

**AMASSE CAPITAL**  
**寶 積 資 本**

**AMASSE CAPITAL HOLDINGS LIMITED**

(Incorporated in the Cayman Islands with limited liability)

Stock code: 8168

**ANNUAL REPORT**  
**2018**

## **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 annual 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 annual report.*

*This annual report, for which the directors of Amasse Capital Holdings Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange for the purpose of giving information with regard to the Company and its subsidiaries. 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.*

# CONTENTS

	<i>Page</i>
Corporate Information	3
Chief Executive's Statement and Management Discussion and Analysis	5
Corporate Governance Report	12
Biography of Directors and Senior Management	23
Directors' Report	29
Environmental, Social and Governance Report	37
Independent Auditor's Report	48
Consolidated Statement of Profit or Loss and Other Comprehensive Income	52
Consolidated Statement of Financial Position	53
Consolidated Statement of Changes in Equity	54
Consolidated Statement of Cash Flows	55
Notes to the Consolidated Financial Statements	56
Financial Summary	90

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Lam Ting Lok (*Chief Executive Officer*)  
Mr. Lo Mun Lam Raymond  
Ms. Tse Fung Sum Flora  
Ms. Tsang Kwong Wan

#### Independent Non-executive Directors

Mr. Cheung Pak To, *BBS*  
Mr. Tsang Jacob Chung  
Dr. Yu Yuen Ping

### BOARD COMMITTEES

#### Audit Committee

Mr. Tsang Jacob Chung (*Chairman*)  
Mr. Cheung Pak To, *BBS*  
Dr. Yu Yuen Ping

#### Remuneration Committee

Mr. Cheung Pak To, *BBS* (*Chairman*)  
Mr. Tsang Jacob Chung  
Ms. Tsang Kwong Wan

#### Nomination Committee

Mr. Cheung Pak To, *BBS* (*Chairman*)  
Dr. Yu Yuen Ping  
Ms. Tsang Kwong Wan

### COMPLIANCE OFFICER

Mr. Lam Ting Lok

### AUTHORISED REPRESENTATIVES

Mr. Lam Ting Lok  
Ms. Tsang Kwong Wan

### COMPANY SECRETARY

Ms. Cheng Suk Kuen

### AUDITOR

CHENG & CHENG LIMITED  
*Certified Public Accountants*  
10/F, Allied Kajima Building  
138 Gloucester Road  
Wanchai, Hong Kong

### COMPLIANCE ADVISER

Somerley Capital Limited  
20/F, China Building  
29 Queen's Road Central  
Hong Kong

### LEGAL ADVISOR

Fairbairn Catley Low & Kong  
23/F, Shui On Centre  
6-8 Harbour Road  
Wanchai, Hong Kong

### REGISTERED OFFICE

PO Box 1350  
Clifton House  
75 Fort Street  
Grand Cayman KY1-1108  
Cayman Islands

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1201  
Prosperous Building  
48-52 Des Voeux Road Central  
Hong Kong

### HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor  
Services Limited  
Shops 1712-1716, 17/F  
Hopewell Centre  
183 Queen's Road East  
Wanchai, Hong Kong

## **CORPORATE INFORMATION** (Continued)

### **PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE**

Estera Trust (Cayman) Limited  
PO Box 1350  
Clifton House  
75 Fort Street  
Grand Cayman  
KY1-1108  
Cayman Islands

### **PRINCIPAL BANKERS**

Industrial and Commercial Bank of  
China (Asia) Limited  
DBS Bank (Hong Kong) Limited

### **WEBSITE**

[www.amasse.com.hk](http://www.amasse.com.hk)

### **STOCK CODE**

8168

# CHIEF EXECUTIVE'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

The Board (the “**Board**”) of Directors (the “**Directors**”) of Amasse Capital Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) is pleased to present the audited consolidated financial results of the Group for the year ended 30 September 2018 to the shareholders.

## REVIEW OF RESULTS

For the year ended 30 September 2018, the Group's revenue was approximately HK\$22.2 million. The Group recorded a net profit of approximately HK\$1.0 million for the year ended 30 September 2018.

## LISTING IN HONG KONG

On 22 March 2018, the Company had been successfully listed on the GEM (the “**GEM**”) operated by the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in Hong Kong, demonstrating the realisation of capital expansion and structure optimization of the Company as well as enhancing the recognition and social influence of the Company.

## BUSINESS REVIEW

### Business Review

The Group is a corporate finance advisory service provider based in Hong Kong and licensed to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”), subject to the conditions that its operating subsidiary, Amasse Capital Limited, shall not (i) hold client assets; (ii) for Type 1 regulated activity, engage in dealing activities other than those relating to corporate finance; and (iii) for Type 6 regulated activity, act as sponsor in respect of an application for listing on a recognised stock market of any securities.

The Group is principally engaged in providing corporate finance advisory services in Hong Kong including (i) acting as financial adviser to Hong Kong public listed companies and investors seeking to control or invest in public listed companies in Hong Kong regarding corporate transactions which mainly involve the compliance with the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “**GEM Listing Rules**”) and/or the Codes on Takeovers and Mergers and Share Buy-backs (the “**Takeovers Codes**”); and (ii) acting as independent financial adviser to independent board committees and/or independent shareholders of public listed companies in Hong Kong.

On 3 November 2017, the Group obtained the license to carry on business in Type 1 (dealing in securities) regulated activity under the SFO, subject to the condition that the Group shall not engage in dealing activities other than those relating to corporate finance. This would extend the Group's business presence in the financial service industry and enable the Group to diversify its business scope and further broaden its source of income.

## CHIEF EXECUTIVE'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### Regulation and Market Overview

In the past, one of the Group's advisory services was to act as a financial adviser on transfer of listing from GEM to Main Board of the Stock Exchange for Hong Kong public listed companies. However, as a result of the changes stipulated in the conclusion of the consultation paper on the review of the GEM and changes to the GEM and Main Board Listing Rules becoming effective on 15 February 2018, GEM listed companies are required to appoint a sponsor for such transfer and/or listing on Main Board of the Stock Exchange. As such, the Group was unable to be engaged in providing advisory service on transfer of listing from 15 February 2018 onwards.

On 29 June 2018, the Stock Exchange published a consultation paper to seek comments on proposals relating to backdoor listing and continuing listing criteria. To maintain market quality and reputation, the Stock Exchange proposed to tighten its review on the suitability of listing of new applicants, enhance the continuing listing criteria for listed issuers and tighten the reverse takeovers rules to prevent backdoor listings particularly those involving shell companies. These proposed changes may have adverse effect on number of merger and acquisition ("**M&A**") transactions of listing companies in Hong Kong and adversely impact on the Group's corporate finance advisory services going forward. According to the website of the Stock Exchange, it is observed that for the period from March to September 2018, the number of circulars in respect of notifiable transaction were around 236, representing a decrease of approximately 8.5% from around 258 circulars for the corresponding period last year. This trend appears to have been deteriorated in the following quarter as well. The number of circulars in respect of notifiable transactions published in October and November 2018 decreased to 68, representing a decrease of approximately 23.6% as compared to 89 transactions for the corresponding period last year.

Further, on 3 July 2018, certain amendments to the Listing Rules (the "**Amendments**"), which restricts highly dilutive capital raising activities and tightens the requirements on capital raising activities by listed issuers, as suggested by the Stock Exchange under its consultation paper of capital raisings by listed issuers on September 2017, has become effective. According to the HKEX Securities and Derivatives Markets Quarterly Reports published by the Stock Exchange, it is observed that for the period from January 2018 to June 2018, 148 fund raising transactions (including placing, right issues, and open offer) were recorded, representing a decrease of approximately 21.7% from 189 transactions for the corresponding period last year. Subsequent to the Amendments becoming effective, the corporate fund raising transactions had decreased to 64 for the period from July to September 2018, representing a decrease of approximately 28.1% as compared to 89 transactions for the corresponding period last year. Again, this trend appears to persist in the following quarter as well. According to the website of the Stock Exchange, the number of corporate fund raising transactions in October and November 2018 decreased to 42, representing a decrease of approximately 28.8% as compared to 59 transactions for the corresponding period last year.

The performance of the Group had been affected by the tightened regulatory measures and the poor performance of the stock market, which resulted in lower number and/or total fees of new advisory engagements by the Group during the year under review and for the period from the year-end date up to the publication of this report.

## CHIEF EXECUTIVE'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

The Directors believed that the aforesaid tightened regulatory measures, together with the recent poor market performance, economic uncertainties (such as tightened controls on capital outflow by the Government of The People's Republic of China (the "PRC"), and trade conflict between the PRC and the United State of America) would continuous to affect the corporate fund raising activities as well as M&A activities by Hong Kong public listed companies in the coming financial year, and hence the Group's advisory services as well as the Group's future performance. These tightened regulatory measures might also lead to a longer transaction execution timeline, which might affect the timing of the Group's revenue recognition.

### FINANCIAL REVIEW

#### Revenue

Revenue for the year ended 30 September 2018 amounted to approximately HK\$22.2 million (2017: approximately HK\$24.5 million), representing a decrease of approximately HK\$2.3 million or 9.4% as compared with last year. The decrease in revenue was driven mainly due to a decrease of corporate finance advisory transactions handled by the Group from 51 transactions for the year ended 30 September 2017 to 47 transactions for the year ended 30 September 2018, a decrease of approximately 7.8% as compared to last year.

#### Other Income

Other income was approximately HK\$0.3 million for the year ended 30 September 2018 (2017: Nil), representing bank interest income generated from short-term deposits.

#### Employee Benefit Expenses

Employee benefit expenses primarily consist of salaries, bonus, long services payment and allowances as well as contributions to the mandatory provident fund for the Directors and employees of the Group. Employee benefits expenses was approximately HK\$10.0 million, representing an increase of approximately HK\$2.7 million or 37.0% from approximately HK\$7.3 million for the corresponding period last year, primarily due to the combined effects of (a) upward adjustment to staff salaries and the recruitment of additional professional staff of approximately HK\$2.0 million; (b) the increase of the performance related bonuses of approximately HK\$0.3 million during the year ended 30 September 2018; and (c) the provision of long service payment of approximately HK\$0.4 million under conditions of Hong Kong Employment Ordinance.

#### Other Operating Expenses

Other operating expenses for the year ended 30 September 2018 were approximately HK\$3.6 million when compared to approximately HK\$0.9 million for the corresponding period last year. The increase in other operating expenses was mainly due to (a) the increased cost of operating a publicly-traded company such as fee paid to professional parties including audit fee, compliance advisory fee, insurance fee, legal advisory fee and printing fee; and (b) the increase in donation.

During the year ended 30 September 2018, the Group provided HK\$1.1 million in donation to contribute to the community. (2017: approximately HK\$0.3 million).

## **CHIEF EXECUTIVE'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS (Continued)**

### **Listing Expenses**

During the year ended 30 September 2018, the Group recognised non-recurring listing expenses of approximately HK\$5.6 million, as expenses in connection with the listing on GEM (2017: approximately HK\$5.7 million).

### **Income Tax Expense**

During the year ended 30 September 2018, the Group generated income only in Hong Kong and was subject only to Hong Kong profits tax. The income tax expense for the year ended 30 September 2018 was approximately HK\$1.5 million (2017: approximately HK\$2.6 million), representing a decrease of approximately HK\$1.1 million.

### **Profit for the Year**

The Group recorded net profit of approximately HK\$1.0 million for the year ended 30 September 2018 (2017: approximately HK\$7.3 million). Such decrease was mainly due to the combined effects of (i) the decrease in revenue of approximately HK\$2.3 million as mentioned above; (ii) the increase in employee benefit expenses and other operating expense of approximately HK\$2.7 million each, offsetting by (a) the decrease of income tax expenses of approximately HK\$1.1 million and (b) the increase in interest income of approximately HK\$0.3 million.

The Group's net profit after excluding non-recurring expenses would be approximately HK\$6.6 million (2017: approximately HK\$13.0 million).

### **Dividend**

The Board does not recommend the payment of any dividend for the period. The detail is disclosed in Note 10 of the consolidated financial statements.

### **Liquidity and Financial Resources**

As at 30 September 2018 and 2017, the Group had cash and cash equivalents of approximately HK\$45.8 million and HK\$10.6 million respectively. The Group's current ratio was approximately 25.9 times as compared to approximately 1.9 times as at 30 September 2017 mainly due to the increase in cash and cash equivalents attributable to the unutilised proceeds received from the listing on GEM of the Stock Exchange.

As at 30 September 2018 and 2017, the Group had no banking facilities or borrowings, hence no gearing ratio of the Group was presented.

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

## CHIEF EXECUTIVE'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### Treasury Policy

The Group adopts a prudent financial management approach towards its treasury policy and thus maintained a healthy liquidity position throughout the reporting period. The management of the Group regularly reviews the recoverable amount of trade receivables by performing ongoing credit assessments and monitoring prompt recovery and if necessary to make adequate impairment losses for irrecoverable amounts. In order to achieve better cost control and minimise the cost of funds, the Group's treasury activities are centralised and cash is generally deposited with leading licensed banks in Hong Kong and denominated in Hong Kong dollars.

### Capital Structure

The Company's shares were successfully listed on the GEM on 22 March 2018. There has been no change in the Company's capital structure since 22 March 2018. The capital structure of the Group comprises of issued share capital and reserves. The Directors review the Group's capital structure regularly.

### Pledge of Assets

As at 30 September 2018, the Group did not have any pledged assets (2017: Nil).

### Future Plans for Material Investments or Capital Assets

The Group did not have any other plans for material investment and capital assets as at 30 September 2018.

### Foreign Currency Exposure

The 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.

### Capital Commitments and Contingent Liabilities

As at 30 September 2018, the Group did not have any significant capital commitments and contingent liabilities (2017: Nil).

### Employees and Remuneration Policies

As at 30 September 2018, the Group employed 16 (2017: 14) staff (including executive Directors). The Group determines the employees' remuneration based on factors such as qualification, duty, contributions and years of experience. In addition, the Group provides comprehensive training programs to its employees or sponsors the employees to attend various job-related training courses.

### Significant Investments, Material Acquisitions and Disposals of Subsidiaries and Capital Assets

The Group did not have any significant investments, material acquisitions and disposals of subsidiaries and capital assets during the year ended 30 September 2018.

## CHIEF EXECUTIVE'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### PRINCIPAL RISKS AND UNCERTAINTIES

There are certain risks and uncertainties involved in the Group's current operations, some of which are beyond the Group's control. The most significant risks relating to the business such as (i) business continuity depending on the reliance upon key authorised persons; (ii) withdrawals and terminations of transactions by customers; (iii) default or delays in payments by customers; (iv) potential exposures of reduced financial services transactions arising from unfavourable economic and financial market and (v) the Group's business operation is regulated by legislation and various regulatory authorities. Any changes of the relevant laws, rules and regulations will have potentially impact on the Group's business and operation as noted in the sub-section headed "Regulation and Market Overview" above. A detailed discussion of the risk factors is set out in the section headed "Risk Factors" in the prospectus of the Company dated 8 March 2018 (the "**Prospectus**").

### OUTLOOK

Looking forward, the business and operation environments of the Group will remain challenging as noted in the sub-section headed "Regulation and Market Overview" above.

To cope with the challenging environments, the Group will continue to provide quality corporate finance advisory services to customers while carefully reviewing the Group business strategies against the latest development and trend of the financial market. Meanwhile, the Group will also seek for business opportunities in other financial related services so as to generate value for our customers and future revenue for our shareholders.

### USE OF PROCEEDS

The net proceeds received by the Company from the IPO after deducting the relevant one-off and non-recurring listing expenses amounted to approximately HK\$29.0 million (based on the final public offering price of HK\$0.24 per share), which was below the estimated net proceeds of approximately HK\$32.8 million (estimated on the assumption that the public offering price would be HK\$0.26 per share), the midpoint of the range stated in the Prospectus.

During this year and up to the date of this annual report, the Group spent approximately HK\$2.2 million towards general working capital of the Group. The unutilised net proceeds of approximately HK\$26.8 million were deposited as short-term deposits with a licensed bank in Hong Kong. The following sets forth a summary of the allocation of the net proceeds and its utilisation as at 30 September 2018, as compared to that envisaged in the Prospectus.

## CHIEF EXECUTIVE'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### Comparison of Business Objectives with Actual Business Progress

An analysis comparing the business objectives as stated in the Prospectus with the Group's actual business progress for the period from listing date to 30 September 2018 is set out below:

Business objectives	Approximate amount of net proceeds HK\$ million	Approximate actual amount utilised as at 30 September 2018 HK\$ million	Unused amount of net proceeds as at 30 September 2018 HK\$ million
Expanding the corporate finance advisory business	5.9	–	5.9
Building up an IPO team	17.1	–	17.1
Developing the equity capital markets business	0.7	–	0.7
Expanding office	3.1	–	3.1
General working capital	2.2	2.2	–
	29.0	2.2	26.8

The business objectives and planned use of proceeds as stated in the Prospectus were based on the best estimation of the future market conditions made by the Group at the time of preparing the Prospectus. The planned expansion of the Group's existing corporate finance advisory business and developing the equity capital markets business were originally expected to recruit additional high caliber of talents in the fourth quarter of the financial year ended 30 September 2018. In addition, the Group planned to build up an IPO team in the coming year. The Group was actively recruiting professional staffs through the website of the Company and recruitment agency. However, it was very difficult to recruit suitable candidates due to limited amount of staff with approved qualifications, high demand for talent and high salary package, especially for Responsible Officers and Principals for Type 6 (advising for corporate finance) regulated activity.

The Directors took the view the Group remains resolute to execute the future expansion plans as set out in the "Future Plans and Use of Proceeds" section in the Prospectus and albeit with delay due to the challenging environments as noted in the sub-section headed "Regulation and Market Overview" above and the economic uncertainties, and the difficulty in recruiting appropriate talents in a timely manner. Going forward, the Group will carry out its expansion plans cautiously with reference to the then prevailing market condition, and regulatory changes and atmosphere while keeping in mind the paramount objective to preserve shareholders' value.

# CORPORATE GOVERNANCE REPORT

## CORPORATE GOVERNANCE PRACTICES

The Board acknowledges the importance of good corporate governance practices and believes that maintaining a high standard of corporate governance practices is crucial to the development of the Company. The Board will continue to review its corporate governance practices in order to enhance its corporate governance standards, comply with the increasingly complicated regulatory requirements, and meet with the rising expectations of the shareholders and respective investors. The Company has complied with all the code provisions of the Corporate Governance Code (“**CG Code**”) as set out in Appendix 15 to the GEM Listing Rules throughout the period, except for the deviation as specified and explained below with considered reasons for such deviation.

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive of a listed issuer should be separate and should not be performed by the same individual. Currently, no chairman has been elected for the Company. In accordance with article 132 of the memorandum and articles of association (the “**Articles**”) of the Company, the Directors may elect a chairman of the Board meetings and determine the period for which he/she is to hold office. If no such chairman is elected, the Directors present may choose one of their members to be chairman of the meeting. The Board considers this arrangement allows contributions from all Directors with different expertise to manage the Group’s overall business development, implementation and management.

The key corporate governance principles and practices of the Company are summarised as follows:

## BOARD OF DIRECTORS

The Board cultivates good governance as the cornerstone of the Group’s corporate culture. The Board is responsible for the leadership and control of the Company and is accountable to shareholders for the strategic development of the Group with a targeted goal in respect of maximising long-term shareholder value, while balancing stakeholders’ interests. The Board formulates the overall strategic direction, while the management is delegated with the power to implement policies and strategies as set out by the Board. The Board has also delegated the day-to-day responsibility to the executive Directors who will meet regularly to review the financial results and performance of the Group. The Group oversees the Group’s affairs in a responsible and effective manner. The Board has a balanced composition of executive and non-executive Directors. Currently, the Board comprises four executive Directors and three independent non-executive Directors. At all times during the period, the independent non-executive Directors represent at least one-third of the Board. Each of the independent non-executive Directors appointed on 26 February 2018 has entered into a service agreement with the Company for an initial term of three years commencing from 22 March 2018 which shall continue thereafter unless and until terminated by not less than three months’ notice in writing. Their appointments are subject to retirement by rotation and re-election at the Company’s annual general meeting (“**AGM**”) in accordance with the Articles of the Company.

The composition of the Board is as follows:

### Executive Directors

Mr. Lam Ting Lok (*Chief Executive Officer*)  
Mr. Lo Mun Lam Raymond  
Ms. Tse Fung Sum Flora  
Ms. Tsang Kwong Wan

### Independent non-executive Directors

Mr. Cheung Pak To, *BBS*  
Mr. Tsang Jacob Chung  
Dr. Yu Yuen Ping

During the period and up to the date of this annual report, there was no change in the composition of the Board. The biographical information of the Directors, which is set out on pages 23 to 27, demonstrates a balance of skills, experience and diversity perspectives of the Board. Except as disclosed in the biography of directors, the Directors have no financial, business, family or other material/relevant relationships with the Group.

The Company has throughout the period met the requirements of the GEM Listing Rules relating to the appointment of the independent non-executive Directors with at least one of them possessing appropriate accounting professional qualifications as required under rule 5.05(2) of the GEM Listing Rules. Mr. Tsang Jacob Chung is one of three 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. Each of the independent non-executive Directors has submitted a written statement to the Stock Exchange confirming their independence prior to their respective appointment and has undertaken to inform the Stock Exchange as soon as practicable if there is any subsequent change of circumstances which may affect their independence. The Company has also received a written confirmation from each of the independent non-executive Directors in respect of their independence for the period. The Board considers that all independent non-executive Directors are being considered to be independent by reference to the factors stated in the GEM Listing Rules throughout the period.

The Board recognises and embraces the benefits of having a diverse Board to enhance the quality of the Company's performance as well as to achieve the business objectives and sustainable development. The Board has established a board diversity policy setting out the approach to achieve diversity on the Board including but not limited to gender, age, cultural and educational background, or professional experience with aims of enhancing its capability of decision making and effectiveness in dealing with organisational changes.

In accordance with the Articles of the Company, at each AGM one-third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement at an AGM at least once every three years. Such retiring Directors shall be eligible for re-election at the AGM.

## CORPORATE GOVERNANCE REPORT (Continued)

Any director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of shareholders after their appointment and be subject to re-election at such meeting and any director appointed by the Board as an addition to the existing Board shall hold office only until the next following AGM of the Company and shall then be eligible for re-election. Other matters reserved for the Board include consideration of dividend policy, approval of major investments and review of the corporate governance practices of the Group. Daily operations and administration are delegated to management teams.

The Company has arranged insurance cover in respect of legal action against its Directors. The insurance coverage is reviewed at least annually to ensure that the Directors and officers are adequately protected against potential liabilities.

Each Director is normally able to seek independent professional advice in appropriate circumstances at the Company's expense, upon reasonable request made to the Board.

### NOMINATION COMMITTEE

The Company has established the nomination committee on 26 February 2018 with specific written terms of reference in compliance with the CG Code as set out in Appendix 15 to the GEM Listing Rules. The terms of reference setting out the nomination committee's authority, duties and responsibilities are available on both the GEM website and the Company's website. The primary duties of the nomination committee are to review the structure, size and composition of the Board on a regular basis; identify qualified individuals to become Board members; assess the independence of independent non-executive Directors; and make recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors; and monitor the implementation of the board diversity policy on an ongoing basis.

The Nomination Committee has comprised a total of three members, being Ms. Tsang Kwong Wan, the Company's executive Director, Mr. Cheung Pak To, *BBS* and Dr. Yu Yuen Ping, the Company's independent non-executive Directors.

The majority of the Nominee Committee members are independent non-executive Directors. The Chairman of the Nominee Committee is Mr. Cheung Pak To, *BBS*.

During the period from the listing date and up to the date of this annual report, the Nomination Committee held one meeting for, *inter alia*, considering the retirement and re-election of the Directors at the annual general meeting and to assess, review and make recommendations on the structure, size and composition of the Board.

Details of the attendance records of each committee member at the nomination committee meeting are set out under the subheading "Practices and Conduct of Meetings" below.

### REMUNERATION COMMITTEE

The Company has established the remuneration committee on 26 February 2018 with specific written terms of reference in compliance with the CG Code as set out in Appendix 15 to the GEM Listing Rules. The terms of reference setting out the Remuneration Committee's authority, duties and responsibilities are available on both the GEM website and the Company's website. The primary duties of the remuneration committee are to make recommendations to the Board on the overall remuneration policy and structure relating to the Directors and senior management of the Group; review performance-based remuneration; make recommendations to the Board on the remuneration packages of the Directors and senior management of the Group; and ensure none of the Directors determine their own remuneration. The remuneration committee has adopted the model as described in the Code Provision B.1.2(c)(ii) to make recommendations to the Board on the remuneration packages of individual executive Directors, including salaries, bonuses and benefits in kind.

The Remuneration Committee has comprised a total of three members, being Ms. Tsang Kwong Wan, the Company's executive Director, Mr. Cheung Pak To, *BBS* and Mr. Tsang Jacob Chung, the Company's independent non-executive Directors.

The majority of the Remuneration Committee members are independent non-executive Directors. The Chairman of the Remuneration Committee is Mr. Cheung Pak To, *BBS*.

For the financial year ended 30 September 2018, the remuneration of Directors was determined by their experience, responsibility, workload and the time devoted to the Group. Executive Directors and employees also participate in bonus arrangements determined in accordance with the performance of the Group and the individual's performance.

During the period from the listing date and up to the date of this annual report, the Remuneration Committee held one meeting for, inter alia, reviewing the remuneration policy of the Company, the Directors' fee of the independent non-executive Directors and remuneration packages of the Executive Directors.

Details of the attendance records of each committee member at the Remuneration Committee meeting are set out under the subheading "Practices and Conduct of Meetings" below.

### AUDIT COMMITTEE

The Company has established the audit committee on 26 February 2018 with specific written terms of reference in compliance with Rule 5.28 to 5.29 of the GEM Listing Rules and the CG Code as set out in Appendix 15 to the GEM Listing Rules. The terms of reference setting out the audit committee's authority, duties and responsibilities are available on both the GEM website and the Company's website. The primary duties of the audit committee are mainly to make recommendation to the Board on the appointment and removal of external auditor; review financial statements and material advice in respect of financial reporting; and review risk management and internal control system of the Company. The Audit Committee shall consider whether, in order to assure continuing auditor independence, there should be a regular rotation of the independent registered public accounting firm.

## CORPORATE GOVERNANCE REPORT (Continued)

The Audit Committee has comprised a total of three members, being the three independent non-executive Directors, namely Mr. Tsang Jacob Chung, Mr. Cheung Pak To, *BBS* and Dr. Yu Yuen Ping. The Chairman of the Audit Committee is Mr. Tsang Jacob Chung who possesses the appropriate accounting and financial management. None of the members of the Audit Committee is a former partner of the Company and its subsidiary's existing external auditor.

During the period from the listing date and up to the date of this annual report, the Audit Committee held 4 meetings for, inter alia, (1) appointment of external auditor; (2) appointment of independent external assurance provider to conduct the internal audit function; (3) discussing with the external auditor to assess the impact on applying the new accounting standard; (4) reviewing the audited consolidated financial statements for the year ended 30 September 2018, the unaudited consolidated financial statements for the nine months ended 30 June 2018 and six months ended 31 March 2018; (5) reviewing risk management and internal control system in accordance with code provision C.2.1 of the CG Code; (6) improving current standard of operational control procedures and (7) considering the appointment and re-appointment of external auditor of the Company and reviewing and approving the audit scope and fees proposed by the external auditor.

Details of the attendance records of each committee member at the Audit Committee meeting are set out under the subheading "Practices and Conduct of Meetings" below.

### PRACTICES AND CONDUCT OF MEETINGS

Schedules and agendas for regular Board meetings are normally agreed with the Directors in advance in order to facilitate them to attend. Notice of at least 14 days is given for a regular Board meeting. For other Board meetings, reasonable notice is given. Board papers together with appropriate, complete and reliable information are circulated to all Directors not less than 3 days before the date of the Board meetings to enable them to make informed decisions.

All Directors are supplied in a timely manner with all relevant documentation and financial information. The company secretary is responsible to keep minutes of all Board meetings. Draft minutes are normally circulated to all Directors for comments within a reasonable time after each meeting and the final version is open for their inspection.

## CORPORATE GOVERNANCE REPORT (Continued)

The attendance records of each Director at the Board and the above committee meetings and the general meeting of the Company held during the period from the listing date and up to the date of this annual report:

Name of Director	Attendance/Number of Meetings				
	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting	General Meeting
Executive Directors:					
Mr. Lam Ting Lok	5/5	N/A	N/A	N/A	N/A
Mr. Lo Mun Lam Raymond	5/5	N/A	N/A	N/A	N/A
Ms. Tse Fung Sum Flora	5/5	N/A	N/A	N/A	N/A
Ms. Tsang Kwong Wan	5/5	N/A	1/1	1/1	N/A
Independent non-executive Directors:					
Mr. Cheung Pak To, <i>BBS</i>	5/5	4/4	1/1	1/1	N/A
Mr. Tsang Jacob Chung	5/5	4/4	1/1	N/A	N/A
Dr. Yu Yuen Ping	5/5	4/4	N/A	1/1	N/A

The Board was satisfied with the attendance of the Directors as they have committed sufficient time and attention to the affairs of the Company. Each Director shall disclose to the Company at the time of the materiality of interest and be required 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 associates have a material interest.

### CORPORATE GOVERNANCE FUNCTIONS

According to code provision D.3 of the CG Code, the Board is responsible for performing the duties relating to corporate governance functions. The Board has the following responsibilities in performing the corporate governance duties of the Company as follows: (i) developing and reviewing the Group's policies and practices on corporate governance and make recommendations; (ii) reviewing and monitoring the training and continuous professional development of Directors and senior management of the Group; (iii) reviewing and monitoring the Group's policies and practices on compliance with legal and regulatory requirements; (iv) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and Directors; and (v) reviewing the Group's compliance with the CG Code and disclose in the corporate governance report.

## CORPORATE GOVERNANCE REPORT (Continued)

### AUDITOR'S REMUNERATION

During the year ended 30 September 2018, the fees of the external auditor in respect of audit and non-audit services provided to the Group were as follows:

<b>Service rendered</b>	<b>Fee amount</b> HK\$'000
Audit fee	250
Non-audit fee	–
Total	250

### FINANCIAL REPORTING

The Board has acknowledged their responsibility for the preparation of the consolidated financial statements for the year ended 30 September 2018 which give a true and fair view of the state of affairs of the Group in accordance with the statutory requirements and accounting standards and other financial disclosure requirement under the GEM Listing Rules. The management has provided sufficient explanation and information to the Board as necessary to enable the Board to make an informed assessment of the financial information and position of the Group for the Board's approval. The statement by auditor about their reporting responsibilities is set out in the independent auditor's report on the consolidated financial statements.

### REMUNERATION POLICY FOR DIRECTORS AND SENIOR MANAGEMENT

The remuneration policy of the Group is to ensure the fairness and competitiveness of total remuneration. The emoluments of executive Directors are determined based on the skills, knowledge, individual performance as well as contributions, the scope of responsibility and accountability of such Directors, taking into consideration the Company's performance and prevailing market conditions. The remuneration of the executive Directors and senior management is subject to review and approval by the Remuneration Committee. The remuneration policy of independent non-executive Directors is to ensure that they are adequately compensated for their efforts and time dedicated to the Company's affairs. Their emoluments are determined with reference to their skills, experience, knowledge, duties and market trends. The remuneration of the Independent non-executive Directors is subject to approval by the Board.

### SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors of the Company as at the latest practicable date prior to the issue of this report, the Company has maintained the prescribed public float under the GEM Listing Rules of at least 25% of the Company's total number of issued shares which was held by the public.

### NON-COMPETITION UNDERTAKING

The controlling shareholders (as defined in the GEM Listing Rules) of the Company gave a non-competition undertaking in favour of the Company and confirm that they and their associates have not breached the terms of the undertaking contained in the deed of non-competition during the period. Details of the non-competition undertaking are set out in section headed “Underwriting – Further Undertaking by our Controlling Shareholders” in the prospectus. All independent non-executive Directors have reviewed on an annual basis the compliance with the respective non-competition undertakings by our controlling shareholders. In view of this conclusion, the controlling shareholders have complied with all the undertakings under the deed of non-competition in favour of the Company during the period and up to the date of this annual report.

### DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the code for securities transactions by directors of listed issuers set out in the rules 5.48 to 5.67 of the GEM Listing Rules, as its own code regarding directors’ dealings in the securities of the Company (the “**Own Code**”). Having made specific enquiry, all Directors confirmed that they have complied with the required standard set out in the Own Code from the date of listing to the date of this annual report.

### PURCHASE, SALE OR REDEMPTION OF THE LISTED SHARES OF THE COMPANY

During the period and up to the date of this annual report, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed shares of the Company.

### DIRECTORS’ TRAINING AND PROFESSIONAL DEVELOPMENT

The Directors have complied with the requirement of the code provision A.6.5 of the CG Code on Director’s training. During the period, the Directors participated in appropriate professional development activities by ways of reading materials and attending seminars regarding their duties and responsibilities under the relevant legal and regulatory requirements. The Company organised in-house training sessions to the Directors. The training sessions were delivered by professional service provider (a member of Hong Kong Institute of Certified Public Accountants) to provide relevant reading materials on the latest development of applicable rules and corporate governance practices. In addition, the Company organised a joint seminar with a legal firm. This seminar was conducted by solicitor to provide up-to-date regulatory and compliance information to the Directors.

Each newly appointed Director has received formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of director’s responsibilities and obligations under the GEM Listing Rules and relevant statutory requirements.

### RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility to maintain the Group’s risk management and internal control systems. With the support from the Audit Committee, the Board monitors the Group’s risk exposures, oversees the actions of management and reviews the overall effectiveness of the risk management system on an ongoing basis.

## CORPORATE GOVERNANCE REPORT (Continued)

### Risk Management System

Risk is an inherent part of the Group's business activities. When the Group provides corporate advisory services to clients, the Group takes on some degree of risk. The Group's overall objective is to manage the business, and associated risks, in a manner that balances serving the interests of customers and protects the safety and soundness of the Group. The Group's approach to risk management covers a broad spectrum of economic and other core risk areas, such as credit, market, liquidity, country, operational, compliance, conduct, legal, capital and reputation risks, with controls and governance established for each area, as appropriate.

The Group believes that effective risk management requires:–

1. acceptance of responsibility, including identification and escalation of risk issues, by all individuals within the Group;
2. ownership of risk identification, assessment, management within the business and corporate functions;
3. structure for risk governance; and
4. implementation of risk strategies by avoiding, transferring, mitigating and accepting the risk.

The risk management system is designed to manage rather than eliminate the risk of failure to achieve business objectives. The senior management provides leadership and guideline for the balance of risk and opportunity. The Group's executive Directors review and report to the Board through the Audit Committee on the material risks affecting the Group as well as potential impact and mitigating measures. The senior management ensures that a review of the effectiveness of the risk management framework has been conducted at least annually and provide confirmation of this to the Board through the Audit Committee.

### Internal Control System

Under Code Provision C.2.5, the Group should have an internal audit function. The Company has no internal audit function because the Company has delegated the internal audit function to an independent external assurance provider who has conducted a review on the adequacy and effectiveness of the Group's risk management and internal control systems. In addition, the Company has maintained an internal control system and its implementation has been considered effective by the Audit Committee and the Board. Meanwhile, the Group strives for continual improvement through efforts to enhance controls, ongoing employee training and development, talent retention, and other measures. The Group follows a disciplined and balanced compensation framework with strong internal governance and independent Board oversight. The impact of risk and control issues are carefully considered in the Group's performance evaluation and incentive compensation processes.

In order to enhance the Group's system of handling and dissemination of inside information, the Group maintains a framework for the handling and dissemination of inside information and the disclosure policy of the framework sets out the procedures and internal controls to ensure inside information remains confidential until such information is appropriately disclosed and the announcement of such information is made in a timely manner in compliance with the SFO and the GEM Listing Rules. In addition, the Group had, from time to time, reminded the management of the requirements of the GEM Listing Rules and guidelines on the inside information issued by the Stock Exchange and the SFC. The blackout notice period and Mode Code are sent to the Directors regularly to arouse their awareness to preserve the confidentiality of inside information. Inside information (if any) is only disseminated to specified persons on a need-to-know basis.

### **Effectiveness of the Risk Management and Internal Control Systems**

The Audit Committee reviewed the risk management and internal control review report issued by the independent external assurance provider and the Company's risk management and internal control systems in respect of the year ended 30 September 2018 and considered that they are effective and adequate in financial controls, operational and compliance controls and risk management functions. The Board assessed the effectiveness of internal control systems by considering the risk management and internal control review report and reviews performed by the Audit Committee and concurred the same. In addition, the Audit Committee has communicated with external auditors of the Company to understand if there is any material control deficiency.

Based on the risk management and internal control reviews conducted in the period, no significant control deficiency was identified.

### **SHAREHOLDERS AND INVESTORS' RELATIONS**

The Board has established shareholders communication policy and is dedicated to maintaining an on-going dialogue with the shareholders and the investment community. The policy is subject to review regularly to ensure its effectiveness. It aims to ensure the shareholders and the investment community are provided with ready and timely access to all publicly available information about the Company such as circulars and Company's financial reports (quarterly, interim and annual reports) so as to enable the shareholders to exercise their rights in an informed manner and to allow the shareholders and investment community to engage actively with the Company. We welcome shareholders and the investment community to visit the Company's website at [www.amasse.com.hk](http://www.amasse.com.hk) to obtain up-to-date information regarding the Company.

### **Constitutional Documents**

The Company adopted the amended and restated Articles of the Company on 26 February 2018 which was effective on 22 March 2018 in order to comply with the GEM Listing Rules in Hong Kong. A copy of the amended and restated Articles of the Company is posted on the website of the Stock Exchange and the Company. During the period from the listing date and up to the date of this annual report, there has been no change in the Articles of the Company.

### SHAREHOLDERS' RIGHTS

#### Convening an Extraordinary General Meeting of the Company and putting forward Proposals at General Meetings

In accordance with article 64 of the articles of association of the Company, any one or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company and carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require an extraordinary general meeting (“**EGM**”) to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitioner(s) himself/herself/themselves may do so in the same manner, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed to the requisitioner(s) by the Company.

#### Putting forward Enquiries to the Board

Enquiries by shareholders to be put to the Board can be sent in writing to the Directors or company secretary at the principal place of business in Hong Kong. The shareholders may make a request for information about the Company by sending an e-mail to [co@amasse.com.hk](mailto:co@amasse.com.hk).

For share registration related matters, such as share transfer and registration, change of name or address, loss of share certificates or dividend warrants, the Company's registered shareholders can contact the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited.

### COMPANY SECRETARY

During the period and up to the date of this annual report, Ms. Cheng Suk Kuen is the company secretary of the Company. Her biographical detail is set out under the section headed “Biography of Directors and Senior Management” of this annual report. She has complied with Rule 5.15 of GEM Listing Rules by taking no less than 15 hours of relevant professional training to update her skills and knowledge.

# BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

## EXECUTIVE DIRECTORS

**Mr. Lam Ting Lok**, aged 45, is an executive Director and the chief executive officer of the Company. He was appointed as a director on 14 February 2017 and was re-designated as an executive director on 12 September 2017. Mr. Lam is also the sole director of the Company's subsidiaries, including Merit Group Investment Limited and Amasse Capital Limited ("**Amasse Capital**"). Mr. Lam is responsible for overseeing business development of the Group, cultivating long-term client relationship, introducing new clients and projects and leading execution of corporate finance projects. Mr. Lam has been a Responsible Officer for Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO for Amasse Capital since November 2017 and September 2012 respectively. Mr. Lam received a bachelor's degree in Business Administration from The Chinese University of Hong Kong in December 1995. Mr. Lam has been an Associate member of the Hong Kong Institute of Certified Public Accountants since October 1998, and a CFA® charterholder since December 1999. Mr. Lam has over 21 years of experience in the accounting and financial industry. Prior to joining the Group, he held senior executive management roles and was responsible for executing corporate finance transactions and overall supervision of the corporate finance advisory and asset management services.

Mr. Lam was an independent non-executive director of Wonderful Sky Financial Group Holdings Limited (Stock code: 1260), a company listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), from March 2012 to January 2016, and an independent non-executive director of China Metal International Holdings Inc. (Stock code: 319), a company listed on the Main Board of the Stock Exchange (privatised and withdrawn from listing in October 2017), from August 2013 to October 2017.

Mr. Lam is the spouse of Ms. Tse Fung Sum Flora, an executive Director and a controlling shareholder of the Company.

**Mr. Lo Mun Lam Raymond**, aged 65, is an executive Director of the Company. He was appointed as a director on 14 February 2017 and was re-designated as an executive director on 12 September 2017. Mr. Lo is mainly responsible for supervising our provision of corporate finance advisory service, formulating business and corporate strategies and introducing new clients and projects. Mr. Lo has been a Responsible Officer for Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO for Amasse Capital since November 2017 and February 2016 respectively.

Mr. Lo obtained a bachelor's degree in Business Administration from the University of Wisconsin-Madison in the United States in May 1975, a degree of Master of Laws in Arbitration and Dispute Resolution from The University of Hong Kong in November 2010 and a Postgraduate Certificate in Sustainable Business from the University of Cambridge in the United Kingdom in March 2014. Mr. Lo was admitted as a chartered accountant under The Institute of Chartered Accountants in England & Wales in May 1979 and re-designated as a Fellow member in October 2002. In June 1988, he was admitted as a chartered accountant under The Institute of Chartered Accountants of Ontario (now known as the Chartered Professional Accountants of Ontario), in Canada. In May 2006, he was elected as a Fellow member of The Royal Institution of Chartered Surveyors, in the United Kingdom. In November 2010, he was admitted as a member of The Chartered Institute of Arbitrators, in the United Kingdom and was re-designated as a fellow member in December 2017.

## BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

Mr. Lo has over 41 years of experience in the accounting, banking and financial industries. Before joining our Group, Mr. Lo worked in various international accountants' firms and financial institutions. He started his career with a West-end firm, Leigh Carr & Partners (now known as Leigh Carr), Chartered Accountants in London, England and had worked with the firm from September 1975 to February 1979 carrying out accounting duties. Between March 1979 to June 2000, Mr. Lo worked in the accounting, banking and finance industry for various firms and companies. Between January 2000 and April 2002, he worked as a director for WorldVest Capital Limited (previously known as AsiaVest Capital Limited), which provided financial consultancy and advisory and investment in securities services. As an investment adviser registered with the SFC since June 2000, his registration was conditional on, among others, actively participating in or being directly responsible for the supervision of the investment advisory business of WorldVest Capital Limited. Mr. Lo held senior managerial position in SPDB International Holdings Limited, an investment bank of Shanghai Pudong Development Bank from April 2003 to October 2015. He was also promoted to directorship level as a non-executive director of SPDB International Holdings Limited from November 2015 to June 2016. He was responsible for advisory on strategic matters in relation to corporate finance advisory and asset management services.

Mr. Lo held directorate level and strategist positions with multinational conglomerate companies. He served as a non-executive director of Asian Capital Resources (Holdings) Limited (formerly known as Asian Information Resources (Holdings) Limited) (stock code: 8025), a company listed on the GEM of the Stock Exchange, from June 2001 to May 2014, an independent non-executive director of Shanghai Zendai Property Limited (formerly known as Shanghai Century Holdings Limited) (stock code: 755), a company listed on the Main Board of the Stock Exchange, from September 2002 to June 2015, a non-executive director of FDG Electric Vehicles Limited (formerly known as Gorient (Holdings) Limited) (stock code: 729), a company listed on the Main Board of the Stock Exchange from December 2002 to March 2005, an independent non-executive director of Luk Fook Holdings (International) Limited (stock code: 590), a company listed on the Main Board of the Stock Exchange, from September 2004 to August 2013. He was also a former executive director from September 2005 to May 2008 and non-executive director from May 2008 to November 2008 of Lajin Entertainment Network Group Limited (formerly known as Golife Concepts Holdings Limited) (Stock Code: 8172) which is listed on the GEM of the Stock Exchange, and an independent non-executive director of Guangshen Railway Co., Ltd. (stock code: 525), a company listed on the Main Board of the Stock Exchange, from June 2011 to May 2014. Mr. Lo is currently an independent non-executive director of China Datang Corporation Renewable Power Company Limited (Stock code: 1798) from August 2013, a company listed on the Main Board of the Stock Exchange.

**Ms. Tse Fung Sum Flora**, aged 46, is an executive Director of the Company. She was appointed as a director on 14 February 2017 and was re-designated as an executive director on 12 September 2017. She was appointed as the chief operating officer of Amasse Capital on 1 September 2014 and she is responsible for supervising and formulating business and corporate strategies and handling our Group's daily operations and back office support functions. Ms. Tse is a Licensed Representative for Type 6 (advising on corporate finance) regulated activity under the SFO. She has been an Associate member of The Hong Kong Institute of Company Secretaries (now known as The Hong Kong Institute of Chartered Secretaries) since September 2001. Ms. Tse received a Master of Business Administration (an on-line course) from The University of Newcastle in Australia in May 2006. She has over 21 years of experience in the financial and secretarial industry. She served as a vice president of Computershare Hong Kong Investor Services Limited from September 2000 to October 2013 and mainly responsible for providing share registry services to listed companies in Hong Kong.

## BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

Ms. Tse is the spouse of Mr. Lam Ting Lok, an executive Director and chief executive officer of the Group.

**Ms. Tsang Kwong Wan**, aged 45, is an executive Director, a member of both the Remuneration and Nomination Committee of the Company. She was appointed as a director on 14 February 2017 and was re-designated as an executive director on 12 September 2017. She joined Amasse Capital on 13 July 2012 as Responsible Officer. She is responsible for supervising and leading execution of corporate finance projects. She has been a Responsible Officer for Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities for Amasse Capital under the SFO since November 2017 and July 2012 respectively. Ms. Tsang has over 16 years of experience in the financial industry and held senior positions in the corporate finance department of local securities firms.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Cheung Pak To**, *BBS*, aged 69, is an independent non-executive Director, the Chairman of both the Remuneration Committee and the Nomination Committee and a member of the Audit Committee of the Company. He joined the Company in February 2018. Mr. Cheung obtained a Master's degree in Public Administration from The University of Hong Kong in November 2007. Mr. Cheung has extensive management and administrative experiences. From January 1969 to October 1989, Mr. Cheung served with the HQ British Forces Hong Kong with his final position as executive officer. Mr. Cheung had also worked with the SFC for about 20 years, with his final position as senior manager of the finance & administration department of the SFC.

On the social and community responsibilities front, Mr. Cheung was a devoted volunteer serving the Civil Aid Service of Hong Kong for about 30 years until May 2009; during which he was appointed as Honorary Aide-de-Camp to Governors Lord Wilson of Tillyorn and Mr. Christopher Patten, and Chief Executive Mr. Tung Chee-Hwa, and achieved the rank of Assistant Commissioner. Mr. Cheung was awarded the Bronze Bauhinia Star by the Hong Kong Government in July 2003.

Mr. Cheung served as both former executive director from November 2012 to June 2015 and non-executive director from July 2015 to November 2017 of Hong Kong Resources Holdings Limited (Stock Code: 2882) which is listed on the Main Board of the Stock Exchange. Mr. Cheung is also an independent non-executive director of both National Agricultural Holdings Limited (Stock code: 1236) from January 2017 and Minshang Creative Technology Holdings Limited (Stock code: 1632) from July 2018 which are both listed on the Main Board of the Stock Exchange.

Mr. Cheung has no relationship with any Directors, senior management or substantial shareholders (as defined in the Listing Rules) or controlling shareholders (as defined in the Listing Rules) of the Company.

## BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

**Mr. Tsang Jacob Chung**, aged 68, is an independent non-executive Director, the Chairman of the Audit Committee and a member of the Remuneration Committee of the Company. He joined the Company in February 2018. Mr. Tsang has over 20 years of experience in accounting and financial work sector. Mr. Tsang had been working with The Hong Kong Jockey Club since 1995 and was the director of the Group Treasury of that club from 2008 to 2016, before he retired from the club in January 2017. He was admitted as a member of the Association of Chartered Certified Accountants, in the United Kingdom in February 1978 and has maintained fellowship status since February 1983. He was a member of the Products Advisory Committee of the SFC from August 2010 to March 2016. Mr. Tsang was also appointed by different organisations to serve on their respective boards and/or committees in relation to aspects of investment advisory, financial and treasury services. He was Honorary Treasurer of Heep Hong Society and a member of executive committee and sub-committee on investment and finance on Heep Hong Society. He was the chairman of investment advisory committee of Sir David Trench Fund for Recreation, Police Children's Education Trust and Police Education and Welfare Trust. He was also a member of ad hoc committee on fund management of Hong Kong Housing Society and a member of global investor steering committee of Alternative Investment Management Association.

Mr. Tsang has no relationship with any Directors, senior management or substantial shareholders (as defined in the Listing Rules) or controlling shareholders (as defined in the Listing Rules) of the Company.

**Dr. Yu Yuen Ping**, aged 51, is an independent non-executive Director, a member of both the Audit Committee and Nomination Committee of the Company. He joined the Company in February 2018. Dr. Yu obtained a Bachelor of Arts (Honours) degree in International Business Studies from the City University of Hong Kong in November 1995 and a Master of Business Administration in International Management from the Thunderbird, The American Graduate School of International Management (now known as the Thunderbird School of Global Management) at the Arizona State University in the United States in December 2001. In September 2003, he obtained a Professional Diploma in Corporate Governance and Directorship, which was jointly organised by The Hong Kong Institute of Directors and the Hong Kong Productivity Council and the course was undertaken on a part-time basis. In February 2010, he obtained his Doctor of Philosophy (PhD) in Management Studies from the University of Cambridge in the United Kingdom. After graduating from the City University of Hong Kong in 1995, Dr. Yu later worked as a Marketing Analyst at 3M Hong Kong Limited from August 1995 to June 1996 and was later transferred to Imation Hong Kong Limited where he worked from July 1996 to April 2002 with his last position as business manager in the China new business development. He then returned to the City University of Hong Kong, where he was employed as an Instructor from July 2002 to August 2004 before pursuing his PhD programme at the University of Cambridge in the United Kingdom in October 2004.

## BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

Dr. Yu has nearly 11 years of management experience, with a particular focus on energy, climate policy, environmental management and development of education. He was the former head of the climate programme of WWF-Hong Kong from November 2008 to August 2012. He is the founder and the current chief executive officer of the World Green Organisation, which was established in November 2012. He has been serving as Adjunct Professor at the City University of Hong Kong from October 2012 to September 2016 and from January 2017 onwards, and as Honorary Assistant Professor at The University of Hong Kong since May 2017. He has been appointed as a member of the School of Continuing Education – College of International Education Advisory Committee of the Hong Kong Baptist University from March 2014 to August 2017. He is a member of advisory committee on environmental science of the Chinese University of Hong Kong. He is also appointed by other different organisations to serve on their respective committees in relation to aspects such as environment, energy and technological innovation. Dr. Yu was a member of environmental campaign committee, energy advisory committee and energy & power generation sub-group of the air quality objectives review working group of Environment Bureau of the Hong Kong Government. He was a member of environmental and conservation fund waste recovery projects vetting subcommittee of Environmental Protection Department Community Relations Unit of the Hong Kong Government. He is a member of genetically modified organisms (control of release) ordinance expert group of Agriculture, Fisheries and Conservation Department of the Hong Kong Government.

Dr. Yu has no relationship with any Directors, senior management or substantial shareholders (as defined in the Listing Rules) or controlling shareholders (as defined in the Listing Rules) of the Company.

## SENIOR MANAGEMENT

### Compliance Officer

Pursuant to rule 5.19 of the GEM Listing Rules, Mr. Lam Ting Lok, who is also an executive Director, was appointed as the compliance officer of the Company upon listing. Please refer to his biography above for details.

### Responsible Officers

**Mr. Lau Wing Lam**, aged 33, joined Amasse Capital as a senior manager on 4 August 2014. He has served as an associate director of Amasse Capital since July 2015. Mr. Lau supervises and leads execution of corporate finance projects. Mr. Lau is a Responsible Officer of Amasse Capital for Type 6 (advising on corporate finance) regulated activity and a Licensed Representative for Type 1 (dealing in securities) regulated activity under the SFO since August 2016 and May 2018 respectively.

Mr. Lau received a bachelor's degree in Economics from Hong Kong Shue Yan University in July 2009. Mr. Lau also received a Master of Science in Investment Management from Cass Business School of the City University, London (now known as City, University of London) in September 2010.

Mr. Lau has over seven years of experience in the financial industry. Before joining our Group, Mr. Lau worked as analyst – Corporate Finance for VMS Securities Limited for about a year. Mr. Lau also worked as a corporate finance associate for Wallbanck Brothers Securities (Hong Kong) Limited for around two years.

Mr. Lau has not held any directorship in any other public companies, the securities of which are or have been listed on any securities market in Hong Kong or overseas in the past three years.

## BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

**Mr. Loong Kwok Chueng**, aged 51, joined Amasse Capital on 24 October 2017 and is a Responsible Officer of Amasse Capital. He is responsible for supervising the operation of our Type 1 (dealing in securities) regulated activity under the SFO and providing guidance on our expansion plan. He has been a Responsible Officer for Type 1 (dealing in securities) regulated activity and a Licensed Representative for Type 6 (advising on corporate finance) regulated activity under the SFO since November 2017 and January 2018 respectively.

Mr. Loong received a Bachelor's degree in Commerce (Accounting and Finance) from Curtin University of Technology (now renamed as Curtin University) in Australia in February 2006. Mr. Loong received a Postgraduate Diploma in Investment Management from the School of Professional and Continuing Education of The University of Hong Kong in March 2010. Mr. Loong also obtained a Diploma in Legal Studies from the School of Professional and Continuing Education of The University of Hong Kong in March 2012. He became an Associate member of CPA Australia in February 2006.

Mr. Loong has more than 21 years of experience in the securities business sector and has extensive knowledge in operating a securities firm. Before joining our Group, Mr. Loong has worked for Ever-Long Securities Company Limited for over 20 years, with his last position as Chief Dealer.

### Company Secretary

**Ms. Cheng Suk Kuen**, aged 46, joined the Group in September 2017 and is company secretary of the Company and financial controller of Amasse Capital. She is primarily responsible for overseeing company secretarial matters, as well as the financial management of our Group. She obtained a Bachelor of Commerce (Accounting) degree from the Curtin University of Technology (now known as the Curtin University) in Australia in February 2000. She further obtained a Master degree in Corporate Finance from The Hong Kong Polytechnic University in November 2003. She has been a Certified Practising Accountant under CPA Australia since March 2007 and has been a member of the Hong Kong Institute of Certified Public Accountants since July 2007. She has extensive experience in finance, accounting and corporate secretarial functions.

# DIRECTORS' REPORT

The Directors are pleased to present their first report together with the audited consolidated financial statements of the Group for the year ended 30 September 2018 after its listing on GEM of the Stock Exchange on 22 March 2018 (the “**Listing Date**”).

## CORPORATE REORGANISATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 14 February 2017. The Company completed the group reorganisation (the “**Reorganisation**”) on 26 February 2018 in preparation for the listing, pursuant to which the Company became the holding company of the companies now comprising our Group. Details of the Reorganisation are set out in the section headed “History and Development – Reorganisation” in the Prospectus. The shares were listed on the GEM of the Stock Exchange on Listing Date by way of share offer. The Company is domiciled in Hong Kong and has a principal place of business at Room 1201, Prosperous Building, 48-52 Des Voeux Road Central, Hong Kong.

## PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries are set out in Note 27 to the consolidated financial statements. There were no significant changes in the nature of the Group’s principal activities during the period.

## BUSINESS REVIEW

The business review and outlook of the Group during the period are set out in the section headed “Chief Executive’s Statement and Management Discussion and Analysis” on pages 5 to 11 of this annual report. Principal risks and uncertainties that the Group may be facing are set out on page 10 of this annual report and the Corporate Governance Report is set out on pages 12 to 22 of this annual report.

## RESULTS

The Group’s profit for the year ended 30 September 2018 and the financial position of the Group at that date are set out in the consolidated financial statements on pages 52 to 53.

## SEGMENT INFORMATION

An analysis of the Group’s revenue and contribution to profit or loss for the year by its principal activities is set out in Note 6 to the consolidated financial statements.

## DIVIDENDS

The Board does not recommend the payment of any final dividend for the year as set out in Note 10 to the consolidated financial statements.

## FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last financial years is set out on page 90 of this annual report.

## SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in Note 18 to the consolidated financial statements.

## **DIRECTORS' REPORT (Continued)**

### **RESERVES**

Details of the movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 54 of this annual report.

### **DISTRIBUTABLE RESERVES**

At 30 September 2018, the aggregate amount of reserves available for distribution to equity shareholders of the Company, as calculated under the Companies Law of the Cayman Islands, was approximately HK\$22.8 million.

### **USE OF PROCEEDS**

The net proceeds from the issue of new shares of the Company, after deduction of the professional fees, underwriting commissions and other fees payable by the Company in connection with the listing, were estimated to be approximately HK\$29.0 million. Up to the date of this annual report, approximately HK\$2.2 million has been utilised. Balance of net proceeds has been approximately HK\$26.8 million. Details are set out in Management Discussion and Analysis on pages 10 to 11 of this annual report.

### **PLANT AND EQUIPMENT**

Details of movements in plant and equipment of the Group during the year are set out in Note 12 to the consolidated financial statements.

### **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed shares of the Company.

### **PRE-EMPTIVE RIGHTS**

There are no provisions for pre-emptive rights under the Company's Articles or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

### **DEBENTURES**

The Company did not issue any debentures during the year ended 30 September 2018.

### **DONATIONS**

Donations made by the Group during the year amounted to HK\$1.1 million (2017: 0.3 million).

### **MAJOR CUSTOMERS AND SUPPLIERS**

The revenue generated by the five largest customers for the year ended 30 September 2018 and the six largest customers for the year ended 30 September 2017 accounted for approximately 60.2% and 54.7% of the total revenue respectively. For the year ended 30 September 2017, there were three customers ranked equally as the top fourth largest customers in terms of their respective revenue contribution to the Group for the year. The Group's largest customer for the year ended 30 September 2018 accounted for approximately 27.0% of the total revenue (2017: approximately 20.4%).

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 (which to the best knowledge of the Directors, owns 5% or more of the Company's issued shares) had any beneficial interest in the Group's above-mentioned customers.

### CORPORATE GOVERNANCE

Details of the Company's corporate governance practices are set out in the Corporate Governance Report on pages 12 to 22 of this annual report.

### ENVIRONMENTAL POLICIES AND PERFORMANCE

The Board has overall responsibility for the Group's environmental, social and governance ("ESG") strategy and reporting. The Board is responsible for the Group's ESG risk management and internal control systems to ensure that the ESG strategies and reporting requirements are met. The details of ESG performance of the Group are set out in the ESG Report on pages 37 to 47 of this annual report.

### COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the year ended 30 September 2018, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. There was no material breach of or non-compliance with the applicable laws and regulations by the Group.

### RELATIONSHIPS WITH EMPLOYEES AND CUSTOMERS

The Group recognises employees as one of the valuable assets of the Group and the Group strictly complies with the labour laws and regulations in Hong Kong and regularly reviews the existing employee benefits for improvement. Apart from the reasonable remuneration packages, the Group also offers good welfare benefits and continuous professional training. The Group provides good quality services to the customers and maintains a good relationship with them. Without good relationship with customers, the success of the Group's operation would be at risk.

### DIRECTORS

The Directors of the Company during the year ended 30 September 2018 and up to the date of this report are as follow:

#### Executive directors

Mr. Lam Ting Lok (*Chief Executive Officer*) (appointed on 14 February 2017)  
Mr. Lo Mun Lam Raymond (appointed on 14 February 2017)  
Ms. Tse Fung Sum Flora (appointed on 14 February 2017)  
Ms. Tsang Kwong Wan (appointed on 14 February 2017)

#### Independent non-executive directors

Mr. Cheung Pak To, *BBS* (appointed on 26 February 2018)  
Mr. Tsang Jacob Chung (appointed on 26 February 2018)  
Dr. Yu Yuen Ping (appointed on 26 February 2018)

## **DIRECTORS' REPORT (Continued)**

Pursuant to the Articles of the Company, at each AGM, one-third of the Directors for the time being (or, if their number is not a multiple of three, 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 the AGM at least once every three years. Such retiring Directors may, being eligible, offer themselves for re-election at the AGM. All Directors appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of shareholders of the Company after their appointment and be subject to re-election at such meeting and all Directors appointed by the Board as an addition to the existing Board shall hold office only until the next following AGM and shall then be eligible for re-election. Accordingly, Mr. Lam, Mr. Lo, Ms. Tse, Ms. Tsang, Mr. Cheung, Mr. Tsang and Dr. Yu shall hold office only until the forthcoming general meeting and being eligible, offer themselves for re-election at the general meeting.

The Company has received an annual confirmation from each independent non-executive Director of his independence pursuant to the requirements of the Listing Rules. The Company considers all independent non-executive Directors to be independent in light of the independence guidelines set out in the Listing Rules.

The biographic details of Directors are set out on pages 23 to 27 of this annual report.

### **DIRECTORS' SERVICE CONTRACTS**

Each of the executive Directors has entered into a service agreement with the Company for an initial term of three years commencing from Listing Date, which shall continue thereafter unless and until terminated by not less than three months' notice in writing served by either party on the other. Each of the independent non-executive Director has entered into a letter of appointment with the Company for a term of three years commencing from Listing Date, which shall continue thereafter unless and until terminated by not less than three months' notice in writing served by either party on the other.

Save as disclosed above, none of the Directors, including those to be re-elected at the forth coming AGM has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

### **EMOLUMENT POLICY**

The Remuneration Committee is responsible for reviewing emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance and corporate market practices. The Company has adopted a share option scheme as incentive to Directors and eligible employees.

#### **Share Option Scheme**

The Company adopted the share option scheme on 26 February 2018, details of the scheme are set out in Note 26 to the consolidated financial statements. No share option has been granted under the share option scheme since its adoption.

## **DIRECTORS' INTERESTS IN SIGNIFICANT TRANSACTIONS, ARRANGEMENTS AND CONTRACTS**

Save as disclosed in Note 24 to the consolidated financial statements, there were no transactions, arrangements or contracts of significance to which the Company, its holding company, fellow subsidiaries or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at any time during the year.

## **MANAGEMENT CONTRACTS**

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year.

## **ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES**

Other than the share option scheme disclosed, at no time during the year was the Company, its holding company, fellow subsidiaries or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

## **DIRECTORS' INTERESTS IN A COMPETING BUSINESS**

Save for the Directors disclosed as below, none of Directors nor their respective close associates were considered to have interests in any business which is likely to compete directly or indirectly with the Group's business.

## **RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS**

Details of the significant related party transactions entered into by the Group during the year ended 30 September 2018 are set out in Notes 24 and 25 to the consolidated financial statements. To the best knowledge of the Directors, none of these related party transactions constitutes connected transactions that need to be disclosed under GEM Listing Rules.

## **PERMITTED INDEMNITY PROVISIONS**

The Company's Articles provide that every Directors shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur or about the execution of the duties of his/her office or otherwise in relation thereto.

The Company has maintained appropriate directors' and officers' liability insurance and such permitted indemnity provision for the benefit of the Directors currently in force.

## DIRECTORS' REPORT (Continued)

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 September 2018, the interests and short positions of the Directors and chief executives of the Company 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 Laws of Hong Kong) (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he/she is taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

#### Long position in ordinary shares of the Company

Name	Capacity	Note	Long position	
			Number of ordinary shares	Percentage of total number of shares
Ms. Tse	Interest in controlled corporation	1	750,000,000	75%
Mr. Lam	Interest of spouse	2	750,000,000	75%

Notes:

1. Ms. Tse Fung Sum Flora ("**Ms. Tse**") is interested in the entire issued share capital of Access Cheer Limited ("**Access Cheer**") and she is therefore deemed to be interested in the shares held by Access Cheer by virtue of the SFO.
2. Mr. Lam Ting Lok ("**Mr. Lam**") is the spouse of Ms. Tse and he is therefore deemed to be interested in the shares held by Ms. Tse by virtue of SFO.

Save as disclosed above, as at 30 September 2018, none of the Directors and chief executives of the Company had an interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations that was 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 he/she will be taken or deemed to have under the SFO), or was required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which was required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2018, to the knowledge of the Directors, shareholders of the Company (other than the Directors or chief executives of the Company) who had interests or short positions in the shares, underlying shares or debentures 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 were as follow:

### Long position in ordinary shares of associated corporation

Name	Capacity	Note	Long position	
			Number of ordinary shares	Percentage of total number of shares
Access Cheer	Beneficial owner	1	750,000,000	75%

Note:

1. The entire issued share capital of Access Cheer is legally and beneficially owned by Ms. Tse who is deemed to be interested in the shares held by Access Cheer by virtue of the SFO.

Save as disclosed above, as at 30 September 2018, none of the substantial shareholders or other persons, other than Directors and chief executives of the Company whose interests are set out in the section headed "Directors' and Chief Executives' Interests and/or Short Positions in Shares, Underlying Shares and Debentures of the Company or any Associated Corporation" above, had any interest or a short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

## NON-COMPETITION UNDERTAKING

The Company confirmed that Ms. Tse and Access Cheer have been complied with all the undertakings under the deed of non-competition in favour of the Company during the period and up to the date of this annual report. Details of which are set out in Corporate Governance Report on page 19 of this annual report.

## COMPLIANCE ADVISER'S INTERESTS

As notified by Somerley Capital Limited ("**Somerley**"), compliance adviser of the Company, neither Somerley nor any of its close associates and none of the directors or employees had any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities, if any) which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules as at 30 September 2018.

## DIRECTORS' REPORT (Continued)

### SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available and within the knowledge of the Directors, the Company has maintained the sufficient public float as required under the GEM Listing Rules as at the date of this annual report.

### ANNUAL GENERAL MEETING

The AGM will be held on Monday, 28 January 2019. A notice convening the meeting will be issued and sent to the shareholders in due course.

### EVENT AFTER THE REPORTING PERIOD

There are no significant events affecting the Group after the year ended 30 September 2018 and up to the date of this annual report.

### AUDITOR

The consolidated financial statements for the year ended 30 September 2018 have been audited by CHENG & CHENG LIMITED. A resolution will be proposed at the forthcoming AGM of the Company to re-appoint CHENG & CHENG LIMITED as the auditor of the Company.

By order of the Board  
**Amasse Capital Holdings Limited**  
Lam Ting Lok  
*Executive Director and Chief Executive Officer*

Hong Kong, 18 December 2018

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ABOUT THIS REPORT

This Environmental, Social and Governance (“**ESG**”) report (“**Report**”) summarises the initiatives, programmes and performance of Amasse Capital Holdings Limited and its subsidiaries (the “**Group**”, “**we**” or “**our**”) as well as demonstrates our commitment to sustainability. The scope of this first ESG Report mainly covers the core business of the Group providing corporate finance advisory services in Hong Kong for the year ended 30 September 2018 (“**Period**”).

The preparation of this ESG Report follows the Environmental, Social and Governance Report Guide (the “**ESG Reporting Guide**”), as set out in Appendix 20 to GEM Listing Rules of the Stock Exchange.

The following table summarises the Group’s material ESG aspects as set out in this ESG Report:

<b>The ESG Reporting Guide</b>	<b>Material ESG aspects of the Group</b>	<b>Page</b>
<b>A. Environment</b>		
A1. Emissions	Air Emissions and Greenhouse Gas Emissions	39
A2. Use of Resources	Energy Conservation	41
	Water Conservation	41
	Paper Conservation	42
A3. The Environment and Natural Resources	Environmental Impact Management	42
<b>B. Society</b>		
B1. Employment	Employee Benefits and Career Development	43
B2. Health and Safety	Employees’ Health and Workplace Safety	44
B3. Development and Training	Employee Development and Training	44
B4. Labor Standards	Prevention of Child Labor or Forced Labor	46
B5. Supply Chain Management	Supplier Practices	46
B6. Service Responsibility	Services Quality and Satisfaction	46
	Protection of Privacy	46
B7. Anti-Corruption	Anti-corruption	47
B8. Community Investment	Contributions to Society	47

During the Period, the Group confirmed that appropriate and effective management policies and internal control systems for ESG issues are in place and confirmed the information disclosed in this ESG Report meets the ESG Reporting Guide.

## FEEDBACK

We highly value any feedback regarding this ESG Report. Please feel free to direct your feedback and comments to: [co@amasse.com.hk](mailto:co@amasse.com.hk).

### OUR STAKEHOLDERS

The Group values our stakeholders and their views relating to its businesses and ESG issues. One of the key approaches is through stakeholder engagement, which enables two-way communication to receive valuable feedback and to act on improvement measures. The communication channels with respective stakeholder groups are highlighted as below:

Stakeholders	Communication channels	Possible concerned issues
Stock Exchange	<ul style="list-style-type: none"> <li>• Seminars and training</li> <li>• Updating of website and announcements</li> <li>• Regulatory or voluntary disclosures</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with the Listing Rules, publishing of announcements in a timely and accurate manner</li> </ul>
Government and regulatory bodies	<ul style="list-style-type: none"> <li>• Seminars for employees</li> <li>• Statutory filings</li> <li>• Regulatory or voluntary disclosures</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with laws and regulations</li> </ul>
Shareholders and Investors	<ul style="list-style-type: none"> <li>• Shareholders' meetings</li> <li>• Financial reports, announcements and circulars</li> <li>• Company's website</li> <li>• Company's enquiry e-mail and phone</li> </ul>	<ul style="list-style-type: none"> <li>• Business strategies</li> <li>• Financial performance</li> <li>• Corporate governance</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• Site visits</li> <li>• Business meetings</li> <li>• e-mail and phone</li> </ul>	<ul style="list-style-type: none"> <li>• Services quality</li> <li>• Fair and reasonable pricing</li> <li>• Customer information security</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Employee activities</li> <li>• Training, seminars and workshops</li> <li>• Interviews</li> <li>• Internal memorandum</li> </ul>	<ul style="list-style-type: none"> <li>• Training and development</li> <li>• Occupational health and safety</li> <li>• Employee remuneration</li> <li>• Working hours</li> </ul>

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

Stakeholders	Communication channels	Possible concerned issues
Suppliers and Business Partners	<ul style="list-style-type: none"> <li>• Company's website</li> <li>• e-mail and phone</li> </ul>	<ul style="list-style-type: none"> <li>• Payment schedule</li> <li>• Fair competition</li> </ul>
Local Communities and Society	<ul style="list-style-type: none"> <li>• Company's website</li> <li>• Company's enquiry e-mail and phone</li> <li>• Community activities</li> <li>• Donations</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental protection</li> <li>• Employment</li> <li>• Social welfare</li> </ul>

In formulating operational strategies and ESG measures, our employees were involved in helping us better understand our sustainability performance. The Group have identified the following top three material issues for each aspect:

### Environmental aspect

1. Air Emissions and Greenhouse Gas Emissions
2. Paper Conservation
3. Energy Conservation

### Social aspect

1. Anti-corruption
2. Services Quality and Satisfaction
3. Employee Benefits and Career Development

Based on the material issues, the Group shall strategise and plan resources accordingly to promote environmental and social issues, and address related concerns. Additionally, the Group continues to look for ways to engage in different stakeholders such as investors, customers or local communities, so as to gain a wider understanding of ESG material issues.

## ENVIRONMENT

We pay close attention to the environmental responsibilities. As a corporate finance advisory service provider, we focus on the conservation of energy, reduction of paper usage and reduction of waste by recycling and we have been devoted to protecting environment by seeking to reduce the impact to the environment by incorporating environmental-friendly measures into our business operations. In order to help our employees understand the potential impact on the environment brought by each individuals, we have taken various actions to facilitate behavioral changes, setting up related policies with an aim to reduce environmental footprint.

We monitor mainly Scope 1 and 2 greenhouse gas (“GHG”) emissions according to the international standard of Greenhouse Gas Protocol, and also make reference to guidelines published by Hong Kong's Environmental Protection Department, Electrical and Mechanical Services Department and Hong Kong Exchanges and Clearing Limited.

We are not aware of any significant impacts of activities on the environment and natural resources.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

### Emissions

In the Group's business activities, fuel consumption of vehicle (Scope 1 direct emissions), electricity consumption in office(s) (Scope 2 indirect emissions) and paper consumption (Scope 3 indirect emissions) are the major sources of all pollutants and GHG emissions of the Group. Meanwhile, we have paid effort to reduce the consumption of office paper in printing and photocopying. During the period, the GHG of the Group is estimated to be 20.3 tonnes of carbon dioxide equivalent ("CO<sub>2</sub>e"). The Group believes that its operation does not have significant negative impact on the environment and natural resources related to emission of other harmful gas, discharge of pollutants into water or land, generation of hazardous or non-hazardous waste during the Period. We are not aware of any material non-compliance with the relevant environmental protection legislations in relation to Air Pollution Control Ordinance, Water Pollution Control Ordinance, Waste Disposal Ordinance, Hazardous Chemicals Control Ordinance, Noise Control Ordinance, Ozone Layer Protection Ordinance, Producer responsibility schemes, Promotion of Recycling and Proper Disposal (Electrical Equipment and Electronic Equipment) (Amendment) Ordinance and Environmental Impact Assessment Ordinance during the period.

As an environmental-friendly company, we have undertaken various energy saving measures (refer to section headed "Use of Resources" below for details) to reduce energy consumption, improve energy efficiency and reduce environmental impact.

Detailed summary of the GHG emissions were shown as below:

Scope of greenhouse gas emissions	Source of greenhouse gas emissions	CO <sub>2</sub> e emission (in tonnes)
Scope 1 Direct emission	Local business travel	11.6
Scope 2 Indirect emission	Purchased electricity	8.1
Scope 3 Other indirect emission	Paper consumption	0.6
		<u>20.3</u>

Note:

Scope 1: All direct GHG emissions.

Scope 2: Indirect GHG emissions from consumption of purchased electricity, heat or steam.

Scope 3: Other indirect emissions, such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by the reporting entity, electricity-related activities (e.g. transmission and distribution losses) not covered in Scope 2, outsourced activities, waste disposal, etc.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

### Use of Resources

It has become increasingly clear that every employees has a part to play when it comes to the environmental protection and sustainable development. The Group has been developing different policies to reduce its environmental footprint and promote sustainable business best practices, including energy and water conservation, paper and other resources reduction.

#### **Energy conservation**

Energy conservation should start from daily life. We raise our employees' awareness in the energy efficiency of electrical appliances. The electrical appliances with Grade 1 or 2 energy efficient labels will be given priority in procurement. We also encourage our employees to turn off equipment when not in use. Photocopiers, printers, computers and monitors should be altered to default sleep/rest modes and set energy saving modes. The temperature of air conditioning is set at 25°C. Electrical appliances will be purchased with Grade 1 or 2 energy efficient labels when necessary. In particular, the Group strives to utilise telephone or video conference to minimise face-to-face meeting in order to reduce fuel consumption in traveling and unnecessary business trips.

The Group has achieved energy efficiencies in our daily operations. However, we do not have energy usage record for comparison as this is our first ESG report. The Group will continue to monitor energy use in the future in order to protect environment.

During the Period, the Group's consumption in electricity and fuel were:

<b>Electricity</b>		<b>Fuel</b>	
Consumption (Kwh)	10,254.0	Consumption (liter)	4,901.9
Intensity (per employee)	640.9	Intensity (per employee)	306.4
Intensity (per sq.ft.)	8.0		

Note: the number of employees during the Period was 16 and the office area is approximately 1,276 square feet.

#### **Water conservation**

Water is one of the most basic necessities in life. We encourage consumption of refillable potable water and reduce wasteful uses of water. For example, employees should finish drinking the water in their mugs and potable water is not used for other purposes. The Group's water usage payment has been included in the management fee to the landlord, thus related consumption data cannot be obtained.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

### **Paper conservation**

The integration of the computer into the business world is heralded as the beginning of the “paperless” office. In order to save paper, the Group (1) provides two monitors to operational employees to perform duties electronically; (2) advises employees to handle documents electronically; and (3) encourages to communicate electronically. The Group also avoid paper wastage by (1) setting default on printers, photocopiers and/or fax machines (if applicable) to print in double-sided; (2) adjusting settings to maximise printed area, such as adjusted margins and reduce scale; (3) re-using single-sided paper; and (4) recycled paper and wasted paper are shredded for recycle.

During the Period, the Group’s paper usage was:

### **Paper**

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Consumption (kg)	120.0
Intensity (per employee)	7.5

### **Other conservation**

Although there are many “greening” options, it is imperative that environmental and human impacts are seriously taken into consideration. We understand that volatile organic compounds (“VOC”) in cleaning products can affect indoor air quality and also contribute to smog formation in outdoor air. Therefore, the Group will consider purchase of environmental-friendly cleaning products with lower or no VOC and toxicity which has a lesser or reduced impact on the environment and human health. Due to the nature of the Group’s business, the Group does not have physical products for sale and therefore no use of packaging material is involved.

### **Environmental Impact Management**

The Group needs to demonstrate environmental responsibility. It is important to consider the potential opportunities for minimizing environmental impact, cost of implementing resources or pollutants reduction strategies, potential impact on employee and ability to evaluate success. The Group has endeavored to find ways to manage and reduce resources consumption under our business operations. The above-mentioned conservations have multiple benefits that promotes green and sustainable office, saving energy and resources. Those implementations have initial efforts to reduce environmental footprint.

Undoubtedly, management will play an integral role in supporting and endorsing a change in organisational behaviour and culture. Our Employees will play an integral role in supporting and realising such a change. In view of this, the Group can play our part in protecting our environment.

## **SOCIETY**

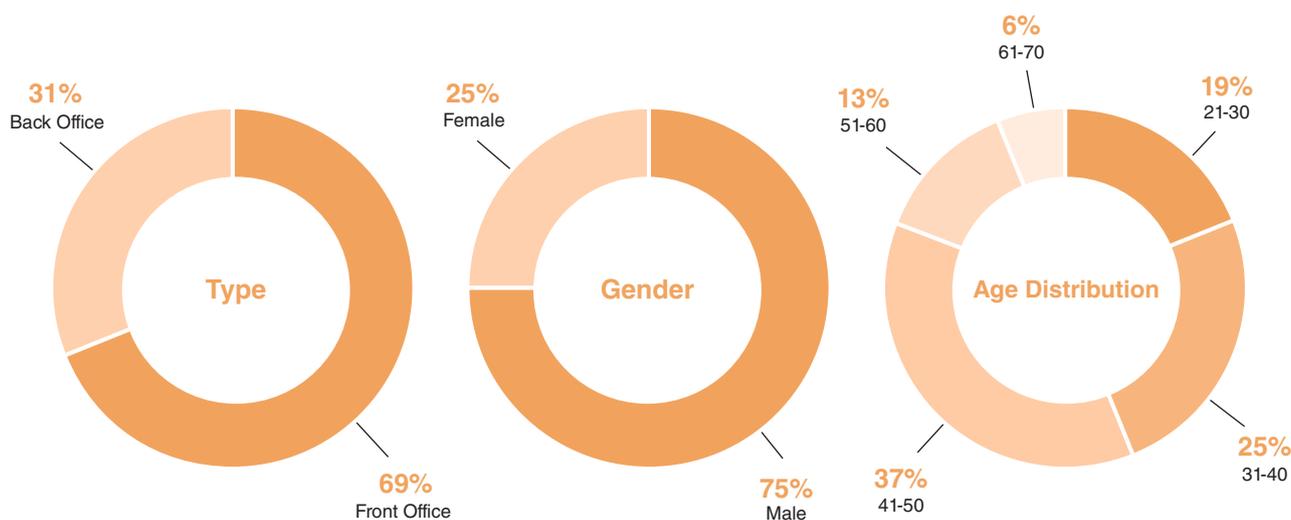
The Group is committed to endeavoring to enhance consideration towards the environment, social contributions and corporate governance to improve the sustainability of society. We recognise that this is an important social responsibility for a Hong Kong public listed company to assume.

## Employment

Employees are the Group's most valuable assets and the success of the business depends on the Group's workforce. The Group highly appreciates the contributions from employees and are determined to reward and maintain our employees through provision of attractive remuneration package and a safe working environment. The Group is also dedicated to implementing equal opportunity employment practices by maintaining a diverse workforce that includes age, gender, family status, sexual orientation, disability, ethnicity, religion.

### Human resource overview

## SUMMARY OF EMPLOYEE DATA



### Employee remuneration and benefits

The management regularly reviews the Group's remuneration and benefits policies in reference to the market standards and is committed to safeguarding the rights and interests of the employee. Remuneration and benefits have been adjusted in accordance with the employees' individual performance, contribution and market conditions. Remuneration packages include holidays, annual leave, medical scheme, group insurance, mandatory provident fund and discretionary bonus.

### Promotion and Career Development

The promotion of the Group's employees is subject to review regularly. The Group has established objective performance indicators for annual performance evaluation.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

During the year ended 30 September 2018, the Group has had zero turnover, no employee has left the Group. The Group was not aware of any material non-compliance with laws and regulations relating to employment and labour practices that had a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare for the Period.

### Health and Safety

The business operation of the Group does not involve high-risk activities. The Group attaches great importance to occupational safety, hygiene and health of our employees and makes all efforts to build a safe and comfortable working environment for employees. We also provide regular briefings for all employees, on occupational safety and health policy and workplace safety.

As for insurance, in addition to employee compensation insurance, the Group also provides medical insurance and other benefits such as purchasing air purifier to improve air quality and working environment for our employees. All employees and visitors are requested not to smoke in the office in order to achieve a healthier and pleasant work place, safeguard non-smokers from the risks to health of passive smoke and protect the office sites from increased risk of fire. The building management office also arranges rescue, fire and evacuation drills to improve staff safety awareness. In addition, we have enough first-aid supplies to be available to all employees in office for handling injuries. This first-aid kit is maintained in convenient and accessible locations. Supplies items are replenished as they become depleted. Refills are also available for all supplies.

During the Period, the Group did not record any work-related injury or fatality of employees, nor any lost days due to work injury. We are not aware of any material non-compliance with Occupational Safety and Health Ordinance that have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards.

### Development and Training

The Group firmly believes that trainings help improve competency, work skills, expertise and performance of employees and so that they can deliver the high quality of service that safeguards the public and meets the expectations of customers and the requirements of their profession. Trainings also help employees to raise environmental awareness and build capacity, as well as support a diverse human workforce and flexible work styles. Meanwhile, the Group is subject to various ordinances, rules and guidelines such as, but not limited to, the Securities and Futures Commission Ordinance, the Personal Data (Privacy) Ordinance, the GEM Listing Rules and the Hong Kong Securities and Futures Commission's Guideline on Anti-Money Laundering and Counter-Terrorist Financing. In addition, every licensed employee and professional employee must fulfill prescribed hours of continuous professional training relevant to their licensed regulated activities and/or professional body activities in each calendar year.

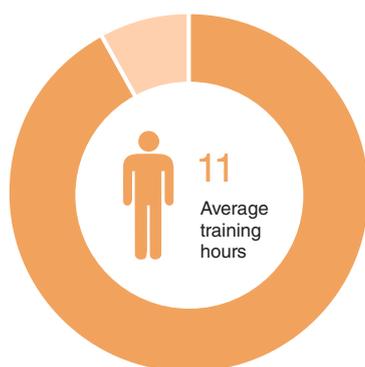
The Group supports employees to participate in personal and professional training and encourages the culture of sharing of knowledge and experience. The Group also provides our employees with training courses for upgrading skills and development as needed. For example, the Group provides licensed employees and professional employees with seminars and trainings organised by professional parties. During the Period, the Group arranged 4 training sessions, amounting to 13.5 training hours for employees.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

Statistics in respect of development and training for the Period is set out below:

Total number of hours of training received by employees	194
Total number of employees	16
Total number of employees trained	15
Average hours of training per employee and percentage (%) of employees who received training	12 (94)
By gender	
Male	11 (92)
Female	15 (100)
Percentage of employees trained by employment type	
Front office	12 (100)
Back office	11 (80)

### PERCENTAGE OF TYPES OF EMPLOYEE WHO RECEIVED TRAINING



**92%**



**100%**



**100%**



**80%**

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

### Labour Standards

The Group strictly prohibits the use of child and forced labour. Through the well-established recruitment policies, the Group ensures that our employees are all above the minimum legal working age and no forced labour is hired. The Group has complied with all applicable laws and regulations in relation to employment matters during the Period.

### Supply Chain Management

Due to the nature of our principal business activities, the Group had no major suppliers during the year ended 30 September 2018. To integrate the environmental vision into the procurement of office supplies, the Group have a green procurement policy (i.e. reuseable, repairable, durable) and make a conscious effort to not be wasteful when using or ordering supplies. With this in mind, we have purchased refillable pens, environment-friendly paper and refillable potable water.

### Service Responsibility

The Group aims at delivering a high quality of services to its clients at all times. The Group believes that market reputation and clients' confidence in the services are critical to its success. As the Group with clients of Hong Kong public listed company, the Group is in a unique position to leverage our expertise to promote sustainable business practices and help customers capitalise on opportunities to a more sustainable economy. In achieving this aim, we are committed to providing them with prompt, competent and unbiased professional services who seeks for corporate financing strategies. This is guided by our services delivery process and services quality standards. This covers everything from assessing the suitability of services to ensuring we fulfil our duties. During the Period, no service related complaints has been received by the Group. Meanwhile, the Group is regulated by the Securities and Futures Commission and is a licensed corporation under SFO. The professional employees were properly licensed and registered with the SFC. All Responsible Officers have extensive experience providing corporate finance advisory services to customers listed in Hong Kong. The Group has been devoted to improving its management in every aspect of its operation to create greater value for our customers and the shareholders of the Company.

During the Period, we are not aware of any incidents of non-compliance with regulations and/or voluntary codes concerning the Group's service information and labelling, as well as marketing communications including advertising.

### ***Protection of Privacy***

The Group places the highest priority on protecting the privacy of our customers and employees in the collection, processing and use of their personal data in compliance with Personal Data (Privacy) Ordinance. The Group adheres to the applicable data protection regulations and ensures appropriate technical measures are in place to protect personal data against unauthorised use or access. The Group also ensures that customers' personal data are kept confidential and securely to prevent against loss, unauthorised access, use, modification or disclosure, and processed only for the purpose for which it has been collected. No non-compliance or complaints from customers regarding personal data privacy has been received during the Period.

### Anti-corruption

The Group is committed to upholding the highest ethical standard. The Group has set forth in our staff's code for the required conducts of our employees as well as anti-fraud and whistleblowing policies to prevent, detect and report each and every form of bribery, extortion, fraud and money laundering. Any such kind of fraudulent acts is prohibited and the Group will not tolerate any fraudulent business activities. In particular, all directors and employees should avoid conflict of personal interest relating to their professional duties and are required to declare any conflict of interest by disclosure form to ensure appropriate assurance for the Group in matters of conflict of interest, professional and scientific integrity, and to protect the Group from avoiding regulatory and reputational risk. In addition, we operate a whistleblowing policy, which allows employees to report matters of concern about privacy and confidentiality, conflicts of interest, bribery and anti-corruption. In case a whistleblowing case is found, the Group shall investigate and take corresponding remedial measures. With delegated authority and responsibility, the Group will refer any possible criminal offence case to Audit Committee to decide further action with consultation from our legal advisers.

During the Period, no directors and employees obtained or provided benefits to customers, suppliers, or people with business relationship with the Group, no whistleblowing disclosures were received and no litigations relating to matters of bribery, extortion, fraud or money laundering were brought against the Group or our employees.

### Community Involvement

The Group is constantly aware of the needs of the community and keeps on our best to contribute to the community to show our care by supporting charitable organisations. During the Period, to help people in need, we donated HK\$0.65 million and HK\$0.45 million to the Community Chest and various charities including Apple Daily Charitable Foundation, The Hong Kong Society for the Aged, Children's Heart Foundation, Food Angel, World Vision Hong Kong, The Against Elderly Abuse of Hong Kong, Against Child Abuse Ltd, Tai Po Road Traffic Accident, S.K.H. St. Christopher's Home Limited and 佛教法音傳播中心 (Buddhism Dharma Voice Communication Center\*).

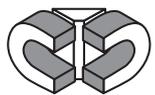
The Group also encourages our employees to join charity activities through donation. During the year ended 30 September 2018, our employees made charitable donation of approximately HK\$7,000 to S.K.H. St. Christopher's Home Limited.

The Group has received "Award of Distinction 2017/2018" from The Community Chest.

## GOVERNANCE

Details on the Group's corporate governance practices set out in the Corporate Governance Report of this annual report.

# INDEPENDENT AUDITOR'S REPORT



## CHENG & CHENG LIMITED

CERTIFIED PUBLIC ACCOUNTANTS

鄭 鄭 會 計 師 事 務 所 有 限 公 司

10/F., Allied Kajima Building,  
138 Gloucester Road, Wanchai, Hong Kong

### TO THE MEMBERS OF AMASSE CAPITAL HOLDINGS LIMITED

*(Incorporated in Cayman Islands with limited liability)*

## OPINION

We have audited the consolidated financial statements of AMASSE CAPITAL HOLDINGS LIMITED (the “**Company**”) and its subsidiaries (“**the Group**”) set out on pages 52 to 89, which comprise the consolidated statement of financial position as at 30 September 2018, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and 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 consolidated financial position of the Group as at 30 September 2018, and of its consolidated financial performance and its consolidated 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 (“**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 judgment, were of most significance in our audit of the consolidated financial statements of the current period. 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 (Continued)

### Key audit matter

### How the matter was addressed in our audit

#### Revenue recognition of fee income from the provision of corporate finance advisory services

*Refer to notes 4 (i) and 5 in the consolidated financial statements*

The Group recognised corporate finance advisory service income by reference to the percentage of completion of the advisory services when the outcome of the corporate finance transaction can be estimated reliably, including when it is probable that the economic benefits associated with the advisory service transaction will flow to the Group.

This involves the use of significant management judgment and involves estimation uncertainty.

Our procedures in relation to the recognition of corporate finance advisory services income included:

- Understanding the basis of estimation to the percentage of completion of the advisory services.
- Assessed and checked, on a sample basis, the accuracy of the budget revenue by agreeing to contract sum as set out in the terms of the underlying corporate finance advisory mandate.
- Selected on a sample basis, the invoices of issued to the customer agreed with the terms of agreement.
- Evaluated the management's assessment on the stage of completion of the service contracts.

#### INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

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

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

## INDEPENDENT AUDITOR'S REPORT (Continued)

### RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Audit Committee assists the directors of the Company in discharging their responsibilities 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, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment 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.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee 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 the Audit Committee 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, related safeguards.

From the matters communicated with the Audit Committee, 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.

#### **CHENG & CHENG LIMITED**

*Certified Public Accountants*

#### **Chan Shek Chi**

Practising Certificate number P05540

Hong Kong, 18 December 2018

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 September 2018

	Note	2018 HK\$'000	2017 HK\$'000
Revenue	5	22,202	24,514
Other income	5	250	–
Employee benefit expenses		(10,019)	(7,264)
Operating lease expense		(667)	(613)
Depreciation of plant and equipment		(141)	(148)
Other operating expenses		(3,564)	(867)
Listing expenses		(5,569)	(5,732)
Profit before income tax	7	2,492	9,890
Income tax expense	8	(1,467)	(2,574)
Profit and total comprehensive income for the year attributable to owners of the Company		1,025	7,316
Earnings per share			
Basic and diluted (HK cents)	11	0.11	0.91

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2018

	Note	2018 HK\$'000	2017 HK\$'000
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Plant and equipment	12	254	395
<b>Current assets</b>			
Trade receivables	13	4,727	2,365
Prepayments, deposits and other receivables	14	502	2,085
Cash and cash equivalents	15	45,754	10,633
		<b>50,983</b>	15,083
<b>Current liabilities</b>			
Other payables and accruals	16	445	4,180
Deferred revenue		50	60
Amount due to a director	17	–	210
Tax payable		1,473	3,509
		<b>1,968</b>	7,959
<b>Net current assets</b>		<b>49,015</b>	7,124
<b>Total assets less current liabilities</b>		<b>49,269</b>	7,519
<b>Non-current liabilities</b>			
Provision for long service payment	22	426	–
<b>Net assets</b>		<b>48,843</b>	7,519
<b>EQUITY</b>			
Share capital	18	10,000	–*
Reserves		38,843	7,519
<b>Total equity</b>		<b>48,843</b>	7,519

\* less than HK\$1,000

The consolidated financial statements on pages 52 to 89 were approved and authorised for issue by the board of directors on 18 December 2018 are signed on its behalf by:

**Lam Ting Lok**  
Director

**Lo Mun Lam Raymond**  
Director

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## For the year ended 30 September 2018

	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1 October 2017	–	–	5,000	2,519	7,519
Profit and total comprehensive income	–	–	–	1,025	1,025
Issue of shares to ultimate holding company pursuant to reorganisation (Note 18(c))	1,000	–	(1,000)	–	–
Issue of shares pursuant to public offering (Note 18(d))	2,000	46,000	–	–	48,000
Capitalisation issue of shares (Note 18(d))	7,000	(7,000)	–	–	–
Share issuance costs	–	(7,701)	–	–	(7,701)
At 30 September 2018	10,000	31,299	4,000	3,544	48,843

## For the year ended 30 September 2017

	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1 October 2016	–	–	1,000	18,203	19,203
Issuance of share upon incorporation	–*	–	–	–	–*
Bonus Shares (Note)	–	–	4,000	(4,000)	–
Profit and total comprehensive income	–	–	–	7,316	7,316
Dividend to then shareholder (Note 10)	–	–	–	(19,000)	(19,000)
At 30 September 2017	–	–	5,000	2,519	7,519

Note: In accordance with the written resolutions of the sole director and sole shareholder of a subsidiary of the Company dated 1 September 2017, on the basis of 1,000,000 shares, the subsidiary distributed 4 bonus shares for every 1 share to its then shareholder by capitalising the sum of HK\$4,000,000 from retained earnings as its issued share capital.

\* less than HK\$1,000

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 September 2018

	Note	2018 HK\$'000	2017 HK\$'000
<b>Cash flows from operating activities</b>			
Profit before income tax		2,492	9,890
Adjustments for:			
Depreciation of plant and equipment		141	148
Bank interest income		(250)	–
Provision for long service payment		426	–
Operating profit before working capital changes		2,809	10,038
(Increase)/decrease in trade receivables		(2,362)	1,368
Decrease/(increase) in prepayments, deposits and other receivables		1,583	(1,937)
(Decrease)/increase in other payables and accruals		(3,735)	4,132
(Decrease)/increase in deferred revenue		(10)	60
Cash (used in)/generated from operations		(1,715)	13,661
Income tax paid		(3,503)	–
<b>Net cash (used in)/generated from operating activities</b>		<b>(5,218)</b>	<b>13,661</b>
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment		–	(16)
Bank interest income		250	–
<b>Net cash generated from/(used in) investing activities</b>		<b>250</b>	<b>(16)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	18(d)	48,000	–
Dividend paid		–	(4,500)
Share issuance expenses		(7,701)	–
(Repayment to)/advance from a director	23	(210)	210
<b>Net cash generated from/(used in) financing activities</b>		<b>40,089</b>	<b>(4,290)</b>
<b>Increase in cash and cash equivalents</b>		<b>35,121</b>	<b>9,355</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>10,633</b>	<b>1,278</b>
<b>Cash and cash equivalents at end of the year</b>	15	<b>45,754</b>	<b>10,633</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2018

## 1. GENERAL

Amasse Capital Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability on 14 February 2017. The shares of the Company are listed on the GEM of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The registered office and the principal place of business of the Company are P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands and Room 1201, Prosperous Building, 48-52 Des Voeux Road Central, Hong Kong respectively.

The Company is principally engaged in investment holding. The Group’s only operating subsidiary is mainly engaged in the provision of corporate finance advisory services. Particulars of the subsidiaries are set out in Note 27.

In the opinion of the directors of the Company, the ultimate holding company of the Group is Access Cheer Limited (“**Access Cheer**”), a company incorporated in the British Virgin Islands.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”) which is same as the functional currency of the Group and all values are rounded to the nearest thousand except when otherwise indicated.

## 2. GROUP REORGANISATION AND BASIS OF PREPARATION

### (a) Group reorganisation

Pursuant to the group reorganisation (the “**Reorganisation**”) of the Company, as described in the section headed “History and Development – Reorganisation” in the prospectus of the Company dated 8 March 2018 (the “**Prospectus**”), the Company became the holding company of the companies now comprising the Group after the completion of the Reorganisation on 26 February 2018. The Group, comprising the Company and its subsidiaries, resulting from the Reorganisation, is regarded as a continuing entity. Accordingly, the consolidated financial statements have been prepared on a consolidated basis using the principles of merger accounting as if the Reorganisation had occurred as at the beginning of the earliest date presented and the current group structure had always been in existence.

The consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows included the results and cash flows of the companies now comprising the Group as if the current group structure had been in existence throughout the years ended 30 September 2017 and 2018 or since their respective dates of incorporation, which is a shorter period. The consolidated statement of financial position of the Group as at 30 September 2017 have been prepared to present the assets and liabilities of the companies now comprising the Group as if the current group structure had been in existence as at 30 September 2017.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30 September 2018

### 2. GROUP REORGANISATION AND BASIS OF PREPARATION (Continued)

#### (b) Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with the Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong, the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622) and the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (“**GEM Listing Rules**”).

In addition, the consolidated financial statements of the Group have been prepared under the historical cost convention.

#### (c) Changes in accounting policy and disclosures

In the current year, the Group has adopted, for the first time, the following new amendments to HKFRSs issued by the HKICPA that are relevant for the preparation of the Group’s consolidated financial statements:

Amendments to HKAS 7	Disclosure initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12 Included in Annual Improvements to HKFRSs 2014–2016 Cycle	Disclosure of Interests in Other Entities

The application of amendments to HKAS 7 require an entity to make disclosures that aim to enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising cash flows and non-cash changes. Reconciliations of various types of the Group’s financing liabilities are disclosed in Note 23 to satisfy the new disclosure requirements. Consistent with the transition provisions of the amendments, the Group has not disclosed comparative information for prior year. Other than such additional disclosures, the application of the above new amendments has not had any significant financial effect on the Group’s consolidated financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30 September 2018

### 2. GROUP REORGANISATION AND BASIS OF PREPARATION (Continued)

#### (d) New and revised HKFRSs issued but not yet effective

The Group has not early adopted the following new and revised HKFRSs that have been issued but are not yet effective for the current accounting period.

HKFRS 9	Financial Instruments <sup>1</sup>
HKFRS 15 and amendments to HKFRS 15	Revenue from Contracts with Customers <sup>1</sup>
HKFRS 16	Leases <sup>2</sup>
HKFRS 17	Insurance Contracts <sup>4</sup>
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions <sup>1</sup>
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts <sup>1</sup>
Amendments to HKFRS 9	Prepayment Features with Negative Compensation <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures <sup>2</sup>
Amendments to HKAS 40	Transfers of Investment Property <sup>1</sup>
Amendments to HKFRS 1 and HKAS 28	Annual Improvements to HKFRS Standards 2014-2016 Cycle <sup>1</sup>
HK(IFRIC) Interpretation 22	Foreign Currency Transactions and Advance Consideration <sup>1</sup>
HK(IFRIC) Interpretation 23	Uncertainty over Income Tax Treatments <sup>2</sup>
Amendments to HKFRSs	Annual Improvement to HKFRSs 2015-2017 Cycle <sup>2</sup>
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2018

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2019

<sup>3</sup> Effective date not yet determined

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2021

Further information about those HKFRSs that are expected to be applicable to the Group is described below. Whilst management has performed a detailed assessment of the estimated impacts of these standards, that assessment is based on the information currently available to the Group, including expectations of the application of transitional provision options and policy choices. Of those new and revised HKFRSs, except as described below, they will have no material impact upon adoption.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30 September 2018

### 2. GROUP REORGANISATION AND BASIS OF PREPARATION (Continued)

#### (d) New and revised HKFRSs issued but not yet effective (Continued)

##### **HKFRS 9 Financial Instruments**

HKFRS 9 has introduced new requirements for a) classification and measurement of financial assets, b) impairment of financial assets and c) general hedge accounting.

Specifically, with regard to the classification and measurement of financial assets, HKFRS 9 requires all recognised financial assets that are within the scope of HKFRS 9 to be subsequently measured at amortised cost or fair value. Debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of each of the subsequent accounting periods. Debt investments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. Further, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 applies) in other comprehensive income, with only dividend income generally recognised in profit or loss and that cumulative fair value changes will not be reclassified to profit or loss upon derecognition of the investment.

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

With regard to impairment of financial assets, HKFRS 9 has adopted an expected credit loss model, as opposed to an incurred credit loss model required under HKAS 39. In general, the expected credit loss model requires an entity to assess the change in credit risk of the financial asset since initial recognition at each reporting date and to recognise the expected credit loss depending on the degree of the change in credit risk.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30 September 2018

### 2. GROUP REORGANISATION AND BASIS OF PREPARATION (Continued)

#### (d) New and revised HKFRSs issued but not yet effective (Continued)

##### **HKFRS 9 Financial Instruments** (Continued)

With regard to the general hedge accounting requirements, HKFRS 9 retains the three types of hedge accounting mechanisms currently available in HKAS 39. Under HKFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an “economic relationship”. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity’s risk management activities have also been introduced.

The Group anticipates that the adoption of HKFRS 9 is unlikely to result in significant impact on the Group’s result but it may affect related disclosures made in the Group’s consolidated financial statements.

##### **HKFRS 15 Revenue from Contracts with Customers**

HKFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, HKFRS 15 introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30 September 2018

### 2. GROUP REORGANISATION AND BASIS OF PREPARATION (Continued)

#### (d) New and revised HKFRSs issued but not yet effective (Continued)

##### **HKFRS 15 Revenue from Contracts with Customers** (Continued)

The management of the Group has assessed the application of HKFRS 15 on the Group's recognition of revenue from provision of corporate finance advisory services and also the expenses incurred in the provision of such services for annual reporting period beyond 1 October 2018 (i.e. the effective date of applying HKFRS 15). The Group currently recognises revenue from provision of corporate finance advisory services over time by reference to the stage of completion of the contract activity in accordance with the requirements in HKAS 18, Revenue. Under HKFRS 15, revenue is recognised over time only if the specified criteria is met, otherwise revenue is recognised at a point in time, which may be only upon completion of the corporate finance transaction.

HKFRS 15 will be effective for the annual period beginning on 1 October 2018, the Group has assessed the impact of the adoption of HKFRS 15 and does not expect the adoption will have a material impact on the timing and amounts of revenue recognition based on the existing business model of the Group as at 30 September 2018.

##### **HKFRS 16 Leases**

HKFRS 16 will supersede the current lease guidance including HKAS 17 Leases and the related interpretations when it becomes effective.

With regard to lessee accounting, the distinction of operating leases and finance leases, as required by HKAS 17, has been replaced by a model which requires a right-of-use asset and a corresponding liability to be recognised for all leases by lessees except for short-term leases and leases of low value assets. Specifically, the right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any re-measurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments. Furthermore, the classification of cash flows will also be affected as operating lease payments under HKAS 17 are presented as operating cash flows; whereas, under the HKFRS 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively.

With regard to lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, HKFRS 16 requires extensive disclosures in the financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30 September 2018

### 2. GROUP REORGANISATION AND BASIS OF PREPARATION (Continued)

#### (d) New and revised HKFRSs issued but not yet effective (Continued)

##### **HKFRS 16 Leases** (Continued)

As at 30 September 2018, the Group has non-cancellable operating lease commitments of approximately HK\$0.4 million as disclosed in note 19. For future arrangement that will meet the definition of a lease under HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term upon the application of HKFRS 16. The application of new requirements may result changes in the measurement, presentation and disclosure as indicated above. The directors of the Company expect that the adoption of HKFRS 16 will not have material impact on the Group's result of operations but certain portion of these lease commitments will be required to be recognised in the consolidated statement of financial position as right-of-use assets and lease liabilities.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of consolidated financial statements are summarised below.

#### (a) Basis of consolidation and subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. As explained in Note 2 above, the Reorganisation is accounted for using principles of merger accounting.

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all of the following elements are present: power over the investee; exposure, or rights, to variable returns from the investee; and the ability to use its power to affect those variable returns. Generally, control is achieved with a shareholding of more than one half of the voting rights over the relevant activities of the investee. The existence and effect of potential voting rights that are exercisable or convertible are considered when assessing whether the Company controls another entity. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30 September 2018

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (a) Basis of consolidation and subsidiaries (Continued)

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated statements of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

#### (b) Investment in a subsidiary

Investment in a subsidiary is stated on the statement of financial position of the Company at cost less accumulated impairment loss.

#### (c) Plant and equipment

Plant and equipment are stated at cost, less accumulated depreciation and impairment losses, if any.

The cost of an item of plant and equipment comprises its purchase price and any directly attributable cost of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the item has been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to profit or loss in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in future economic benefits expected to be obtained from the use of the item, the expenditure is capitalised as an additional cost of the item. When an item of plant and equipment is sold, its cost and accumulated depreciation are derecognised and any gain or loss resulting from the disposal, being the difference between the net disposal proceeds and the carrying amount of the asset, is included in profit or loss.

Depreciation is provided on the straight-line method to allocate their cost over their estimated economic useful lives of the individual assets, as follows:

Furniture and equipment	5 years
Motor vehicle	5 years

The assets' useful lives and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30 September 2018

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (d) Financial assets

The Group's financial assets are mainly loans and receivables including trade and other receivables and cash and cash equivalents. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

All financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. When financial assets are recognised initially, they are measured at fair value, plus, directly attributable transaction costs.

Derecognition of financial assets occurs when the rights to receive cash flows from the instruments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest. The effective interest amortisation is included in other income in profit or loss. The amount of loss is recognised in profit or loss for the period in which the impairment occurs.

#### ***Impairment loss of financial assets***

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30 September 2018

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (d) Financial assets (Continued)

##### **Impairment loss of financial assets** (Continued)

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Receivables together with any associated allowance are written off when there is no realistic prospect of future recovery.

If, in a subsequent period, the amount of the estimated impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that it does not result in a carrying amount of the financial asset exceeding what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss of the period in which the reversal occurs.

#### (e) Financial liabilities

Management determines the classification of these financial liabilities at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include other payables and accruals and amount due to a director.

After initial recognition, the financial liabilities are subsequently measured at amortised cost, using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest. The effective interest amortisation is included in finance cost in profit or loss.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest amortisation process.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30 September 2018

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (e) Financial liabilities (Continued)

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

#### (f) Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than financial assets), the recoverable amount of the asset is estimated. An asset's recoverable amount is the higher of the value in use of the asset or cash-generating unit to which it belongs and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation), had no impairment loss been recognised for the asset in prior periods. A reversal of such impairment loss is credited to profit or loss in the period in which it arises.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30 September 2018

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (g) Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits and assets similar in nature to cash, which are not restricted as to use.

#### (h) Income tax

Income tax for the year comprises current and deferred tax.

The current income tax is based on taxable profit for the year. Taxable profit differs from "profit before income tax" as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30 September 2018

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (h) Income tax (Continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

#### (i) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to lessee. All other leases are classified as operating leases.

Operating leases payments are recognised as an expense on a straight-line basis over the lease term.

#### (j) Related parties

1. 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
  - (ii) is a member of the key management personnel of the Group or the Group's parent.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30 September 2018

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (j) Related parties (Continued)

2. 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 parent, 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.
  - (vi) The entity is controlled or jointly controlled by a person identified in note 2(j)(1).
  - (vii) A person identified in note 2(j)(1)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent 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 Group's parent.

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.

#### (k) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for services provided in the normal course of business. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

Corporate finance advisory service income is recognised when the services are rendered to the clients by reference to the percentage of completion of the advisory services when the outcome of the corporate finance transaction can be estimated reliably, including when it is probable that the economic benefits associated with the advisory service transaction will flow to the Group.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest method applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30 September 2018

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (l) Employee benefits

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Payments to the mandatory provident fund scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

Under the Hong Kong Employment Ordinance, the Group's net obligation in respect of lump sum long service amounts payable on cessation of employment in certain circumstances is the amount of future benefit that employees have earned in return for their service in the current and prior periods.

The Group's obligations to make such long service payments are recognised in the financial statements as long service payment liabilities at the present value (where the effect of discounting is material) of the long service payment obligations, which are estimated after deducting the entitlements accrued under the Group's defined contribution retirement scheme that are attributable to contributions made by the Group. Changes in carrying amount of the relevant net obligation are recognised in profit or loss.

#### (m) Provision

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30 September 2018

### 4. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

The following is the key assumption concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### (i) Revenue recognition

Corporate finance advisory service income is recognised when the services are rendered to the clients by reference to the percentage of completion of the advisory services when the outcome of the corporate finance transaction can be estimated reliably, including when it is probable that the economic benefits associated with the advisory service transaction will flow to the Group. Use of the percentage-of-completion method requires the Group to estimate the services performed to date as a proportion of the total services to be performed.

#### (ii) Estimated impairment of trade receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured at the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate compounded at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise.

As at 30 September 2018, the carrying amount of trade receivables of the Group was approximately HK\$4.7 million (net of accumulated impairment losses of HK\$0.3 million) (2017: HK\$2.4 million (net of accumulated impairment losses of HK\$0.3 million)). More details are given in note 13.

### 5. REVENUE AND OTHER INCOME

Revenue represents income received and receivables from the provision of corporate finance advisory services, is analysed as follows:

	2018 HK\$'000	2017 HK\$'000
Revenue		
Fee income from acting as:-		
Financial adviser	18,737	22,714
Independent financial adviser	3,465	1,800
	<b>22,202</b>	24,514
Other income		
Bank interest income	250	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30 September 2018

### 6. SEGMENT INFORMATION

Information reported to the board (the “**Board**”) of directors (the “**Directors**”) of the Company, being the chief operating decision maker (the “**CODM**”) for the purposes of resource allocation and assessment of segment performance focuses on advisory services provided. The CODM considers the Group’s operation, assets and revenue are located and derived in Hong Kong. The principal activity of the reportable and operating segment is the provision of corporate finance advisory services only. Accordingly, no segment and geographical information are presented.

#### Information about major clients

Revenue from clients who individually contributed over 10% of the Group’s total revenue during the year are as follows:

	2018 HK\$’000	2017 HK\$’000
Customer A	6,000	N/A
Customer B	3,470	N/A
Customer C	N/A	3,520
Customer D	N/A	5,000

N/A: The corresponding revenue did not contribute over 10% of total revenue of the Group.

### 7. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging:

	2018 HK\$’000	2017 HK\$’000
Auditor’s remuneration	250	20
Donation	1,100	285
Employee benefit expenses (including Directors’ remuneration)	10,019	7,264
Salaries and welfare	6,855	4,897
Performance related bonus	2,505	2,198
Retirement benefit scheme contributions	233	169
Provision for long service payment	426	–
Operating lease rental payments for rental premises	667	613

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30 September 2018

### 8. INCOME TAX EXPENSE

	2018 HK\$'000	2017 HK\$'000
Current tax – Hong Kong Profits Tax		
Charged for the year	1,467	2,594
Tax relief adjustment for previous year	–	(20)
	<b>1,467</b>	<b>2,574</b>

Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated profits arising in Hong Kong for both years.

No provision for deferred taxation has been made in view of immaterial effect (2017: Nil).

The income tax expense for the years can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follow:

	2018 HK\$'000	2017 HK\$'000
Profit before income tax	2,492	9,890
Tax at Hong Kong Profits Tax rate of 16.5%	411	1,632
Effect of change in tax rates (Note)	(165)	–
Tax effect of expenses not deductible for tax purpose	1,243	946
Tax effect of income not taxable for tax purpose	(41)	–
Tax effect of temporary differences not recognised	19	16
Tax relief adjustment for previous year	–	(20)
Income tax expense	<b>1,467</b>	<b>2,574</b>

Note: On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying corporations will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The two-tiered profits tax rates regime is applied from the year of assessment 2018/19.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30 September 2018

### 9. DIRECTORS' AND MANAGEMENT EMOLUMENTS

#### (a) Directors' emoluments

Directors' emoluments disclosed pursuant to section 383 (1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	Directors' fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Performance related bonus HK\$'000	Retirement benefit scheme contributions HK\$'000	Total HK\$'000
<b>Year ended 30 September 2018</b>					
Executive directors					
Mr. Lam Ting Lok	960	–	240	12	1,212
Mr. Lo Mun Lam Raymond	–	600	150	17	767
Ms. Tse Fung Sum Flora	–	360	90	18	468
Ms. Tsang Kwong Wan	–	600	300	18	918
	<b>960</b>	<b>1,560</b>	<b>780</b>	<b>65</b>	<b>3,365</b>
Independent non-executive directors					
Mr. Cheung Pak To, <i>BBS</i>	126	–	–	–	126
Mr. Tsang Jacob Chung	126	–	–	–	126
Dr. Yu Yuen Ping	126	–	–	–	126
	<b>378</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>378</b>
<b>Year ended 30 September 2017</b>					
Executive directors					
Mr. Lam Ting Lok	960	–	240	3	1,203
Mr. Lo Mun Lam Raymond	–	600	–	18	618
Ms. Tse Fung Sum Flora	–	330	60	17	407
Ms. Tsang Kwong Wan	–	600	300	18	918
	<b>960</b>	<b>1,530</b>	<b>600</b>	<b>56</b>	<b>3,146</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30 September 2018

### 9. DIRECTORS' AND MANAGEMENT EMOLUMENTS (Continued)

#### (a) Directors' emoluments (Continued)

Notes:

- (i) Mr. Lam Ting Lok, Mr. Lo Mun Lam Raymond, Ms. Tse Fung Sum Flora and Ms. Tsang Kwong Wan was appointed as directors of the Company on 14 February 2017.
- (ii) Mr. Cheung Pak To, *BBS*, Mr. Tsang Jacob Chung and Dr. Yu Yuen Ping was appointed as independent non-executive directors of the Company on 26 February 2018. No emoluments were paid or payable to the independent non-executive directors during the year ended 30 September 2017.
- (iii) Discretionary bonus was determined with reference to the operating results of the subsidiary and individual performance of the executive directors of the Company.
- (iv) During the year, no payments or benefits in respect of termination of directors' services were paid or made, directly or indirectly, to the directors; nor are any payable (2017: Nil). No consideration was provided to or receivable by third parties for making available directors' services (2017: Nil). There are no loans, quasi-loans or other dealings in favour of the directors, their controlled bodies corporate and connected entities (2017: Nil).
- (v) No director of the Company had a material interest, directly or indirectly, in any significant transactions, arrangements and contracts in relation to the Company's business to which the Company was or is a party that subsisted at the end of the year or at any time during the year (2017: None).
- (vi) No emoluments have been paid to the Directors of the Company or the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation of loss of office in any of the years ended 30 September 2018 and 2017.

#### (b) Individual with highest emoluments

Of the five individuals with the highest emoluments, three (2017: two) are Directors whose emoluments are disclosed in Note 9(a). The aggregate of the emoluments in respect of the other two (2017: three) individuals are as follow:

	2018 HK\$'000	2017 HK\$'000
Salaries and other benefits	909	1,227
Performance related bonuses	850	1,150
Retirement benefit scheme contributions	36	54
	<b>1,795</b>	<b>2,431</b>

The emoluments of the two (2017: three) individuals with the highest emoluments are within the following bands:

	2018	2017
Nil to HK\$1,000,000	2	3

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30 September 2018

### 10. DIVIDEND

	2018 HK\$'000	2017 HK\$'000
Final dividend (Note a) HK\$14.50 per share	–	14,500
Interim dividend (Note b) HK\$4.50 per share	–	4,500
	–	19,000

Notes:

- Final dividend of HK\$14.5 million in respect of the year ended 30 September 2016 were declared and approved by Amasse Capital Limited ("Amasse Capital") on 30 November 2016. The distribution of final dividend was settled by offsetting against the amount due from its then shareholder before the Reorganisation.
- Interim dividend of HK\$4.5 million in respect of the year ended 30 September 2017 has been declared and approved by Amasse Capital on 31 March 2017 and paid in cash during the year ended 30 September 2017.
- No interim and final dividend was paid or proposed during the year ended 30 September 2018.

### 11. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	2018	2017
Profit for the year attributable to owners of the Company (HK\$'000)	1,025	7,316
Weighted average number of ordinary shares in issue at the end of the year ('000)	905,753	800,000

The weighted average number of ordinary shares for the purpose of calculating basic earnings per share has been determined on the assumption that the Reorganisation and capitalisation issue of shares as defined in note 18(c) and (d) had been effective on 1 October 2016.

For each year ended 30 September 2018 and 30 September 2017, there were no potential ordinary shares in issue, thus no adjustment has been made to the basic earnings per share amount presented in respect of dilution.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30 September 2018

### 12. PLANT AND EQUIPMENT

	<b>Furniture and equipment</b> HK\$'000	<b>Motor vehicle</b> HK\$'000	<b>Total</b> HK\$'000
<b>COST</b>			
Aa at 1 October 2016	65	677	742
Additions	16	–	16
At 30 September 2017 and 1 October 2017 and 30 September 2018	81	677	758
<b>ACCUMULATED DEPRECIATION</b>			
Aa at 1 October 2016	46	169	215
Charged for the year	13	135	148
At 30 September 2017 and 1 October 2017	59	304	363
Charged for the year	5	136	141
At 30 September 2018	64	440	504
<b>NET BOOK VALUES</b>			
At 30 September 2018	17	237	254
At 30 September 2017	22	373	395

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30 September 2018

### 13. TRADE RECEIVABLES

	2018 HK\$'000	2017 HK\$'000
Trade receivables	5,027	2,665
Less: provision for impairment losses	(300)	(300)
	<b>4,727</b>	<b>2,365</b>

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Company is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly.

The movement in the specific allowance for doubtful debts during the year is as follows:–

	2018 HK\$'000	2017 HK\$'000
At the beginning and end of the year	<b>300</b>	300

During the year ended 30 September 2014, the Group has entered into a legal proceeding with a client, who was in default in payment of HK\$1,000,000 for the corporate financial advisory services rendered, and the provision for impairment losses was made for such accordingly. On 7 October 2014, the court has made a consent order for the settlement arrangement mutually agreed by the Group and the client that of which the client should pay the Group a sum of HK\$2,000,000 (inclusive of interest) in full for mediation, of which HK\$700,000 should be made within 3 months after the settlement arrangement made and HK\$1,300,000 should be paid one and a half months after the date of resumption of trading in the shares of the client. During the year ended 30 September 2015, the provision for impairment losses was reversed by HK\$700,000 upon the receipt from the client.

As at 30 September 2018, the trading in the shares of the client was still suspended, in the opinion of the directors of the Company, the recovery of the remaining receivable amount of HK\$300,000 is still subject to uncertainty so that it is not recognised in the consolidated financial statements. The contingent asset arising from the compensation under the settlement arrangement of HK\$1,000,000 is not recognised in the consolidated financial statements since the resumption of trading in the shares of the client is uncertain, the compensation income may never be realised.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30 September 2018

### 13. TRADE RECEIVABLES (Continued)

The following is an aged analysis of trade receivables based on the invoice date, at the end of each reporting year. It also represented the ageing analysis of trade receivables which are past due but not impaired, at the end of each reporting period.

	2018 HK\$'000	2017 HK\$'000
Within 1 month	3,972	1,725
1 to 3 months	375	640
Over 3 months	380	–
	<b>4,727</b>	<b>2,365</b>

There is no credit period granted for financial advisory services income. The trade receivables of approximately HK\$4.7 million (2017: HK\$2.4 million) were past due but not impaired as at 30 September 2018. As there is no significant change in credit quality of customers and no recent history of significant default in respect of these customers, the management believes that the amounts are fully recoverable and no allowances for bad and doubtful debts have been provided.

### 14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2018 HK\$'000	2017 HK\$'000
Prepayments (Note)	267	1,884
Deposits	197	196
Other receivables	38	5
	<b>502</b>	<b>2,085</b>

The amount of the Group's prepayments, deposits and other receivables expected to be recovered or recognised as expense within one year or are receivable on demand.

Note: As at 30 September 2017, the prepayments represented the prepaid expenses relating to the initial public offering (the "IPO") attributable to the new shares that will be issued amounted to approximately HK\$1.9 million.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30 September 2018

### 15. CASH AND CASH EQUIVALENTS

	2018 HK\$'000	2017 HK\$'000
Cash at bank and on hand	6,754	10,633
Short-term bank deposits	39,000	–
	<b>45,754</b>	<b>10,633</b>

Cash and cash equivalents include cash on hand and short-term bank deposits. Short-term bank deposits are made for varying periods of between one day and three months depending on the cash requirements of the Group, and earn interest rate at the respective short-term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

### 16. OTHER PAYABLES AND ACCRUALS

	2018 HK\$'000	2017 HK\$'000
Other payables	56	1,613
Accruals	389	2,567
	<b>445</b>	<b>4,180</b>

All the other payables and accruals are expected to be settled within one year or are repayable on demand.

As at 30 September 2017, the accruals and other payables mainly represented the unpaid or to be paid expenses relating to the IPO attributable to the new shares that will be issued amounting to approximately HK\$4.1 million.

### 17. AMOUNT DUE TO A DIRECTOR

The amount due to a director of approximately HK\$0.2 million was unsecured, interest-free and repayable on demand which represented the expenses incurred in relation to the listing of the shares on GEM. The amount was fully settled on 20 November 2017.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30 September 2018

### 18. SHARE CAPITAL

	Note	Number of ordinary shares of HK\$0.01 each	Share Capital HK\$'000
<b>Authorised:</b>			
At 14 February 2017 (date of incorporation)			
and at 30 September 2017	a	39,000,000	390
Increase in number of authorised shares	b	9,961,000,000	99,610
At 30 September 2018		10,000,000,000	100,000
<b>Issued and fully paid:</b>			
Issued upon incorporation and at 30 September 2017	a	1	–
Reorganisation	c	99,999,999	1,000
Share issued pursuant to public offering	d	200,000,000	2,000
Capitalisation issue of shares	d	700,000,000	7,000
At 30 September 2018		1,000,000,000	10,000

Notes:

- a. The Company was incorporated in the Cayman Islands with authorised share capital of HK\$390,000 divided into 39,000,000 shares of par value of HK\$0.01 each on 14 February 2017. On the same date, the Company allotted and issued 1 share of HK\$0.01 to the subscriber which was subsequently transferred to then sole shareholder, Access Cheer.
- b. Pursuant to the written resolutions of the sole shareholder of the Company passed on 26 February 2018, the authorised share capital of the Company was increased from HK\$390,000 divided into 39,000,000 shares to HK\$100,000,000 divided into 10,000,000,000 shares by the creation of an additional 9,961,000,000 shares.
- c. On 26 February 2018, the Company allotted and issued 99,999,999 shares to Access Cheer, all credited as fully paid, as consideration for the acquisition of the entire issued share capital of Amasse Capital by Merit Group Investment Limited ("MGIL", a directly wholly-owned subsidiary of the Company). The aforesaid transactions contemplated under the share purchase agreement were completed on 26 February 2018, and as a result, Amasse Capital is wholly owned by MGIL, which in turn is wholly owned by the Company.
- d. On 22 March 2018, the Company issued 200,000,000 shares at HK\$0.24 per share pursuant to the IPO of the Company's shares for total gross proceeds of HK\$48,000,000. Conditional upon the crediting of the Company's share premium account as a result of the issue of the shares pursuant to the IPO, a sum of HK\$7,000,000 standing to the credit of the share premium account of the Company was capitalised by paying up in full at par a total of 700,000,000 new shares and for allotment and issue to Access Cheer.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30 September 2018

### 19. OPERATING LEASE COMMITMENTS

Operating lease payments represent rentals payable by the Group for its office premises, with the leases negotiated for a term within one to three years at fixed rentals.

At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	2018 HK\$'000	2017 HK\$'000
Within one year	392	636
After one year but within five years	–	385
	392	1,021

### 20. CAPITAL RISK MANAGEMENT

The Group defines “capital” as total equity.

The primary objectives of the Group’s capital management are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Directors of the Company regularly review and manage the Group’s capital structure to maintain a sufficient cash level to meet its liquidity requirements. Neither the Company nor its subsidiaries, except for Amasse Capital, are subject to extremely imposed capital requirements. Amasse Capital is regulated by the Securities and Futures Commission (“**SFC**”) and is required to comply with certain minimum capital requirements according to the SFO. The management monitors Amasse Capital’s liquid capital daily to ensure it meets the minimum liquid capital requirement in accordance with the Securities and Futures (Financial Resources) Rules (“**FRR**”) adopted by the SFC. Under the FRR, Amasse Capital must maintain its liquid capital in excess of HK\$3,000,000. The required information is filed with SFC on a monthly basis. Amasse Capital was in compliance with the capital requirements imposed by FRR during the year ended 30 September 2018.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30 September 2018

### 21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial assets are mainly loans and receivables including trade and other receivables and cash and cash equivalents, and the Group's financial liabilities at amortised costs include other payables and accruals and amount due to a director. The risks associated with the Group's financial instruments and the policies on how the Group mitigates risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

#### (a) Credit risk

Principal financial assets consist of trade receivables, deposits and bank balances. The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position.

In respect of trade and other receivables, the Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. Consequently, individual credit evaluations are performed on all customers and counterparties. These evaluations focus on the counterparty's financial position, past history of making payments. The responsible officers of the Group are responsible for overall monitoring of the credit risk of their customers. Monitoring procedures have been implemented to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade and other receivable balance at the end of each reporting period to ensure adequate impairment losses are made for irrecoverable amounts.

One largest customer's balance (2017: Nil) constituted a significant concentration of credit risk to an amount of HK\$3 million (2017: Nil). This balance constituted approximately 59.7% (2017: 0%) of the total gross trade receivable.

Other than the above-mentioned customer, there was one customer (2017: two customers) that individually represented more than 10% of total gross trade receivables.

Deposits and bank balances are limited to reputable large commercial banks with high credit ratings assigned by international credit-rating agencies.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30 September 2018

### 21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### (b) Liquidity risk

Liquidity risk is the risk arising from our potential inability to meet all payment obligations when they come due or only being able to meet these obligations at excessive costs. The objective of the Group's liquidity risk management framework is to ensure that the Group can fulfill its payment obligations at all times and can manage liquidity and funding risks within its risk appetite.

The Directors of the Company monitors and maintains levels of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. All financial liabilities are non-interest bearing and their maturity dates are either within one year or repayable on demand. All carrying amounts of financial liabilities are equal to the undiscounted cash flows.

#### (c) Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the Group has no significant interest-bearing assets other than cash and cash equivalents, the income and operating cash flows of the Group are substantially independent of changes in market interest rates.

The Company's objective is to manage its interest rate risk, working within an agreed framework, to ensure that there are no undue exposures to significant interest rate movements.

#### (d) Fair value measurement

The carrying amounts of the Group's financial instruments carried at amortised cost were not materially different from their fair values as at 30 September 2018 and 2017.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30 September 2018

### 22. PROVISION FOR LONG SERVICE PAYMENT

Under the Hong Kong Employment Ordinance, the Group is obligated to make lump sum payments on cessation of employment in certain circumstances to certain employees who have completed at least five years of service with the Group. The amount payable is dependent on the employees' final salary and years of service and is reduced by entitlements accrued under the Group's retirement plan that are attributable to contributions made by the Group. The Group does not set aside any assets to fund any remaining obligations. The long service payments are paid out from the Group's cash at banks when such payments are required.

Details of the provision for long service payment of the Group are as follows:

	2018 HK\$'000	2017 HK\$'000
At beginning of the year	–	–
Movements charged to profit or loss	426	–
At end of the year	426	–

### 23. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities. Liabilities arising from financing activities are those for which cash flow were, or future cash flows will be classified in the Group's consolidated statement of cash flows from financing activities.

	Amount due to a director HK\$'000 (Note 17)
At 1 October 2017	210
Changes from financing cash flows: Repayment to a director	(210)
At 30 September 2018	–

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30 September 2018

### 24. MAJOR NON-CASH TRANSACTIONS

#### Final dividend

The distribution of final dividend of HK\$14,500,000 during the year ended 30 September 2017 was settled by offsetting against the amount due from shareholder (Note 10(a)).

### 25. RELATED PARTY TRANSACTIONS

Save as disclosed in Notes 9(a) and 17 to these consolidated financial statements, the Group had the following material transactions with related parties.

#### Compensation of key management personnel

Key management personnel are those persons holding positions with authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including the Directors of the Company.

Key management personnel remuneration was as follow:

	2018 HK\$'000	2017 HK\$'000
Short-term employee benefits	4,820	4,082
Post-employment benefits	100	74
	<b>4,920</b>	4,156

The related party transactions did not constitute connected transactions (including continuing connected transactions) as defined in Chapter 20 of the GEM Listing Rules.

### 26. SHARE OPTION SCHEME

A share option scheme (the “**Share Option Scheme**”) which became effective on 26 February 2018 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. Under the Share Option Scheme, the Company may grant options to selected classes of participants which include the Group’s employee (including the Group’s director), adviser, consultant, service provider, agent, client, partner or joint venture partner who is in full-time or part-time employment with or otherwise engaged by any member of the Group. The principal terms of the Share Option Scheme are set out in the section headed “Statutory and General Information – Share Option Scheme” in Appendix IV of the Prospectus.

No share options were granted, exercised, cancelled or lapsed under the Share Option Scheme during the current year nor outstanding at the end of the reporting period.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30 September 2018

### 27. PARTICULARS OF SUBSIDIARIES

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below:

Name of subsidiary	Place of incorporation	Particulars of issued and paid-up share capital	Percentage of equity attributable to the Company as at 30 September		Principal activities
			2018	2017	
Merit Group Investment Limited	British Virgin Islands	US\$1	100%	100%	Investment holding
Amasse Capital Limited	Hong Kong	HK\$5,000,000	100%	100%	Provision of corporate finance advisory services

None of the subsidiaries has issued any debt securities at the end of the year.

### 28. EVENTS AFTER THE REPORTING PERIOD

The management is not aware of any events after the reporting period that are material and require disclosure in the financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30 September 2018

### 29. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	Note	2018 HK\$'000	2017 HK\$'000
<b>Non-current asset</b>			
Investment in a subsidiary		—*	—*
<b>Current assets</b>			
Prepayments, deposits and other receivables		161	1,884
Amount due from a subsidiary	29(a)	5,039	5
Cash and cash equivalents		40,885	—
		<b>46,085</b>	1,889
<b>Current liabilities</b>			
Other payables and accruals		150	4,128
Amount due to a director	17	—	210
Amount due to a subsidiary	29(a)	13,162	3,283
		<b>13,312</b>	7,621
Net current assets/(liabilities)		<b>32,773</b>	(5,732)
Net assets/(liabilities)		<b>32,773</b>	(5,732)
<b>Capital and reserves</b>			
Share capital		10,000	—*
Reserves	29(b)	22,773	(5,732)
Capital surplus/(deficiency)		<b>32,773</b>	(5,732)

\* less than HK\$1,000

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30 September 2018

### 29. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

a. The amounts due were non-trade in nature, unsecured, non-interest-bearing and had no fixed repayment terms.

**b. Movement in reserves**

	Share premium HK\$'000	Other reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 14 February 2017 (date of incorporation)	–	–	–	–
Loss and total comprehensive expense	–	–	(5,732)	(5,732)
At 30 September 2017	–	–	(5,732)	(5,732)
Loss and total comprehensive expense	–	–	(6,794)	(6,794)
Other reserve arising from group reorganisation	–	5,000	–	5,000
Issue of shares pursuant to reorganisation (Note 18(c))	–	(1,000)	–	(1,000)
Issue of shares pursuant to public offering	46,000	–	–	46,000
Capitalisation issue of shares (Note 18(d))	(7,000)	–	–	(7,000)
Share issuance costs	(7,701)	–	–	(7,701)
	<u>31,299</u>	<u>4,000</u>	<u>(12,526)</u>	<u>22,773</u>

**c. Other reserve**

It represents the difference between the nominal value of the shares of the subsidiaries acquired and the nominal value of the shares issued by the Company as consideration thereof pursuant to the exchange of shares on group reorganisation.

## FINANCIAL SUMMARY

A Summary of the results and of assets and liabilities of the Group for the last three financial years, extracted from the audited financial statements in this annual report and the Prospectus of the Company dated 8 March 2018, is as follows:

### RESULTS

	For the year ended 30 September			
	2018 HK\$'000	2017 HK\$'000	2016 HK\$'000	2015 HK\$'000
Revenue	<b>22,202</b>	24,514	23,024	14,715
Profit before tax	<b>2,492</b>	9,890	15,598	10,446
Income tax expense	<b>(1,467)</b>	(2,574)	(2,568)	(1,643)
Profit and total comprehensive income	<b>1,025</b>	7,316	13,030	8,803

### ASSETS AND LIABILITIES

	As at 30 September			
	2018 HK\$'000	2017 HK\$'000	2016 HK\$'000	2015 HK\$'000
Total assets	<b>51,237</b>	15,478	20,186	13,015
Total liabilities	<b>2,394</b>	7,959	983	42
Total equity	<b>48,843</b>	7,519	19,203	12,973