HATCHER GROUP LIMITED
亦辰集團有限公司*

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

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2023

The board (the "**Board**") of directors (the "**Directors**") of Hatcher Group Limited (the "**Company**") is pleased to announce the audited consolidated financial results of the Company and its subsidiaries for the year ended 30 September 2023. This announcement, containing the full text of the annual report of the Company for the year ended 30 September 2023 (the "**Annual Report**"), complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM (the "**GEM Listing Rules**") of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") in relation to information to accompany the preliminary announcement of the annual results. Printed version of the Annual Report will be delivered to the shareholders of the Company and available for viewing on the websites of the Stock Exchange at www.hkexnews.hk and of the Company at www.hatcher-group.com in due course.

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

Hong Kong, 29 December 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 GEM Listing Rules 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 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.

* *for identification purpose only*

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

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

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

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

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

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Li Man Keung Edwin *(Executive Chairman)*
Mr. Hui Ringo Wing Kun *(Chief Executive Officer)*
Mr. Yeung Chun Yue David *(Vice Chairman)*

Independent Non-Executive Directors

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

BOARD COMMITTEES

Audit Committee

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

Nomination Committee

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

Remuneration Committee

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

COMPLIANCE OFFICER

Mr. Hui Ringo Wing Kun

COMPANY SECRETARY

Mr. Yeung Chun Yue David

AUTHORIZED REPRESENTATIVES

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

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

REGISTERED OFFICE

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

AUDITOR

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

TRADING STOCK CODE

8365

COMPANY WEBSITE

www.hatcher-group.com

Chairman's Statement

Dear Shareholders,

On behalf of the board of Directors (the "**Board**") of Hatcher Group Limited (the "**Company**", together with its subsidiaries, collectively the "**Group**"), I am pleased to present to you the annual report of the Company for the year ended 30 September 2023 (the "**Year**").

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. Completion of the disposal took place on 23 December 2022. Upon completion of the disposal, Wealth Link Securities ceases to be a subsidiary of the Company and the Group is no longer engaged in the business of securities brokerage and margin financing.

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. Upon completion of the acquisition, Earning Joy has become a direct wholly-owned subsidiary of the Company. 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.

For the Year, the Group recorded a loss of approximately HK$14.3 million compared to a loss of approximately HK$8.2 million for the year ended 30 September 2022. The increase in loss for the Year was mainly attributable to the combined effect of (i) an increase in the Group's revenue primarily from placing and underwriting services, accounting and taxation services, and business consulting services; (ii) an increase in other income primarily due to an increase in gain from disposal of listed shares and the recognition of fair value gain in relation to the Group's investment in the RC3.0 App Project and an unlisted equity fund; and (iii) an increase in administrative expenses and other operating expenses primarily driven by increase in staff costs as compared to the year ended 30 September 2022. The Group's revenue increased by approximately 17.0% to approximately HK$85.4 million for the Year as compared to that of approximately HK$73.0 million for the year ended 30 September 2022 primarily attributable to the aforementioned reason.

OUTLOOK

With an expected similar, if not better, business environment in 2024 compared to 2023, the Group will continue to seek business opportunities for our licensed business and non-licensed business. Apart from the acquisition of 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 and the opportunities arising therefrom.

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, 29 December 2023

Management Discussion and Analysis

BUSINESS REVIEW

The Group is principally engaged in (i) licensed business on the provision of corporate finance advisory services, placing and underwriting services and asset management services ("**Licensed Business**"); and (ii) non-licensed business on the provision of ESG advisory services, business consultancy services, corporate secretarial services, accounting and taxation services, risk management and internal control advisory services and human resources services in Hong Kong ("**Non-Licensed Business**").

(i) Continuing Operations

Licensed Business

The Group's Licensed Business is operated by its wholly-owned subsidiaries:

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

Corporate finance advisory business continues to be the core business of the Group's Licensed Business. During the year ended 30 September 2023 (the "**Year**"), corporate finance advisory business accounted for approximately 13.6% 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 4.3% and 0.1% 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 principally 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 44.5% 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 17.2%, 5.8%, 8.7%, 2.4% and 3.2% of its total revenue during the Year, respectively.

(ii) Discontinued Operations

Licensed Business

The Group's Licensed Business classified as discontinued operations represents the securities brokerage and margin financing business operated by Wealth Link Securities Limited ("**Wealth Link Securities**"), a licensed corporation under the SFO to carry on Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities, and accounted for approximately 0.2% of the Group's 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 "**Disposal**"). Completion of the Disposal took place on 23 December 2022. Immediately after completion of the Disposal, the Company holds a 15% equity interest in Wealth Link Securities, Wealth Link Securities ceases to be a subsidiary of the Company and that the financial result, assets and liabilities of Wealth Link Securities will no longer be consolidated into the accounts of the Group.

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 engaged 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.

Management Discussion and Analysis

Deed of settlement and issue of settlement shares under general mandate

On 23 December 2022, the Company entered into a deed of settlement (the "**Deed of Settlement**") with the promissory notes holders, Mr. Liang Zihao and Mr. Tse Chi Ming, pursuant to which the Company has agreed to settle the promissory notes and all outstanding accrued interests thereon by issuing 25,072,000 settlement shares at the issue price of HK$0.70 per settlement share to each of the promissory notes holders. On 13 January 2023, the Company issued and allotted an aggregate of 50,144,000 shares to the promissory notes holders.

For details of the Deed of Settlement, please refer to the announcement of the Company dated 27 December 2022.

Placing of new shares under general mandate

On 13 January 2023, the Company as issuer and VBG Capital as placing agent entered into a placing agreement pursuant to which the Company has conditionally agreed to place through the placing agent, on a best effort basis, up to 57,000,000 placing shares, to not less than six placees who and whose ultimate beneficial owner are independent third parties at a price of HK$0.69 per placing share (the "**Placing**").

Completion of the Placing took place on 10 February 2023. A total of 57,000,000 placing shares have been successfully placed to not less than six placees at placing price of HK$0.69 per placing share pursuant to the terms and conditions of the placing agreement. The placing shares were issued and allotted pursuant to the general mandate granted to the Directors at the Company's annual general meeting held on 25 February 2022. The reasons for issuing the placing shares was that, 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 gross proceeds and net proceeds from the Placing amounted to approximately HK$39.3 million and HK$37.4 million respectively and the net issue price was approximately HK$0.66. The Company intends to use the net proceeds for the setup of and the investment to be acquired by the investment fund, and for general working capital of the Group.

For details of the Placing, please refer to the announcements of the Company dated 13 January 2023, 20 January 2023 and 10 February 2023.

Management Discussion and Analysis

Subscription of new shares of RC365 Holding Plc involving issue of consideration shares by the Company (the "RC365 Subscription")

Reference is made to the announcement of the Company dated 14 February 2023 (the "**Announcement**") in relation to the RC365 Subscription. Capitalized terms used in this sub-section shall have the same meanings as those defined in the Announcement. On 13 February 2023, the Company as subscriber entered into a subscription agreement with RC365 Holding Plc (a company listed on the London Stock Exchange, symbol: RCGH.L) ("**RC365**") as issuer, pursuant to which the Company has conditionally agreed to subscribe for, and RC365 has conditionally agreed to issue and allot, an aggregate of 18,000,000 RC365 Subscription Shares at the RC365 Subscription Price of GBP0.20 (equivalent to approximately HK$1.93) per RC365 Subscription Share for a total consideration of GBP3,600,000 (equivalent to approximately HK$34,800,000). The Consideration shall be settled by the Company by way of the issue and allotment of an aggregate of 38,640,000 Consideration Shares at the issue price of HK$0.90 per Consideration Share to RC365 upon completion of the RC365 Subscription. The entering into of the subscription agreement will allow the Company and RC365 to form a strategic alliance with a shareholding stake in each other and will allow the Group and RC365 to share its experience and expertise in their respective industry.

With a view to promote the possible strategic business cooperation between the Group and RC365's businesses, on 13 February 2023, the Company and RC365 entered into a non-legally binding memorandum of understanding (the "**Cooperation MOU**") for the strategic cooperation in the development of potential fintech-based solutions. The parties to the Cooperation MOU agreed to utilise their respective resources, expertise and experience to explore possible cooperation with each other, and it is intended that such cooperation will consist of the potential commercial development of smart algorithm technology in the provision of intuitive investment recommendations for the asset management sector, subject to the terms and conditions of formal agreement(s) to be entered into. With consideration of the expanding capabilities of the existing data collection platform made available by RC365, the Directors believe that the cooperation will enable the Group to complement and enhance its capacity in serving current clients and attracting new clients from different industries. The Directors also consider that the mutual reliance will allow the Group and RC365 to utilise their respective edges to develop its business cooperation and maximize returns for the respective shareholders of the Company and RC365.

Completion of the RC365 Subscription took place on 13 April 2023. For details of the RC365 Subscription and the Cooperation MOU, please refer to the announcements of the Company dated 14 February 2023 and 17 April 2023.

Management Discussion and Analysis

Memorandum of understanding on cooperation (the "MOU") with Smart Auto Australia Limited ("Smart Auto")

On 22 March 2023, VBG Asia, a wholly-owned subsidiary of the Company, entered into the MOU with Smart Auto, a company listed on the National Stock Exchange of Australia and principally engages in the provision of (i) conventional bus rental and management services; (ii) bus body advertisement; (iii) vehicles and passenger service license trading services; (iv) distributorship of coaches and electric vehicle products; and (v) bus trading services. Pursuant to the MOU, the Company and Smart Auto intend to collaborate jointly in the form of (i) Smart Auto and VBG Asia become business partners and VBG Asia shall support Smart Auto and advise on proposed cross border merger and acquisition activities to be conducted by Smart Auto (the "**Proposed Transaction**"); (ii) VBG Asia shall assist Smart Auto in identifying suitable target(s) for the Proposed Transaction; (iii) VBG Asia shall assist Smart Auto in fund raising activities in the secondary market to raise expansion capital of approximately HK$15,000,000 on a best effort basis; and (iv) by pooling of relevant resources of VBG Asia and Smart Auto, to establish other cooperative model(s) which aims to maximize each party's benefits. The MOU shall be valid for a period of one year from 22 March 2023.

Details of the MOU were disclosed in the announcement of the Company dated 22 March 2023.

Letter of intent (the "LOI") and proposed cooperation with Cloudnifier Corporation Limited ("Cloudnifier")

On 4 April 2023, the Company entered into the LOI with Cloudnifier in relation to the research, development and distribution of big data platform and other integrated solutions for financial institutions.

Pursuant to the LOI, the Company and Cloudnifier have indicated their interests in a collaboration in (i) the research and development of big data platform and other integrated solutions for financial institutions with the purpose of smoothening compliance and regulatory reporting procedures with the utilization of the expertise possessed by Cloudnifier in areas of technology advancements of artificial intelligence, blockchain, computer technology, and the Group's expertise in the financial market (the "**New Solutions**"); and (ii) the utilization of the existing clientele and financial institutions network of the Group, whereas the Group shall offer Cloudnifier possible distribution services of Cloudnifier's existing and future products while acquiring commission fees in return.

The consideration of engaging Cloudnifier for the research and development of the New Solutions shall be settled by way of issuing shares of the Company to Cloudnifier. The consideration shall be determined and confirmed upon signing formal agreement(s) in the future.

The proposed collaboration and transactions contemplated under the LOI, if materialized, may constitute notifiable transactions for the Company under the GEM Listing Rules. In this regard, the Company will comply with the applicable requirements under the GEM Listing Rules as and when required.

For details of the LOI, please refer to the announcement of the Company dated 4 April 2023.

Management Discussion and Analysis

Memorandum of understanding on cooperation in relation to artificial intelligence ("AI") development (the "AI Development MOU")

On 1 June 2023, the Company entered into the AI Development MOU, which is non-legally binding, with Regal Crown Technology Limited ("**Regal Crown**"), a wholly-owned subsidiary of RC365. Pursuant to the AI Development MOU, the Company and Regal Crown intend to collaborate with each other so as to bring the possible implementation of AI solutions and other intelligent prediction algorithm models into the development and optimization of Regal Crown's proprietary applications, including applications with provision of digital wealth management solutions. The Company and Regal Crown will be committed to harness full potential of the AI initiative by allowing implementation of automated workflow in its proprietary applications, as well as integration of new features including blockchain technology and virtual banking facilities. With consideration of the expanding capabilities of the proprietary applications made available by Regal Crown, the Directors believe that the further entering into of the AI Development MOU following the Cooperation MOU and the possible implementations thereunder will allow the Group to realise potential investment gains from Regal Crown when full commercialisation of its proprietary applications take place. The Directors are of the view that such cooperation will bring additional returns to the Group, which is in the interest of the Company and its shareholders as a whole. The AI Development MOU shall be valid for 24 months from the date of the AI Development MOU.

For details of the AI Development MOU, please refer to the announcement of the Company dated 1 June 2023.

Collaboration agreement with Regal Crown for the development of the RC3.0 App Project (the "Collaboration Agreement")

On 23 June 2023, APEC Business Services Limited ("**APEC Business**"), a wholly-owned subsidiary of the Company, entered into the Collaboration Agreement with Regal Crown, pursuant to which Regal Crown has agreed to develop and upgrade its RC2.0 App (a mobile application providing users with personal wealth management solutions) to RC3.0 App (the "**RC3.0 App Project**") and that APEC Business has agreed to pay a sum (the "**Sum**") of HK$15 million to Regal Crown to finance the development of the RC3.0 App Project.

The Collaboration Agreement shall be valid from the date of execution and shall continue for a term of 15 years commencing from the date of launch of the RC3.0 App, and shall be automatically renewed for successive terms of one year each unless otherwise terminated sooner in accordance with the terms of the Collaboration Agreement.

Pursuant to the Collaboration Agreement, the Sum was paid by APEC Business on the date of the Collaboration Agreement, and Regal Crown shall grant to APEC Business the exclusive and irrevocable right to share the benefit and receive on a 50:50 basis any income and revenue generated from the use of the RC3.0 App.

The target customers of the RC3.0 App are intended to be financial institutions and multi system operator (“**MSO**”) subscribers. As the RC3.0 App offers virtual banking facilities, enterprise resource planning function and blockchain features, it allows financial institutions and MSO to enable their end users to participate in its settlement application services for online and offline transactions. In return, the financial institutions and MSO pay a one-time initial joining fee and a monthly subscription fee to Regal Crown, which will be deemed as income and revenue generated from the use of the RC3.0 App.

The development and upgrade of the RC3.0 App is expected to be completed on or before 30 June 2024 and it is anticipated that the commencement of income and revenue generation from the RC3.0 App will be immediately following its launch, which is expected to be on or before 30 September 2024.

For details of the Collaboration Agreement, please refer to the announcements of the Company dated 23 June 2023 and 18 July 2023.

Proposed share consolidation and proposed change in board lot size

On 6 October 2023, the Board proposed to implement share consolidation on the basis that every twenty-five (25) issued and unissued existing shares of par value of HK$0.01 each in the share capital of the Company were consolidated into one (1) consolidated share of par value of HK$0.25 each (the “**Share Consolidation**”). The Share Consolidation is conditional upon, among other things, the approval by the Shareholders by way of poll at the extraordinary general meeting of the Company to be held on 3 January 2024.

On 6 October 2023, the shares of the Company were traded on the Stock Exchange in board lot size of 5,000 shares. The Board also proposed to change the board lot size for trading on the Stock Exchange from 5,000 shares to 2,000 consolidated shares conditional upon the Share Consolidation becoming effective. On 4 December 2023, the Board announced that, in order to facilitate the trading of the consolidated shares in a sizeable value, the proposed change of board lot size will not proceed and the board lot size shall remain at 5,000 consolidated shares after the Share Consolidation.

Details of the Share Consolidation are set out in the Company’s circular dated 8 December 2023 and the Company’s announcements dated 6 October 2023, 10 November 2023, 4 December 2023, 15 December 2023 and 21 December 2023.

Major transaction in relation to the acquisition of 13.5% equity interest in Quest Centurion Limited (the “Acquisition”)

On 6 October 2023, the Company as purchaser and Leading Star Ventures Limited as vendor entered into a sale and purchase agreement (the “**Sale and Purchase Agreement**”) pursuant to which the vendor has conditionally agreed to sell and the purchaser has conditionally agreed to acquire 13.5% equity interest in Quest Centurion Limited (“**Quest Centurion**”), at a consideration of HK$57,957,900 involving the issue of convertible note and promissory note by the Company. Quest Centurion is an investment holding company incorporated in the British Virgin Islands, which holds the entire equity interest of GoGoChart Technology Limited (“**GoGoChart**”). GoGoChart is a company incorporated in Hong Kong and is an all-rounded digital marketing service provider. The Acquisition represents an investment opportunity of the Company to invest in Quest Centurion without immediate cash outflow and will enhance the cooperation between the Company and GoGoChart.

Management Discussion and Analysis

On 22 November 2023, the parties to the Sale and Purchase Agreement (the "**Parties**") entered into a termination agreement (the "**Termination Agreement**"), pursuant to which the Parties have irrevocably agreed to terminate the Sale and Purchase Agreement with effect from the date of the Termination Agreement (save for the provisions relating to confidentiality which shall survive termination). Given that considerable time has lapsed since the negotiation and signing of the Sale and Purchase Agreement and the change of market situation, the Board is, after due and careful consideration, of the view that it is in the best interest of the Company and its shareholders not to proceed with the Acquisition under the current terms and conditions of the Sale and Purchase Agreement.

Memorandum of understanding on strategic cooperation with GoGoChart

On 6 October 2023, the Company and GoGoChart entered into a non-legally binding memorandum of understanding for the strategic cooperation in seeking financing for Quest Centurion and other corporate finance activities for GoGoChart. The parties to the memorandum of understanding agreed to become official business partners to each other and combine their resources and expertise in their respective fields to create synergies for future projects and businesses. The Group shall, through its subsidiary, with its best endeavours, assist GoGoChart to list in a recognised stock exchange within five years and to raise not less than US$8 million for GoGoChart.

Arrest of independent non-executive Director

Reference is made to the announcement of the Company dated 23 July 2023 in relation to reporting by media in Canada and Hong Kong that Mr. William Robert Majcher ("**Mr. Majcher**"), an independent non-executive Director, was arrested by the police in Canada on or around 21 July 2023. It was reported that Mr. Majcher had allegedly used his knowledge and extensive network of contacts in Canada to obtain intelligence or services to benefit the PRC. As stated in the above announcement, the Board considered that the arrest of Mr. Majcher was due to his personal involvement in matters not related to the Group and that the arrest of Mr. Majcher has no material adverse impact to the Group and the business and operations of the Group remain normal. As at the date of this annual report, there has been no update on the arrest of Mr. Majcher.

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 17.0% to approximately HK$85.4 million (2022: approximately HK$73.0 million). The increase in revenue was mainly due to an increase in revenue generated from placing and underwriting services under Licensed Business, and 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 increased by approximately HK$1.8 million or 13.1% to approximately HK$15.5 million for the Year (2022: approximately HK$13.7 million). The increase in revenue was mainly due to (i) an increase in revenue from corporate finance advisory services of approximately HK$0.5 million; and (ii) an increase in revenue from placing and underwriting services of approximately HK$2.2 million during the Year.

The increase in revenue from corporate finance advisory services was primarily attributable to (i) a decrease in revenue generated from acting as sponsor of approximately HK$1.7 million; and (ii) an increase in revenue generated from acting as financial adviser and as independent financial adviser of approximately HK$2.2 million for the Year.

The increase in revenue from placing and underwriting services was primarily attributable to an increase in the size of placing and underwriting engagements handled by the Group in terms of transaction value from approximately HK$39.3 million for the year ended 30 September 2022 to approximately HK$322.7 million for the Year.

Non-Licensed Business

The revenue from Non-Licensed Business increased by approximately HK$10.6 million or 17.9% to approximately HK$69.9 million for the Year (2022: approximately HK$59.3 million). Such increase was mainly due to an increase in revenue generated from business consulting services of approximately HK$5.7 million and an increase in revenue generated from accounting and taxation services of approximately HK$2.6 million primarily attributable to the revenue contribution from Earning Joy following its acquisition by the Company during the Year.

Other income, net

The Group's other income mainly represented government subsidies, gain on disposal of financial assets at FVPL and net unrealised gain/loss on financial assets at FVPL. The other income increased from approximately HK$849,000 for the year ended 30 September 2022 to approximately HK$23.0 million for the Year, mainly resulting from (i) an increase in gain on disposal of financial assets at FVPL of approximately HK$10.1 million; and (ii) the recognition of a net unrealised gain on financial assets at FVPL of approximately HK$13.6 million during the Year, which is primarily attributable to fair value gain in relation to the Group's investment in the RC3.0 App Project and an unlisted equity fund.

Administrative expenses and other operating expenses

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

The Group's administrative expenses and other operating expenses increased by approximately HK$49.5 million, or approximately 67.5%, from approximately HK$73.3 million for the year ended 30 September 2022 to approximately HK$122.8 million for the Year. Such increase was mainly attributable to an increase in staff costs caused by recognition of equity-settled share-based payment expenses, general pay rise and increase in bonuses paid as compared to the year ended 30 September 2022.

Management Discussion and Analysis

Finance costs

The Group's finance costs decreased to approximately HK$1.7 million for the Year from approximately HK$2.5 million for the year ended 30 September 2022, mainly resulting from a decrease in interest expenses on convertible note as a result of a decrease in the outstanding principal amount of convertible note as compared to the year ended 30 September 2022.

Income tax expense

The Group's income tax expenses increased from approximately HK$750,000 for the year ended 30 September 2022 to approximately HK$1.4 million for the Year, mainly attributable to an increase in provision for profits tax arising from profits generated by certain subsidiaries for the Year.

Gain on disposal of discontinued operations

As a result of completion of the Disposal, the Company recognised a gain on disposal of discontinued operations of approximately HK$5.6 million during the Year (2022: nil).

Loss for the year

As a result of foregoing, the Group recorded a loss of approximately HK$14.3 million for the Year as compared to a loss of approximately HK$8.2 million for the year ended 30 September 2022.

Non-HKFRS measures

To supplement our consolidated financial statements, which are presented in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, the Company also assesses the operating performance based on a measure of adjusted earnings before interest, tax, depreciation and amortisation (the "**EBITDA**") as additional financial measures. By means of these financial measures, the management of the Group is able to evaluate the Group's financial performance regardless of the items that are not indicative of performance.

Adjusted EBITDA

During the Year, the Group incurred some one-off expenses, which are not indicative of the operating performance of its business. Therefore, the Group arrives at an adjusted EBITDA (the "**Adjusted EBITDA**") by eliminating the effects of certain non-cash or non-recurring items of the Group, which include (i) equity-settled share-based payment expenses; (ii) depreciation of plant and equipment and right-of-use assets; (iii) amortisation of intangible assets; (iv) provision for impairment loss in respect of goodwill; and (v) finance costs.

	Year ended 30 September	
	2023	2022
	HK$'000	*HK$'000*
Loss before tax	**(12,907)**	(7,429)
Adjustments:		
Equity-settled share-based payment expenses	**23,044**	–
Depreciation of plant and equipment	**2,696**	1,952
Depreciation of right-of-use assets	**3,871**	5.966
Amortisation of intangible assets	**1,616**	1,456
Net unrealised (gain) loss on financial assets at FVPL	**(13,555)**	1,103
Provision for impairment loss in respect of plant and equipment	**–**	53
Provision for impairment loss in respect of right-of-use assets	**–**	410
Provision for impairment loss in respect of intangible assets	**–**	230
Provision for impairment loss in respect of goodwill	**–**	4,213
Provision of impairment loss in respect of trade receivables	**52**	531
Provision of impairment loss in respect of other receivables	**2,427**	–
Write off of plant and equipment	**34**	427
Loss on settlement of promissory notes	**6,518**	–
Finance costs	**1,700**	2,465
Adjusted EBITDA	**15,496**	11,377

As shown above, the Group's Adjusted EBITDA increased from approximately HK$11.4 million for the year ended 30 September 2022 to approximately HK$15.5 million for the Year.

Net loss margin

For the Year, the Group's net loss margin ratio was approximately 16.8% (2022: approximately 11.2%).

Management Discussion and Analysis

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 2023, approximately HK$5.0 million of the Group's cash and cash equivalents was denominated in other currencies, principally Canadian dollars ("**CAD**") and United States dollars ("**USD**").

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

Bank borrowings

Save for the interest-bearing borrowings 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 2023 (2022: interest-bearing borrowings and government loan of approximately HK$26.3 million).

Charge on assets

As at 30 September 2023, 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$458,000 (2022: approximately HK$1.1 million).

Contingent liabilities

The Group did not have any material contingent liabilities as at 30 September 2023 (2022: nil).

Current ratio

As at 30 September 2023, the Group's current ratio was approximately 2.1 times (2022: approximately 1.1 times).

Gearing ratio

The Group's gearing ratio, calculated by dividing total interest-bearing borrowings by total equity of the Group, was approximately 17.2% as at 30 September 2023 (2022: approximately 64.0%).

Management Discussion and Analysis

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.

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, GBP and Renminbi 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 similar, if not better, business environment in 2024 compared to 2023, the Group will continue to seek business opportunities for our Licensed Business and Non-Licensed Business. Apart from the acquisition of 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 and the opportunities arising therefrom.

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 2023.

Management Discussion and Analysis

Use of proceeds

The following table sets forth the status of net proceeds from the Placing:

Intended use of net proceeds	Net proceeds allocated	Net proceeds utilised up to 30 September 2023	Net proceeds unutilised as at 30 September 2023	Expected time frame for remaining unused net proceeds
	HK$ million	*HK$ million*	*HK$ million*	
Capital commitment and reserve for the investment fund for suitable cooperation, acquisition, or investment opportunities	22.0	22.0	–	Not applicable
General working capital	15.4	15.4	–	Not applicable
	37.4	37.4	–	

Material acquisitions and disposals of subsidiaries, associates and joint ventures

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

Significant investments held

Save for the financial assets as disclosed in notes 18 to the consolidated financial statements, the Group did not hold any significant investments as at 30 September 2023.

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. As stated in the Announcement and the Circular, the Vendor guarantees to the Company that APECGIL's actual consolidated net profit after tax as stated in its management accounts for the 2nd Profit Guarantee Period, being the one (1) year period commencing on the day immediately following the last day of the 1st Profit Guarantee Period (1 November 2022), 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 2nd Profit Guarantee Period, the Guaranteed Net Profit has been fulfilled.

Employees and remuneration policies

As at 30 September 2023, the Group employed a total of 150 employees (2022: 189). For the Year, employee benefits costs of the Group (including the Directors' emoluments) were approximately HK$88.0 million (2022: approximately HK$46.1 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.

Major customers and suppliers

During the Year, the revenue attributable to the Group's largest customer accounted for approximately 16.1% (2022: approximately 15.5%) of the Group's total revenue and the revenue attributable to the Group's top five largest customers accounted for approximately 32.7% (2022: approximately 29.4%) 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 (2022: nil).

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Li Man Keung Edwin ("Mr. Li"), aged 56, 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. Li is currently a standing committee member of the 15th Guangzhou Panyu District Committee of the Chinese People's Political Consultative Conference.

Mr. Hui Ringo Wing Kun ("Mr. Hui"), aged 42, 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 42, 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 May 2023	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 61, 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 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 45, was appointed as an independent non-executive Director on 1 December 2017. He is also the chairman of the audit committee of the Company with effect from 13 December 2017, and a member of the nomination and remuneration committees of the Company with effect from 1 December 2017. He is primarily responsible for providing independent advice to the Board in areas including conflict of interest, strategy, performance, resources and standard of conduct of the Company. Mr. Ho has over 20 years of experience in the finance industry focusing on corporate finance. During the period from December 2014 to February 2016, Mr. Ho was a director of Ping An Securities Limited. From February 2016 to February 2018 and from March 2018 to May 2019, Mr. Ho served as a director of Huabang Securities Limited and Huabang Corporate Finance Limited, respectively, both of which are subsidiaries of Huabang Technology Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 3638). From September 2022 to July 2023, Mr. Ho was the chief financial officer and company secretary of Glory Sun Financial Group Limited (currently known as Renze Harvest International Limited), the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1282). He was also the executive director of the corporate finance division of Glory Sun Securities Limited, a subsidiary of Glory Sun Financial Group Limited, from May 2019 to October 2023. At present, Mr. Ho is also an independent non-executive director of Royal Group Holdings International Company Limited (stock code: 8300).

Biographical Details of Directors and Senior Management

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

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

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

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

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 2023 (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

Mr. Li Man Keung Edwin *(Executive Chairman)*
Mr. Hui Ringo Wing Kun *(Chief Executive Officer)*
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

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.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

RESPONSIBILITIES OF THE BOARD

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

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

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

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 2023. 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 2023. 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**").

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

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

Corporate Governance Report

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 independent non-executive Directors, being Mr. William Robert Majcher and Mr. Ho Lik Kwan Luke, 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.
- Ability to devote adequate time to discharge duties as a member of the Board.
- Board diversity policy of the Company.
- Requirement for the Board to have independent directors in accordance with the GEM Listing Rules and whether the candidates would be considered independent in accordance with the GEM Listing Rules.
- Such other perspectives appropriate to the Company's business or as suggested by the Board.

Nomination procedures

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

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

Corporate Governance Report

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 two meetings 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.

Remuneration Committee

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

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

Corporate Governance Report

Audit Committee

The Company has established an audit committee (the "**Audit Committee**") with specific written terms of reference formulated in accordance with the requirements of Rules 5.28 to 5.29 of the GEM Listing Rules and code provision D.3.3 of the CG Code. The Audit Committee currently consists of all the three independent non-executive Directors, namely, Mr. Ho Lik Kwan Luke, Mr. William Robert Majcher and Mr. Lau Pak Kin Patric. Mr. Ho Lik Kwan Luke is the chairman of the Audit Committee. The primary duties of the Audit Committee are (i) to review the annual reports and accounts, 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 2022, the first quarterly results of the Group for the three months ended 31 December 2022, the interim results of the Group for the six months ended 31 March 2023 and the third quarterly results of the Group for the nine months ended 30 June 2023. It has also reviewed the effectiveness of the risk management and internal control systems of the Group.

PRACTICE AND CONDUCT OF MEETINGS

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

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

Corporate Governance Report

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

	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:					
Mr. Li Man Keung Edwin	7/7	–	–	–	1/1
Mr. Hui Ringo Wing Kun	7/7	–	–	1/1	1/1
Mr. Yeung Chun Yue David	6/7	–	–	–	1/1
Independent Non-Executive Directors:					
Mr. William Robert Majcher	7/7	4/4	2/2	1/1	0/1
Mr. Ho Lik Kwan Luke	7/7	4/4	2/2	1/1	1/1
Mr. Lau Pak Kin Patric	7/7	4/4	2/2	1/1	1/1

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

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

Corporate Governance Report

CORPORATE GOVERNANCE FUNCTIONS

Code provision 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	1,330

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.

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.

Corporate Governance Report

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.

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**
Mr. Li Man Keung Edwin	✓
Mr. Hui Ringo Wing Kun	✓
Mr. Yeung Chun Yue David	✓
Mr. William Robert Majcher	✓
Mr. Ho Lik Kwan Luke	✓
Mr. Lau Pak Kin Patric	✓

Corporate Governance Report

RISK MANAGEMENT AND INTERNAL CONTROLS

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

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

- Risk identification: Identify major and significant risks that would affect the achievement of goals by the Group;
- Risk assessment: Assess and evaluate the any risk identified according to its probable impact and the likelihood of occurrence;
- Risk mitigation: Develop effective control procedures to mitigate the risks.

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

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

- The access of information is restricted to a limited number of employees on a need-to-know basis.
- Employees who are in possession of inside information are fully conversant with their obligations to preserve confidentiality.
- All employees are required to strictly adhere to the employment terms regarding the management of confidential information.
- Code names are assigned to confidential projects so that any reference to them would not be linked to the projects themselves to minimize possibilities of unintentional leakage.

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

Corporate Governance Report

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

SHAREHOLDERS' RIGHTS

Procedure for Shareholders to Convene an Extraordinary General Meeting

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

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

Procedure for Shareholders to Make Inquiries with the Board

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

Procedures of Proposing Proposals at General Meetings

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

BOARD DIVERSITY

Board Diversity Policy

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

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

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

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

As at the date of this annual report, the Board consists of six (6) members, all of whom are male. In recognizing the importance of gender diversity at the Board level, the Company plans to appoint one female director who would be qualified to sit on the Board no later than 31 December 2024. The Company also aims to maintain an appropriate balance of diversity perspectives that are relevant to the Company's business growth and is also committed to ensure that recruitment and selection practices at the workforce level (including the senior management) are appropriately structured so that a diverse range of candidates are considered. As at 30 September 2023, male and female employees accounted for approximately 40% and 60% of the total workforce, respectively. The Board therefore considers that gender diversity has been achieved at the workforce level (including the senior management).

Corporate Governance Report

INVESTOR RELATIONS

Constitutional Documents

During the Year, no amendment was made to the Memorandum and Articles of Association of the Company.

Communication with Shareholders

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

COMPANY SECRETARY

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

Environmental, Social and Governance Report

ABOUT THIS REPORT

The Group and its subsidiaries are pleased to present the 2022-2023 Environment, Social and Governance Report (the "**ESG Report**"). The ESG Report outlines the Group's management approaches, policies and practices in environmental, social and governance ("**ESG**") aspects for its key stakeholders.

Reporting Boundary

The Report covers the material ESG performance from 1 October 2022 to 30 September 2023 (the "**Year**") of the principal operations of the Group in Hong Kong, including licensed business and non-licensed business, which in aggregate accounts for approximately 90.5% of the Group's total revenue for the Year. The operations in Canada and Guangzhou, China, are excluded. The Group will continue to review its business operations and development and make adjustments to the reporting boundary as needed based on the principle of materiality.

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

Reporting Standards

The ESG Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the "**ESG Guide**") set out in Appendix 20 to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The Group applied four reporting principles, including materiality, consistency, quantitative and balance, in the ESG Guide during the preparation of the Report.

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

Environmental, Social and Governance Report

Report Approval

The Group acknowledges its responsibility to ensure the accuracy and reliability of the ESG Report. All information in this ESG Report has been sourced from the internal policy documents and statistical data of the Group. The Board has reviewed and approved this ESG Report.

Report Publication and Contact

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

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

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

OUR ESG APPROACH

ESG Management

As a responsible corporate, the Group is unwavering in its commitment to actively pursue sustainable business growth, while supporting the diverse interests of its stakeholders. We fully acknowledge the importance of an effective ESG management system and seek to continuously enhance our performance. This serves as a catalyst for our strategic and long-term progression.

Governance Structure

The Board

The Board, being the highest governance body of the Group, has the overall responsibility for ESG and climate-related matters, overseeing the relevant decisions and management approach. The Board is also responsible for setting ESG strategy, goals, and targets, and overseeing the progress against goals and targets.

The Environmental, Social and Governance Committee

As delegated by the Board, the Environmental, Social and Governance Committee (the "**ESG Committee**"), which comprises members of senior management, is in charge of the management of the Group's sustainability and climate-related matters. Its roles and responsibilities include:

- developing ESG related goals and targets
- implementing and monitoring the Group's ESG policies, practices, and performances
- reviewing ESG material issues and preparing ESG reports for the Board's approval
- reporting to the Board on key matters

Environmental, Social and Governance Report

ESG Policy

As part of its dedication, the Group has developed an ESG Policy, which highlights its commitment and approach to ESG-related issues, including environmental protection, climate change, employment practices, employee health and safety, labour standards, supply chain management, product liability, and community. It is expected that all business operations and employees will adhere to this policy. The ESG Committee will review this policy from time to time.

ESG Strategy

The Group is committed to achieving sustainable growth by striving to incorporate ESG into every facet of our business. Our mission revolves around sustainable growth, making sustainability a fundamental part of our values. The Group has established an ESG strategy with four main focuses, providing a clear path to develop a resilient business.

Environmental, Social and Governance Report

Main Focus	Commitment and Goal	Key Action
Sustainable Development	The Group operates in a sustainable manner while taking into account the interests of different stakeholders.	We invite stakeholders to voice their thoughts on the Group's ESG policies, practices, and performance through regular engagements.
Community and Development	The Group establishes good and positive relationships with all sectors of the community and promote community and societal development, aiming to make a positive impact.	We formulate community investment strategies and are active in our social contributions and work together with different sectors and a variety of external organisations. In addition, we encourage our employees to get involved with local communities, take part in volunteer work and support community initiatives.
Inclusion and Diversity	The Group advocates for an inclusive culture and workplace diversity, striving to create a fair, equal environment that respects all differences.	To foster diversity and inclusion, we provide training to help all employees understand and respect each other's unique differences.
Climate and Environment	The Group is dedicated to advancing environmental sustainability and transforming into an environmentally friendly enterprise.	We actively look for ways to minimise emissions and conserve natural resources. Not only do we develop environmental policies and communicate measurable environmental objectives to our employees, but we also stay updated with local latest environmental standards and internationally recognised benchmarks. We enhance our employees' environmental awareness through internal communications and encourage our business partners and customers to boost their environmental performance.

To ensure our strategic ESG goals are met, we have initiated a range of activities and training. These are designed to embed ESG values within our Group, integrate them into our day-to-day operations, and help us deliver on our pledge to corporate responsibility.

As we continue, we will be working hard to promote a sustainable business environment and grow into a company that is mindful of both environmental and social issues. We are dedicated to the United Nations Sustainable Development Goals and will be setting our targets in alignment with this global agenda.

Environmental, Social and Governance Report

ESG Risk Management

The Board has overall responsibility for maintaining appropriate and effective risk management and internal control systems of the Group. With the support of the Audit Committee, the Board reviews the effectiveness of the Group's risk management and internal control matters annually. The annual risk assessment covers strategic business risks, operational risks, financial risks, compliance risks, and ESG risks. The material ESG risks identified by the Group during the Year include:

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

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

Environmental, Social and Governance Report

Stakeholder Engagement

The Group values the involvement of stakeholders in improving its ESG management and performance, as well as driving its business and sustainable development forward. We engage with stakeholders to understand their expectations and concerns, and consider their opinions in our day-to-day operations and enhance our strategic priorities.

The Group consistently interacted and communicated with key stakeholder groups through various channels during the Year.

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

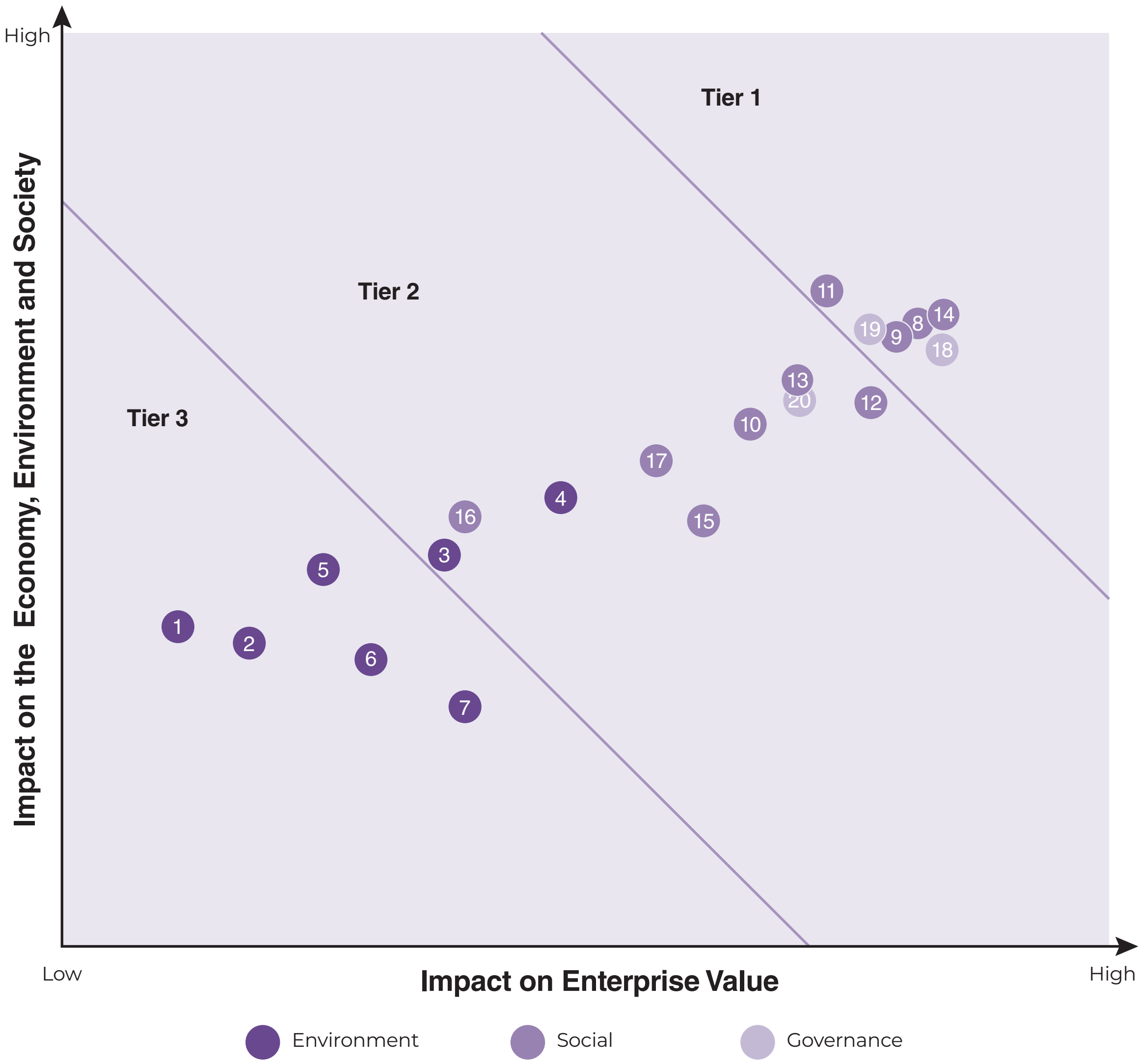
Materiality Assessment

The Group employed a three-step approach to materiality assessment, which was facilitated by an independent third-party consultancy. Based on the results, the Group identifies the ESG issues that are important to its ESG strategy development and performance enhancement.

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

Environmental, Social and Governance Report

The matrix below illustrates the overall materiality level of the 20 ESG issues by plotting the views on the impact on the Group's business value of issues and the Group's impact on the economy, environment and society. The issues in the top right corner were considered as most material to the Group, and thus were focused for reporting in this Report.



Environmental, Social and Governance Report

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

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

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

Environmental, Social and Governance Report

ENVIRONMENT

The Group is dedicated to conducting business in a sustainable manner in order to safeguard our environment and promote environmental conservation. As a provider of extensive financial and consulting services with office-based operating activities, the Group focuses on managing its emissions, use of resources and climate change, and provides employees with guidance on environmental practices for general offices, as outlined in the ESG Policy.

We actively look for ways to minimise emissions and conserve natural resources. Not only do we develop environmental policies and communicate measurable environmental objectives to our employees, but we also stay updated with local latest environmental standards and internationally recognised benchmarks. We enhance our employees' environmental awareness through internal communications and encourage our business partners and customers to boost their environmental performance.

Looking forward, the Group plans to keep track of its environmental KPIs and explores the necessity and feasibility of setting relevant environmental targets covering emissions, waste reduction, and energy and water efficiency.

Environmental and Climate Actions

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

Greenhouse gas ("GHG") and air emissions

- Promote the use of e-platforms or video conference systems whenever feasible to minimise unnecessary travel
- Encourage the use of railways and sea transport instead of air travel for short-distance journeys
- Ensure that the need, suitability of the frequency, and method of travel chosen for business trips are reasonable
- Give preference to direct flights to minimise emissions resulting from unavoidable business travel

Waste

- Implement waste classification and recycling practices in offices
- Encourage the recycling of used printer toner cartridges
- Offer reusable utensils, smart food waste collection machine, and reverse vending machine ("RVM") for plastic and aluminium beverage containers in the pantry

Energy and water

- Prioritise the use of energy saving electrical appliances in offices
- Encourage employees to:
  - switch off the lights, air conditioning, computers, and monitors before leaving the office
  - turn off all the electrical supplies when they are not in use
  - set the office air conditioner to an appropriate temperature for energy saving
- Regularly clean the filters of the air-conditioning to prevent dust buildup, which lead to electricity wastage
- Promptly Report leaks and drips to the property management for repairing

Paper

- Promote the use of e-platforms for information storage and transfer as an alternative to paper filing and minimise the need for photocopying and printing
- Encourage double-sided printing
- Reuse single-sided paper for draft purposes
- Place wastepaper in recycling collection boxes for proper disposal by qualified recyclers

Smart and Fun Way to Recycle Waste in Office

Food waste represents a substantial portion of our city's municipal waste. Being environmentally conscious, we acknowledge the importance of this issue and aim to play a pivotal role in its reduction. Our strategy centers around the implementation of smart recycling facilities within office environments. These facilities include smart food waste collection machine and RVM for beverage containers. By doing so, we hope to:

- encourage responsible waste disposal and promote recycling amongst employees
- allow employees to see the tangible impact of their recycling efforts, fostering responsibility for waste management
- reduce the environmental impacts caused by disposal of office waste
- gather data on office waste and recycling habits to drive improvements in office waste management

Smart Food Waste Collection Machine
Employees can put any inevitable food waste in the smart food waste collection machine and earn points. The collected food waste will be sent to government-designated centers for further processing into gas.

RVM for Beverage Containers
Recycling can be both fun and rewarding. RVM, an automatic device, enables employees to feed in used plastic beverage containers and aluminium cans for instant rebate.

Environmental, Social and Governance Report

The Group believes that climate adaptation and resilience contribute to the long-term sustainability of its business. With this in mind, we plan to continuously review and identify improvement opportunities for environmental management. Moving ahead, the Group will discuss and develop policies and practices that are necessary to identify the climate risks and opportunities relevant and important to its business operations, and formulate the relevant responses and measures to address those climate risks and opportunities.

ENVIRONMENTAL PERFORMANCE[1]

GHG and Air Emissions

During the Year, the total GHG emissions of the Group was 50,194.39 kgCO_2e and the intensity was 8.49 kgCO_2e/square feet. Scope 1 resulted from direct emissions combustion of petrol from vehicles owned by the Group. Scope 2 was indirect emissions from the generation of purchased electricity consumed by the Group. The increase in scope 1 emissions was due to increased petrol consumption, while the decrease in scope 2 emissions was contributed by a 15% drop of electricity consumption.

Greenhouse Gas Emissions[2]	Unit	2022-2023	2021-2022	% Change
Scope 1 – Direct GHG emissions	kgCO_2e	11,370.13	9,422.51	+20.67
Scope 2 – Energy indirect GHG emissions	kgCO_2e	38,824.26	47,596.27	–18.43
Total GHG emissions	kgCO_2e	50,194.39	57,018.78	–11.97
GHG intensity (by area)	kgCO_2e/square feet	8.49	9.64	–11.93

During the Year, a total of 2.50 kg nitrogen oxides, 0.06 kg sulphur oxides and 0.18 kg respiratory suspended particles were emitted. Air emissions were generated from the combustion of petrol in vehicles. The rise was attributed to increased petrol usage.

Air Emissions[3]	Unit	2022-2023	2021-2022	% Change
Nitrogen oxides (NO_x)	kg	2.50	2.24	+11.61
Sulphur oxides (SO_x)	kg	0.06	0.05	+20.00
Respiratory suspended particles (RSP)	kg	0.18	0.16	+12.50

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

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

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

Waste

During the Year, a total of 362.08 kg non-hazardous waste was generated and the intensity was 0.06 kg/square feet, while there was an insignificant amount of hazardous waste generated, given the Group's business nature. Non-hazardous waste produced from our operations was mainly domestic waste from offices, which was handed over to the property management of the office buildings for handling and disposal.

Non-hazardous Waste	Unit	2022-2023	2021-2022	% Change
Total non-hazardous waste generated	kg	362.08	143	+153.20
Non-hazardous waste intensity (by area)	kg/square feet	0.06	0.02	+200.00

Energy and Water

During the Year, the total energy consumption of the Group was 98,521.50 kWh and the intensity was 16.66 kWh/square feet.

Energy Consumption	Unit	2022-2023	2021-2022	% Change
Direct energy: petrol	kWh	41,427.00	34,330	+20.67
Indirect energy: electricity	kWh	57,094.50	67,037	–14.83
Total energy consumption	kWh	98,521.50	101,367	–2.81
Energy intensity (by area)	kWh/square feet	16.66	17.15	–2.86

During the Year, the Group sourced potable water from municipal supplies and did not encounter any issue in sourcing water that is fit for purpose. Since the water was provided and managed by the management of the building, the relevant data is not available for disclosure.

Paper

The Group consumed 825 kg of paper during the Year.

Paper Consumption	Unit	2022-2023	2021-2022	% Change
Total paper consumption	kg	825	697	+18.36

EMPLOYEES

Talent Attraction and Retention

Achieving long-term business success rests on the dedication and effort of our employees. The Group places emphasis on the importance of attracting and retaining talented individuals and protecting the legitimate rights and interests of its employees, as stated in the ESG Policy.

We put in place a series of human resources procedures and practices in relation to compensation and dismissal, recruitment, and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, labour standards, and benefits and welfare. The Employee Handbook is communicated to all employees.

Environmental, Social and Governance Report

Recruitment and dismissal	Open and equitable recruitment is carried out in accordance with established procedures, where decisions are made based on objective selection criteria such as personal capability and qualifications. The Group follows appropriate and legal procedures for resignation and termination to ensure fair treatment of employees.
Remuneration and welfares	The Group offers a competitive compensation package to its employees, which includes a base salary and/or discretionary bonus. Employee compensation is determined based on market rates and individual knowledge, skills, experience, and education. An annual performance appraisal is conducted with employees, which is used as the basis for salary adjustments. Employees are entitled to receive paid annual leave, maternity or paternity leave, study and exam leave, marriage leave, and compassionate leave, along with various benefits and welfares such as medical and insurance coverage.
Diversity, equal opportunity and anti-discrimination	The Group advocates an inclusive culture and diversity in the workplace and is committed to creating an environment that is fair, equal and respects differences. The Group is committed to promoting equal opportunity in all employment practices, such as recruitment, selection, employment, remuneration, transfer, promotion, training or development process. Decisions regarding these practices are based solely on work-related criteria. We aim to create a fair working environment with zero tolerance for any forms of discrimination and harassment. This includes, but is not limited to, gender, age, race, nationality, marital status, disability, sexual orientation, social status, and religious belief. To promote diversity and inclusion, we provide training so that all employees can better understand and respect each other's differences. We believe that by creating an environment for diversified development, we can improve employee satisfaction and make their lives more meaningful.
Labour standards	The Group respects human rights and prohibits any forms of child labour or forced labour. We require our employees and business partners to comply with appropriate preventive and remedial measures. In the hiring and employment processes, the identification documents of candidates are checked to ensure their eligibility and compliance with the minimum legal working age. Terms and conditions of employment are listed in the legal contracts to safeguard employees' interests. The Group will immediately terminate the contract if any unintentional recruitment of child or forced labor be discovered.

Training and Development

In line with the ESG Policy, the Group is dedicated to offering employees a clear progression path and extensive career development opportunities. The Group prioritises talent development to bolster business growth. We strongly support our employees in their pursuit of lifelong learning and self-improvement. We offer comprehensive training and development plans embodying innovative approaches, and we are committed to creating a robust, diversified talent development pathway.

We utilise a performance management system and an employee reward and sanction system to motivate continuous improvement. The Group implements an annual performance appraisal program to assess employees' performance, develop improvement plans, provide support and feedback, identify areas for growth, and determine promotion potential. Promotion opportunities are offered to employees based on their performance and readiness to take on increased responsibilities.

We seek to develop our employees by offering them various learning and training opportunities. It encourages them to utilise internal resources effectively to enhance their value and improve their skills when faced with future challenges and opportunities. During the Year, training sessions provided to employees included professional training for licensing under the SFO, internal training on the relevant regulations, knowledge, and technical skills. These sessions aim to increase employee awareness of emerging themes and different issues that are in line with our corporate strategies. Employees are encouraged to participate in workshops, industry events, and seminars to update and enhance their job-related knowledge and skills outside of the Group.

Employee Engagement

The Group promotes a positive and cooperative work environment. To achieve this, we have implemented various communication channels, including regular meetings, surveys, annual reviews, and internal emails. These channels are designed to gather and value employees' perspectives and opinions. Employees can provide any feedback or report their complaints to the Human Resources Department, which will conduct a thorough and confidential review or investigation in line with internal guidelines.

The Group regularly organises employee activities, such as festival gatherings and annual dinner, to foster team building and a sense of belonging. These activities serve to alleviate work-related stress for employees and foster a more cohesive corporate environment that promotes a caring workplace.

Workplace Health and Safety

The Group prioritises occupational health and safety in its operations and is dedicated to providing a safe and healthy working environment for its employees, as outlined in the ESG Policy. The Group is committed to safeguarding occupational health and safety by implementing a series of practices.

Potential health and safety risks are identified within the workplace, and a safety management system is established to ensure compliance with all applicable legal requirements. The Group aims for zero work injuries and continuously strives to improve occupational health and safety. Employees are provided with suitable protective equipment and devices and are educated and trained to improve their safety awareness. The Group has established safety incident reporting and handling mechanisms to manage and mitigate safety risks. Additionally, emergency plans are formulated for safety incidents, and regular drills are carried out to evaluate the effectiveness of such plans.

Environmental, Social and Governance Report

There were no work-related fatalities recorded in the past three reporting years, including the Year. One case of work-related injury related to the use of hot water dispenser was reported during the Year. The Group handled the case according to legal requirements.

	2022-2023	2021-2022	2020-2021
Work-related fatalities	0	0	0
Work-related injuries	1	0	0
Work-related injury rate (per 100 employees)[4]	0.83	0	0
Lost days due to work-related injuries	5	0	0

CUSTOMERS

The Group is committed to delivering exceptional professional excellence in its respective industries. Our aim is to fully comprehend our customers' needs and expectations in order to provide tailored and top-notch services. Our management approach is guided by the ESG Policy. Employees are required to provide accurate, sufficient and timely information to external stakeholders, including investors, customers, and partner institutions. In our corporate communications, we prioritise honesty, openness, and transparency. To maintain the integrity and accuracy of promotional information and data, corporate communications materials must undergo review by management prior to publication.

We highly value our customers' opinions and have implemented multiple channels for feedback, such as customer surveys and email communication. Additionally, the Group ensures that it effectively handles customer opinions and complaints in order to maintain open communication. The Group commits to responding to customer inquiries, analysing the feedback, and developing strategies and plans that take customer opinions into account. During the Year, no materials complaints were reported.

COMMUNITY

As a responsible corporate, the Group believes that its wealth of expertise, skills, and experience can create positive impacts for the society where we operate. We are dedicated to deepening our community connections and understanding local needs, and contribute to the community through various means, such as volunteer services, collaborations, sponsorships, and donations.

We work closely with external organisations, including charities, civil societies, school-running groups, charitable medical organisations, and youth groups. We encourage our employees to work together with all sectors of local society, participate in volunteer work, and support initiatives that focus on community care, healthy living, youth empowerment, and emergency support.

During the Year, the Group established the Hatcher Foundation to support its community investment efforts at a local level. A two-year community investment strategy is formulated for 2023 to 2025, and a total of HK$520,000 has been sponsored for charitable organisations and community activities and services to be launched during 2023 to 2025.

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

Our initiatives are guided by the community investment strategy with three main focuses:

Support People in Need	Building Healthy Communities	Collaborate with local NGOs
We are committed to supporting those in need through charitable giving, community involvement and social investment. We strive to improve living conditions, promote social equity, and promote sustainable development to create a more inclusive and prosperous society.	We seek to participate in community investment initiatives in relation to primary health care, including aging population, management of chronic disease, and reduction of pressure on the medical system.	We partner with local NGOs to implement ESG strategies and jointly solve social and environmental challenges. Through partnerships, we promote sustainability, community engagement and social impact to create a more vibrant and meaningful future.

Care Team

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

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

Environmental, Social and Governance Report

BUSINESS ETHICS

Compliance Management

Non-compliance with laws and regulations can have negative effects on our business operations, performance, financial position, and reputation. The Group has implemented internal policies, guidelines, and procedures to ensure that it operates in accordance with all relevant laws and regulations and maintains ethical business practices.

During the Year, the Group did not have any cases of non-compliance with the laws and regulations related to ESG aspects, nor did it receive any legal cases regarding corrupt practices brought against the Group or its employees.

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

Environmental, Social and Governance Report

Anti-corruption

Integrity and honesty are fundamental to the Group's business operation. All types of dishonest activities, including but not limited to corruption, bribery, extortion, fraudulent behavior, and money laundering, are strictly prohibited and will not be tolerated in any form of offering, soliciting, or accepting. Our stance is clearly stated in the ESG Policy.

The Code of Conduct, which is included in the Employee Handbook, provides guidelines on how to handle situations involving potential corruption. These encompass various aspects, such as refraining from making or accepting prohibited payments, benefits and offers, forging documents or providing false accounts, receipts or invoices, and avoiding conflicts of interest. Employees are required to adhere to the highest standards of ethics and professionalism at all times. Regular training and reminders on anti-corruption are provided to the Board and employees.

In our commitment to uphold ethical business practices, we have set up procedures for reporting, investigating, and dealing with potential corruption. With this, we can maintain accountability, integrity, and transparency, and prevent any corruption-related misconduct. Stakeholders can raise concerns about any incidents or suspected cases of misconduct or corruption through a confidential reporting channel. The audit and supervision department will record, evaluate, and investigate all reported, and report the matter to the appropriate regulators or law enforcement authorities.

Data Privacy and Intellectual Property Rights

The Group seeks to safeguard data privacy and intellectual property ("**IP**") rights. Our principles and approach are detailed in the ESG Policy. We value the personal data of our customers, job seekers, and employees, and are dedicated to safeguarding customer data and any personal information related to employment.

The Code of Conduct outlines the guidelines on handling confidential information and use of computer. We are committed to ensuring that this information is gathered, stored, utilised, and processed legally and responsibly. Employees are prohibited from disclosing, exploiting, or using confidential information, either directly or indirectly, without permission.

Security, access and password controls, firewall and regular back up on computers are adopted to prevent data from loss, damage, or theft. In the Group's organisational structure, servers are segregated among departments, creating a tiered system of information access. Each department maintains its own server with access restricted to its staff, ensuring sensitive information is only accessible to those who require it, thereby enhancing internal security and operational efficiency.

The marketing department and human resources department of the Group and its subsidiaries take charge of managing both customer and employee personal data. This involves overseeing file management carried out by our specialised personnel, as well as conducting regular reviews of the effectiveness of our measures and suggesting plans for enhancement.

To avoid infringement of privacy and IP rights, our IT department is equipped with the necessary training on the use of genuine software. Employees are not allowed to install or use any illegal software. The IT department will conduct a review of new software applications to ensure their integrity before they are released for use, ensuring genuine software are used for all operations.

Environmental, Social and Governance Report

Supply Chain Management

The procurement processes, supplier selection, management, and evaluation of the Group are carried out following a set of internal policies and procedures. As stated in the ESG Policy, the Group is committed to assessing and managing the environmental and social risks of our supply chain and establishing appropriate risk management strategies. In addition, we establish a grievance mechanism and ensure that all cases are handled in a timely and fair manner.

We expect our suppliers to align with our ESG standards:

Environmental	•	Improve environmental performance in business operations, including reducing emissions and waste generation, and enhancing resource efficiency
Social	• •	Comply with relevant labour laws and regulations to protect the legitimate rights and interests of employees Respect basic labour rights protection principles, including internationally recognised basic labour rights principles
Governance	• •	Abide by strong business ethics and pursue the highest standards of business ethics and integrity in business operations Refuse to provide or accept any bribes and other improper benefits

To promote sustainable procurement, the Group prioritises purchasing environmentally friendly products or services such as office supplies. In line with its business nature and office-based needs, the Group engaged several suppliers based in Hong Kong during the Year to provide materials and services. These primarily included office supplies and insurance. All engagements adhered to internal policies and procedures. The Group will continue to monitor and manage the environmental and social risks that may occur along the supply chain by formulating policies and guidelines for employees and suppliers.

APPENDIX

Key Performance Statistics

Environmental Performance

Indicator	Unit	2022-2023[5]	2021-2022	2020-2021
GHG Emissions[6]				
Scope 1 – Direct GHG emissions	$kgCO_2e$	11,370.13	9,422.51	12,320.78
Scope 2 – Energy indirect GHG emissions	$kgCO_2e$	38,824.26	47,596.27	32,013.90
Total GHG emissions	$kgCO_2e$	50,194.39	57,018.78	44,334.68
GHG intensity (by area)	$kgCO_2e$/square feet	8.49	9.64	7.11
Air Emissions[7]				
Nitrogen oxides (NOx)	kg	2.50	2.24	N/A
Sulphur oxides (SOx)	kg	0.06	0.05	N/A
Respiratory suspended particles (RSP)	kg	0.18	0.16	N/A
Waste				
Total non-hazardous waste generated	kg	362.08	143	313
Non-hazardous waste intensity (by area)	kg/square feet	0.06	0.02	0.05
Energy				
Direct energy consumption Petrol	kWh	41,427.00	34,330	40,690
Indirect energy consumption Purchased electricity	kWh	57,094.50	67,037	45,090
Total energy consumption	kWh	98,521.50	101,367	85,780
Energy intensity (by area)	kWh/square feet	16.66	17.15	14.08
Paper				
Total paper consumption	kg	825	697	1,287

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

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

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

Environmental, Social and Governance Report

Social Performance

Key Performance Indicators		2022-2023
Total Employees[8]		
Total		**120**
By gender	Male	45%
	Female	55%
Be age group	30 or below	32%
	31-40	34%
	41-50	23%
	51 or above	12%
By employment level	Senior management	8%
	Middle management	12%
	General staff	81%
New Hire Rate[9]		
Total		**45%**
By gender	Male	44%
	Female	45%
Be age group	30 or below	84%
	31-40	34%
	41-50	22%
	51 or above	14%
By employment level	Senior management	11%
	Middle management	21%
	General staff	52%

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

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

Environmental, Social and Governance Report

Key Performance Indicators		2022-2023
Employee Turnover Rate[10]		
Total		**68%**
By gender	Male	57%
	Female	77%
By age group	30 or below	155%
	31-40	41%
	41-50	19%
	51 or above	7%
By employment level	Senior management	11%
	Middle management	0%
	General staff	84%
Health and Safety		
Work-related fatality		0
Work-related injuries		1
Work-related injury rate (per 100 employees)[11]		0.83
Lost days due to work-related injuries		5
Employee Trained Rate[12]		
Total		15%
By gender	Male	22%
	Female	9%
By employment level	Senior management	56%
	Middle management	64%
	General staff	4%
Average Training Hours[13]		
Total		1.50
By gender	Male	2.22
	Female	0.91
By employment level	Senior management	5.56
	Middle management	6.43
	General staff	0.41

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

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

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

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

Environmental, Social and Governance Report

HKEX ESG Guide Content Index

Aspects, General Disclosure and KPIs		Description	Page/Remark
Mandatory Disclosure Requirements			
Governance Structure	(i)	A disclosure of the board's oversight of ESG issues.	40-46
	(ii)	The board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses).	40-46
	(iii)	How the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	40-46
Reporting Principles		Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.	39
		Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.	39
		Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	39
Reporting Boundary		A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report.	39

Environmental, Social and Governance Report

Aspects, General Disclosure and KPIs	Description	Page/Remark
A1 Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	41, 47, 55
A1.1	The types of emissions and respective emissions data.	49, 58
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity.	49, 58
A1.3	Total hazardous waste produced and intensity.	50, 58
A1.4	Total non-hazardous waste produced and intensity.	50, 58
A1.5	Description of emission target(s) set and steps taken to achieve them.	47-48
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	47-48, 50
A2 Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	41, 47
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	50, 58
A2.2	Water consumption in total and intensity.	50, 58
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	47-48
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	47-48, 50
A2.5	Total packaging material used for finished products and per unit produced.	Given its business nature, the Group did not involve in any packaging material for product production.

Environmental, Social and Governance Report

Aspects, General Disclosure and KPIs	Description	Page/Remark
A3 The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	41, 47
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	47-50
A4 Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	41, 47, 49
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	49
B1 Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	41, 50, 55
B1.1	Total workforce by gender, employment type, age group and geographical region.	59
B1.2	Employee turnover rate by gender, age group and geographical region.	60
B2 Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	41, 52, 55
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	53, 60
B2.2	Lost days due to work injury.	53, 60
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	52

Environmental, Social and Governance Report

Aspects, General Disclosure and KPIs	Description	Page/Remark
B3 Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	41, 52
B3.1	The percentage of employees trained by gender and employee category.	60
B3.2	The average training hours completed per employee by gender and employee category.	60
B4 Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	41, 50, 55
B4.1	Description of measures to review employment practices to avoid child and forced labour.	51
B4.2	Description of steps taken to eliminate such practices when discovered.	51
B5 Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	41, 57
B5.1	Number of suppliers by geographical region.	57
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	57
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	57
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	57

Environmental, Social and Governance Report

Aspects, General Disclosure and KPIs	Description	Page/Remark
B6 Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	41, 53, 55-56
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Given its business nature, the Group did not involve in any product production.
B6.2	Number of products and service-related complaints received and how they are dealt with.	53
B6.3	Description of practices relating to observing and protecting intellectual property rights.	56
B6.4	Description of quality assurance process and recall procedures.	Given its business nature, the Group did not involve in any quality assurance process and recall procedures for product production.
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	56

Aspects, General Disclosure and KPIs	Description	Page/Remark
B7 Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	41, 55-56
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	55
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	56
B7.3	Description of anti-corruption training provided to directors and staff.	56
B8 Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	41, 53
B8.1	Focus areas of contribution.	53-54
B8.2	Resources contributed to the focus area.	53-54

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 2023 (the "**Year**").

PRINCIPAL ACTIVITIES

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

Details of the principal subsidiaries of the Company as at 30 September 2023 are set out in note 12 to the consolidated financial statements.

BUSINESS REVIEW

Discussion and analysis of the business of the Group during the Year and the outlook of the business are provided in the section headed "Management Discussion and Analysis" on pages 6 to 20 of this annual report. The discussion forms part of this annual report.

SEGMENT INFORMATION

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

RESULTS AND DIVIDEND

The results of the Group for the Year and the financial position of the Group as at that date are set out in the consolidated financial statements on pages 86 to 89 of this annual report.

During the Year, the Directors did not recommend the payment of an interim dividend in respect of the six months ended 31 March 2023 (2022: nil). The Directors did not recommend the payment of a final dividend in respect of the Year (2022: nil).

FINANCIAL SUMMARY

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

MAJOR CUSTOMERS AND SUPPLIERS

Details of the Group's largest customer and top five largest customers during the Year are set out in the section headed "Management Discussion and Analysis" on pages 6 to 20 of this annual report.

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

PLANT AND EQUIPMENT

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

SHARE CAPITAL

Details of movements in the Company's share capital during the Year are set out in note 29 to the consolidated financial statements.

DEBENTURES

The Company did not issue any debentures during the Year.

RESERVES

Details of movement in the reserves of the Group and the Company during the Year are set out in the consolidated statement of changes in equity on pages 90 to 91 of this annual report and in note 40(a) to the consolidated financial statements respectively.

DISTRIBUTABLE RESERVES OF THE COMPANY

As at 30 September 2023, the Company's reserves available for distribution to the shareholders of the Company amounted to approximately HK$154.8 million (2022: approximately HK$61.9 million).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Year, the Company issued and allotted an aggregate of 170,834,000 new ordinary shares, of which (1) 50,144,000 were settlement shares issued and allotted to holders of promissory notes issued by the Company, at the price of HK$0.70 per settlement share, pursuant to the deed of settlement entered into between the Company and the promissory notes holders, under which the Company has agreed to settle the promissory notes and all outstanding accrued interests thereon (the "**Issue of Settlement Shares**"); (2) 57,000,000 were placing shares issued and allotted to not less than six placees at a price of HK$0.69 per placing share (the "**Placing**") and (3) 38,640,000 were consideration shares issued and allotted to RC365 Holding Plc ("**RC365**") at the price of HK$0.90 per consideration share under the subscription agreement entered into between the Company and RC365 (the "**RC365 Subscription**"). Details of the Issue of Settlement Shares, the Placing and the RC365 Subscription were disclosed in the announcement of the Company dated 27 December 2022, 13 January 2023 and 14 February 2023 respectively.

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 and up to the date of this annual report.

Report of the Directors

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 "**Share Option Scheme**") on 4 May 2017. The following is a summary of the principal terms and conditions of the Share Option Scheme.

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

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

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

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

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

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

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

Report of the Directors

As at the date of this annual report, the total number of Shares available for issue under the Share Option Scheme is 51,000,000 Shares, representing approximately 5.72% of the issued shares of the Company. The Share Option Scheme has a remaining life of approximately 3.3 years as at the date of this annual report.

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

					Number of share options					
Name or category of grantees	Date of grant	Exercise period	Vesting date	Exercise price (HK$)	Outstanding as at 1 October 2022	Granted during the Year *(Note 1)*	Exercised during the Year *(Note 2)*	Lapsed during the Year	Cancelled during the Year	Outstanding as at 30 September 2023
Directors/ Substantial shareholder										
Li Man Keung Edwin	30 December 2022	30 December 2022 to 29 December 2032	Vested on date of grant	0.88	–	5,000,000	–	–	–	5,000,000
Hui Ringo Wing Kun	30 December 2022	30 December 2022 to 29 December 2032	Vested on date of grant	0.88	–	5,000,000	–	–	–	5,000,000
Yeung Chun Yue David	30 December 2022	30 December 2022 to 29 December 2032	Vested on date of grant	0.88	–	5,000,000	–	–	–	5,000,000
William Robert Majcher	30 December 2022	30 December 2022 to 29 December 2032	Vested on date of grant	0.88	–	200,000	–	–	–	200,000
Ho Lik Kwan Luke	30 December 2022	30 December 2022 to 29 December 2032	Vested on date of grant	0.88	–	200,000	–	–	–	200,000
Lau Pak Kin Patric	30 December 2022	30 December 2022 to 29 December 2032	Vested on date of grant	0.88	–	200,000	–	–	–	200,000
Sub-total					–	15,600,000	–	–	–	15,600,000
Employees										
In aggregate	30 December 2022	30 December 2022 to 29 December 2032	Vested on date of grant	0.88	–	29,000,000	(50,000)	–	(250,000)	28,700,000
Total					–	44,600,000	(50,000)	–	(250,000)	44,300,000

Report of the Directors

Notes:

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

(2) The weighted average closing price of the Shares immediately before the date on which the share options were exercised was HK$0.231.

(3) The number of share options available for grant under the Share Option Scheme at 1 October 2022 and 30 September 2023 was 51,320,000 and 6,720,000 respectively.

(4) The number of Shares that may be issued in respect of the share options granted under the Share Option Scheme during the Year divided by the weighted average number of Shares in issue for the Year was 0.054.

EQUITY-LINKED AGREEMENTS

Save and except as disclosed in the sub-sections headed "Deed of settlement and issue of settlement shares under general mandate", "Placing of new shares under general mandate" and "Subscription of new shares of RC365 Holding Plc involving issue of consideration shares by the Company (the "RC365 Subscription")" in the section headed "Management Discussion and Analysis" of this annual report and the paragraph headed "SHARE OPTION SCHEME" above, no equity-linked agreement was entered into by the Company during the Year or subsisted as at 30 September 2023.

DONATION

Donations made by the Group during the Year amounted to HK$30,000 (2022: HK$165,000).

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

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

Executive Directors

Mr. Li Man Keung Edwin *(Executive Chairman)*
Mr. Hui Ringo Wing Kun *(Chief Executive Officer)*
Mr. Yeung Chun Yue David *(Vice Chairman)*

Independent non-executive Directors

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

Biographical details of the Directors is set out in the section headed "Biographical Details of Directors and Senior Management" on pages 21 to 26 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.

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 2023, 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 2023. 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 or an entity associated with him has or had a material interest, whether directly or indirectly, subsisted at any time during the Year.

Report of the Directors

PERMITTED INDEMNITY PROVISIONS

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

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

CORPORATE GOVERNANCE

The Board is of the view that the Company has met the code provisions set out in the Corporate Governance Code 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 27 to 38 of this annual report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

Please refer to the section headed "Environmental, Social and Governance Report" on pages 39 to 66 of this annual report.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

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

DISCLOSURES UNDER RULES 17.22 TO 17.24 OF THE GEM LISTING RULES

As at 30 September 2023, 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 had a material interest, whether directly or indirectly, subsisted during the Year.

RELATED PARTY TRANSACTIONS

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

CONNECTED TRANSACTIONS

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

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 2023, the interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "**SFO**")) held by the Directors and chief executives of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules are as follows:

Long positions in the shares or underlying shares of the Company

Name of Directors	Capacity/Nature of interest	Number of Shares held	Number of underlying Shares held pursuant to share options *(Note 4)*	Total number of Shares and underlying Shares held	Approximate percentage of the issued share capital of the Company *(Note 5)*
Mr. Li Man Keung Edwin ("**Mr. Li**")	Interests of controlled corporation/ Beneficial owner	159,970,000 *(Note 1)*	5,000,000	164,970,000	18.49%
Mr. Hui Ringo Wing Kun ("**Mr. Hui**")	Interests of controlled corporation/ Beneficial owner	17,500,000 *(Note 2)*	5,000,000	22,500,000	2.52%
Mr. Yeung Chun Yue David ("**Mr. Yeung**")	Interests of controlled corporation/ Beneficial owner	33,000,000 *(Note 3)*	5,000,000	38,000,000	4.26%
Mr. William Robert Majcher	Beneficial owner	–	200,000	200,000	0.02%
Mr. Ho Lik Kwan Luke	Beneficial owner	–	200,000	200,000	0.02%
Mr. Lau Pak Kin Patric	Beneficial owner	–	200,000	200,000	0.02%

Report of the Directors

Notes:

(1) These 159,970,000 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. In addition, Mr. Li beneficially owns 46,240,000 Shares.

(2) These 17,500,000 Shares are held by Bright Music Limited ("**Bright Music**"), a company incorporated in the BVI and wholly owned by Mr. Hui. Therefore, Mr. Hui is deemed to be interested in all the Shares held by Bright Music for the purpose of the SFO.

(3) These 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. Therefore, Mr. Yeung is deemed to be interested in all the shares held by Great Win for the purpose of the SFO.

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

(5) The approximate percentage of shareholdings is based on 892,034,000 shares in issue as at 30 September 2023.

Save as disclosed above, as at 30 September 2023, none of the Directors and chief executives of the Company and/or any of their respective associates had any interests and short positions in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the GEM Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

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

As at 30 September 2023, 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 shareholder	Capacity	Number of Shares held	Number of underlying Shares held	Total number of Shares and underlying Shares held	Approximate percentage of the issued share capital of the Company *(Note 2)*
Tanner Enterprises	Beneficial owner	113,730,000	–	113,730,000 *(Note 1)*	12.75%

Notes:

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

(2) The approximate percentage of shareholdings is based on 892,034,000 shares in issue as at 30 September 2023.

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 2023 which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

MANAGEMENT CONTRACTS

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

COMPETING INTERESTS

None of the Directors and their respective associates (as defined under the GEM Listing Rules) had any interest in any other companies as at 30 September 2023 which compete or may compete, directly or indirectly, with the Group's business.

Report of the Directors

SUFFICIENCY OF PUBLIC FLOAT

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

TAX RELIEF

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

CLOSURE OF REGISTER OF MEMBERS

In order to ascertain the entitlements to attend and vote at the forthcoming annual general meeting of the Company to be held on Friday, 23 February 2024, the register of members of the Company will be closed from Tuesday, 20 February 2024 to Friday, 23 February 2024, both days inclusive, during which period no transfer of Shares will be registered. Shareholders of the Company are reminded to ensure that all properly executed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 19 February 2024.

AUDITOR

The consolidated financial statements of the Company for the Year 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, 29 December 2023

Independent Auditor's Report

mazars

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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 86 to 177, which comprise the consolidated statement of financial position as at 30 September 2023, 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 2023, 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.*	
As at 30 September 2023, the Group's goodwill (net of accumulated impairment loss) and intangible assets amounted to approximately HK$84,558,000 and approximately HK$3,452,000 respectively relating to the acquisition of Baron Global Financial Canada Ltd. ("**Baron**") in April 2018, APEC GROUP INTERNATIONAL LIMITED and its subsidiaries ("**APEC Group**") in November 2021, and Earning Joy Development Limited and its subsidiaries ("**Earning Joy Group**") in November 2022 which are subject to impairment assessment in accordance with Hong Kong Accounting Standard 36 "*Impairment of Assets*" issued by the HKICPA. We considered the impairment of goodwill and intangible assets of Baron, APEC Group and Earning Joy Group to be a key audit matter because the significance of carrying amounts and the management's impairment review assessment of the goodwill and intangible assets are 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 qualified valuer (the "**Valuer**") that was appointed by the management to assist the management to determine the recoverable amounts of the relevant CGU; • Discussing with the management and Valuer to understand the valuation methodologies and key estimates and assumptions adopted; • Assessing the reasonableness of the significant assumptions adopted in the valuation; • Checking the accuracy and relevance of the key inputs, on a sample basis, used in the valuation; • Challenging the judgement and estimates made by the management and the Valuer regarding the factors considered during the assessment; and • Challenging the management on the adequacy and appropriateness of sensitivity analysis.

Independent Auditor's Report

Key Audit Matters *(Continued)*

Key Audit Matter	How our audit addressed the key audit matter

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 when the performance obligation is satisfied according to the underlying service agreement.
 	
The determination of the progress towards complete satisfaction of the performance obligation for 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, deliverables to clients, information published on the websites of stock exchanges, obtaining the project status reports and any relevant documents to ascertain the management's determination of the progress towards complete satisfaction of performance obligation are supported by 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 and other receivables *Refer to note 2, note 20 and note 37 to the consolidated financial statements.* As at 30 September 2023, the Group recognised the gross amount of trade and other receivables of approximately HK$59,829,000. Loss allowance amounting to approximately HK$3,287,000 has been provided on the relevant trade and other receivables. We considered this matter to be a key audit matter due to the significance of carrying amounts and the assessment of loss allowances for trade and other 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 and other 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.

Independent Auditor's Report

Key Audit Matters *(Continued)*

Key Audit Matter	How our audit addressed the key audit matter
Valuation of financial assets at fair value through profit or loss ("FVPL") *Refer to note 2 and note 18 to the consolidated financial statements.*	
As at 30 September 2023, Group's unlisted investment fund and investment in mobile applications with carrying amount of HK$31,600,000 and HK$21,400,000 respectively were classified as financial assets at FVPL. These investments are stated at fair value based on valuations carried out by the Valuer. We considered this matter to be a key audit matter due to the significance of carrying amounts and the application of significant judgement in assessing the fair value.	Our key procedures included: • Evaluating the competence, capabilities and objectivity of the Valuer; • Discussing with the Valuer to understand the valuation methodologies and key estimates and assumptions adopted: • Assessing the reasonableness of the significant assumptions adopted in the valuation; • Checking the accuracy and relevance of the key inputs, on a sample basis, used in the valuation; • Challenging the judgement and estimates made by the management and the Valuer regarding the factors considered during the assessment; and • Obtaining the valuation reports to assess the reasonableness of any significant unobservable input and the accuracy of the source data adopted by the Valuer.

Independent Auditor's Report

Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the Company's 2022-23 annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the 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.

Independent Auditor’s Report

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

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

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

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

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

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

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

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

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

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

Independent Auditor's Report

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

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

Mazars CPA Limited
Certified Public Accountants
Hong Kong, 29 December 2023

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

Chan Wai Man
Practising Certificate number: P02487

Consolidated Statement of Comprehensive Income

Year ended 30 September 2023

	Note	2023 HK$'000	2022 HK$'000
Continuing operations			
Revenue	4	**85,282**	72,157
Other income, net	5	**22,972**	647
Provision for impairment loss in respect of goodwill	13	**-**	(2,350)
Provision of impairment loss in respect of trade receivables	37(a)	**(52)**	(531)
Provision of impairment loss in respect of other receivables	37(a)	**(2,427)**	–
Administrative expenses and other operating expenses		**(121,994)**	(69,899)
Finance costs	6	**(1,696)**	(2,454)
Loss before tax from continuing operations	7	**(17,915)**	(2,430)
Income tax expense	9	**(1,424)**	(750)
Loss for the year from continuing operations		**(19,339)**	(3,180)
Discontinued operations			
Profit (Loss) for the period/year from discontinued operations	22	**5,008**	(4,999)
Loss for the year		**(14,331)**	(8,179)
Other comprehensive loss:			
Item that are reclassified or may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**(397)**	–
Item that will not be reclassified to profit or loss			
Fair value loss on financial assets designated at fair value through other comprehensive income ("**Designated FVOCI**")	17	**(185)**	(1,893)
Other comprehensive loss for the year		**(582)**	(1,893)
Total comprehensive loss for the year		**(14,913)**	(10,072)
(Loss) Profit for the year attributable to:			
Owners of the Company		**(13,829)**	(8,253)
Non-controlling interests		**(502)**	74
		(14,331)	(8,179)
Total comprehensive (loss) income attributable to:			
Owners of the Company		**(14,411)**	(10,146)
Non-controlling interests		**(502)**	74
		(14,913)	(10,072)

Consolidated Statement of Comprehensive Income

Year ended 30 September 2023

	Note	**2023 HK Cents**	2022 HK Cents
Basic and diluted (loss) earnings per share	11		
– continuing operations		**(2.27)**	(0.49)
– discontinued operations		**0.6**	(0.75)

Consolidated Statement of Financial Position

At 30 September 2023

	Note	2023 HK$'000	2022 HK$'000
Non-current assets			
Goodwill	13	**84,558**	43,671
Intangible assets	14	**3,452**	4,764
Plant and equipment	15	**10,360**	11,518
Right-of-use assets	16	**7,952**	12,130
Designated FVOCI	17	**816**	732
Financial assets at fair value through profit or loss ("**FVPL**")	18	**22,834**	1,366
Deferred tax assets	28	**167**	167
		130,139	74,348
Current assets			
Financial assets at FVPL	18	**35,056**	3,551
Other investments	19	**–**	791
Trade and other receivables	20	**62,151**	20,521
Time deposits with original maturity over three months		**120**	–
Bank balances – client accounts	21	**24,534**	101,502
Bank balances – general accounts and cash		**20,593**	16,825
		142,454	143,190
Assets classified as held for sale	22	**–**	49,069
		142,454	192,259
Current liabilities			
Trade and other payables	23	**36,611**	107,675
Interest-bearing borrowings	24	**24,621**	25,923
Deposit received for disposal of a subsidiary	22	**–**	3,500
Loan payables	25	**240**	360
Convertible note	27	**932**	–
Lease liabilities	26	**2,695**	3,661
Income tax payables		**2,024**	1,627
		67,123	142,746
Liabilities associated with assets classified as held for sale	22	**–**	38,669
		67,123	181,415
Net current assets		**75,331**	10,844
Total assets less current liabilities		**205,470**	85,192

Consolidated Statement of Financial Position

At 30 September 2023

	Note	2023 HK$'000	2022 HK$'000
Non-current liabilities			
Lease liabilities	26	**5,817**	8,835
Other payables	23	**150**	300
Convertible note	27	**–**	5,443
Deferred tax liabilities	28	**1,277**	1,275
		7,244	15,853
NET ASSETS		**198,226**	69,339
Capital and reserves			
Share capital	29	**8,920**	7,212
Reserves		**190,309**	62,628
Equity attributable to owners of the Company		**199,229**	69,840
Non-controlling interests		**(1,003)**	(501)
TOTAL EQUITY		**198,226**	69,339

These consolidated financial statements on pages 86 to 177 were approved and authorised for issue by the Board of Directors on 29 December 2023 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 2023

		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		–	–	–	–	(16)	–	16	–	–	–	–
Fair value loss on Designated FVOCI		–	–	–	–	(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 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		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		–	–	–	–	–	–	–	–	–	(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 Changes in Equity

Year ended 30 September 2023

		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)	Share option reserve HK$'000 (note 30f)	Accumulated losses HK$'000	Total reserve HK$'000	Subtotal HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1 October 2022		7,212	114,603	152	1,656	(4,957)	1,889	-	(50,715)	62,628	69,840	(501)	69,339
Loss for the year		-	-	-	-	-	-	-	(13,829)	(13,829)	(13,829)	(502)	(14,331)
Other comprehensive loss for the year													
Items that are reclassified or may be reclassified subsequently to profit or loss													
Exchange differences on translation of foreign operations		-	-	-	(397)	-	-	-	-	(397)	(397)	-	(397)
Items that will not be reclassified to profit or loss													
Fair value change on Designated FVOCI reclassified to retained earnings upon disposal		-	-	-	-	11	-	-	(11)	-	-	-	-
Fair value loss on Designated FVOCI		-	-	-	-	(185)	-	-	-	(185)	(185)	-	(185)
Total other comprehensive loss for the year		–	-	-	(397)	(174)	-	-	(11)	(582)	(582)	-	(582)
Total comprehensive loss for the year		–	-	-	(397)	(174)	-	-	(13,840)	(14,411)	(14,411)	(502)	(14,913)
Transactions with equity holders of the Company													
Contributions and distributions													
Issue of consideration shares	29(a)	386	34,390	-	-	-	-	-	-	34,390	34,776	-	34,776
Conversion of convertible note	29(b), 27	250	6,330	-	-	-	(1,889)	-	-	4,441	4,691	-	4,691
Issue of settlement shares	29(c), 32	501	41,117	-	-	-	-	-	-	41,117	41,618	-	41,618
Issue of placing shares	29(d)	570	38,760	-	-	-	-	-	-	38,760	39,330	-	39,330
Recognition of equity-settled-based transactions	34	-	-	-	-	-	-	23,044	-	23,044	23,044	-	23,044
Cancellation of share options		-	-	-	-	-	-	(121)	121	-	-	-	-
Issue of shares upon exercise of share options		1	68	-	-	-	-	(25)	-	43	44	-	44
		1,708	120,665	-	-	-	(1,889)	22,898	121	141,795	143,503	-	143,503
Changes in ownership interests													
Decognition of a subsidiary		-	-	297	-	-	-	-	-	297	297	-	297
At 30 September 2023		8,920	235,268	449	1,259	(5,131)	-	22,898	(64,434)	190,309	199,229	(1,003)	198,226

Consolidated Statement of Cash Flows

Year ended 30 September 2023

	Note	2023 HK$'000	2022 HK$'000
OPERATING ACTIVITIES			
Cash (used in) generated from operations	31(a)	**(194)**	5,219
Bank interest received		**148**	19
Tax paid		**(1,029)**	(720)
Net cash (used in) from operating activities		**(1,075)**	4,518
INVESTING ACTIVITIES			
Cash paid on settlement for promissory note	32	**(3,000)**	–
Increase in time deposit		**(120)**	–
Net cash from acquisition of a subsidiary	32	**378**	14,784
Net cash flow on disposal of a subsidiary	22	**(40,534)**	–
Deposits received for disposal of a subsidiary		**–**	1,500
Purchase of Designated FVOCI		**(627)**	(94)
Purchase of financial assets at FVPL		**(29,110)**	(6,910)
Purchase of other investments		**–**	(853)
Purchase of plant and equipment		**(1,553)**	(9,810)
Proceeds from disposal of Designated FVOCI		**358**	34
Proceeds from disposal of financial assets at FVPL		**36,682**	3,910
Proceeds from disposal of other investments		**620**	69
Net cash (used in) from investing activities		**(36,906)**	2,630
FINANCING ACTIVITIES			
Interest paid	31(b)	**(2,142)**	(1,477)
Issue of placing shares	29(d)	**39,330**	–
Issue of shares upon exercise of share options		**44**	–
Repayment of loans		**–**	(2,000)
Lease payments	31(b)	**(4,252)**	(6,689)
Net cash from (used in) financing activities		**32,980**	(10,166)
Net decrease in cash and cash equivalents		**(5,001)**	(3,018)
Cash and cash equivalents at beginning of year		**25,594**	28,612
Cash and cash equivalents at end of year, represented by bank balances – general accounts and cash		**20,593**	25,594
Analysis of the balances of cash and cash equivalents			
Cash and cash equivalent		**20,593**	25,594
Less: Bank balances – general accounts and cash attributable to the subsidiary to be disposed classified as held for sale		**–**	(8,769)
Bank balances – general accounts and cash as stated in the consolidated statement of financial position		**20,593**	16,825

Notes to the Consolidated Financial Statements

Year ended 30 September 2023

1. GENERAL INFORMATION

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

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

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

2. 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 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 2022 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 37: Cost of Fulfilling a Contract

The amendments clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (for example, direct labour and materials) and an allocation of other costs that relate directly to fulfilling contracts (for example, an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

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

Annual Improvements Project – 2018-2020 Cycle
HKAS 41: Taxation in Fair Value Measurements

This amendment removes the requirement to exclude cash flows for taxation when measuring fair value, thereby aligning the fair value measurement requirements in HKAS 41 with those in HKFRS 13.

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:

Notes to the Consolidated Financial Statements

Year ended 30 September 2023

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Basis of measurement

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

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.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

Changes in ownership interest

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

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

Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

A discontinued operation is a component of the Group that comprises operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Group. It represents a separate major line of business or geographical area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. It also occurs when the operation is abandoned.

Notes to the Consolidated Financial Statements

Year ended 30 September 2023

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

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.

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.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

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

Customer relationship

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

Other investments

Other investments are stated at cost less accumulated impairment losses.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

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.

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.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

(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, fixed deposits 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.

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 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.

Notes to the Consolidated Financial Statements

Year ended 30 September 2023

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

(3) Financial assets at FVPL (Continued)

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, unlisted funds, listed/unlisted equity securities held for trading, payment for life insurance policy and investment in mobile applications.

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 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.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

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.

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).

Notes to the Consolidated Financial Statements

Year ended 30 September 2023

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

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

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;
- 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.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

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

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 and time deposits 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.

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.

Notes to the Consolidated Financial Statements

Year ended 30 September 2023

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

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

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 note

The component of the convertible note 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 note, the fair value of the liability component is determined using a market rate for a similar note 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.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in the convertible note 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 note 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 note 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 note 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 note are allocated to the liability and equity components in proportion to the allocation of proceeds.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

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.

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).

Notes to the Consolidated Financial Statements

Year ended 30 September 2023

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Revenue from contracts with customers within HKFRS 15 (Continued)

Timing of revenue recognition

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

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

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

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

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

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

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

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

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Revenue from contracts with customers within HKFRS 15 (Continued)

Timing of revenue recognition (Continued)

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.

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.

Notes to the Consolidated Financial Statements

Year ended 30 September 2023

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

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;

- 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.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

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 are recognised as an expense in the period in which they are incurred.

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.

Notes to the Consolidated Financial Statements

Year ended 30 September 2023

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

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.

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.

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.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Leases (Continued)

As lessee (Continued)

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
Carpark	2 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.

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.

Notes to the Consolidated Financial Statements

Year ended 30 September 2023

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Leases (Continued)

As lessee (Continued)

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.

(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.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

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 obligation for contributions to a 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.

The Group operates pension schemes or similar arrangements for their employees in accordance with the statutory requirements prescribed by the relevant legal authorities.

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.

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.

Notes to the Consolidated Financial Statements

Year ended 30 September 2023

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Share-based payment transactions (Continued)

Equity-settled transactions (Continued)

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.

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.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

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.

(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.

Notes to the Consolidated Financial Statements

Year ended 30 September 2023

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.

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.

Revenue recognition

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

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Critical accounting estimates and judgements (Continued)

Loss allowance for ECL

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

Impairment of non-financial assets, other than goodwill

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

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.

Fair value estimation

The Group's unlisted financial assets at FVPL have been valued based on the valuation from an independent professional valuer. The valuation requires the Group to make some estimation on a number of significant unobservable inputs associated with the investments. Details of the key assumption and inputs used in the valuation are set out in note 38 to the consolidated financial statements.

Notes to the Consolidated Financial Statements

Year ended 30 September 2023

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 not yet effective for the current period, which the Group has not early adopted.

Amendments to HKAS 1	Disclosure of Accounting Policies [1]
Amendments to HKAS 8	Definition of Accounting Estimates [1]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction [1]
HKFRS 17	Insurance Contracts [1]
Amendment to HKFRS 17	Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information [1]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current [2]
Amendments to HKAS 1	Non-current Liabilities with Covenants [2]
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements [2]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback [2]
Amendments to HKAS 21	Lack of Exchangeability [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 2023
[2] Effective for annual periods beginning on or after 1 January 2024
[3] Effective for annual periods beginning on or after 1 January 2025
[4] 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.

The Group is currently organised into two operating divisions, namely licensed business and non-licensed business.

Notes to the Consolidated Financial Statements

Year ended 30 September 2023

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 2023

	Continuing operations		Discontinued operations	
	Licensed business HK$'000	Non-licensed business HK$'000	Licensed business HK$'000	Total HK$'000
Revenue	**15,369**	**69,913**	**160**	**85,442**
Other (loss) income, net, including provision of impairment loss in respect of trade and other receivables	**(1,324)**	**11,643**	**12**	**10,331**
	14,045	**81,556**	**172**	**95,773**
Results				
Segment results	**596**	**(5,994)**	**5,008**	**(390)**
Unallocated corporate income				**10,174**
Unallocated corporate expenses				**(22,691)**
Loss before taxation				**(12,907)**

Notes to the Consolidated Financial Statements

Year ended 30 September 2023

3. SEGMENT INFORMATION (Continued)

Segment revenue and results: (Continued)

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 2023

3. SEGMENT INFORMATION (Continued)

Other segment information:

Year ended 30 September 2023

	Continuing operations		Discontinued operations		
	Licensed business HK$'000	Non-licensed business HK$'000	Licensed business HK$'000	Unallocated HK$'000	Total HK$'000
Additions to intangible assets	–	304	–	–	304
Additions to plant and equipment	93	1,470	–	–	1,563
Amortisation of intangible assets	–	(1,616)	–	–	(1,616)
Depreciation of plant and equipment	(16)	(2,655)	(25)	–	(2,696)
Depreciation of right-of-use assets	–	(3,871)	–	–	(3,871)
Government subsidies	112	748	12	2	874
Equity-settled share-based payment expenses	–	–	–	(23,044)	(23,044)
Loss on disposal of other investments	–	(162)	–	–	(162)
Loss on settlement of promissory notes (note 32)	–	–	–	(6,518)	(6,518)
(Loss) Gain on disposal of financial assets at FVPL	–	(1)	–	10,736	10,735
Gain on disposal of a subsidiary (note 22)	–	–	5,618	–	5,618
Net unrealised gain on financial assets at FVPL	–	6,400	–	7,155	13,555
Provision of impairment loss in respect of trade receivables	(50)	(2)	–	–	(52)
Provision of impairment loss in respect of other receivables	–	(340)	–	(2,087)	(2,427)
Write off of plant and equipment	–	(34)	–	–	(34)
Write off of loan payables	–	120	–	–	120
Write back of other payables	–	–	–	2,879	2,879

Notes to the Consolidated Financial Statements

Year ended 30 September 2023

3. SEGMENT INFORMATION (Continued)

Other segment information: (Continued)

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)

3. SEGMENT INFORMATION (Continued)

Information about geographical areas

The Group's operations are principally located in Hong Kong, the PRC and Canada. The following table provides an analysis of the Group's revenue from external customers by geographical market in which the transactions are located:

	2023	2022
	HK$'000	HK$'000
Continuing operations		
Hong Kong	**76,717**	67,372
The PRC	**5,181**	–
Canada	**3,384**	4,785
	85,282	72,157
Discontinued operations		
Hong Kong	**160**	805

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:

	2023	2022
	HK$'000	HK$'000
Continuing operations		
Hong Kong	**63,447**	66,264
The PRC	**37,159**	–
Canada	**5,716**	5,819
	106,322	72,083
Discontinued operations		
Hong Kong	**–**	1,017

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:

	2023	2022
	HK$'000	HK$'000
Continuing operations		
Customer A	**13,598**	11,279

Notes to the Consolidated Financial Statements

Year ended 30 September 2023

4. REVENUE

	2023 HK$'000	2022 HK$'000
Continuing operations		
Licensed business		
Revenue from contracts with customers within HKFRS 15		
Corporate finance advisory services	**11,594**	11,076
Placing and underwriting services	**3,701**	1,521
Asset management services	**74**	280
	15,369	12,877
Non-licensed business		
Revenue from contracts with customers within HKFRS 15		
Accounting and taxation services	**14,735**	12,105
Business consulting services	**38,056**	32,385
Corporate secretarial services	**4,971**	3,382
ESG advisory services	**7,396**	7,046
Human resources services	**2,025**	1,010
Risk management and internal control advisory services	**2,730**	3,352
	69,913	59,280
Total	**85,282**	72,157
Discontinued operations		
Licensed business		
Revenue from contracts with customers within HKFRS 15		
Placing and underwriting services	**–**	10
Brokerage commission	**105**	420
Clearing, settlement and handling fee income	**3**	30
	108	460
Interest revenue calculated using the effective interest method		
Interest income from cash and margin clients	**52**	345
Total (note 22)	**160**	805

4. REVENUE (Continued)

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

Year ended 30 September 2023	**Continuing operations**		**Discontinued operations**	
	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	**3,701**	**–**	**108**	**3,809**
– over time	**11,668**	**69,913**	**–**	**81,581**
Total revenue from contracts with customers within HKFRS 15 at fixed price	**15,369**	**69,913**	**108**	**85,390**

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
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

Notes to the Consolidated Financial Statements

Year ended 30 September 2023

5. OTHER INCOME, NET

	2023 HK$'000	2022 HK$'000
Continuing operations		
Net gain on disposal of financial assets at FVPL (note a)	**10,735**	619
(Loss) gain on disposal of other investments	**(162)**	7
Loss on settlement of promissory notes (note 32)	**(6,518)**	–
Government subsidies (note b)	**862**	1,221
Interest income	**148**	19
Loss on derecognition of subsidiaries	**–**	(372)
Net unrealised gain (loss) on financial assets at FVPL	**13,555**	(1,103)
Recharge income from disbursement costs	**1,473**	257
Write back of other payables	**2,879**	–
Others	**–**	(1)
	22,972	647
Discontinued operations (note 22)		
Government subsidies (note b)	**12**	188
Others	**–**	14
	12	202
	22,984	849

Note:

(a) The proceeds from the sale of financial assets at FVPL of approximately HK$35,205,000 (2022: approximately HK$3,910,000) less relevant costs and carrying value of the investments sold of approximately HK$24,470,000 (2022: approximately HK$3,291,000).

(b) During the year, the Group recognised government subsidies of approximately HK$778,000 (2022: approximately HK$1,001,000) and HK$96,000 (2022: approximately HK$286,000) in respect of the Employment Support Scheme under Anti-epidemic Fund of the Hong Kong SAR Government due to the COVID-19 pandemic and Financial Industry Recruitment Scheme for Young Graduates under the Financial Service and the Treasury Bureau respectively.

Notes to the Consolidated Financial Statements

Year ended 30 September 2023

6. FINANCE COSTS

	2023 HK$'000	2022 HK$'000
Continuing operations		
Interest expenses on bank borrowings	**840**	666
Interest expenses on convertible note	**180**	1,173
Interest expenses on promissory note	**101**	–
Interest expenses on lease liabilities	**575**	615
	1,696	2,454
Discontinued operations		
Interest expenses on lease liabilities (note 22)	**4**	11
	1,700	2,465

Notes to the Consolidated Financial Statements

Year ended 30 September 2023

7. LOSS BEFORE TAX

Loss before tax has been arrived at after charging:

	2023 HK$'000	2022 HK$'000
Staff costs (including directors' remuneration):		
Continuing operations		
Employee benefit expense	**62,724**	42,612
Contributions to defined contribution plans	**1,834**	1,370
Equity-settled share-based payment expenses	**23,044**	–
	87,602	43,982
Discontinued operations		
Employee benefit expense	**400**	2,004
Contributions to defined contribution plans	**15**	101
	415	2,105
Total staff costs	**88,017**	46,087
Continuing operations		
Auditor's remuneration	**1,400**	1,150
Amortisation		
– Intangible assets	**1,616**	1,456
Depreciation		
– Plant and equipment	**2,696**	1,952
– Right-of-use assets	**3,871**	5,966
Professional fees	**14,692**	7,330
Write off of plant and equipment	**34**	427
Discontinued operations		
Auditor's remuneration	**25**	100
Professional fees	**–**	23

8. DIRECTORS' EMOLUMENTS

(a) Information about the benefits of directors

Directors' remuneration

For the years ended 30 September 2023 and 2022. The emoluments paid or payable to each director are set out below.

Year ended 30 September 2023

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

Notes to the Consolidated Financial Statements

Year ended 30 September 2023

8. DIRECTORS' EMOLUMENTS (Continued)

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

Directors' remuneration (Continued)

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

During the year ended 30 September 2022, 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. No such benefits provided to Ms. Letty Wan during the year ended 30 September 2023.

During the year ended 30 September 2023, 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 (2022: Nil). There was no arrangement under which a director waived or agreed to waive any remuneration for the year ended 30 September 2023 (2022: Nil).

8. DIRECTORS' EMOLUMENTS (Continued)

(b) Individuals with highest emoluments

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

	Number of individuals	
	2023	2022
Director	**2**	1
Non-director	**3**	4
	5	5

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

	2023	2022
	HK$'000	HK$'000
Salaries and allowances	**5,054**	4,943
Contributions to defined contribution plans	**54**	69
Equity-settled share-based payment expenses	**4,460**	–
	9,568	5,012

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

	2023	2022
HK$500,000 to HK$1,000,000	**–**	1
HK$1,000,001 to HK$1,500,000	**–**	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	**–**	–
HK$3,000,001 to HK$3,500,000	**3**	–

During the year ended 30 September 2023, 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 (2022: 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 2023 (2022: Nil).

Notes to the Consolidated Financial Statements

Year ended 30 September 2023

9. INCOME TAX EXPENSE

The two-tiered profits tax rates regime has been implemented from 1 April 2018, under which, the profits tax rate for the first HK$2,000,000 assessable profits arising from Hong Kong of qualifying entities will be taxed at 8.25%, and assessable profits arising from Hong Kong above HK$2,000,000 will continue to be taxed at the rate of 16.5%. If the entity has one or more connected entities, the two-tiered profits tax rates would only apply to the one which is nominated to be chargeable at the two-tiered rates.

Hong Kong Profits Tax has been provided at the rate of 16.5% on the Company's estimated assessable profits arising from Hong Kong in both years.

The Group's entity established in Canada is subject to Corporate Income Tax of Canada at a statutory rate of 27% (2022: 27%). For the year ended 30 September 2023 and 2022, Corporate Income Tax of Canada has not been provided as the entity established in Canada incurred a loss for taxation purpose.

For the years ended 30 September 2023 and 2022, the Group's entities established in the Cayman Islands and the BVI are exempted from income tax.

For the years ended 30 September 2023 and 2022, for the Group's entities established in the PRC, no Enterprise Income Tax has been provided as the entity incurred a loss for taxation purpose.

	Note	**2023** **HK$'000**	2022 HK$'000
Continuing operations			
Current tax			
Hong Kong Profits Tax			
Current year		**2,112**	1,189
Overprovision in prior year		**(690)**	–
Canada Corporate Income Tax			
Overprovision in prior year		**–**	(198)
		1,422	991
Deferred Tax			
Origination and reversal of temporary difference	28	**2**	(241)
Income tax expense for continuing operations		**1,424**	750

9. INCOME TAX EXPENSE (Continued)

Reconciliation of income tax expense from continuing operations

	2023 HK$'000	2022 HK$'000
Loss before taxation	**(17,915)**	(2,430)
Tax calculated at applicable tax rate	**(3,183)**	(875)
Non-deductible expenses	**2,834**	1,628
Tax exempt revenue	**(2,597)**	(331)
Overprovision in prior years	**(690)**	(198)
Unrecognised tax losses	**5,159**	951
Utilisation of previous unrecognised tax losses	**(24)**	(10)
Others	**(75)**	(415)
Income tax expense	**1,424**	750

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 2023, the directors of the Company do not declare and pay an interim dividend (2022: Nil).

The directors of the Company do not recommend the payment of a final dividend for the year ended 30 September 2023 (2022: Nil).

Notes to the Consolidated Financial Statements

Year ended 30 September 2023

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:

	2023	2022
	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	**(18,837)**	(3,254)
– Discontinued operations	**5,008**	(4,999)
	(13,829)	(8,253)

	2023	2022
Shares		
Weighted average number of ordinary shares for the purpose of basic loss per share ('000)	**830,874**	663,323

Diluted loss per share

Diluted losses per share for the year ended 30 September 2023 did not assume the exercise of share options since their assumed exercise during the years would have an anti-dilutive effect on the basic losses per share amount presented.

Diluted losses per share for the year ended 30 September 2023 and 2022 did not assume the conversion of the potential dilutive ordinary shares from the outstanding convertible notes since the Company's outstanding convertible notes had an anti-dilutive effect to the basic loss per share calculation for the year ended 30 September 2023 and 2022.

The diluted loss per share is the same as the basic loss per share for the years ended 30 September 2023 and 2022.

12. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Particulars of the Company's principal subsidiaries as at 30 September 2023 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		
			2023	2022	**2023**	2022	
			%	%	**%**	%	
APEC GROUP INTERNATIONAL LIMITED ("**APEC GI**")	Hong Kong, Hong Kong	HK$100	**100**	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
APEC BUSINESS CONSULTANCY LIMITED	Hong Kong, Hong Kong	HK$3	**–**	–	**100**	100	Provision of accounting advisory and bookkeeping services
APEC BUSINESS SERVICES LIMITED	Hong Kong, Hong Kong	HK$1	**–**	–	**100**	100	Provision of business consulting services
APEC CAPITAL LIMITED	Hong Kong, Hong Kong	HK$1	**–**	–	**100**	100	Provision of business consulting services
APEC CLOUD SOLUTIONS LIMITED	Hong Kong, Hong Kong	HK$1	**–**	–	**100**	100	Provision of accounting services
APEC CORPORATE SERVICES LIMITED	Hong Kong, Hong Kong	HK$1	**–**	–	**100**	100	Provision of corporate secretarial services

Notes to the Consolidated Financial Statements

Year ended 30 September 2023

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		
			2023 %	2022 %	**2023 %**	2022 %	
APEC RISK MANAGEMENT LIMITED	Hong Kong, Hong Kong	HK$1	**–**	–	**100**	100	Provision of risk management and internal control advisory services
APEC TAXATION SERVICES LIMITED	Hong Kong, Hong Kong	HK$1	**–**	–	**100**	100	Provision of taxation services
Baron Global Financial Canada Ltd. (“**Baron Canada**”)	Canada, Canada	CAD0.6	**–**	–	**100**	100	Provision of business consulting services
ESGrowth Limited	Hong Kong, Hong Kong	HK$1	**–**	–	**100**	100	Provision of ESG advisory services
GBA TALENTS LIMITED (formerly known as Talent APEC Limited)	Hong Kong, Hong Kong	HK$1	**–**	–	**100**	100	Provision of human resources services
Hong Kong Sustainability Strategic Advisory Limited	Hong Kong, Hong Kong	HK$270	**–**	–	**70**	70	Provision of ESG advisory services
建泉顧問(北京)有限公司 (VBG Consulting (Beijing) Co., Ltd*)	The PRC, the PRC	United States dollars (“**US$**”) 1,700,000	**–**	–	**100**	100	Provision of business consulting services
廣州雅博企業諮詢服務有限公司	The PRC, the PRC	RMB4,000,000	**–**	–	**100 (note 32)**	–	Provision of accounting, taxation and business consultancy services in PRC

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

13. GOODWILL

	Canada Business CGU HK$'000 (note a)	APEC Business CGU HK$'000 (note b)	Greater Bay Area Business CGU HK$'000 (note c)	Total HK$'000
Reconciliation of carrying amount – year ended 30 September 2022				
At the beginning of the reporting period	3,561	–	–	3,561
Additions – acquisition of subsidiaries	–	42,460	–	42,460
Impairment loss	(2,350)	–	–	(2,350)
At the end of the reporting period	1,211	42,460	–	43,671
Reconciliation of carrying amount – year ended 30 September 2023				
At the beginning of the reporting period	**1,211**	**42,460**	**–**	**43,671**
Additions – acquisition of subsidiaries (note 32)	**–**	**–**	**40,887**	**40,887**
At the end of the reporting period	**1,211**	**42,460**	**40,887**	**84,558**
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
At 30 September 2023				
Cost	**23,966**	**42,460**	**40,887**	**107,313**
Accumulated impairment loss	**(22,755)**	**–**	**–**	**(22,755)**
Net carrying amount	**1,211**	**42,460**	**40,887**	**84,558**

Notes to the Consolidated Financial Statements

Year ended 30 September 2023

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 2023, the Group assessed the recoverable amount of the Canada Business CGU with reference to a business valuation of Baron Canada determined under a market-based approach as stated in a valuation report issued by an independent professional valuer, which is the fair value less costs of disposal, and determined that no impairment loss in respect of Canada Business CGU was required (2022: HK$2,350,000).

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

	2023	2022
Control premium*	**25%**	25%
Discount of lack of marketability#	**20%**	16%
Price-to-sales multiples^	**n/a**	1.63
Price-to-book-value multiples^	**n/a**	2.54
Price-to-cashflow multiples^	**n/a**	7.03
Enterprise-value-to-earnings multiples^	**10.84**	n/a
Enterprise-value-to-sales multiples^	**3.39**	n/a
Enterprise-value-to-earning before interests, taxes, depreciation and amortisation multiples^	**8.50**	n/a
Enterprise-value-to-cashflow multiples^	**8.65**	n/a

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

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

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

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 the aggregate carrying amount of goodwill to exceed its aggregate recoverable amount at the end of the reporting period.

(b) **APEC Business CGU**

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

At 30 September 2023, 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.

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 16.18% (2022: 15.1%). Cash flows beyond five-year period is extrapolated using a growth rate ranging from 2.5% to 16.4% (2022: 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.

At 30 September 2023, the Group assessed the recoverable amount of the APEC Business CGU with reference to business valuation of APEC Group based on the value in use calculations and determined that no impairment in respect to APEC Business CGU was required.

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 goodwill to exceed its aggregate recoverable amount at the end of the reporting period.

(c) Greater Bay Area Business CGU

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

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

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

	2023
Control premium*	25%
Discount of lack of marketability#	20%
Enterprise-value-to-earnings multiples^	16.33
Enterprise-value-to-sales multiples^	4.63
Enterprise-value-to-earning before interests, taxes, depreciation and amortisation multiples^	16.44
Enterprise-value-to-cashflow multiples^	8.22

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

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

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

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13. GOODWILL (Continued)

Note: (Continued)

Sensitivity of key assumptions

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

(d) Other information on fair value measurement

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

Fair value hierarchy	Valuation technique	
	2023	2022
Canada Business CGU		
Level 3	**Market-based approach**	Market-based approach
Greater Bay Area Business CGU		
Level 3	**Market-based approach**	N/A

14. INTANGIBLE ASSETS

	Customer relationship HK$'000
Reconciliation of carrying amount – year ended 30 September 2022	
At the beginning of the reporting period	–
Additions – acquisition of subsidiaries	6,220
Amortisation	(1,456)
At the end of the reporting period	4,764
Reconciliation of carrying amount – year ended 30 September 2023	
At the beginning of the reporting period	**4,764**
Additions – acquisition of subsidiaries (note 32)	**304**
Amortisation	**(1,616)**
At the end of the reporting period	**3,452**
At 30 September 2022	
Cost	6,220
Accumulated amortisation	(1,456)
Net carrying amount	4,764
At 30 September 2023	
Cost	**6,524**
Accumulated amortisation	**(3,072)**
Net carrying amount	**3,452**

The customer base arising from the acquisition of APEC Group and Earning Joy Group have allowed the Group to stabilise the revenue base from non-licensed business operating by APEC Group and Earning Joy Group. No impairment loss was recognised for the years ended 30 September 2023 and 2022.

Notes to the Consolidated Financial Statements

Year ended 30 September 2023

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 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	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
Reconciliation of carrying amount – year ended 30 September 2023					
At the beginning of the reporting period	**7,256**	**4,179**	**83**	**–**	**11,518**
Additions	**–**	**951**	**602**	**–**	**1,553**
Additions – acquisition of subsidiaries (note 32)	**–**	**6**	**4**	**–**	**10**
Transfer from other investments (note 19)	**–**	**9**	**–**	**–**	**9**
Depreciation	**(1,505)**	**(1,106)**	**(85)**	**–**	**(2,696)**
Write off	**(7)**	**(11)**	**(16)**	**–**	**(34)**
At the end of the reporting period	**5,744**	**4,028**	**588**	**–**	**10,360**
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
At 30 September 2023					
Cost	**8,060**	**6,341**	**1,316**	**576**	**16,293**
Accumulated depreciation	**(2,316)**	**(2,313)**	**(728)**	**(576)**	**(5,933)**
Net carrying amount	**5,744**	**4,028**	**588**	**–**	**10,360**

16. RIGHT-OF-USE ASSETS

The movements of right-of-use assets within HKFRS 16 during the years ended 30 September 2023 and 2022 are set out below:

	Office premises	Carpark	Motor vehicles	Total
	HK$'000	HK$'000	HK$'000	HK$'000
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	1,903	–	–	1,903
Depreciation	(5,830)	–	(136)	(5,966)
At the end of the reporting period	11,009	–	1,121	12,130
Reconciliation of carrying amount – year ended 30 September 2023				
At the beginning of the reporting period	**11,009**	**–**	**1,121**	**12,130**
Additions	**–**	**135**	**–**	**135**
Disposal of leases	**–**	**–**	**(442)**	**(442)**
Depreciation	**(3,605)**	**(45)**	**(221)**	**(3,871)**
At the end of the reporting period	**7,404**	**90**	**458**	**7,952**
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 30 September 2023				
Cost	**12,889**	**135**	**655**	**13,679**
Accumulated depreciation	**(5,485)**	**(45)**	**(197)**	**(5,727)**
Net carrying amount	**7,404**	**90**	**458**	**7,952**

At the end of the reporting period, the Group leased office premises, carpark and motor vehicles in Hong Kong and Canada for its daily operations for a term ranging from 2 to 10 years with fixed lease payments (2022: 3 to 10 years).

Notes to the Consolidated Financial Statements

Year ended 30 September 2023

16. RIGHT-OF-USE ASSETS (Continued)

The Group has recognised the following amounts for the year:

	2023 **HK$'000**	2022 HK$'000
Lease payments:		
Continuing operation		
Short-term leases expenses	**1,872**	976
Expenses recognised in profit or loss	**1,872**	976
Lease payments on lease liabilities	**4,252**	6,689
Total cash outflow for leases	**6,124**	7,665

Commitments under operating leases

As at 30 September 2023, the Group was committed to HK$163,000 for short-term leases (2022: HK$36,000).

17. DESIGNATED FVOCI

	2023 **HK$'000**	2022 HK$'000
Equity securities listed overseas	**816**	732

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

18. FINANCIAL ASSETS AT FVPL

	2023 HK$'000	2022 HK$'000
Derivatives – unlisted options issued by companies listed overseas	**332**	334
Equity securities listed in Hong Kong and overseas	**1,360**	3,217
Unlisted equity securities in Hong Kong (note 22)	**1,764**	–
Payment for life insurance policy	**1,434**	1,366
Unlisted investment fund (note a)	**31,600**	–
Investment in mobile applications (note b)	**21,400**	–
	57,890	4,917
Analysed as:		
Current	**35,056**	3,551
Non-current	**22,834**	1,366
	57,890	4,917

Note:

(a) At the end of the reporting period, the balance represented unlisted investment fund subscribed from independent financial institutions in Hong Kong (the “Fund”). The portfolio of the Fund mainly comprises unlisted equity investments in the business of the manufacturing of interior decorative parts of automotive and the aluminium battery components for electric motor vehicles. The Fund is managed by a subsidiary of the group.

(b) In June 2023, a subsidiary of the Company, agreed to pay a sum of HK$15,000,000 to an independent third party, Regal Crown Technology Limited ("Regal Crown"), which will be used to finance the costs and expenses incurred by Regal Crown for the development of the RC3.0 App Project. Regal Crown shall grant the subsidiary of the Company the exclusive and irrevocable right to share the benefit and receive 50% of any income and revenue generated from the use of RC3.0 App. For detail terms of the transaction, please refer to announcement dated 18 July 2023. As the Group has a contractual right to receive cash in this arrangement for 15 years since the date of launch and, it is classified as a non-current financial assets at FVPL.

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

Notes to the Consolidated Financial Statements

Year ended 30 September 2023

19. OTHER INVESTMENTS

	2023 HK$'000	2022 HK$'000
Reconciliation of carrying amount – year ended 30 September 2023		
At the beginning of the reporting period	**791**	–
Additions	**–**	853
Disposals	**(782)**	(62)
Transfer to plant and equipment (note 15)	**(9)**	–
At the end of the reporting period	**–**	791
At 30 September 2023		
Cost	**–**	791
Accumulated impairment losses	**–**	–
Net carrying amount	**–**	791

Other investments represent collectible figures acquired by the Group for capital appreciation. During the year ended 30 September 2023, except for the transfer during the year, all the collectible figures were disposed to an independent third party with consideration of approximately HK$620,000, which resulted loss on disposal of other investment of approximately HK$162,000 recognised in profit or loss.

20. TRADE AND OTHER RECEIVABLES

	Note	2023 HK$'000	2022 HK$'000
Trade receivables			
Trade receivables	(a)	**33,296**	16,683
Less: Loss allowance	(b)	**(860)**	(808)
		32,436	15,875
Contract assets	(c)	**–**	117
Other receivables			
Prepayment		**1,993**	1,275
Deposits		**3,616**	3,170
Other receivables	(d)	**26,533**	84
Less: Loss allowance	(b)	**(2,427)**	–
		29,715	4,529
		62,151	20,521

Note:

(a) Generally, there is no credit term granted to customers, the settlement terms of trade receivables are due upon the issuance of invoices. For trade receivables arising from the business of corporate finance advisory services, there are settlement terms determined in accordance with the contract terms, usually within 1 month to 3 months after billing.

(b) Information about the Group's exposure to credit risks, ageing analysis and loss allowance for trade and other receivables is included in note 37(a) to the consolidated financial statements. Loss allowance on trade receivables and other receivables of approximately HK$860,000 (2022: HK$808,000) and approximately HK$2,427,000 (2022: HK$nil) respectively 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:

	2023 HK$'000	2022 HK$'000
At the beginning of the reporting period	**117**	–
Recognition of revenue	**–**	117
Transferred to trade receivables	**(117)**	–
At the end of the reporting period	**–**	117

(d) The amount mainly comprises consideration receivables for the disposal of Wealth Link Securities Limited ("Wealth Link") (note 22), sales proceed receivables from third parties for disposal of financial assets at FVPL, loan receivables from a third party and temporary payment for the non-licensed business amount of HK$3,500,000, HK$11,600,000, HK$6,000,000 and HK$4,992,000 respectively (2022: HK$83,000 for temporary payment for the licensed business).

The trade and other receivables are expected to be recovered within one year, except for the deposits of HK$84,000 (2022: HK$96,000), which are expected to be recovered after more than one year.

Notes to the Consolidated Financial Statements

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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

On 13 September 2021, the Group entered into a sales and purchase agreement with an independent third party, to dispose of 85% of its equity interests in Wealth Link for a consideration of HK$14,000,000 (the "**Disposal**"). Details of the Disposal have been disclosed in the Company's announcement dated 13 September 2021. The Disposal was completed on 23 December 2022. Upon completion of the Disposal, Wealth Link was no longer a subsidiary of the Company and the remaining 15% equity interest in Wealth Link is recognised as financial assets at FVPL.

22. DISCONTINUED OPERATIONS (Continued)

The results of the discontinued operations for the period from 1 October 2022 to 23 December 2022 (date of completion of the Disposal), which have been included in the consolidated statement of profit or loss and other comprehensive income, are as follows:

	Period from 1 October 2022 to 23 December 2022 HK$'000	Year ended 30 September 2022 HK$'000
Revenue	**160**	805
Other income, net	**12**	202
Provision for impairment loss in respect of		
– goodwill	**–**	(1,863)
– intangible assets	**–**	(230)
– plant and equipment	**–**	(53)
– right-of-use assets	**–**	(410)
Administrative expenses and other operating expenses	**(778)**	(3,439)
Finance costs	**(4)**	(11)
Loss before tax	**(610)**	(4,999)
Taxation	**–**	–
Loss for the period/year from discontinued operations	**(610)**	(4,999)
Gain on Disposal	**5,618**	–
Profit (Loss) for the period/year from discontinued operations	**5,008**	(4,999)
Net cash flows		
– operating activities	**(2,307)**	(875)
– investing activities	**52**	345
– financing activities	**(89)**	(355)
	(2,344)	(885)

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22. DISCONTINUED OPERATIONS (Continued)

The details of major classes of assets and liabilities of Wealth Link held for sale measured at the lower of carrying amount and fair value less costs to sell at 31 December 2022 (date of completion of the Disposal) are as follows:

	HK$'000
Net assets of Wealth Link:	
Goodwill	–
Intangible assets	500
Right-of-use assets	458
Other deposits	205
Trade receivables arising from the business of securities brokerage	
– Cash clients	5,461
– Margin clients	60
Other receivables	169
Bank balances – client accounts	41,109
Bank balances – general accounts and cash	6,425
Trade payables arising for the business of dealing in securities	(43,887)
Other payables	(176)
Lease liabilities	(463)
	9,861
Interests in financial assets at FVPL retained (note 18)	(1,479)
Gain on the Disposal	5,618
Consideration	14,000
Consideration:	
Cash consideration received in prior years	3,500
Cash consideration received during the year	7,000
Consideration receivables (note 20(d))	3,500
	14,000
Net cash outflow on disposal of 85% equity interest of Wealth Link:	
Cash consideration received during the year	7,000
Cash and cash equivalents disposed of	(47,534)
	(40,534)

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23. TRADE AND OTHER PAYABLES

	Note	2023 HK$'000	2022 HK$'000
Trade payables			
Trade payables arising from client accounts under the business of corporate finance advisory services	(a)	**24,587**	101,502
Other payables			
Accrual		**5,371**	5,621
Other payables	(b)	**6,803**	852
		12,174	6,473
		36,761	107,975
Analysed as:			
Current		**36,611**	107,675
Non-current		**150**	300
		36,761	107,975

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 amounts mainly comprise due to ex-shareholder of Earning Joy Group and temporary receipts for the non-licensed business amount of approximately HK$3,096,000 (2022: HK$nil) and approximately HK$3,441,000 (2022: HK$nil) respectively. The amount due to ex-shareholder is unsecured, interest-free and has no fixed repayment terms.

24. INTEREST-BEARING BORROWINGS

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

	2023 HK$'000	2022 HK$'000
Secured bank borrowings repayable on demand	**24,621**	25,923

Bank borrowings as at 30 September 2023 carried interest at variable market rates benchmarking to the interest rates of 2.25% (2022: 2.25%) below HSBC Prime Rate or 2.5% (2022: 2.5%) below DBS Prime Rate.

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24. INTEREST-BEARING BORROWINGS (Continued)

The effective interest rates on the Group's bank borrowings during the years ended 30 September 2023 and 2022 were as follows:

	2023	2022
	Per annum	Per annum
Effective interest rate:		
Variable rate	**2.75% to 3.63%**	2.75% to 3.13%

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

As at 30 September 2023, bank borrowings with a clause in their terms that gives the banks an overriding right to demand for repayment are classified as current liabilities even though the directors do not expect that the banks would exercise their right to demand repayment.

The maturity terms of the bank borrowings based on repayment schedule pursuant to the loan facility letters (ignoring the effect of any repayment on demand clause) are as follows:

	2023	2022
	HK$'000	HK$'000
Within one year	**3,272**	1,578
In the second year	**3,375**	3,343
In the third to fifth years inclusive	**10,761**	10,627
After five years	**7,213**	10,375
	24,621	25,923

25. LOAN PAYABLES

	Note	**2023**	2022
		HK$'000	HK$'000
Government loan			
Current portion	(a)	**240**	360

Note:

(a) The amount represents the government loan from Canadian Government of CAD40,000 (equivalent to approximately HK$240,000) (2022: CAD60,000 (equivalent to approximately HK$360,000)). The amounts were unsecured, interest-free and repayable on 18 January 2024 (2022: 31 December 2022).

26. LEASE LIABILITIES

	2023 HK$'000	2022 HK$'000
Current portion	**2,695**	3,661
Non-current portion	**5,817**	8,835
	8,512	12,496

27. CONVERTIBLE NOTE

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

	2023 HK$'000	2022 HK$'000
Liability component		
At 1 October	**5,443**	–
Fair value of liabilities component at date of issue	**–**	27,572
Interest expenses	**180**	1,173
Conversion of convertible note	**(4,691)**	(23,302)
At 30 September	**932**	5,443
Portion classified as non-current	**–**	(5,443)
Current portion	**932**	–
Equity component		
At 1 October	**1,889**	–
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	**1,889**	11,335
Conversion of convertible note	**(1,889)**	(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. The convertible note will be matured on the second anniversary from the date of issue.

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27. CONVERTIBLE NOTE (Continued)

The Noteholder may convert the whole or part of the convertible note into shares at conversion price of HK$0.2, from the date of issue up to the maturity date. During the year ended 30 September 2023, convertible note with nominal value of HK$5,000,000 (2022: 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.

28. DEFERRED TAXATION

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

	Depreciation allowance	**Temporary difference of investments**	**Collective impairment on trade receivables**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000
At 1 October 2021	(61)	520	–	459
Acquisition of subsidiaries	1,182	–	(292)	890
Credit to profit or loss for the year (note 9)	(241)	–	–	(241)
At 30 September 2022 and **1 October 2022**	**880**	**520**	**(292)**	**1,108**
Charge to profit or loss for the year (note 9)	**2**	**–**	**–**	**2**
At 30 September 2023	**882**	**520**	**(292)**	**1,110**

Unrecognised deferred tax assets arising from

	2023	2022
	HK$'000	HK$'000
Tax losses arising in		
– Hong Kong	**71,927**	50,056
– Canada	**5,677**	–
– The PRC	**2,126**	3,566
	79,730	53,622*

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

28. DEFERRED TAXATION (Continued)

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.

The unrecognised tax losses arising in Hong Kong do not expire under current tax legislation. At the end of the reporting period, the Group has the following unrecognised tax losses arising in the PRC and Canada that can be offset against future taxation profits of the subsidiary for a maximum of 5 years and 20 years respectively from the year in which the tax loss was incurred:

	2023 HK$'000	2022 HK$'000
Year of expiry		
2023	–	1,498
2024	1,288	1,288
2025	640	640
2026	140	140
2027	58	–
2043	5,677	–
	7,803	3,566

29. SHARE CAPITAL

	2023		2022	
	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 paid				
At the beginning of the reporting period	721,200,000	7,212	546,200,000	5,462
Issue of consideration shares (note a)	38,640,000	386	50,000,000	500
Conversion of convertible note (note b)	25,000,000	250	125,000,000	1,250
Issue of settlement shares (note c)	50,144,000	501	–	–
Issue of placing shares (note d)	57,000,000	570	–	–
Exercise of share options (note 34)	50,000	1	–	
At the end of the reporting period (at par value of HK$0.01 per share)	892,034,000	8,920	721,200,000	7,212

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29. SHARE CAPITAL (Continued)

Note:

(a) In February 2023, the Company has agreed with RC365 Holding plc ("RC365"), a company listed in London Stock Exchange, under which the Company issued and allotted 38,640,000 ordinary shares to RC365, representing approximately 4.33% of the enlarged issued share capital of the Company under general mandate for the subscription of 18,000,000 shares in RC365, which represents 14.34% of the enlarged issued share capital of RC365. The fair value of the shares of RC365 at date of transaction amount to approximately HK$34,776,000. The subscription was completed in April 2023 and the equity interest in RC365 is recognised as financial assets at FVPL during the year.

(b) In 2022, 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.

During the year, the Noteholder converted the convertible note with nominal value of HK$5,000,000 to 25,000,000 ordinary shares of the Company at the conversion price of HK$0.2 per share.

Details of convertible note are set out in note 27 to the consolidated financial statements.

(c) In December 2022, the Company issued and allotted 50,144,000 shares at HK$0.83 per share, totalling approximately HK$41,618,000, for settlement of the promissory notes and outstanding accrued interests related to the consideration payable for the acquisition of Earning Joy Group. Details of the acquisition were set out in note 32 to the consolidated financial statements.

(d) On 10 February 2023, the Company issued and allotted 57,000,000 shares at HK$0.69 per share pursuant to a placing agreement entered into on 13 January 2023.

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

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 with functional currencies other than in Hong Kong dollars upon consolidation. The reserve is dealt with in accordance with the accounting policies set out in note 2 to the consolidated financial statements.

(d) Investment revaluation reserve (non-recycling)

Investment revaluation reserve (non-recycling) comprises the accumulated net change in the fair value of Designated 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 value of equity component of the unconverted convertible note issued by the Company that has been recognised in accordance with the accounting policy adopted for convertible note in note 2 to the consolidated financial statements.

(f) Share option reserve

Share option reserve comprises the portion of the grant date fair value of unexercised share options granted to employees of the Group that has been recognised in accordance with the accounting policy adopted for share-based payments in note 2 to the consolidated financial statements.

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31. OTHER CASH FLOW INFORMATION

(a) Cash (used in) generated from operations

	Note	2023 HK$'000	2022 HK$'000
OPERATING ACTIVITIES			
Loss before income tax			
– Continuing operations		**(17,915)**	(2,430)
– Discontinued operations	22	**5,008**	(4,999)
Adjustments for:			
Bank interest income		**(148)**	(19)
Exchange difference		**(397)**	–
Finance costs		**1,700**	2,465
Amortisation of intangible assets		**1,616**	1,456
Depreciation of plant and equipment		**2,696**	1,952
Depreciation of right-of-use assets		**3,871**	5,966
Gain on disposal of a subsidiary	22	**(5,618)**	–
Gain on disposal of financial assets at FVPL		**(10,735)**	(619)
Loss on settlement of promissory notes	32	**6,518**	–
Loss (Gain) on disposal of other investments		**162**	(7)
Net unrealised (gain) loss on financial assets at FVPL	5	**(13,555)**	1,103
Share based payment expenses	34	**23,044**	–
Provision of impairment loss in respect of goodwill	13	**–**	4,213
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
Provision of impairment loss in respect of trade receivables		**52**	531
Provision of impairment loss in respect of other receivables		**2,427**	–
Write off of plant and equipment		**34**	427
Write back of other payables		**(2,879)**	–
Write off of loan payables		**(120)**	–
Cash flows (used in) from operations before movements in working capital		**(4,239)**	10,732
Trade and other receivables		**(42,389)**	(4,361)
Trade and other payables		**(66,913)**	123,051
Bank balances – client accounts		**113,347**	(124,203)
Cash (used in) generated from operations		**(194)**	5,219

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
2023					
At the beginning of the reporting period	**25,923**	**360**	**12,496**	**5,443**	**44,222**
Interest expenses	**840**	**–**	**575**	**180**	**1,595**
Write back of loan payables	**–**	**(120)**	**–**	**–**	**(120)**
Conversion of convertible note	**–**	**–**	**–**	**(4,691)**	**(4,691)**
Addition of lease	**–**	**–**	**135**	**–**	**135**
Disposal of leases	**–**	**–**	**(442)**	**–**	**(442)**
Cash outflow in financing activities:					
Interest paid	**(2,142)**	**–**	**–**	**–**	**(2,142)**
Lease payments	**–**	**–**	**(4,252)**	**–**	**(4,252)**
At the end of the reporting period	**24,621**	**240**	**8,512**	**932**	**34,305**

	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

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32. ACQUISITION OF SUBSIDIARIES

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

On 27 December 2022, the Group settled the outstanding promissory notes and accrued interest by cash of HK$3,000,000 and remaining by allotment of 50,144,000 ordinary shares of the Company. The fair value of the settlement shares on the date of settlement is HK$0.83 (note 29). A loss on settlement of approximately HK$6,518,000 was recognised in profit or loss.

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

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

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

32. ACQUISITION OF SUBSIDIARIES (Continued)

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

Note:

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

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 AP Appraisal 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. The fair value of contingent consideration receivable in relation to the acquisition of Earning Joy Group was nil.

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

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

Since acquisition, the acquired business contributed revenue of approximately HK$8,452,000 and profit of approximately HK$3,475,000 to the Group. If the business combination effected during the year had been taken up at the beginning of the year, the consolidated revenue and profit of the Group would have been approximately HK$8,669,000 and approximately HK$3,491,000 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 2023.

33. BANKING FACILITIES

As at 30 September 2023, the Group had banking facilities totalling approximately HK$24,981,000 (2022: 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.

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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.

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

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

	Options as at 1 October	Granted during the year	Cancelled during the year	Exercised during the year	Options as at 30 September	Weighted average exercise price HK$
2023						
Share option grants						
– Executive directors	–	15,000,000	–	–	15,000,000	0.88
– Independent non-executive directors	–	600,000	–	–	600,000	0.88
– Employees	–	29,000,000	(250,000)	(50,000)	28,700,000	0.88
	–	44,600,000	(250,000)	(50,000)	44,300,000	

34. SHARE OPTION SCHEME (Continued)

At 30 September 2022, no option has been granted by the Company.

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

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

	30 December 2022 HK$'000
Grant date share price (HK$)	0.88
Exercise price (HK$)	0.88
Volatility	99.53%
Option life	10 years
Risk-free interest rate	3.59%

35. RETIREMENT BENEFITS SCHEME

The Group joins the 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.

Overseas subsidiaries and entities established in the PRC, also operate pension schemes or similar arrangements for their employees in accordance with the statutory requirements prescribed by the relevant legal authorities. The subsidiaries of the Group are 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 2023, the total amount contributed by the Group to the schemes and charged to the consolidated statement of comprehensive income was approximately HK$1,849,000 (2022: HK$1,471,000).

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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	2023 HK$'000	2022 HK$'000
A director of a subsidiary	Consultancy fee	–	590
A director and his controlling entity	Service income	2,195	65
	Sundry income	258	–
	Consultancy fee	3,133	200

The remuneration of the directors of the Company during the years ended 30 September 2023 and 2022 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:

	2023 HK$'000	2022 HK$'000
Salaries and other benefits	744	775
Retirement benefit scheme contributions	9	18
Equity-settled share-based payment expenses	29	–
	782	793

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

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

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

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

(a) Credit risk

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

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

Trade receivables

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

At 30 September 2023, the Group had a concentration of credit risk as approximately 11% (2022: 14%) and 41% (2022: 48%) 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:

	2023	2022
	HK$'000	HK$'000
Within 30 days	**14,416**	7,736
31 to 60 days	**2,336**	1,862
61 to 90 days	**2,204**	476
Over 90 days	**13,480**	5,801
	32,436	15,875

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37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) Credit risk (Continued)

Trade receivables (Continued)

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

The information about the exposure to credit risk and ECL for trade receivables using a provision matrix as at 30 September 2023 is summarised below.

As at 30 September 2023

	Gross carrying amount HK$'000	Loss allowance HK$'000	Net carrying amount HK$'000	Credit-impaired HK$'000
Not yet due	16,524	44	16,480	No
Within 30 days overdue	1,692	11	1,681	No
31 to 60 days overdue	1,154	11	1,143	No
61 to 90 days overdue	3,811	39	3,772	No
91 to 180 days overdue	5,172	346	4,826	No
181 to 365 days overdue	2,898	257	2,641	No
Over 365 days overdue	2,045	152	1,893	No
	33,296	860	32,436	

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) Credit risk (Continued)

Trade receivables (Continued)

As at 30 September 2022

	Gross carrying amount HK$'000	Loss allowance HK$'000	Net carrying amount HK$'000	Credit-impaired HK$'000
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	

The Group does not hold any collateral over trade receivables as at 30 September 2023 and 2022.

At the end of the reporting period, the Group recognised loss allowance of HK$860,000 (2022: HK$808,000) on the trade receivables. The movement in the loss allowance for trade receivables during the year is summarised below.

	2023 HK$'000	2022 HK$'000
At the beginning of the reporting period	**808**	2,120
Addition – acquisition of subsidiaries	**–**	277
Increase in allowance	**52**	531
Amount write off as uncollectible	**–**	(2,120)
At the end of the reporting period	**860**	808

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37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) Credit risk (Continued)

Other receivables

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

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

At 30 September 2023

Internal credit rating	**ECL**	**Gross carrying amount** *HK$*
Performing	12-month	**8,496**
Underperforming (not credit-impaired)	Lifetime	**18,037**
Not performing (credit-impaired)	Lifetime	**–**
Write off (credit-impaired)	n/a	**–**
		26,533

At 30 September 2022

Internal credit rating	ECL	Gross carrying amount *HK$*
Performing	12-month	84
Underperforming (not credit-impaired)	Lifetime	–
Not performing (credit-impaired)	Lifetime	–
Write off (credit-impaired)	n/a	–
		84

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) Credit risk (Continued)

Other receivables (Continued)

At the end of the reporting period, the Group recognised loss allowance of HK$2,427,000 (2022: HK$Nil) on the other receivables. The movement in the loss allowance for other receivables during the year is summarised below.

	2023	2022
	HK$'000	HK$'000
At the beginning of the reporting period	**–**	–
Increase in allowance	**2,427**	–
At the end of the reporting period	**2,427**	–

Deposits with financial institution/Time deposits

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

(b) Market price risk

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

At 30 September 2023, if the quoted market prices of the listed equity securities classified as Designated FVOCI had been 10% (2022: 13%) 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$82,000 (2022: HK$95,000).

At 30 September 2023, if the quoted market prices of the underlying listed equity securities under financial assets at FVPL had been 10% (2022: 13%) 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$169,000 (2022: HK$462,000).

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37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Market price risk (Continued)

The sensitivity analysis has been determined assuming that the reasonably possible changes in the stock market index or other relevant risk variables had occurred at the end of the reporting period and had been applied to the exposure to equity price risk in existence at that date. It is also assumed that the fair values of the Group's investments would change in accordance with the historical correlation with the relevant stock market index or the relevant risk variables and that all other variables remain constant. The stated changes represent management's assessment of reasonably possible changes in the relevant stock market index or the relevant risk variables over the period until the next annual end of the reporting period. The analysis is performed on the same basis for 2022.

(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 2023, 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$103,000 (2022: HK$108,000) for the year ended 30 September 2023.

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:

	2023					
	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	**36,611**	**–**	**–**	**–**	**36,611**	**36,611**
Interest-bearing borrowings	**4,033**	**4,025**	**12,026**	**7,530**	**27,614**	**24,621**
Loan payables	**240**	**–**	**–**	**–**	**240**	**240**
Lease liabilities	**3,154**	**3,134**	**2,920**	**744**	**9,952**	**8,512**
Convertible note	**932**	**–**	**–**	**–**	**932**	**932**
	44,970	**7,159**	**14,946**	**8,274**	**75,349**	**70,916**

	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

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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
	2023 HK$'000	2022 HK$'000		
– Investments in listed equity securities classified as Designated FVOCI	**816**	732	Level 1	Quoted prices in an active market
– Investments in listed equity securities classified as financial assets at FVPL	**1,360**	3,217	Level 1	Quoted prices in an active market
– Derivatives – unlisted options issued by companies listed overseas classified as financial assets at FVPL	**332**	334	Level 2	Derived from Black Scholes option pricing model
– Unlisted investments – payment for life insurance policy classified as financial assets at FVPL	**1,434**	1,366	Level 3	Surrender cash value (including guaranteed interest) reported by the financial institution on a regular basis
– Investments in unlisted funds classified as financial assets at FVPL	**31,600**	–	Level 3	Assets approach
– Investment in mobile application classified as financial assets at FVPL	**21,400**	–	Level 3	Income approach
– Investment in unlisted equity securities classified as financial assets at FVPL	**1,764**	–	Level 3	Adjusted net asset value as reported by management
– Contingent consideration receivable classified as financial assets at FVPL	**–**	–	Level 3	Income approach – Discounted cash flow

38. FAIR VALUE MEASUREMENTS (Continued)

(a) Assets measured at fair value (Continued)

During the year ended 30 September 2023 and 2022, there were no transfer between Level 1 and Level 2 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:

	2023	2022
	HK$'000	HK$'000
At the beginning of the reporting period	**1,366**	–
Additions	**40,764**	–
Additions – acquisition of subsidiaries	**–**	1,340
Fair value change in profit or loss	**14,068**	26
At the end of the reporting period	**56,198**	1,366

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

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

Description	**Fair value**	**Valuation techniques**	**Unobservable input**	**Range**	**Sensitivity of fair value to changes in unobservable inputs**
Investment in unlisted funds classified as financial assets at FVPL	HK$31,600,000	Assets approach	Discount for lack of marketability	20%	2% increase or decrease in the discount for lack of marketability, the fair value would be increased by HK$0.9 million or decreased by HK$0.9 million, respectively
			Enterprise value to sales ratio	2.97x	10% increase or decrease in the enterprise value to sales ratio, the fair value would be increased by HK$2.8 million or decreased by HK$2.8 million, respectively
Investment in mobile application classified as financial assets at FVPL	HK$21,400,000	Income approach	Discount rate	14.34%	1% increase or decrease in the discount rate, the fair value would be decreased by HK$1.7 million or increased by HK$1.7 million, respectively
			New customer forecast	+2 customer each month	Increase or decrease in the number of new customers each month by 1, the fair value would be increased by HK$0.16 million or decreased by HK$0.16 million, respectively
Investment in unlisted equity securities classified as financial assets at FVPL	HK$1,764,000	Adjusted net asset value as reported by management	n/a	n/a	n/a

Notes to the Consolidated Financial Statements

Year ended 30 September 2023

38. FAIR VALUE MEASUREMENTS (Continued)

(a) Assets measured at fair value (Continued)

Valuation processes of the Group

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

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

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

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

39. 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 2023 and 2022.

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 2023 and 2022.

40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Note	2023 HK$'000	2022 HK$'000
Non-current assets			
Investment in subsidiaries	12	**92,604**	54,781
Current assets			
Financial assets at FVPL		**1,763**	–
Other receivables and prepayment		**18,193**	142
Due from subsidiaries		**50,681**	21,611
Bank balances and cash		**3,328**	66
		73,965	21,819
Assets classified as held for sale		**–**	10,300
		73,965	32,119
Current liabilities			
Other payables		**831**	4,435
Due to subsidiaries		**3,167**	7,922
Convertible note		**932**	–
		4,930	12,357
Net current assets		**69,035**	19,762
NET ASSETS		**161,639**	69,100
Capital and reserves			
Share capital	29	**8,920**	7,212
Reserves	40(a)	**152,719**	61,888
TOTAL EQUITY		**161,639**	69,100

This statement of financial position was approved and authorised for issue by the Board of Directors on 29 December 2023 and signed on its behalf by

Yeung Chun Yue David
Director

Hui Ringo Wing Kun
Director

Notes to the Consolidated Financial Statements

Year ended 30 September 2023

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

(a) Reserves

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

Summary of Results, Assets and Liabilities of the Group

Year ended 30 September 2023

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

	2023 HK$'000	2022 HK$'000	2021 HK$'000	2020 HK$'000	2019 HK$'000
Revenue	**85,442**	72,962	37,228	62,650	41,541
Loss before tax	**(12,907)**	(7,429)	(22,249)	(35,464)	(28,874)
Income tax (expense) credit	**(1,424)**	(750)	2,161	238	5,557
Loss for the year	**(14,331)**	(8,179)	(20,088)	(35,226)	(23,317)
Other comprehensive (loss) income for the year	**(582)**	(1.893)	211	181	(4,963)
Total comprehensive loss for the year	**(14,913)**	(10,072)	(19,877)	(35,045)	(28,280)

Assets and liabilities of the Group as at 30 September

	2023 HK$'000	2022 HK$'000	2021 HK$'000	2020 HK$'000	2019 HK$'000
Non-current assets	**130,139**	74,348	14,979	29,155	38,442
Current assets	**142,454**	192,259	54,466	72,884	59,317
Total assets	**272,593**	266,607	69,445	102,039	97,759
Current liabilities	**67,123**	181,415	27,945	45,464	10,029
Non-current liabilities	**7,244**	15,853	4,201	4,349	459
Net assets	**198,226**	69,339	37,299	52,226	87,271