting period (at par value of HK$0.01 per share)	721,200,000	7,212	546,200,000	5,462

Note:

(a) On 1 November 2021, 50,000,000 ordinary shares of the Company were issued at a price of HK$0.16 per share, totalling HK$8,050,000 to a third party for the acquisition of 100% equity interest in APEC GI.

(b) During the year, the Noteholder converted the convertible note with nominal value of HK$25,000,000 to 125,000,000 ordinary shares of the Company at the conversion price of HK$0.2 per share. Details of which are set out in note 27 to the consolidated financial statements.

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

30. 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. The reserve is dealt with in accordance with the accounting policies set out in note 2 to the consolidated financial statements.

(d) Investment revaluation reserve (non-recycling)

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

(e) Convertible note reserve

Convertible note reserve represents the equity component of the convertible note issued by the Company.

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31. OTHER CASH FLOW INFORMATION

(a) Cash generated from (used in) operations

	Note	2022 HK$'000	2021 HK$'000
OPERATING ACTIVITIES			
Loss before income tax			
– Continuing operations		**(2,430)**	(16,664)
– Discontinued operations	22	**(4,999)**	(5,585)
Adjustments for:			
Bank interest income		**(19)**	(23)
Other interest income		**–**	(290)
Finance costs		**2,465**	727
Amortisation of intangible assets		**1,456**	–
Depreciation of plant and equipment		**1,952**	993
Depreciation of right-of-use assets		**5,966**	6,648
Gain on disposal of financial assets at FVPL		**(619)**	–
Gain on disposal of plant and equipment		**–**	(93)
Gain on disposal of other investments		**(7)**	–
Gain on lease modification (as lessee)		**–**	(6)
Net unrealised loss (gain) on financial assets at FVPL	5	**1,103**	(479)
Provision of impairment loss in respect of goodwill	13, 22	**4,213**	7,549
Provision for impairment loss in respect of intangible assets	22	**230**	–
Provision for impairment loss in respect of plant and equipment	22	**53**	–
Provision for impairment loss in respect of right-of-use assets	22	**410**	–
Bad debt written off in respect of trade receivables		**–**	200
Provision (Reversal) of impairment loss in respect of trade receivables		**531**	(600)
Written back of other payables		**–**	(193)
Write off of intangible assets		**–**	113
Write off of plant and equipment		**427**	7
Cash flows from (used in) operations before movements in working capital		**10,732**	(7,696)
Trade and other receivables		**(4,361)**	11,279
Trade and other payables		**123,051**	(16,292)
Bank balances – client accounts		**(124,203)**	12,572
Cash generated from (used in) operations		**5,219**	(137)

31. OTHER CASH FLOW INFORMATION (Continued)

(b) Change in liabilities arising from financing activities

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

	Interest-bearing borrowings HK$'000	Loan payables HK$'000	Lease liabilities HK$'000	Convertible note HK$'000	Total HK$'000
2022					
At the beginning of the reporting period	–	2,360	6,515	–	8,875
Interest expenses	666	–	626	1,173	2,465
Issue of convertible note	–	–	–	27,572	27,572
Conversion of convertible note	–	–	–	(23,302)	(23,302)
Addition of lease	–	–	10,174	–	10,174
Acquisition of subsidiaries	26,734	–	1,870	–	28,604
Cash outflow in financing activities:					
Interest paid	(1,477)	–	–	–	(1,477)
Repayment of loans	–	(2,000)	–	–	(2,000)
Lease payments	–	–	(6,689)	–	(6,689)
At the end of the reporting period	25,923	360	12,496	5,443	44,222

	Loan payables HK$'000	Lease liabilities HK$'000	Total HK$'000
2021			
At the beginning of the reporting period	2,740	8,249	10,989
Lease modification	–	5,235	5,235
Interest expenses	193	534	727
Interest accrued	34	–	34
Classified as assets held for sale (note 22)	–	(205)	(205)
Cash inflow (outflow) in financing activities:			
New loans raised	62,120	–	62,120
Repayment of loans	(62,500)	–	(62,500)
Interest paid	(227)	–	(227)
Lease payments	–	(7,298)	(7,298)
At the end of the reporting period	2,360	6,515	8,875

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32. ACQUISITION OF SUBSIDIARIES

On 1 November 2021, the Group acquired the 100% equity interests of APEC GI from the Vendor at a consideration of HK$40,000,000, of which HK$10,000,000 was settled by the issue and allotment of 50,000,000 consideration shares and the remaining HK$30,000,000 was settled by way of the issue of convertible note convertible into 150,000,000 new shares upon full conversion of the convertible note at a conversion price of HK$0.20 per share. APEC Group is engaged in the provision of accounting and taxation services, business consulting services, corporate secretarial services, ESG advisory services, human resources services and risk management and internal control advisory services in Hong Kong.

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

	HK$'000
Consideration:	
Consideration shares	8,050
Convertible note	38,907
Less: Contingent consideration receivable (note)	–
Total consideration transferred at fair value	46,957

	HK$'000
Recognised amounts of identifiable assets acquired and liabilities assumed:	
Intangible assets	6,220
Plant and equipment	1,372
Right-of-use assets	1,903
Deferred tax assets	167
Financial assets at FVPL	1,340
Trade and other receivables	11,441
Bank balances and cash	14,784
Accruals and other payables	(2,731)
Bank borrowings	(26,734)
Lease liabilities	(1,870)
Income tax payable	(763)
Deferred tax liabilities	(1,057)
Provision for reinstatement cost	(150)
Total identifiable net assets	3,922
Non-controlling interest (deficit)	575
Goodwill arising on acquisition (note 13)	42,460
	46,957

32. ACQUISITION OF SUBSIDIARIES (Continued)

	HK$'000
Net cash flow on acquisition of subsidiary:	
Net cash acquired from the subsidiary	14,784

Note: The fair value of contingent consideration receivable in relation to the acquisition of APEC Group was nil.

Pursuant to the sale and purchase agreement dated 11 June 2021, the Vendor guarantees to the Company that if the consolidated net profit of APEC Group's management accounts for one year period commencing on the completion date (the "**1st Profit Guarantee Period**") and for one year period commencing on the day immediately following the last day of the 1st Profit Guarantee Period (the "**2nd Profit Guarantee Period**"), is less than HK$5,000,000 (the "**Guaranteed Profit**") in each of the profit guarantee periods, the Vendor will compensate the Group for the shortfall for an amount equivalent to the shortfall multiplied by 8 times.

The fair value was arrived at based on discounted cashflow of APEC Group's forecast financial budgets used to capture the present value of the expected future economic benefits that will flow into APEC Group by applying probability-weighted average of achieving the required benchmark, using discount rate of 13%.

The contingent consideration receivable is measured at fair value on initial recognition. The fair value of the contingent consideration receivable is based on the valuation performed by ValQuest Advisory (Hong Kong) Limited, an independent professional valuer in accordance with HKFRS 13 "*Fair Value Measurement*", using multiple-scenario model, which is reviewed and approved by the directors of the Company.

As the Guaranteed Profit relating to the acquisition of APEC Group covers a period of more than one year, there are more interactions to be assessed for the results. Multiple-scenario model is therefore adopted as the simulation produces distribution of possible outcome values. By assuming probability distributions, variables can have different probabilities of different outcomes occurring. Probability distributions are a much more realistic way of describing uncertainty in variables of the result.

A decrease in the probability of fulfillment of Guaranteed Profit would result in an increase in the fair value measurement of contingent consideration receivable and a decrease in discount rate would result in an increase in the fair value measurement of contingent consideration receivable, and vice versa.

The variables and assumptions used in computing the fair value of the contingent consideration receivable are based on the management's best estimates. The value of the contingent consideration receivable varies with different variables of certain subjective assumptions.

The transaction costs of HK$40,000 have been excluded from the consideration transferred and included in administrative expenses and other operating expenses in the consolidated statement of comprehensive income.

The goodwill arising from the acquisition is attributable to the synergies and economies of scale expected to arise from the business combinations. It also includes certain intangible assets that cannot be separately recognised due to their nature. Assets included in this balance consist of assembled workforce. None of the goodwill recognised is expected to be deductible for income tax purposes.

In respect of the acquisition, the fair value of trade and other receivables acquired is approximately HK$11,441,000. The gross contractual amount of trade and other receivables is approximately HK$11,718,000 of which HK$277,000 is expected to be uncollectible.

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32. ACQUISITION OF SUBSIDIARIES (Continued)

Since acquisition, the acquired business has contributed approximately HK$48,933,000 and HK$8,496,000 to the revenue and results of the Group respectively.

If the business combinations effected during the year had been taken place at the beginning of the year, the revenue and loss for the Group would have been increased by HK$2,391,000 and HK$327,000 respectively.

In the opinion of the directors of the Company, there is no significant change in the fair value of contingent consideration receivable as at 30 September 2022.

33. BANKING FACILITIES

As at 30 September 2022, the Group had banking facilities totaling approximately HK$26,821,000 granted by financial institutions in Hong Kong. These banking facilities are secured by HKSAR Government guarantee under SME Loan Guarantee Scheme and personal guarantees issued by a director of the subsidiaries.

As at 30 September 2022, the Group had no undrawn amounts under these banking facilities.

34. SHARE OPTION SCHEME

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

Since the adoption of the Scheme and up to 30 September 2022, no option has been granted by the Company.

35. RETIREMENT BENEFITS SCHEME

The Group joins a MPF Scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. Under the MPF Scheme, the Group is required to make contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000. Contributions to the scheme vest immediately. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees.

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35. RETIREMENT BENEFITS SCHEME (Continued)

Overseas subsidiaries also operate pension schemes or similar arrangements for their employees in accordance with the statutory requirements prescribed by the relevant legal authorities. The subsidiary of the Group is required to contribute certain percentage of their payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

During the year ended 30 September 2022, the total amount contributed by the Group to the schemes and charged to the consolidated statement of comprehensive income was approximately HK$1,471,000 (2021: HK$541,000).

36. RELATED PARTY TRANSACTIONS

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

Related party relationship	**Nature of transaction**	**2022** **HK$'000**	2021 HK$'000
A director of a subsidiary	Consultancy fee	**–**	590
A director	Loan interest expenses	**–**	40
A director and his controlling entity	Consultancy fee	**200**	–
	Service income	**65**	–

Since July 2019, the Group has shared its equipment for the free use with a related company, in which the directors are Ms. Wan Ka Yan Vivian, the sister of Ms. Letty Wan and Mr. Wan Chuen Fai ("**Mr. Wan**"). Both Ms. Letty Wan and Mr. Wan ceased to be directors with effect from 1 January 2022.

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Year ended 30 September 2022

36. RELATED PARTY TRANSACTIONS (Continued)

The remuneration of the directors of the Company during the years ended 30 September 2022 and 2021 is set out in note 8 to the consolidated financial statements. The remuneration of members of key management personnel other than directors as disclosed in note 8 to the consolidated financial statements was as follows:

	2022 HK$'000	2021 HK$'000
Salaries and other benefits	775	806
Retirement benefit scheme contributions	18	18
	793	824

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

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise Designated FVOCI, financial assets at FVPL, trade receivables, bank balances and cash and interest-bearing borrowings. The main purpose of these financial instruments is to raise and maintain finance for the Group's operations. The Group has various other financial instruments such as other receivables and other payables which arise directly from its business activities.

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

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

(a) Credit risk

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

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

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) Credit risk (Continued)

Trade receivables and contract assets

In order to minimise the credit risk, the management of the Group has delegated a team for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The Group trades with recognised and creditworthy third parties. The receivable balances are monitored on an ongoing basis by senior management and the Group's exposure to bad debts is not significant.

At 30 September 2022, the Group had a concentration of credit risk as approximately 14% (2021: 23%) and 48% (2021: 75%) of the total trade receivables was due from the Group's largest customer and the Group's five largest customers respectively.

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

	2022	2021
	HK$'000	HK$'000
Within 30 days	**7,736**	1,016
31 to 60 days	**1,862**	245
61 to 90 days	**476**	95
Over 90 days	**5,801**	359
	15,875	1,715

The Group's customer base consists of a wide range of clients and the trade receivables are categorised by common risk characteristics that are representative of the customers' abilities to pay the amounts due in accordance with the contractual terms. The contract assets have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the loss rates for trade receivables are a reasonable approximation of the loss rates for contract assets. The Group applies a simplified approach in calculating ECL for trade receivables and contract assets and recognises a loss allowance based on lifetime ECL at each reporting date and has established a provision matrix that is based on its financial abilities to repaid by reference to, among others, their management or audited accounts, available press information, historical credit loss experience and adjusted for current and forward-looking factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's estimate on future economic conditions over the expected lives of the receivables. There was no change in the estimation techniques or significant assumptions made during the year.

Notes to the Consolidated Financial Statements

Year ended 30 September 2022

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) Credit risk (Continued)

Trade receivables and contract assets (Continued)

The information about the exposure to credit risk and ECL for trade receivables using a provision matrix as at 30 September 2022 is summarised below.

As at 30 September 2022

	Gross carrying amount HK$'000	Loss allowance HK$'000	Net carrying amount HK$'000	Credit-impaired
Not yet due	**2,858**	**95**	**2,763**	**No**
Within 30 days overdue	**6,132**	**191**	**5,941**	**No**
31 to 60 days overdue	**1,481**	**33**	**1,448**	**No**
61 to 90 days overdue	**409**	**10**	**399**	**No**
91 to 180 days overdue	**1,699**	**49**	**1,650**	**No**
181 to 365 days overdue	**2,062**	**134**	**1,928**	**No**
Over 365 days overdue	**2,042**	**296**	**1,746**	**No**
	16,683	**808**	**15,875**	

As at 30 September 2021

	Gross carrying amount HK$'000	Loss allowance HK$'000	Net carrying amount HK$'000	Credit-impaired
Not yet due	1,206	–	1,206	No
Within 30 days overdue	150	–	150	No
31 to 60 days overdue	–	–	–	No
61 to 90 days overdue	160	–	160	No
91 to 180 days overdue	–	–	–	No
181 to 365 days overdue	199	–	199	No
Over 365 days overdue	2,120	2,120	–	Yes
	3,835	2,120	1,715	

The Group does not hold any collateral over trade receivables as at 30 September 2022 and 2021.

Notes to the Consolidated Financial Statements

Year ended 30 September 2022

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) Credit risk (Continued)

Trade receivables and contract assets (Continued)

At the end of the reporting period, the Group recognised loss allowance of HK$808,000 (2021: HK$2,120,000) on the trade receivables. The movement in the loss allowance for trade receivables during the year is summarised below.

	2022	2021
	HK$'000	HK$'000
At the beginning of the reporting period	**2,120**	3,491
Addition – acquisition of subsidiaries	**277**	–
Increase (Decrease) in allowance	**531**	(600)
Amount write off as uncollectible	**(2,120)**	(771)
At the end of the reporting period	**808**	2,120

No loss allowance was recognised for contract assets during the year.

Other receivables

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

After considering the above factors, the management assess that all of the other receivables have not had a significant increase in credit risk and 12-month ECL will be recognised. The management of the Group considers the 12-month ECL of other receivables to be insignificant, so no loss allowance was recognised during the year.

Deposits with financial institution

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

Notes to the Consolidated Financial Statements

Year ended 30 September 2022

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Market price risk

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

At 30 September 2022, if the quoted market prices of the listed and unlisted equity securities classified as Designated FVOCI had been 13% (2021: 11%) higher or lower while all other variables were held constant, the Group's investment revaluation reserve (non-recycling) for the year would be changed by approximately HK$95,000 (2021: HK$249,000).

At 30 September 2022, if the quoted market prices of the underlying listed equity securities and derivatives under financial assets at FVPL had been 13% (2021: 11%) higher or lower while all other variables were held constant, the Group's loss before taxation for the year would decrease/increase by approximately HK$462,000 (2021: HK$117,000).

The sensitivity analysis has been determined assuming that the reasonably possible changes in the stock market index or other relevant risk variables had occurred at the end of the reporting period and had been applied to the exposure to equity price risk in existence at that date. It is also assumed that the fair values of the Group's investments would change in accordance with the historical correlation with the relevant stock market index or the relevant risk variables and that all other variables remain constant. The stated changes represent management's assessment of reasonably possible changes in the relevant stock market index or the relevant risk variables over the period until the next annual end of the reporting period. The analysis is performed on the same basis for 2021.

(c) Interest rate risk

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

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

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

At 30 September 2022, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's loss before tax would be increased or decreased by approximately HK$108,000 for the year ended 30 September 2022.

Notes to the Consolidated Financial Statements

Year ended 30 September 2022

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Liquidity risk

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

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

	2022					
	On demand or less than 1 year HK$'000	**Over 1 year but within 2 years HK$'000**	**Over 2 years but within 5 years HK$'000**	**Over 5 years HK$'000**	**Total contractual undiscounted cash flows HK$'000**	**Total carrying amount HK$'000**
Trade and other payables	**107,675**	**–**	**–**	**–**	**107,675**	**107,675**
Interest-bearing borrowings	**2,305**	**4,000**	**12,000**	**10,876**	**29,181**	**25,923**
Deposit received for disposal of a subsidiary	**3,500**	**–**	**–**	**–**	**3,500**	**3,500**
Loan payables	**360**	**–**	**–**	**–**	**360**	**360**
Lease liabilities	**4,236**	**3,210**	**5,590**	**1,488**	**14,524**	**12,496**
Convertible note	**916**	**5,021**	**–**	**–**	**5,937**	**5,443**
	118,992	**12,231**	**17,590**	**12,364**	**161,177**	**155,397**

	2021					
	On demand or less than 1 year HK$'000	Over 1 year but within 2 years HK$'000	Over 2 years but within 5 years HK$'000	Over 5 years HK$'000	Total contractual undiscounted cash flows HK$'000	Total carrying amount HK$'000
Trade and other payables	5,014	–	–	–	5,014	5,014
Deposit received for disposal of a subsidiary	2,000	–	–	–	2,000	2,000
Loan payables	2,000	360	–	–	2,360	2,360
Lease liabilities	3,556	691	2,126	2,233	8,606	6,515
	12,570	1,051	2,126	2,233	17,980	15,889

Notes to the Consolidated Financial Statements

Year ended 30 September 2022

38. FAIR VALUE MEASUREMENTS

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

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

(a) Assets measured at fair value

Financial assets	Fair value as at		Value hierarchy	Valuation techniques
	2022 **HK$'000**	2021 HK$'000		
– Investments in listed equity securities classified as Designated FVOCI	**732**	2,265	Level 1	Quoted prices in an active market
– Investments in unlisted equity securities classified as Designated FVOCI	**–**	300	Level 2	By reference to recent comparable transactions in private markets
– Investments in listed equity securities classified as financial assets at FVPL	**3,217**	–	Level 1	Quoted prices in an active market
– Derivatives – unlisted options issued by companies listed overseas classified as financial assets at FVPL	**334**	1,061	Level 2	Derived from Black Scholes option pricing model
– Unlisted investments – payment for life insurance policy classified as financial assets at FVPL	**1,366**	–	Level 3	Surrender cash value (including guaranteed interest) reported by the financial institution on a regular basis
– Contingent consideration receivable classified as financial assets at FVPL	**–**	–	Level 3	Multiple-scenario model

Notes to the Consolidated Financial Statements

Year ended 30 September 2022

38. FAIR VALUE MEASUREMENTS (Continued)

(a) Assets measured at fair value (Continued)

During the year ended 30 September 2022, there were no transfer between Level 1 and Level 2 fair value measurement (2021: transfer of Designated FVOCI of HK$519,000 from Level 2 to Level 1 fair value measurement), nor transfers into and out of Level 3 fair value measurements.

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

	2022	2021
	HK$'000	HK$'000
At the beginning of the reporting period	**–**	–
Additions – acquisition of subsidiaries (note 32)	**1,340**	–
Fair value change in profit or loss	**26**	–
At the end of the reporting period	**1,366**	–

(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.

39. FINANCIAL ASSETS AND FINANCIAL LIABILITIES SUBJECT TO OFFSETTING

The disclosures set out in the tables below include financial assets and financial liabilities that are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments that are either:

- offset in the Group's consolidated statement of financial position; or
- not offset in the Group's consolidated statement of financial position as the offsetting criteria are not met.

Under the agreement of continuous net settlement made between the Group and Hong Kong Securities Clearing Company Limited ("**HKSCC**") and a broker, the Group has a legally enforceable right to set off the money obligations receivable and payable with HKSCC and a broker on the same settlement date and the Group intends to settle on a net basis.

In addition, the Group has a legally enforceable right to set off the accounts receivable and payable with its retail customers in the Group's brokerage business (the "**Brokerage Clients**") that are due to be settled on the same date with reference to the settlement method set by the HKSCC and the Group intends to settle these balances on a net basis.

Notes to the Consolidated Financial Statements

Year ended 30 September 2022

39. FINANCIAL ASSETS AND FINANCIAL LIABILITIES SUBJECT TO OFFSETTING (Continued)

Except for balances which are due to be settled on the same date which are being offset, amounts due from/to HKSCC, a broker and the Brokerage Clients that are not to be settled on the same date, financial collateral including cash and securities received by the Group and deposits placed with HKSCC and a broker do not meet the criteria for offsetting in the consolidated statement of financial position since the right of set-off of the recognised amounts is only enforceable following an event of default.

At 30 September 2022 (Included in assets held for sale (note 22))

	Gross amounts of recognised financial assets after impairment/ financial liabilities HK$'000	Gross amounts of recognised financial liabilities/ assets set off in the consolidated statement of financial position HK$'000	Net amounts of financial assets/ liabilities presented in the consolidated statement of financial position HK$'000	Related amount not set off in the consolidated statement of financial position		
				Financial instruments HK$'000	Collateral pledged HK$'000	Net amount HK$'000
Trade receivables arising from the business of dealing in securities	4,008	(1,307)	2,701	–	(518)	2,183
Trade payables arising from the business of dealing in securities	39,234	(1,307)	37,927	–	–	37,927

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Year ended 30 September 2022

39. FINANCIAL ASSETS AND FINANCIAL LIABILITIES SUBJECT TO OFFSETTING (Continued)

At 30 September 2021 (Included in assets held for sale (note 22))

	Gross amounts of recognised financial assets after impairment/ financial liabilities HK$'000	Gross amounts of recognised financial liabilities/ assets set off in the consolidated statement of financial position HK$'000	Net amounts of financial assets/ liabilities presented in the consolidated statement of financial position HK$'000	Related amount not set off in the consolidated statement of financial position: Financial instruments HK$'000	Related amount not set off in the consolidated statement of financial position: Collateral pledged HK$'000	Net amount HK$'000
Trade receivables arising from the business of dealing in securities	4,666	(458)	4,208	–	(4,208)	–
Trade payables arising from the business of dealing in securities	15,203	(458)	14,745	–	–	14,745

The amounts which have been offset against the related recognised financial assets and financial liabilities in the Group's consolidated statement of financial position are measured on the same basis as the recognised financial assets and financial liabilities, which is amortised cost.

40. CAPITAL MANAGEMENT

The objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to provide returns for equity owners. The Group manages its capital structure and makes adjustments, including payment of dividends to equity owners, call for additional capital from equity owners or sale of assets to reduce debts. No changes were made in the objectives, policies or processes during the years ended 30 September 2022 and 2021.

Certain group entities are regulated by the SFC and are required to comply with the financial resources requirements according to the Securities and Futures (Financial Resources) Rules (the "**SF(FR)R**"). These entities are subject to minimum paid-up share capital requirements and liquid capital requirements under the SF(FR)R. Management closely monitors, on a daily basis, the liquid capital level of these entities to ensure compliance with the minimum liquid capital requirements under the SF(FR)R. These entities have complied with the capital requirements imposed by the SF(FR)R during the years ended 30 September 2022 and 2021.

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Year ended 30 September 2022

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Note	**2022** **HK$'000**	2021 HK$'000
Non-current assets			
Investment in subsidiaries	12	**54,781**	715
Current assets			
Other receivables and prepayment		**142**	104
Due from subsidiaries		**21,611**	22,258
Bank balances and cash		**66**	2,905
		21,819	25,267
Assets classified as held for sale		**10,300**	15,400
		32,119	40,667
Current liabilities			
Other payables		**4,435**	4,122
Due to subsidiaries		**7,922**	–
Income tax payables		**–**	204
		12,357	4,326
Net current assets		**19,762**	36,341
Total assets less current liabilities		**74,543**	37,056
Non-current liabilities			
Convertible note		**5,443**	–
NET ASSETS		**69,100**	37,056
Capital and reserves			
Share capital	29	**7,212**	5,462
Reserves	41(a)	**61,888**	31,594
TOTAL EQUITY		**69,100**	37,056

This statement of financial position was approved and authorised for issue by the Board of Directors on 19 December 2022 and signed on its behalf by

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

Notes to the Consolidated Financial Statements

Year ended 30 September 2022

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

(a) Reserves

	Share premium HK$'000 (note 30a)	Convertible note reserve HK$'000 (note 30e)	Accumulated losses HK$'000	Total HK$'000
At 1 October 2020	70,935	–	(26,622)	44,313
Loss for the year and total comprehensive loss for the year	–	–	(17,339)	(17,339)
Transactions with equity holding of the Company				
Contributions and distributions				
Issue of new shares	4,620	–	–	4,620
At 30 September 2021	75,555		(43,961)	31,594
At 1 October 2021	**75,555**	**–**	**(43,961)**	**31,594**
Loss for the year and total comprehensive loss for the year	**–**	**–**	**(10,643)**	**(10,643)**
Transactions with equity holding of the Company				
Contributions and distributions				
Issue of consideration shares (note 29(a))	**7,550**	**–**	**–**	**7,550**
Issue of convertible note (note 27)	**–**	**11,335**	**–**	**11,335**
Conversion of convertible note (note 27)	**31,498**	**(9,446)**	**–**	**22,052**
	39,048	**1,889**	**–**	**40,937**
At 30 September 2022	**114,603**	**1,889**	**(54,604)**	**61,888**

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Year ended 30 September 2022

42. EVENT AFTER THE REPORTING PERIOD

As at the date of authorisation of these consolidated financial statements, in addition to the disclosures under note 22 to these consolidated financial statements, the Group has transacted the following events after the reporting period.

Acquisition of subsidiaries

On 14 June 2022, the Group entered into the sales and purchases agreement with independent third parties to acquire 100% equity interests of Earning Joy Development Limited (the "**Target Company**"), a company incorporated in the British Virgin Islands with limited liability, and its subsidiaries (together the "**Target Group**") at a consideration of HK$38,000,000, conditionally. The consideration shall be paid and settled by issuance of promissory notes. The promissory notes will be issued by the Company upon completion of the acquisition and shall bear interest rate at 2% per annum payable annually in arrears for the period of 2 years.

The Target Group is engaged in the provision of accounting, taxation and business consultancy services in the PRC. The transaction was completed on 1 November 2022. Upon completion of the transaction, the Target Company became a wholly owned subsidiary of the Company. As the initial accounting of the acquisition of the Target Group is incomplete, it is not practicable to reliably estimate the financial effect of the acquisition.

Summary of Results, Assets and Liabilities of the Group

Year ended 30 September 2022

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

Results of the Group for the five years ended 30 September

	2022 HK$'000	2021 HK$'000	2020 HK$'000	2019 HK$'000	2018 HK$'000
Revenue	**72,962**	37,228	62,650	41,541	76,749
(Loss) Profit before tax	**(7,429)**	(22,249)	(35,464)	(28,874)	29,345
Income tax (expense) credit	**(750)**	2161	238	5,557	(5,235)
(Loss) Profit for the year	**(8,179)**	(20,088)	(35,226)	(23,317)	24,110
Other comprehensive (loss) income for the year	**(1,893)**	211	181	(4,963)	1,549
Total comprehensive (loss) income for the year	**(10,072)**	(19,877)	(35,045)	(28,280)	25,659

Assets and liabilities of the Group as at 30 September

	2022 HK$'000	2021 HK$'000	2020 HK$'000	2019 HK$'000	2018 HK$'000
Non-current assets	**74,348**	14,979	29,155	38,442	25,718
Current assets	**192,259**	54,466	72,884	59,317	122,330
Total assets	**266,607**	69,445	102,039	97,759	148,048
Current liabilities	**181,415**	27,945	45,464	10,029	16,642
Non-current liabilities	**15,853**	4,201	4,349	459	459
Net assets	**69,339**	37,299	52,226	87,271	130,947