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## **HATCHER GROUP LIMITED**

**亦辰集團有限公司 \***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8365)**

### **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

**Placing Agent**



建泉融資有限公司  
VBG Capital Limited

#### **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

On 13 January 2023 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, a maximum of 57,000,000 Placing Shares at the Placing Price of HK\$0.69 per Placing Share to not less than six Placees who and whose beneficial owners shall be Independent Third Parties.

Assuming there will be no change in the number of issued Shares between the date of this announcement and the date of Completion, the maximum number of 57,000,000 Placing Shares represent (i) approximately 7.16% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 6.68% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

The Placing Price of HK\$0.69 represents (i) a discount of approximately 17.9% to the closing price of HK\$0.84 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 19.0% to the average closing price per Share of approximately HK\$0.852 as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

Assuming the maximum 57,000,000 Placing Shares are fully placed, the gross proceeds and net proceeds (after deducting the placing commission and other related expenses) are estimated to be approximately HK\$39,330,000 and HK\$37,363,500 respectively. The Company intends to apply the net proceeds from the Placing for the set up of and the investment to be acquired by the investment fund, and for general working capital of the Group.

**Shareholders and potential investors of the Shares should note that the Placing is subject to the fulfillment of the conditions precedent to completion of the Placing and may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

Details of the Placing Agreement are set out as follows:

## **THE PLACING AGREEMENT**

### **Date**

13 January 2023 (after trading hours)

### **Parties**

Issuer: The Company

Placing Agent: VBG Capital Limited

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries as at the date of this announcement, the Placing Agent is a wholly-owned subsidiary of the Company.

The Placing Agent has conditionally agreed with the Company to place a maximum of 57,000,000 Placing Shares on a best effort basis to not less than six Placees who and whose ultimate beneficial owners will be Independent Third Parties. The Placees shall be individual, institutional or professional investors. Upon Completion, it is expected that none of the Placees will become a substantial Shareholder. If any of the Placees will become a substantial Shareholder after Completion, further announcement will be made by the Company.

### **Placing Shares**

As at the date of this announcement, the Company has 796,344,000 Shares in issue. Assuming there will be no change in the maximum number of issued Shares between the date of this announcement and the date of Completion, the maximum number of 57,000,000 Placing Shares represent (i) approximately 7.16% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 6.68% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the Placing Shares is HK\$570,000.

## **Placing Price**

The Placing Price of HK\$0.69 represents

- (i) a discount of approximately 17.9% to the closing price of HK\$0.84 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) a discount of approximately 19.0% to the average closing price per Share of approximately HK\$0.852 as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price was determined with reference to the prevailing market price and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the Placing Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

## **General Mandate**

The Placing Shares will be allotted and issued under the General Mandate granted to the Directors at the annual general meeting of the Company held on 25 February 2022. Pursuant to the General Mandate, the total number of new Shares that the Directors are authorized to allot and issue is 119,240,000 new Shares. On 27 December 2022, the Company announced the proposed issuance of 50,144,000 new shares pursuant to the settlement of Promissory Notes and all outstanding accrued interests held by the Promissory Notes Holders (the “**Settlement**”). After deducting the number of Shares that has been issued under the Settlement, the Company has unused general mandate to issue up to 69,096,000 Shares. Accordingly, the issue of the Placing Shares will fall within the limit of the General Mandate and the issue of the Placing Shares will not be subject to Shareholders' approval.

Save as disclosed, the Company has not issued any Shares pursuant to the General Mandate.

## **Commission**

The Placing Agent will be entitled to a commission of 5.0% of the aggregate Placing Price for the Placing Shares successfully placed by the Placing Agent in accordance with the Placing Agreement. The placing commission was negotiated on an arm's length basis between the Company and the Placing Agent.

## **Ranking of the Placing Shares**

The Placing Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with the existing Shares in issue on the date of allotment and issue of the Placing Shares.

## **Conditions of the Placing**

Completion of the Placing is conditional upon the fulfillment of all of the following:

- (i) the GEM Listing Committee having granted the listing of, and permission to deal in, the Placing Shares;
- (ii) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained; and
- (iii) the Placing Agreement not having been terminated pursuant to the terms of the Placing Agreement.

If any of the conditions are not fulfilled on or before 10 February 2023 or such later date as the parties of the Placing Agreement may agree in writing, the Placing Agreement shall terminate and none of the parties to the Placing Agreement shall have any claim against the other for any costs or losses.

## **Application for listing**

The Company will apply to the GEM Listing Committee for the listing of, and permission to deal in the Placing Shares.

## **Completion**

The Completion shall take place on a date falling within 3 Business Days after the fulfillment of the conditions set out above are satisfied (or such later date as may be agreed between the parties of the Placing Agreement in writing).

## **Termination**

If at any time between the execution of the Placing Agreement and the Completion Date, there develops or comes into force:

- (i) the Company fails to comply with its material obligations under the Agreement;
- (ii) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of this Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's reasonable opinion would materially and adversely affect the success of the Placing; or

- (iii) any of the warranties of the Company under the Agreement is not, or has ceased to be, true, accurate and not misleading in material respect by reference to the facts subsisting at the time;

then and in any such case, the Placing Agent may terminate the Placing Agreement without any liability to the Company by giving notice in writing to the Company, which notice may be given at any time prior to the Completion Date.

## **REASONS FOR THE PLACING AND USE OF PROCEEDS**

The Group is principally engaged in the provision of (i) licensed business on corporate finance advisory services, placing and underwriting services, asset management services and securities brokerage and margin financing; and (ii) non-licensed business on environmental, social and governance 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.

Assuming the maximum 57,000,000 Placing Shares are fully placed, the gross proceeds and net proceeds (after deducting the placing commission and other related expenses) are estimated to be approximately HK\$39,330,000 and HK\$37,363,500 respectively. Pursuant to ongoing development strategies, the Group strives to explore the possibility of setting up an investment fund to create a viable platform to invest, operate and manage certain investments to be acquired by the fund, including but not limited to shares, debentures, convertible loan stock, options, warrants or other securities in or in respect of the capital of any body corporate or other entity, undertaking, which is related to electric vehicle, new and renewable energy, or other environmental, social and governance investments in the People's Republic of China including Hong Kong.

In light of the prevailing financial conditions of the Group, the Directors consider that the Placing to be a suitable financial option as compared to other means of financing as it enables the Group to raise capital in an efficient manner without increasing interest burden on the Group, strengthen the financial position of the Company and represents a good opportunity to broaden the Shareholders' base and capital base of the Company.

The Directors consider that the terms of the Placing Agreement and the transactions contemplated thereunder (including the Placing, the Placing Price and the placing commission) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **FUND RAISING ACTIVITIES BY THE COMPANY IN THE PAST TWELVE MONTHS**

The Company has not carried out any fund raising activities during the 12 months immediately preceding the date of this announcement.

## EFFECTS ON SHAREHOLDING STRUCTURE

The shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the Completion, assuming that there is no change in the issued share capital of the Company between the date of this announcement and the Completion:

Controlling Shareholder, Substantial Shareholders and Directors	As at the date of this announcement		Immediately after completion of the Placing	
	Number of Shares	Approx.% of shareholding	Number of Shares	Approx.% of shareholding
Mr. Li Man Keung Edwin	46,240,000	5.81%	46,240,000	5.42%
Tanner Enterprises Group Limited (Note 1)	113,730,000	14.28%	113,730,000	13.33%
Great Win Global Limited (Note 2)	33,000,000	4.14%	33,000,000	3.87%
Bright Music Limited (Note 3)	17,500,000	2.20%	17,500,000	2.05%
<b>The Places</b>	-	-	57,000,000	6.68%
<b>Other public Shareholders</b>	<u>585,874,000</u>	<u>73.57%</u>	<u>585,874,000</u>	<u>68.66%</u>
<b>Total</b>	<u>796,344,000</u>	<u>100.00%</u>	<u>853,344,000</u>	<u>100.00%</u>

Notes:

- (1) 113,730,000 Shares are held by Tanner Enterprises Group Limited which is wholly owned by Mr. Li Man Keung Edwin, an executive Director. Mr. Li Man Keung Edwin also directly holds 46,240,000 Shares. The aggregate Shares beneficially owned by Mr. Li Man Keung Edwin is 159,970,000 Shares.
- (2) 33,000,000 Shares are held by Great Win Global Limited, which is wholly owned by Mr. Yeung Chun Yue David, an executive Director.
- (3) 17,500,000 Shares are held by Bright Music Limited, which is wholly owned by Mr. Hui Ringo Wing Kun, an executive Director.

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## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday or a public holiday) on which banks are open for business in Hong Kong
“Company”	Hatcher Group Limited (Stock code: 8365), a company incorporated in Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange
“Completion”	the completion of the Placing Agreement
“connected person”	has the meaning set out in the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM Listing Committee”	the GEM Listing Committee of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate granted to the Directors at the annual general meeting of the Company held on 25 February 2022
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Placee(s)”	any individuals, corporate, institutional investors or other investors who are Independent Third Parties, procured by or on behalf of the Placing Agent to subscribe for any of the Placing Shares
“Placing”	the placing of the Placing Shares, on a best effort basis, procured by the Placing Agent to the Placees, on and subject to the terms and conditions set out in the Placing Agreement
“Placing Agent”	VBG Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement dated 13 January 2023 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	the placing price of HK\$0.69 per Placing Share

“Placing Share(s)”	a maximum up to 57,000,000 new Shares to be placed pursuant to the Placing Agreement
“Shareholder(s)”	holders(s) of the Shares
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 13 January 2023

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

**Executive Directors:**

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

Mr. Hui Ringo Wing Kun

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

**Independent Non-executive Directors:**

Mr. William Robert Majcher

Mr. Ho Lik Kwan Luke

Mr. Lau Pak Kin Patric

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

*This announcement will remain on the “Latest Listed Company Information” page of the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) for at least 7 days from the date of its publication and will be published on the Company’s website at [www.hatcher-group.com](http://www.hatcher-group.com).*

\* *for identification purpose only*