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HATCHER GROUP LIMITED

亦辰集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8365)

SUPPLEMENTAL ANNOUNCEMENT

DISCLOSEABLE TRANSACTION IN RELATION TO ACQUISITION OF 51% EQUITY INTEREST IN THE TARGET COMPANY INVOLVING ISSUANCE OF CONSIDERATION SHARES UNDER GENERAL MANDATE

Financial Adviser to the Company



**建泉融資有限公司
VBG Capital Limited**

Reference is made to the announcements of Hatcher Group Limited dated 17 July 2026 in relation to, among others, the acquisition of 51% equity interest in Eversharp Group Limited (the “**Announcements**”). Unless the context requires otherwise, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board would like to further provide supplemental information in relation to the Acquisition.

THE ACQUISITION

On 16 July 2026 (after trading hours), the Company entered into the Agreement with the Vendor and the Guarantor in respect of the Acquisition.

Conditions precedent

Pursuant to the Agreement, the Company may waive any of the conditions precedent set out in (a), (b), (d) and (e) by giving notice in writing to the Vendor. As at the date of this announcement, the Company has no intention to waive any of these conditions.

Consideration Shares

The Consideration Shares of 10,000,000 new Shares represent (a) approximately 5.03% of the total number of Shares in issue as at the date of this announcement; and (b) approximately 4.79% of the enlarged total number of Shares in issue upon Completion (assuming there will be no change to the total number of Shares in issue from the date of this announcement to the Completion Date other than the allotment and issue of the Consideration Shares).

The Consideration Shares will be allotted and issued pursuant to the General Mandate and shall, when allotted and issued, rank *pari passu* in all respects with the Shares in issue. Under the General Mandate, the Directors are allowed to allot and issue up to 20% of the total number of the issued Shares. The maximum number of Shares that can be issued under the General Mandate is 39,749,888 Shares. As at the date of this announcement, the Company has not allotted and issued any Shares pursuant to the General Mandate and the General Mandate is sufficient for the allotment and issue of the Consideration Shares.

The Issue Price is HK\$1.00, which represents:

- (i) a discount of approximately 5.7% to the closing price of HK\$1.06 per Share as quoted on the Stock Exchange on 16 July 2026, being the date of the Agreement;
- (ii) a premium of approximately 11.1% over the average closing price of HK\$0.9 per Share as quoted on the Stock Exchange for the five (5) trading days immediately prior to the date of the Agreement; and
- (iii) a premium of approximately 13.8% over the average closing price of HK\$0.879 per Share as quoted on the Stock Exchange for the ten (10) trading days immediately prior to the date of the Agreement.

The Issue Price was determined after arm's length negotiations between the Purchaser and the Vendor with reference to the recent price performance of the Shares. The Directors consider that the Issue Price, taking into account that it was set close to the closing price on the date of the Agreement and at a premium over the recent average prices, is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Basis of the Consideration

As stated in the Announcements, the Company has been actively seeking development opportunities to diversify its business operations and revenue streams, and has conducted research on comparable companies of the Target Company for the Acquisition. However, as the financials of private companies are unavailable and there is a lack of like-for-like listed comparables, the Company has adopted the following selection criteria:

- listed on the Stock Exchange and not suspended from trading as at 16 July 2026;

- principal business operations are in Hong Kong and Mainland China; and
- not less than 50% of the revenue was generated from segments operated by the Target Company, namely (i) education consultancy services, (ii) immigration consultancy services, (iii) trust services covering family trusts, personal trusts, heritage trusts or other related types of trusts and/or (iv) overseas investment advisory services in relation to real estate and/or infrastructure projects for the latest financial year.

Given that the business nature of the Target Company is not asset-intensive and it recorded a net loss for the latest financial year ended 31 March 2026, neither the price-to-book nor the price-to-earnings multiple is adopted. Besides, as the Target Company has no debt, the enterprise value-to-sales multiple would not provide any additional analytical value over the price-to-sales (“P/S”) multiple. The Company considers that the P/S multiple method is a customary and appropriate method for companies with high growth like the Target Company, which has recorded a compound annual growth rate (“CAGR”) of approximately 49.9% in past three years. Accordingly, the Company has adopted the P/S multiple for this analysis. The following table sets out an analysis of the comparable companies based on the aforementioned selection criteria (the “Comparable Companies”):

Table 1 – List of Comparable Companies

Comparable Companies	Basis of selection	P/S as of 16 July 2026 (times)
Dadi Education Holdings Limited (stock code: 8417.hk)	100% of its revenue was generated from overseas studies consultancy services	2.64
Shanghai Realway Capital Assets Management Co., Ltd. (stock code: 1835.hk) (Note)	Approximately 80% of its revenue was generated from investment advisory services in relation to real estate projects	4.94
Shangdong International Trust Co., Ltd. (stock code: 1697.hk) (Note)	Approximately 60% of its revenue was generated from trust business, which includes family trusts, family service trusts, premium trusts and others	1.62
	Maximum	4.94
	Average	3.07
	Minimum	1.62

Note: Revenue denominated in RMB has been converted into HK\$ at an exchange rate of RMB1 to HK\$1.1575.

As shown above, we have identified an exhaustive list of three Comparable Companies based on the said selection criteria. By adopting the P/S multiple of the Comparable Companies, the P/S as of 16 July 2026 (i.e. the day immediately preceding the date of the Agreement) range from approximately 1.62 times to approximately 4.94 times, with average of approximately 3.07 times.

Table 2 – Valuation results

Revenue of the Target Company for the year ended 31 March 2026	HK\$11,065,759
Lack of marketability discount (“ LOMD ”) (<i>Note 1</i>)	15.70%
Control premium (“ CP ”) (<i>Note 2</i>)	38.40%
Equity interest to be acquired	51%
Maximum	HK\$32,544,020
Average	HK\$20,184,556
Minimum	HK\$10,638,615

Notes:

1. The discount is based on the report “Stout Restricted Stock Study Companion Guide (2025 edition)” by Stout Risius Ross, LLC, a reputable research company, which suggested a median marketability discount for the 783 transactions is about 15.7%.
2. The premium is based on the report “Control Premium Study: 1st Quarter 2026” by FactSet Mergerstat, LLC, a reputable research company, which suggested a median invested capital control premium is about 38.4%.

The valuation of the Target Company was derived by applying the P/S multiples of the Comparable Companies to revenue of the Target Company for the year ended 31 March 2026, after adjusting for the lack of marketability discount and the control premium. The calculation is as follows:

$$\text{Valuation} = 51\% \times \text{Revenue} \times \text{P/S} \times (1 + \text{CP}) \times (1 - \text{LOMD})$$

As a result, the implied valuation of 51% stake in the Target Company ranges from approximately HK\$10.6 million to HK\$32.5 million (the “**Valuation Range**”), with an average of approximately HK\$20.2 million. Based on the above, the Consideration of HK\$10 million is at the lower end of the valuation range.

Consideration

In concluding the basis of the Consideration, the Board has assessed that the Consideration is at the lower end of the Valuation Range, and has also taken into account, among others, (i) the safeguard provided by the profit guarantee of HK\$9.18 million in aggregate, which approximates the Consideration of HK\$10 million; (ii) the 24-month lock-up period which aligns the interests of the Vendor with those of the Company and its Shareholders; (iii) the strategic benefits, including business diversification to the Group; (iv) the Target Company's business prospects which are implied by the positive market outlook; and (v) the overall reasons and benefits of the Acquisition as set out under the section headed "REASONS FOR AND BENEFITS OF THE ACQUISITION" in this announcement, in assessing whether the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Basis of the amount of Guaranteed Profit

As stated in the Announcements, the Vendor guarantees that the Target Company's audited net profit after tax for the profit guarantee periods ending in the years 2027, 2028 and 2029 shall be no less than HK\$5 million, HK\$6 million and HK\$7 million, respectively. The Vendor shall pay to the Company a sum equal to the shortfall in cash within two (2) months after the issuance of the audited accounts of the Target Company for the relevant profit guarantee period. The shortfall shall be calculated as the difference between the guaranteed profit amount and the actual net profit after tax for that period, multiplied by the percentage of equity interest held by the Company in the Target Company.

Based on the audited financial statements of the Target Company for the year ended 31 March 2026, which were prepared in accordance with the International Financial Reporting Standards (IFRS) and finalised recently, its revenue and net loss were approximately HK\$11.1 million and HK\$1.1 million respectively, and its net assets value as of 31 March 2026 was approximately HK\$2.4 million.

The financial performance of the Target Company for the latest three years is set out below:

Table 3 – Financial breakdowns for the latest three years

	For the year ended 31 March		
	2024	2025	2026
	HK\$	HK\$	HK\$
Revenue	4,922,549	7,033,771	11,065,759
Cost of services	<u>(1,119,260)</u>	<u>(3,658,284)</u>	<u>(7,092,614)</u>
Gross profit	3,803,289	3,375,487	3,973,145
Other income	675	620	717
Other operating expenses	<u>(3,416,102)</u>	<u>(3,137,583)</u>	<u>(5,079,362)</u>
Profit/(loss) before taxation	<u><u>387,862</u></u>	<u><u>238,524</u></u>	<u><u>(1,105,500)</u></u>

As shown above, the Target Company's other operating expenses amounted to approximately HK\$3.1 million to HK\$5.1 million in the past three financial years, which mainly comprised marketing and promotional costs, administrative expenses and other overheads incurred to support its business operations. Despite the increase in revenue with a CAGR of approximately 49.9%, the Target Company recorded a net loss of approximately HK\$1.1 million for the year ended 31 March 2026 due to (i) the one-off marketing costs for expansion into the Mainland China market in response to the New Capital Investment Entrant Scheme introduced by the Hong Kong Government on 1 March 2024, which required upfront marketing and promotional expenditure; and (ii) increased supplier costs.

Having said that, the Hong Kong Government's policy initiatives and the positive industry outlook are favourable to the Target Company's business development in the mid to long run. Also, there is potential for cost optimisation after Completion by leveraging the Group's existing administrative and operational infrastructure. The potential costs to be shared with the Group include, among others, (i) office rent, as the Target Company is expected to use the Group's office area after Completion; (ii) administrative staff costs, as the Group's existing administrative and human resources staff can cover the Target Company's needs; (iii) advertising costs for local market and expansion into Mainland China as the Group has established business presence in both Hong Kong and Mainland China; and (iv) certain professional fees such as audit and consultancy fees. Accordingly, it is expected that the Target Company's earnings potential could be improved following Completion.

In assessing the reasonableness of the guaranteed amounts, the Directors have adopted a conservative approach and for the sake of simplicity, have matched each profit guarantee period to a full financial year of the Target Company. The Company understand from the Target Company that, after active engagement in promoting the Target Company's business and building professional networks, certain PRC law firms have expressed their willingness to cooperate with the Target Company in the long run and are expected to refer business to the Target Company, therefore supporting its revenue growth throughout the guarantee periods. For illustrative purposes, the Target Company's revenue for each of the profit guarantee periods is projected to grow by 25% per year, which is half of its CAGR of 49.9% from FY2024 to FY2026, and the gross profit margin is assumed to be approximately 42%, being the average of the gross profit margins of FY2025 and FY2026. Under such assumptions, the projected revenue for each profit guarantee period is expected to be approximately HK\$13.8 million, HK\$17.3 million and HK\$21.6 million, respectively, and the corresponding gross profits are expected to be approximately HK\$5.8 million, HK\$7.3 million and HK\$9.1 million, respectively. Upon Completion, the Target Company is expected to benefit from the existing administrative and operational infrastructure of the Group and thus could avoid incurring material standalone operating expenses as mentioned above. On this basis, the Directors consider that the guaranteed profit amounts of HK\$5 million, HK\$6 million and HK\$7 million are reasonable.

Given the potential cost optimisation, the Board is of the view that the amounts of HK\$5 million, HK\$6 million and HK\$7 million under each of the profit guarantee periods ending on 30 September 2027, 2028 and 2029 are reasonable.

Profit guarantee

The amount of Guaranteed Profit was determined through arm's length negotiations between the Vendor and the Company, with reference to, among others, the potential cost optimisation of the Target Company after Completion, the positive industry outlook and the Target Company's competitive strengths. The Directors consider that the amount of Guaranteed Profit, taking into account the aforementioned factors as well as the 24-month lock-up arrangement, is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

For the avoidance of doubt, the audited net profit after tax refers to the net profit after tax as shown in the audited financial statements of the Target Company, and no adjustments shall be made in respect of non-recurring income, other income or income generated outside the ordinary and usual course of the Target Company's business. The Board considers this approach appropriate as any income generated by the Target Company, whether recurring or non-recurring, will ultimately contribute to the Group's 51% share of profits in the Target Company following Completion. As such, excluding any category of income would not accurately reflect the earnings contribution of the Target Company to the Group. In the event that the Vendor is unable to meet its obligations, the Guarantor shall fulfil the Vendor's obligations in the same manner.

The Directors are of the view that the Guarantor serves as the primary safeguard, having agreed to guarantee the Vendor's obligations under the profit guarantee provisions set out in the Agreement. In this regard, the Board's satisfaction is based on (i) the Guarantor's expertise and track record in the immigration and relevant sectors; (ii) the fact that the Guarantor is a full-time employee and the chief operating officer of the Target Company, and thus her obligation under the Profit Guarantee is closely tied to the Target Company's performance on which she plays a significant role; and (iii) the 24-month lock-up arrangement, during which period the interests of the Vendor align with those of the Company and its Shareholders, provides the Company with sufficient time to familiarise itself with and take over the operations of the Target Company, if necessary.

Completion and termination

As at the date of this announcement, no deposit has been paid by the Company, and the relevant payment obligation is not expected to be triggered. Accordingly, the completion and termination provisions of the Agreement should read as below:

Completion shall take place on a date within five Business Days of the satisfaction or waiver of the conditions precedent of the Agreement. Completion of the transaction should occur within three months of signing of the Agreement, or such other date as might be agreed in writing between the parties to the Agreement. The Agreement may be terminated by either party in accordance with the terms of the Agreement.

REASONS FOR AND BENEFITS OF THE ACQUISITION

As stated in the Announcements, the Company has been actively seeking development opportunities to diversify its business operations and revenue streams, and the Board considers that the Acquisition will create synergies with the Group's current business operations. Set out below are the key benefits of the Acquisition.

Revenue diversification

The Acquisition allows the Group to broaden its income streams and expand its service offerings beyond its existing financial services, and thus enhancing the Group's overall financial resilience.

Access to new industry expertise

By acquiring a 51% stake in the Target Company and operating alongside its management team, the Group will be able to gain direct exposure to and practical knowledge of the education and immigration consultancy industry. This collaboration allows the Group to learn from the Target Company's established expertise, operational know how and market insights, which the Board believes will facilitate the Group's long term development in this sector.

Synergy on client base

The Group's client base includes high-net-worth individuals and families who are also the primary target customers of the Target Company. By integrating the Target Company's expertise in overseas immigration, education, trust and investment advisory, the Group would be able to offer a wider range of services to its existing clients, creating potential cross-selling opportunities for both parties. For example, corporate clients of the Group seeking to establish or expand their businesses in Hong Kong may require immigration planning and family relocation services, which could be provided by the Target Company. On the contrary, clients of the Target Company who have relocated to Hong Kong may require financial services which the Group may be able to offer.

Positive industry outlook of the Target Company

According to the press release issued by Invest Hong Kong dated 2 March 2026 ^(Note), the New Capital Investment Entrant Scheme has attracted 3,166 applications with an expected investment of approximately HK\$95 billion since its launch in March 2024, reflecting sustained demand from global high-net-worth individuals seeking to invest and settle in Hong Kong. As at 28 February 2026, 1,762 applications have completed investments and received formal approval, with total investment capital of approximately HK\$55.6 billion deployed across various permissible asset classes. Moreover, according to data from the Immigration Department, approved student visa and entry permit applications increased from 43,732 in 2021 to 94,517 in 2025, representing a CAGR of approximately 21.3% over the period. These trends are expected to generate ripple effects across various sectors, including real estate, dining, retail, education and lifestyle services, which in turn drives demand for education and immigration consultancy services. The Board considers that the Target Company is well-positioned to capture these market opportunities.

INFORMATION ON THE TARGET COMPANY

The Target Company was established to provide immigration and education consultancy services and has since expanded into a one-stop service provider offering integrated professional advisory services, including tax planning, asset allocation and corporate financing, among others.

The Target Company is supported by its owner, i.e. the Vendor, who possesses over 40 years of business experience and maintains extensive connections with Mainland Chinese enterprises, as well as a team of five full-time employees, which includes the Guarantor as chief operating officer (who is a licensed expert in immigration and trust law), two immigration consultants, one staff member responsible for overseas property clients and one administrative staff. Moreover, the Target Company collaborates with various external specialists on a long-term basis in areas such as taxation, asset allocation and corporate financing, so as to complement its in-house capabilities and provide comprehensive services to its clients.

Other than the above, the competitive strengths also include client referrals generated through its long-standing reputation and endorsements from multiple practising solicitors.

Note: <https://www.investhk.gov.hk/en/news/two-year-milestone-new-capital-investment-entrant-scheme-attracts-nearly-3-200-applications-with-expected-investment-of-about-hk-95-billion-reflecting-global-confidence-in-hong-kong/>

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming that the Consideration Shares are issued in full and there will be no change to the total number of Shares in issue other than the allotment and issue of the Consideration Shares from the date of this announcement to the Completion Date, the shareholdings in the Company (a) as at the date of this announcement; and (b) immediately after Completion will be as follows:

	As at the date of this announcement		Immediately after Completion	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Controlling Shareholders, substantial Shareholder and Directors				
Tanner Enterprises Group Limited (<i>Note 1</i>)	82,966,723	41.74	82,966,723	39.74
Li Man Keung Edwin (<i>Note 1</i>)	37,559,800	18.90	37,559,800	17.99
Yeung Chun Yue David	5,280,000	2.66	5,280,000	2.53
Hui Ringo Wing Kun (<i>Note 2</i>)	2,308,000	1.16	2,308,000	1.11
Vendor	2,520,000	1.27	12,520,000	6.00
Public Shareholders	68,114,917	34.27	68,114,917	32.63
Total	198,749,440	100.00	208,749,440	100.00

Notes:

- These 82,966,723 Shares are held by Tanner Enterprises Group Limited, which is wholly owned by Mr. Li Man Keung Edwin, an executive Director. Mr. Li Man Keung Edwin also directly holds 37,559,800 Shares. Accordingly, the aggregate Shares beneficially owned by Mr. Li Man Keung Edwin is 120,526,523 Shares.
- These 2,308,000 Shares are held by Bright Music Limited, which is wholly owned by Mr. Hui Ringo Wing Kun, an executive Director.

GEM LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under Rule 19.07 of the GEM Listing Rules) in respect of the Agreement and the transactions contemplated thereunder exceeds 5% but is less than 25%, the Agreement constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is subject to the reporting and announcement requirements but is exempt from the circular and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

As Completion is subject to the fulfilment or waiver (as the case may be) of the conditions precedent set out in the Agreement, the Acquisition may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

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

Hong Kong, 4 September 2026

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*)

Non-executive Director:

Ms. Chan Hiu Shan

Independent Non-executive Directors:

Mr. William Robert Majcher

Mr. Ho Lik Kwan Luke

Mr. Lau Pak Kin Patric

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

This announcement will remain on the “Latest Listed Company Information” page of the Stock Exchange’s website at www.hkexnews.hk 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