

TARGET

Intelligence Report

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THIS IS PART TWO
OF
HATCHER GROUP LTD

HATCHER GROUP LTD:
OUT WENT THE OLD MANAGEMENT,
IN CAME THE NEW BROOM

Neue Besen kehren gut ?

The 2020/2021 Annual Report Of Hatcher Group Ltd

On Monday, December 20, 2021, Management of Hatcher Group Ltd published and disseminated its Annual Report with regard to the Financial Year, ended September 30, 2021.

At Pages 59 and 60 of this Annual Report, being the '*Consolidated Statement of Comprehensive Income*' and the '*Consolidated Statement of Financial Position*', one was able to appreciate the position in which Senior Management of the Company had faced as at September 30, 2021.

The following are some of the highlights, interpolated from the data as presented by Management in respect of the 2020-2021 Financial Year in respect of those two pages of the Annual Report:

	For The Year, Ended September 30		Percentage Increase/(Decrease)*
	2021	2020	
	All Figures Are Denominated In \$HK'000 (except where otherwise stipulated)		
Revenue	30,934	45,256	(31.65)
Loss Before Taxation From Continuing Operations	(16,664)	(35,239)	(52.71)

Loss For The Year From Continuing Operations	(14,503)	(35,009)	(58.57)
Net Loss For The Year	(20,088)	(35,226)	(42.97)
Total Comprehensive Loss For The Year	(19,877)	(35,045)	(43.28)
Loss Per Share For The Year From Continuing and Discontinued Operations	(3.85) Hongkong cents	(6.86) Hongkong cents	(43.88)
Net Assets (Shareholders' Funds)	37,299	52,226	(28.58)

* These are **TARGET**'s calculations.

It was noted that bank balances and cash stood at \$HK18,958,000.00 in the books of the Company, as at September 30, 2021.

The Gearing Ratio of the Company, as at September 30, 2021, stood at 17.50 percent.

It was stated that, as at September 30, 2021, Hatcher Group Ltd had 'no banking facilities and no borrowings.'

At Page Nine of the 2020-2021 Annual Report, shareholders were informed of the following:

'Disposal of 85% equity interest in Wealth Link Securities Limited (富滙證券有限公司) ("Wealth Link Securities")

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

view to reducing the Group's operational costs and improve the efficient use of its capital and cash-flow resources. As at the date of this annual report, completion of the Disposal does not take place. Details of the Disposal were disclosed in the announcement of the Company dated 13 September 2021.'

By scanning the details of the Revenue of the Company, found at Page 94 of the 2020-2021 Annual Report, it appears to impute, without question, a nagging story of woe that faced Management over an extended period of time:

CONTINUING OPERATIONS	For The Year, Ended September 30		Percentage Increase/(Decrease)*
	2021	2020	
	All Figures Are Denominated In \$HK'000 (except where otherwise stipulated)		
Corporate Finance Advisory Services	17,605	21,895	(19.59)
Placing And Underwriting Services	5,563	17,948	(69.00)
Asset Management Services	98	Nil	N/A
Business Consulting Services	7,668	5,413	41.66
TOTAL	30,934	45,256	(31.65)

* These are **TARGET's** calculations.

At ... [CLICK TO ORDER FULL ARTICLE](#)

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