AMASSE CAPITAL
寶積資本

AMASSE CAPITAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock code: 8168

ANNUAL REPORT 2019

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

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*This annual report, for which the directors (the "**Directors**") of Amasse Capital Holdings Limited (the "**Company**") 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 (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company and its subsidiaries (together, the "**Group**"). The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this annual report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this annual report misleading.*

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. 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. Ying Yuk Sim
(appointed on 1 December 2019)
Ms. Cheng Suk Kuen
(resigned on 1 December 2019)

AUDITOR

CHENG & CHENG LIMITED
Certified Public Accountants
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Enterprise Square Five,
38 Wang Chiu Road
Kowloon Bay, Kowloon
Hong Kong

COMPLIANCE ADVISER

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Hong Kong

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Wanchai, Hong Kong

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Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Hong Kong

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor
Services Limited
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Wanchai, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Estera Trust (Cayman) Limited
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KY1-1108
Cayman Islands

PRINCIPAL BANKERS

Industrial and Commercial Bank of
China (Asia) Limited

WEBSITE

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 2019 to the shareholders (the "**Shareholders**") of the Company.

REVIEW OF RESULTS

For the financial year ended 30 September 2019, the Group's revenue was approximately HK$10.7 million (2018: approximately HK$22.2 million). A loss attributable to owners of the Company amounted to approximately HK$4.7 million as compared with a profit of approximately HK$1.0 million for the financial year ended 30 September 2018.

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 ("**Amasse Capital**"), 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 GEM (the "**GEM Listing Rules**") and/or the Codes on Takeovers and Mergers and Share Buy-backs (the "**Takeovers Codes**"); (ii) acting as independent financial adviser to independent board committees and/or independent shareholders of public listed companies in Hong Kong; and (iii) acting as underwriter and/or placing agent not holding client assets in fund raising activities for its clients.

On 29 June 2018, the Stock Exchange published a consultation paper to seek comments on proposals 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. Further, on 3 July 2018, the Stock Exchange effected certain amendments to the Listing Rules and the GEM Listing Rules to tighten the requirements on capital raising activities by listed issuers, including the restriction of highly dilutive capital raising activities. As a combined effect from the aforesaid tightened regulatory measures, 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 States of America ("**US**")), the merger and acquisition ("**M&A**") activities as well as the corporate fund raising activities of Hong Kong listed companies have been adversely affected.

According to the website of the Stock Exchange, the number of circular ("**Circular(s)**") in respect of Takeovers Code related transactions and/or notifiable transactions under Chapter 14 of the Listing Rules and/or under Chapter 19 of the GEM Listing Rules of Hong Kong listed companies (including transactions with M&A) had decreased to about 470 transactions for the year ended 30 September 2019, representing a decrease of approximately 9.6% as compared to about 520 transactions for the corresponding period of last year.

Further, according to the Securities and Derivatives Markets Quarterly Reports published by the Stock Exchange, it was observed that the number of corporate fund raising transactions (including placing, right issues and open offer) of Hong Kong listed companies had decreased to about 200 transactions for the year ended 30 September 2019, representing a decrease of approximately 35.5% as compared to about 310 transactions for the corresponding period of last year, mainly driven by the tightened regulatory measures.

The performance of the Group had been adversely affected by (i) the decrease in number of corporate transactions and the lackluster performance of corporate finance market in Hong Kong as a result of the tightened regulatory regime, Hong Kong protests and the persistent global economic uncertainties; and (ii) the keen competition in pricing for corporate finance advisory services deals as a result of the weak corporate finance advisory services sector. The total fees for corporate finance advisory services provided by the Group had further declined as compared to the year ended 30 September 2018. The above-mentioned factors will continue to affect the volume and fee chargeable of corporate finance advisory services transactions handled by the Group as well as the Group's future performance.

FINANCIAL REVIEW

Revenue

Revenue for the year ended 30 September 2019 amounted to approximately HK$10.7 million, representing a decrease of approximately HK$11.5 million or 51.8% as compared with that of approximately HK$22.2 million for the corresponding period of last year. The decrease in revenue was driven mainly due to a decrease of corporate finance advisory transactions handled by the Group from 47 transactions for the year ended 30 September 2018 to 36 transactions for the year ended 30 September 2019, a decrease of approximately 23.4% as compared to the corresponding period of last year.

Other Income

Other income was approximately HK$0.8 million for the year ended 30 September 2019 (2018: approximately HK$0.3 million), 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 were approximately HK$10.9 million, representing an increase of approximately HK$0.9 million or 9.0% from approximately HK$10.0 million for the corresponding period of 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$0.3 million; (b) the increase of approximately HK$0.4 million of the performance related bonuses paid; and (c) the provision of long service payment of approximately HK$0.2 million under conditions of Hong Kong Employment Ordinance.

Other Operating Expenses

Other operating expenses for the year ended 30 September 2019 were approximately HK$4.2 million when compared to approximately HK$3.6 million for the corresponding period of last year. The increase in other operating expenses was mainly due to the increase in fee paid to professional parties including legal advisory fee and compliance advisory fee.

Income Tax Expense

The Group generated income only in Hong Kong and was subject only to Hong Kong profits tax. No income tax expense was recorded for the year ended 30 September 2019 (2018: approximately HK$1.5 million), which was mainly due to the decrease in revenue causing the loss before tax.

Profit for the Year

The Group recorded net loss of approximately HK$4.7 million for the year ended 30 September 2019 (2018: net profit of approximately HK$1.0 million). Such decrease was mainly attributed to (i) the decrease in revenue of approximately HK$11.5 million as mentioned above, offsetting by (ii) the decrease of non-recurring listing expenses of approximately HK$5.6 million.

Dividend

No dividend for the year ended 30 September 2019 (2018: Nil) is recommended by the Board.

Liquidity and Financial Resources

As at 30 September 2019 and 2018, the Group had cash and cash equivalents of approximately HK$39.5 million and HK$45.8 million respectively. The Group's current ratio was approximately 27.7 times as compared to approximately 25.9 times as at 30 September 2018.

As at 30 September 2019 and 2018, 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.

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 and United States dollars ("**US$**").

Capital Structure

The Directors monitor the Group's capital structure by reviewing cash flow requirements, taking into account of its future financial obligations and commitments. The capital structure of the Group comprises of issued share capital and reserves attributable to Shareholders. The Directors review the Group's capital structure regularly.

Charges on Group Assets

As at 30 September 2019, the Group did not have any charges on its assets (2018: Nil).

Future Plans for Material Investments or Capital Assets

During the year under review, the Group formed a wholly-owned subsidiary named as Amasse Asset Management Limited ("**Amasse AM**"). Details of Amasse AM is set out in the subsection headed "Outlook and Prospects" below. Other than Amasse AM, the Group did not have any other plans for material investment and capital assets as at 30 September 2019.

Foreign Currency Exposure

The Group's exposures to foreign currencies mainly arises from US$ time deposits. The Directors should be aware that foreign currency time deposit is subject to currency risks and there can be no assurance that any appreciation value of foreign currency dollar. In order to mitigate the potential impact of currency fluctuation, the Directors closely monitors its foreign currency exposures and cash is deposited in US$ time deposit with short maturities. No other foreign currency time deposit was entered into by the Group during the year under review. As at 30 September 2019, the Group had US$ time deposits of approximately US$1.9 million (2018: Nil).

Capital Commitments and Contingent Liabilities

As at 30 September 2019, the Group did not have any significant capital commitments and contingent liabilities (2018: Nil).

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 2019.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2019, the Group employed 16 (2018: 16) 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.

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 "Business Review" 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**").

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).

During the year under review, the Group had used approximately HK$0.6 million (2018: approximately HK$2.2 million). The remaining net proceeds of approximately HK$26.2 million were deposited as short-term time 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 2019, as compared to that envisaged in the Prospectus.

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 2019 is set out below:

	Approximate amount of net proceeds from the Listing	**Approximate actual amount utilised from the Listing to 30 September 2018**	**Approximate actual amount utilised from 1 October 2018 to 30 September 2019**	**Unused amount of net proceeds as at 30 September 2019**
	HK$ million	HK$ million	HK$ million	HK$ million
Expanding the corporate finance advisory business	5.9	–	0.1	5.8
Building up an IPO team	17.1	–	–	17.1
Developing the equity capital markets business	0.7	–	–	0.7
Expanding office	3.1	–	0.5	2.6
General working capital	2.2	2.2	–	–
	29.0	2.2	0.6	26.2

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. In pursuing the long-term goals, the Group planned to build up an IPO team in year 2019 to provide IPO sponsorship services and to act as compliance adviser as set out in the Prospectus. Looking back at the Hong Kong IPO market performance, IPO activities were very active in the second half of year 2017 with a total of 102 new listings, which was around a 41.7% increase in volume as compared to 72 new IPO listings from the first half of year 2017. The IPO activities continued to be vibrant in the first half and second half of 2018 with a total of 108 and 110 new listings respectively.

However, it is observed that for the period from January to September 2019, the IPO market performance was quiet as the Stock Exchange tightened its approval for new listings. There was a notable increase in the number of applicants that were rejected during the listing application process. This was primarily a direct result of the heightened scrutiny of the suitability and commercial rationale for listing applied by the Stock Exchange. Rejections were based on whether rationale for listing was supported by the applicant's expected growth and therefore, need for funding. The Stock Exchange's vetting process is qualitative and the review on the suitability of each applicant is holistic. A total of 108 IPO applicants were successfully listed on the Stock Exchange for the period from January to September 2019, which was around a 34.9% decrease in volume compared to the 166 new IPO listings from the corresponding period of last year. The Directors took the view that an increasingly stringent approval process will discourage applicant from raising capital from the IPO market. Further, Hong Kong has been hit by volatility stemming from concerns over trade conflict between the PRC and the US and social instability in Hong Kong. The uncertainty in the economic outlook and volatile market would impact the timing and the number of companies that can go public hugely. In view of the above, the Group weighed up the costs and the benefits and considered adoption of a prudent approach to hold-up on establishment of an IPO team until the time when the regulatory and economic environments become clearer.

As set out in the "Future Plans and Use of Proceeds" section in the Prospectus, one of the uses of the net proceeds has been to expand the Group's corporate finance advisory business by recruiting additional employees. Another use of net proceeds of the Group is to develop its equity capital market business. Owing to the challenging environments as noted in the sub-section headed "Business Review" above and the economic uncertainties, both the above-mentioned expansion plans were not actively pursued. However, the Group remains resolute to execute the Future Plans as stated in the Prospectus.

During the year, the Group has rented a new office for expansion of office. Approximately HK$0.5 million out of net proceeds has been used to pay for the rental deposit (approximately HK$0.2 million) and rental fee (approximately HK$0.3 million). 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.

OUTLOOK AND PROSPECTS

Looking forward, the business and operation environments of the Group will remain challenging as noted in the sub-section headed "Business Review" above. The social instability in Hong Kong is expected to continue together with concerns over the worldwide and Hong Kong economic growth, the overall market is expected to be volatile. The Directors expect that there are still uncertainties and adverse effects on the overall business of our Group with the weak economic conditions in Hong Kong.

To cope with the challenging environments, the Group has decided to seek other financial related services to diversify its business and broaden its revenue base so as to generate value for Shareholders. During the year under review, the Group formed a wholly-owned subsidiary named as Amasse Asset Management Limited ("**Amasse AM**") which made an application (the "**Application**") to the SFC for the granting of Type 4 (Advising on securities) and Type 9 (Asset Management) regulated activities under the SFO. The Application was still under review by the SFC. It is expected that Amasse AM will participate in providing asset management services after granting the licenses by the SFC. Meanwhile, the Group will continue to provide quality corporate finance advisory services to customers so as to generate value for our customers and future revenue for our Shareholders.

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 year, 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 and experience 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 year, 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 year, there was no change in the composition of the Board. The biographical information of the Directors, which is set out on pages 24 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 year 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. The Company has also received a written annual confirmation from each of the independent non-executive Directors in respect of their independence for the year. 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 year.

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.

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.

DIVIDEND POLICY

The Company has adopted a dividend policy. As a summary, in recommending or declaring dividends, the Company shall maintain adequate reserves for meeting its current and future operations, liquidity position and capital requirements. There is no pre-determined dividend distribution ratio. Dividends may be paid only out of the Company's reserves as determined by the Directors having regard to the above-mentioned factors and permitted under Companies Law of the Cayman Islands and the Articles of the Company. Final dividend for any financial year will in addition be subject to Shareholders' approval.

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 Company believes that the board diversity policy is a key element for the Company to maintain sound corporate governance, realise sustainable development, achieve strategic objectives and enhances decision-making capability. The Company considers that the concept of diversity incorporates a number of different aspects and measurable objectives, such as professional experience, business perspectives, independence, skills and knowledge, gender, age, cultural and educational background.

The Board has achieved most of the measurable objectives under board diversity policy during the Year.

In accordance with the nomination policy which is applicable to both new appointments and re-appointments, the secretary of the nomination committee shall call a meeting of the nomination committee, and invite nominations of candidates from the Board members (if any), for consideration by the nomination committee prior to its meeting. The nomination committee may also put forward candidates who are not nominated by the Board members. The nomination committee shall make recommendations of the candidates for the Board's consideration and approval. For proposing candidates to stand for election/re-election at a general meeting, the nomination committee shall make nominations to the Board for its consideration and recommendation. In identifying and selecting suitable candidates for directorships, the nomination committee would consider the candidate's character, qualifications, experience, independence pursuant to Rule 5.09 of the GEM Listing Rules and other relevant criteria necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

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 year ended 30 September 2019, 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 2019, 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 year ended 30 September 2019, 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 and senior management.

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.

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 year ended 30 September 2019, the audit committee held 4 meetings for, inter alia, (1) re-appointment of external auditor; (2) assessment of independence of external auditor; (3) discussing with the external auditor to assess the impact on applying (i) new and amendments of accounting standard and (ii) update of Listing Rules; (4) reviewing and commenting the audited consolidated financial statements for the year ended 30 September 2018, the unaudited consolidated financial statements for the three months ended 31 December 2018, six months ended 31 March 2019 and nine months ended 30 June 2019; (5) reviewing risk management and internal control system in accordance with code provision C.2.1 of the CG Code and (6) improving current standard of financial, operational and compliance control.

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.

The attendance records of each Director at the Board and the above committee meetings and the general meeting of the Company held during the year ended 30 September 2019:

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	6/6	N/A	N/A	N/A	1/1
Mr. Lo Mun Lam Raymond	6/6	N/A	N/A	N/A	1/1
Ms. Tse Fung Sum Flora	6/6	N/A	N/A	N/A	0/1
Ms. Tsang Kwong Wan	6/6	N/A	1/1	1/1	1/1
Independent non-executive Directors:					
Mr. Cheung Pak To, *BBS*	6/6	4/4	1/1	1/1	1/1
Mr. Tsang Jacob Chung	6/6	4/4	1/1	N/A	1/1
Dr. Yu Yuen Ping	6/6	4/4	N/A	1/1	1/1

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.

AUDITOR'S REMUNERATION

During the year ended 30 September 2019, the fees of the external auditor in respect of audit and non-audit services provided to the Group were as follows:

Service rendered	Fee Amount HK$'000
Audit fee	250
Non-audit fee	201
Total	451

FINANCIAL REPORTING

The Board has acknowledged their responsibility for the preparation of the consolidated financial statements for the year ended 30 September 2019 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 year. 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 year.

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 year under review to the date of this annual report.

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

During the year, 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 year, 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.

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.

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 2019 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 year, 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 to obtain up-to-date information regarding the Company.

Constitutional Documents

During the year, the amended and restated Articles of the Company were approved by the Shareholders of the Company and amendments regarding to dividends and reserves were effective from 28 January 2019. A copy of the amended and restated Articles of the Company is posted on the website of the Stock Exchange and the Company. Other than this, there is no significant changes in the Company's constitutional documents during the year.

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 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 requisitionist(s) himself/herself/themselves may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

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.

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 year, Ms. Cheng Suk Kuen was the company secretary of the Company. 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. On 1 December 2019, Ms. Cheng resigned and Ms. Ying Yuk Sim was appointed as the company secretary. Her biographical detail is set out under the section headed "Biography of Directors and Senior Management" of this annual report.

BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Lam Ting Lok, aged 46, 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; Amasse Capital and Amasse Asset. 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 22 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 67, 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 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 47, 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 22 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.

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 46, 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 17 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 70, 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 formerly as executive director of Hong Kong Resources Holdings Limited (Stock Code: 2882) from November 2012 to June 2015, and consecutively as non-executive director from July 2015 to November 2017. He was appointed independent non-executive director of National Agricultural Holdings Limited (HK Stock Code: 1236) on 1 January 2017 where he resigned from the company of his own accord on 8 November 2019. Mr. Cheung is also an independent non-executive director of Minshang Creative Technology Holdings Limited (Stock Code: 1632) from July 2018 and Greenheart Group Limited (Stock Code: 0094) from June 2019. All companies are 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.

Mr. Tsang Jacob Chung, aged 69, 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 21 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 52, 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.

Dr. Yu has nearly 12 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.

SENOR 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 34, 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 8 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

Mr. Loong Kwok Chueng, aged 52, 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 22 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 47, joined the Group in September 2017 and resigned on 1 December 2019. Ms. Cheng was company secretary of the Company and financial controller of Amasse Capital. She was 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 know 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.

Ms. Ying Yuk Sim, aged 53, joined Amasse Capital on 12 November 2019 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 Master Degree in Business Administration from Manchester Business School, University of Manchester in June 2002. She is a fellow member of both the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. She has over 20 years of experience in accounting, financial control, corporate finance and personal financial planning. She had previously served in a number of Hong Kong listed companies and private companies with investment in China, in the fields of banking, construction, trading and manufacturing, property management and insurance company.

DIRECTORS' REPORT

The Directors are pleased to present Shareholders their report together with the audited consolidated financial statements of the Group for the year ended 30 September 2019.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The Group's principal activities during the year are provision of corporate finance advisory services in Hong Kong. The principal activities of its subsidiaries are set out in Note 27 to the consolidated financial statements.

BUSINESS REVIEW

The business review and outlook of the Group during the year are set out in the section headed "Chief Executive's Statement and Management Discussion and Analysis" on pages 5 to 12 of this annual report. Principal risks and uncertainties that the Group may be facing are set out on page 9 of this annual report and the Corporate Governance Report is set out on pages 13 to 23 of this annual report.

RESULTS AND DIVIDEND

The Group's result for the year ended 30 September 2019 and the financial position of the Group at that date are set out in the consolidated financial statements on pages 54 to 55.

The Board does not recommend the payment of any final dividend for the year as set out in Note 11 to the consolidated financial statements.

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 7 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 104 of this annual report.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in Note 19 to the consolidated financial statements.

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 56 of this annual report.

DISTRIBUTABLE RESERVES

At 30 September 2019, 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$33.5 million (2018: 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. As at 30 September 2019, approximately HK$26.2 million of the net proceeds remained unutilised. The net proceeds utilised up to 30 September 2019 was approximately HK$2.8 million. Details are set out in Management Discussion and Analysis on pages 5 to 12 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 13 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 2019. (2018: Nil)

DONATIONS

Donations made by the Group during the year amounted to approximately HK$0.5 million (2018: HK$1.1 million).

MAJOR CUSTOMERS AND SUPPLIERS

The revenue generated by the seven largest customers for the year ended 30 September 2019 and the five largest customers for the year ended 30 September 2018 accounted for approximately 60.0% and 60.2% of the total revenue respectively. For the year ended 30 September 2019, there were four 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 2019 accounted for approximately 18.7% of the total revenue (2018: approximately 27.0%).

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 13 to 23 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 38 to 48 of this annual report.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the year ended 30 September 2019, 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 2019 and up to the date of this report are as follow:

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

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. Accordingly, Mr. Lam Ting Lok, Mr. Lo Mun Lam Raymond, and Mr. Cheung Pak To, *BBS* will retire and, being eligible, will offer themselves for re-election at the Company's forthcoming annual general meeting.

The biographic details of Directors are set out on pages 24 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.

EQUITY-LINKED AGREEMENTS

For the year ended 30 September 2019, the Company has not entered into any equity-linked agreement, and there did not subsist any equity-linked agreement entered into by the Company as at 30 September 2019.

DIRECTORS' INTERESTS IN SIGNIFICANT TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

Save as disclosed in Note 25 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 2019 are set out in Note 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' 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 2019, 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

			Long position	
Name	**Capacity**	Note	**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 2019, 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 2019, 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

			Long position	
Name	**Capacity**	Note	**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 2019, 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 year and up to the date of this annual report. Details of which are set out in Corporate Governance Report on page 20 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 2019.

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 AND CLOSURE OF REGISTER OF MEMBERS

The AGM will be held on Thursday, 13 February 2020. A notice convening the meeting will be issued and sent to the shareholders in due course.

The register of members of the Company will be closed from Monday, 10 February 2020 to Thursday, 13 February 2020 (both days inclusive), during which period no transfer of shares will be registered, for purpose of determining the right to attend and vote at the AGM. All transfer of the Company's shares together with the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong no later than 4:30 p.m. on Friday, 7 February 2020 in order for the holders of the shares to qualify to attend and vote at the AGM or any adjournment thereof.

EVENT AFTER THE REPORTING PERIOD

There are no significant events affecting the Group after the year ended 30 September 2019 and up to the date of this annual report.

AUDITOR

The consolidated financial statements for the year ended 30 September 2019 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 2019

ABOUT THIS REPORT

This Environmental, Social and Governance ("**ESG**") report ("**ESG 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 Group's core business is provision of corporate finance advisory services in Hong Kong and the Group is devoted to minimizing its potential environmental and social impact.

This ESG Report covers the Group's progress on ESG aspects from 1 October 2018 to 30 September 2019 (the "**Year**") and 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 the Rules Governing the Listing of Securities on the GEM of the Stock Exchange of Hong Kong Limited ("**GEM Listing Rules**").

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

The ESG Reporting Guide	Material ESG aspects of the Group	Page
A. Environment		
A1. Emissions	Air Emissions and Greenhouse Gas Emissions	41
A2. Use of Resources	Energy Conservation	42
	Water Conservation	43
	Paper Conservation	43
A3. The Environment and Natural Resources	Environmental Impact Management	44
B. Society		
B1. Employment	Employee Benefits and Career Development	44
B2. Health and Safety	Employees' Health and Workplace Safety	45
B3. Development and Training	Employee Development and Training	46
B4 Labor Standards	Prevention of Child Labor or Forced Labor	47
B5. Supply Chain Management	Supplier Practices	47
B6. Service Responsibility	Services Quality and Satisfaction	47
	Protection of Privacy	47
B7. Anti-Corruption	Anti-corruption	48
B8. Community Involvement	Contributions to Society	48

During the Year, 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.

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	• Seminars and training • Updating of website and announcements • Regulatory or voluntary disclosures	• Compliance with the Listing Rules, publishing of announcements in a timely and accurate manner
Government and regulatory bodies	• Seminars for employees • Statutory filings • Regulatory or voluntary disclosures	• Compliance with laws and regulations
Shareholders and Investors	• Shareholders' meetings • Financial reports, announcements and circulars • Company's website • Company's enquiry e-mail and phone	• Business strategies • Financial performance • Corporate governance
Customers	• Site visits • Business meetings • e-mail and phone	• Services quality • Fair and reasonable pricing • Customer information security
Employees	• Employee activities • Training, seminars and workshops • Interviews • Internal memorandum	• Training and development • Occupational health and safety • Employee remuneration • Working hours • Equal Opportunity

Stakeholders	Communication channels	Possible concerned issues
Suppliers and Business Partners	• Company's website • e-mail and phone	• Payment schedule • Fair competition
Local Communities and Society	• Company's website • Company's enquiry e-mail and phone • Community activities • Donations	• Environmental protection • Employment • Social welfare

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

Environmental aspect	Social aspect
1. Air Emissions and Greenhouse Gas Emissions	1. Anti-corruption
2. Paper Conservation	2. Services Quality and Satisfaction
3. Energy Conservation	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.

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.

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 Year. 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 Year.

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 associated with global warming, pollutions and environmental diversity. During the Year, the GHG of the Group is estimated to be 16.2 tonnes of carbon dioxide equivalent ("**CO_2e**") which has been decreased by 20.2% with that of around 20.3 tonnes for the corresponding period of last year.

Detailed summary of the GHG emissions were shown as below:

Scope of greenhouse gas emissions	**Source of greenhouse gas emissions**	**2019 CO_2e emission (in tonnes)**	2018 CO_2e emission (in tonnes)
Scope 1 Direct emission	Local business travel	**8.2**	11.6
Scope 2 Indirect emission	Purchased electricity	**7.1**	8.1
Scope 3 Other indirect emission	Paper consumption	**0.9**	0.6
		16.2	20.3

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.

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.

Despite an increase of approximately 43.9% in office area during the Year, the total electricity consumption fell by 12.1% year-on-year. The encouraging improvement could be attributed to LED lighting in new leased office and has maintained effective control over the energy consumption in our daily operation. The Group will continue to monitor energy use in the future in order to protect environment.

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

Electricity	**2019**	2018
Consumption (Kwh)	**9,010.0**	10,254.0
Intensity (per sq.ft.)	**4.9**	8.0

Fuel	**2019**	2018
Consumption (liter)	**3,481.2**	4,901.9
Intensity (per employee)	**214.9**	306.4
NOx (g)	**1,768.0**	2,382.3
SOx (g)	**51.1**	72.1
PM (g)	**130.1**	175.4

Note:

1. As at 30 September 2019, the Group had a total of 16 employees (2018: 16) all located in Hong Kong. The weighted average number of employees during the Year was 16.2 (2018:16).

2. During the Year, the Group expanded its office area. The weighted average space of office area was 1,835.6 square feet (2018: 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.

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 Year, the Group's paper usage was:

Paper	**2019**	2018
Consumption (kg)	**187.5**	120.0
Intensity (per employee)	**11.7**	7.5

The increase in consumption of paper are mainly due to (1) our financial advisory services is getting more complex which requires more hard copy for drafting, proof reading and record keeping purpose; (2) increasing statutory filing requirements; (3) in compliance with the newly implemented Anti-Money Laundering/Counter-Financing of Terrorism rules, more reports and audit trails have been generated and safekept.

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. The following table sets forth the number and breakdown of the Group's employees as at 30 September 2019 and 2018:

Summary of Employee Data	**Total number (percentage) of employees**	
	2019	2018
Gender		
Male	**11 (69%)**	12 (75%)
Female	**5 (31%)**	4 (25%)
Age distribution of present employees		
21 – 30	**3 (19%)**	3 (19%)
31 – 40	**4 (25%)**	4 (25%)
41 – 50	**6 (37%)**	6 (37%)
51 – 60	**2 (13%)**	2 (13%)
61 – 70	**1 (6%)**	1 (6%)
Employment type		
Front office	**12 (75%)**	11 (69%)
Back office	**4 (25%)**	5 (31%)

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.

During the Year ended 30 September 2019, the employee turnover rate of the Group was 6.3% (2018: Nil). 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 Year.

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 Year, 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. The reasons of significant decreased training hours received by employees for 2019 is due to (i) in 2018, each newly appointed Director had 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. There is no newly appointed Director during 2019; (ii) the decreased number of training sessions arranged by the Group, and one of the sessions was relevant to 2 regulated activities. During the Year, the Group arranged 2 training sessions (2018: 4 training sessions), amounting to 6 training hours (2018: 13.5 training hours) for employees.

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

	2019	2018
Total number of hours of training received by employees	**123**	194
Total number of employees	**16**	16
Total number of employees trained	**15**	15
Average hours of training per employee and percentage (%) of employees who received training	**8 (94)**	12 (94)
By gender		
Male	**8 (92)**	11 (92)
Female	**8 (100)**	15 (100)
Percentage of employees trained by employment type		
Front office	**8 (100)**	12 (100)
Back office	**6 (75)**	11 (80)

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 Year.

Supply Chain Management

Due to the nature of our principal business activities, the Group had no major suppliers during the Year ended 30 September 2019 (2018: Nil). 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. During the procurement process, the Group evaluates and assesses the suppliers' quality of services and products, their experience and track record, and review from public domain as to any reporting violation to ESG rules and regulations.

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 Year, 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 Year, 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 Year.

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.

The Group operate a whistleblowing policy, which allows employees to report matters of concern about privacy and confidentiality, conflicts of interest, bribery and anti-corruption to the financial controller. If it is a possible criminal offence case, financial controller will bring the case to the Group, who will refer to audit committee to decide further action with consultation from our legal advisers.

During the Year, 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 Year, to help people in need, we donated approximately HK$0.47 million (2018: HK$1.1 million) to various charities including Affectionate World Charitable Foundation Limited; Apple Daily Charitable Foundation; Chin Kung Multicultural Education Foundation Limited; CUHK Alumni Charity Foundation Limited; Evangelical Free Church of China – Evangel Children's Home; HandsOn Hong Kong Limited; Hong Chi Association; Hong Kong Buddhist Education Foundation Limited; Hong Kong Christian Council; Hong Kong Wheelchair Aid Service Limited; Oxfam Hong Kong; Redford Charitable Foundation; Sunshine Action Limited; Tung Lin Kok Yuen; Tung Wah Group of Hospitals; World Green Organisation; Yan Chai Hospital.

During the Year, Amasse Capital Limited had participated community involvement – "Sunshine action" event on 31 August 2019 with nine employees and one child of two executive Directors as volunteers to support and assist a charitable deed by packaging foods and products of basic needs to the needy families/cases.

GOVERNANCE

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

FEEDBACK

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

CHENG & CHENG LIMITED
CERTIFIED PUBLIC ACCOUNTANTS
鄭鄭會計師事務所有限公司
Level 35, Tower 1,
Enterprise Square Five,
38 Wang Chiu Road,
Kowloon Bay, Kowloon,
Hong Kong

TO THE MEMBERS OF AMASSE CAPITAL HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Amasse Capital Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as "**the Group**") set out on pages 54 to 103, which comprise the consolidated statement of financial position as at 30 September 2019, 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 2019, 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.

Key audit matter	How our audit addressed the key audit matter
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* We identified the recognition of corporate finance advisory service income as a key audit matter due to the use of management judgement and its significance to the consolidated financial statements. Certain of the Group's income from provision of general corporate financial advisory services is recognised over time based on contractual terms specified in the underlying agreements as the customers simultaneously receives and consumes the benefits providing by the Group's performance and the revenue can be measured reliably. Corporate financial advisory income from providing specified financial advisory services in relation to type 6 (advising on corporate finance) regulated activities within the scope of financial services related activities, are recognised at a point in time when the reports are issued under the terms of each engagement and the revenue can be measured reliably, as only that time the Group has a present right to payment from the customers for the service performed. As set out in note 5 to the consolidated financial statements, the revenue from corporate finance advisory services recognised over time and at point in time for the year ended 30 September 2019 are approximately HK$3,090,000 and HK$7,608,000 respectively.	Our procedures in relation to the recognition of corporate finance advisory services income included: • Obtaining an understanding of the basis of revenue recognition on the corporate finance advisory service income and the revenue recognition policy; • Determining whether the corporate finance advisory service income is properly recognised either over time or at point in time by checking to the contract terms of mandates on a sample basis; • Checking to the supporting evidence of invoices and settlements during the year and subsequent to the year end on a sample basis; • Reviewing the progress for ongoing projects as at year end by checking the supporting evidence of work performed and completed; and • Evaluating the assessment made by management on the transition and application of the new accounting policy and considering the adequacy of the disclosure.

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

The directors of the Company 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.

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

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company 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 of the Company 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 of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you as a body, 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.

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

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.

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

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

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

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

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

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

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

CHENG & CHENG LIMITED
Certified Public Accountants
Chan Shek Chi
Practising Certificate number P05540

Hong Kong, 18 December 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 September 2019

	Note	**2019** **HK$'000**	2018 HK$'000
Revenue	5	**10,698**	22,202
Other income	6	**768**	250
Employee benefit expenses		**(10,887)**	(10,019)
Operating lease expense		**(861)**	(667)
Depreciation of plant and equipment		**(192)**	(141)
Other operating expenses		**(4,193)**	(3,564)
Listing expenses		**–**	(5,569)
(Loss)/profit before income tax	8	**(4,667)**	2,492
Income tax expense	9	**–**	(1,467)
(Loss)/profit and total comprehensive (expense)/income for the year attributable to owners of the Company		**(4,667)**	1,025
(Loss)/earnings per share – Basic and diluted (HK cents)	12	**(0.47)**	0.11

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2019

	Note	**2019** **HK$'000**	2018 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Plant and equipment	13	**801**	254
Rental and other deposits	15	**383**	–
		1,184	254
Current assets			
Trade receivables	14	**3,855**	4,727
Prepayments, deposits and other receivables	15	**447**	502
Tax recoverable		**965**	–
Cash and cash equivalents	16	**39,532**	45,754
		44,799	50,983
Current liabilities			
Other payables and accruals	17	**1,569**	445
Contract liabilities	18	**50**	–
Deferred revenue		**–**	50
Tax payable		**–**	1,473
		1,619	1,968
Net current assets		**43,180**	49,015
Total assets less current liabilities		**44,364**	49,269
Non-current liabilities			
Provision for long service payment	24	**663**	426
Net assets		**43,701**	48,843
EQUITY			
Share capital	19	**10,000**	10,000
Reserves		**33,701**	38,843
Total equity		**43,701**	48,843

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2019

	Share capital HK$'000	Share premium HK$'000	Other reserve HK$'000	Retained earnings/ (Accumulated losses) HK$'000	Total HK$'000
At 30 September 2018	**10,000**	**31,299**	**4,000**	**3,544**	**48,843**
Impact on initial application of HKFRS 15	**–**	**–**	**–**	**(475)**	**(475)**
At 1 October 2018	**10,000**	**31,299**	**4,000**	**3,069**	**48,368**
Loss and total comprehensive expense	**–**	**–**	**–**	**(4,667)**	**(4,667)**
At 30 September 2019	**10,000**	**31,299**	**4,000**	**(1,598)**	**43,701**

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 19(b))	1,000	–	(1,000)	–	–
Issue of shares pursuant to public offering (Note 19(c))	2,000	46,000	–	–	48,000
Capitalisation issue of shares (Note 19(c))	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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 September 2019

	Note	2019 HK$'000	2018 HK$'000
Cash flows used in operating activities			
(Loss)/profit before income tax		**(4,667)**	2,492
Adjustments for:			
Depreciation of plant and equipment		**192**	141
Bank interest income		**(768)**	(250)
Provision for long service payment		**237**	426
Operating (loss)/profit before working capital changes		**(5,006)**	2,809
Decrease/(increase) in trade receivables		**572**	(2,362)
(Increase)/decrease in prepayments, deposits and other receivables		**(328)**	1,583
Increase/(decrease) in other payables and accruals		**1,124**	(3,735)
Decrease in contract liabilities		**(175)**	–
Decrease in deferred revenue		**–**	(10)
Cash used in operations		**(3,813)**	(1,715)
Income tax paid		**(2,438)**	(3,503)
Net cash used in operating activities		**(6,251)**	(5,218)
Cash flows from investing activities			
Purchase of plant and equipment		**(739)**	–
Interest received		**768**	250
Net cash generated from investing activities		**29**	250
Cash flows from financing activities			
Proceeds from issue of shares	19(c)	**–**	48,000
Share issuance expenses		**–**	(7,701)
Repayment to a director	23	**–**	(210)
Net cash generated from financing activities		**–**	40,089
(Decrease)/increase in cash and cash equivalents		**(6,222)**	35,121
Cash and cash equivalents at beginning of the year		**45,754**	10,633
Cash and cash equivalents at end of the year	16	**39,532**	45,754

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 during the year ended 30 September 2018, 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, and accordingly, the consolidated financial statements have been prepared on a consolidated basis using the principles of merger accounting for the year ended 30 September 2018 as if the Company had always been the holding company of the Group.

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 for the Group for the year ended 30 September 2018 were prepared to present the results and cash flows of the companies now comprising the Group as if the current group structure had been in existence since 1 October 2017.

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 (the "**GEM Listing Rules**").

The consolidated financial statements of the Group have been prepared under the historical cost convention.

(c) Application of new and revised Hong Kong Financial Reporting Standards ("HKFRSs")

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period, except for the amendments to HKFRS 9, Prepayment features with negative compensation which have been adopted at the same time as HKFRS 9.

There is no material impact on the financial statements of the Group as the new HKFRSs and amendments to HKFRSs were consistent with policies already adopted by the Group except for adoption of the following developments:–

HKFRS 9, Financial instruments, including the amendments to HKFRS 9, Prepayment features with negative compensation

HKFRS 9 replaces HKAS 39, Financial instruments: recognition and measurement. It sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

The Group has applied HKFRS 9 retrospectively to items that existed at 1 October 2018 in accordance with the transition requirements. The Group has recognised the cumulative effect of initial application as an adjustment to the opening equity at 1 October 2018. Therefore, comparative information continues to be reported under HKAS 39.

2. GROUP REORGANISATION AND BASIS OF PREPARATION (Continued)

(c) Application of new and revised Hong Kong Financial Reporting Standards ("HKFRSs") (Continued)

HKFRS 9, Financial instruments, including the amendments to HKFRS 9, Prepayment features with negative compensation *(Continued)*

Further details of the nature and effect of the changes to previous accounting policies and the transition approach are set out below:

(i) Classification of financial assets and financial liabilities

HKFRS 9 categories financial assets into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVPL). These supersede HKAS 39's categories of held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVPL. The classification of financial assets under HKFRS 9 is based on the business model under which the financial asset is managed and its contractual cash flow characteristics.

With respect to the financial assets classified as loans and receivables (which were measured at amortised cost) under HKAS 39, the Group has assessed the business model under which the financial assets are managed and its contractual cash flow characteristics, and these financial assets will continue with their respective classification and measurements upon the adoption of HKFRS 9, and the carrying amounts of these financial assets as at 1 October 2018 have not been impacted by the initial application of HKFRS 9.

The measurement categories for all financial liabilities remain the same. The carrying amounts for all financial liabilities at 1 October 2018 have not been impacted by the initial application.

For an explanation of how the Group classifies and measures financial assets and recognises related gains and losses under HKFRS 9, see respective accounting policy in note 3(d).

The Group did not designate or de-designate any financial asset or financial liability at FVPL at 1 October 2018.

2. GROUP REORGANISATION AND BASIS OF PREPARATION (Continued)

(c) Application of new and revised Hong Kong Financial Reporting Standards ("HKFRSs") (Continued)

HKFRS 9, Financial instruments, including the amendments to HKFRS 9, Prepayment features with negative compensation *(Continued)*

(ii) Credit losses

HKFRS 9 replaces the "incurred loss" model in HKAS 39 with the "expected credit loss" ("**ECL**") model. The ECL model requires an ongoing measurement of credit risk associated with a financial asset and therefore recognises ECL earlier than under the "incurred loss" accounting model in HKAS 39.

The Group applies the new ECL model to financial assets measured at amortised cost (including cash and cash equivalents, trade and other receivables).

For further details on the Group's accounting policy for accounting for credit losses, see note 3(d).

As a result of this change in accounting policy on accounting for credit loss, there is no significant impact to the Group's financial statements and accordingly no adjustment to the opening balance of retained earnings and reserves at 1 October 2018 and no restatement to the comparative information are required.

HKFRS 15, Revenue from contracts with customers

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 Revenue, HKAS 11 Construction Contracts and the related interpretations.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this HKFRS 15 recognised at the date of initial application, 1 October 2018. Any difference at the date of initial application is recognised in the opening retained earnings (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the HKFRS 15 retrospectively only to contracts that are not completed at 1 October 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 Revenue and HKAS 11 Construction Contracts and the related interpretations.

The Group recognises revenue from the corporate finance advisory services fee income which is finally arised from contracts with customers.

Information about the Group's performance obligations and the accounting policies resulting from application of HKFRS 15 are disclosed in notes 5 and 3(j) respectively.

2. GROUP REORGANISATION AND BASIS OF PREPARATION (Continued)

(c) Application of new and revised Hong Kong Financial Reporting Standards ("HKFRSs") (Continued)

HKFRS 15, Revenue from contracts with customers *(Continued)*

Summary of effects arising from initial application of HKFRS 15

The following table summarises the impacts of transition to HKFRS 15 on retained earnings at 1 October 2018.

	HK$'000
Retained earnings	
Revenue recognised at point in time	(475)
Impact at 1 October 2018	(475)

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 October 2018. Line items that were not affected by the changes have not been included.

	Notes	Carrying amounts previously reported at 30 September 2018 HK$'000	Reclassification HK$'000	Remeasurement HK$'000	Carrying amounts under HKFRS 15 at 1 October 2018 HK$'000
Current assets					
Trade receivables	(i)	4,727	–	(300)	4,427
Equity					
Reserves	(i)	38,843	–	(475)	38,368
Current liabilities					
Contract liabilities	(i),(ii)	–	50	175	225
Deferred revenue	(ii)	50	(50)	–	–

(i) The Group's certain contracts with customers for providing corporate finance advisory services do not meet the criteria of recognising the revenue over time under HKFRS 15 as described in note 3(j) and hence should be recognised at point in time upon application of HKFRS 15. HK$475,000 has been adjusted from opening retained earnings with corresponding adjustment of HK$300,000 and HK175,000 to trade receivables and contract liabilities respectively.

(ii) At the date of initial application, the deferred revenue of HK$50,000 related to the consideration received in advance from a customer for corporate financial advisory service. This balance was reclassified to contract liabilities upon application of HKFRS 15.

2. GROUP REORGANISATION AND BASIS OF PREPARATION (Continued)

(c) Application of new and revised Hong Kong Financial Reporting Standards ("HKFRSs") (Continued)

HKFRS 15, Revenue from contracts with customers *(Continued)*

Summary of effects arising from initial application of HKFRS 15 (Continued)

The following tables summarise the impacts of applying HKFRS 15 on the Group's consolidated statement of financial position as at 30 September 2019 and its consolidated statement of profit or loss and other comprehensive income for the current year for each of the line items affected. Line items that were not affected by the changes have not been included.

Impact on the consolidated statement of financial position

	As reported HK$'000	Adjustments HK$'000	Amounts without application of HKFRS 15 HK$'000
Current assets			
Trade receivables	3,855	550	4,405
Equity			
Reserves	33,701	550	34,251
Current liabilities			
Contract liabilities	50	(50)	–
Deferred revenue	–	50	50

Impact on the consolidated statement of profit and loss and other comprehensive income

	As reported HK$'000	Adjustments HK$'000	Amounts without application of HKFRS 15 HK$'000
Revenue	10,698	75	10,773
Loss before taxation	(4,667)	75	(4,592)
Total comprehensive expenses for the year	(4,667)	75	(4,592)

2. GROUP REORGANISATION AND BASIS OF PREPARATION (Continued)

(c) Application of new and revised Hong Kong Financial Reporting Standards ("HKFRSs") (Continued)

HKFRS 15, Revenue from contracts with customers *(Continued)*

Impact on the consolidated statement of cash flows

	As reported HK$'000	Adjustments HK$'000	Amounts without application of HKFRS 15 HK$'000
OPERATING ACTIVITIES			
Loss before income tax	(4,667)	75	(4,592)
Decrease in trade receivables	572	(250)	322
Decrease in contract liabilities	(175)	175	–

Under HKAS 18, the Group recognises the fee income from financial advisory services based on the stage of completion of the relevant services rendered. Upon application of HKFRS 15, the relevant services in certain contracts are considered as a single performance obligation. Since the Group does not satisfy the performance obligation over time, revenue from corporate financial advisory services for those contracts should be recognised at point in time. This change in accounting policies resulted in a reduction in revenue by HK$75,000 for the year ended 30 September 2019.

HK(IFRIC)-Int 22, Foreign currency transactions and advance consideration

This interpretation provides guidance on determining "the date of the transaction" for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) arising from a transaction in which an entity receives or pays advance consideration in a foreign currency.

The Interpretation clarifies that "the date of the transaction" is the date on initial recognition of the non-monetary asset or liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the date of the transaction for each payment or receipt should be determined in this way.

The adoption of HK(IFRIC)-Int 22 does not have any material impact on the financial position and the financial result of the Group.

2. GROUP REORGANISATION AND BASIS OF PREPARATION (Continued)

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

The Group has not applied any of the following new HKFRSs, amendments to HKFRSs and new interpretations ("**New and Revised HKFRSs**") that have been issued but are not yet mandatorily effective:

HKFRS 16	Leases[1]
HKFRS 17	Insurance Contracts[3]
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments[1]
Amendments to HKFRS 3	Definition of a Business[5]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKAS 1 and HKAS 8	Definition of Material[2]
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement[1]
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle[1]

1 Effective for annual periods beginning on or after 1 January 2019.
2 Effective for annual periods beginning on or after 1 January 2020.
3 Effective for annual periods beginning on or after 1 January 2021.
4 Effective for annual periods beginning on or after a date to be determined.
5 Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period on or after 1 January 2020.

Except for the New and Revised HKFRSs mentioned below, the directors of the Company anticipate that the application of all other New and Revised HKFRSs will have no material impact on the consolidated financial statement in the foreseeable future.

HKFRS 16 Leases

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 Leases and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer.

Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

2. GROUP REORGANISATION AND BASIS OF PREPARATION (Continued)

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

HKFRS 16 Leases *(Continued)*

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 remeasurement 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, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands for owned use and those classified as investment properties while other operating lease payments are presented as operating cash flows. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing and operating cash flows respectively by the Group.

Under HKAS 17, the Group has already recognised an asset and a related finance lease liability for finance lease arrangement and prepaid lease payments for leasehold lands where the Group is a lessee. The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

Furthermore, extensive disclosures are required by HKFRS 16.

As at 30 September 2019, the Group has non-cancellable operating lease commitments of approximately HK$3.4 million as disclosed in note 20. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of 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 leases.

In addition, the Group currently considers refundable rental deposits paid of approximately HK$0.4 million as rights under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost. Adjustments to refundable rental deposits paid would be considered as additional lease payments and included in the carrying amount of right-of-use assets.

The application of new requirements may result in changes in measurement, presentation and disclosure as indicated above.

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(a) 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.

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 in 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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:

Leasehold improvements	Shorter of lease term or over 5 years
Furniture and equipment	5 years
Motor vehicles	5 years

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

(d) Financial Instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordances with HKFRS 15 since 1 October 2018. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("**FVTPL**")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction cost directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Financial Instruments (Continued)

(i) Financial assets

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2(c))

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("**FVTOCI**"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial asset; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 Business Combinations applies.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or

- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Financial Instruments (Continued)

(i) Financial assets (Continued)

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2(c)) (Continued)

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 October 2018)

The Group's financial assets are mainly classified as loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Financial Instruments (Continued)

(i) Financial assets (Continued)

Impairment of financial assets (upon application HKFRS 9 in accordance with transitions in note 2(c))

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including trade receivables and other receivables). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12-m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables. The ECL on trade receivables are assessed individually for debtors with significant balances and/or collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12-m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

1. Significant increase in credit risk
   In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

   In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

   - an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

   - significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Financial Instruments (Continued)

(i) Financial assets (Continued)

Impairment of financial assets (upon application HKFRS 9 in accordance with transitions in note 2(c)) (Continued)

1. Significant increase in credit risk (Continued)
   - existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
   - an actual or expected significant deterioration in the operating results of the debtor;
   - an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

   Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

   Despite the aforegoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.

   The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

2. Definition of default
   For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

   Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Financial Instruments (Continued)

(i) Financial assets (Continued)

Impairment of financial assets (upon application HKFRS 9 in accordance with transitions in note 2(c)) (Continued)

3. Credit-impaired financial assets
A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(e) the disappearance of an active market for that financial asset because of financial difficulties.

4. Write-off policy
The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Financial Instruments (Continued)

(i) ***Financial assets*** *(Continued)*

Impairment of financial assets (upon application HKFRS 9 in accordance with transitions in note 2(c)) (Continued)

5. Measurement and recognition of ECL

   The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

   Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

   Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

   - Nature of financial instruments (i.e. the Group's trade and other receivables are each assessed as a separate group.);
   - Past-due status;
   - Nature, size and industry of debtors; and
   - External credit ratings where available.

   The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

   Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

   The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Financial Instruments (Continued)

(i) Financial assets (Continued)

Impairment of financial assets (before application of HKFRS 9 on 1 October 2018)

Prior to 1 October 2018, 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 reorganization 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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Financial Instruments (Continued)

(ii) Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

1. *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

2. *Financial liabilities*

Financial liabilities including other payables are subsequently measured at amortised cost using the effective interest method.

(iii) Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(e) Impairment losses on tangible and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of tangible and intangible assets is estimated individually, when it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Impairment losses on tangible and intangible assets (Continued)

Before the Group recognises an impairment loss for assets capitalised as contract costs under HKFRS 15, the Group assesses and recognises any impairment loss on other assets related to the relevant contracts in accordance with applicable standards. Then, impairment loss, if any, for assets capitalised as contract costs is recognised to the extent the carrying amounts exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services that have not been recognised as expenses. The assets capitalised as contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(f) 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) 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.

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.

(h) 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) 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

   iii. is a member of the key management personnel of the Group or the Group's parent.

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 3(i)(1).

   vii. A person identified in note 3(i)(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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 2(c))

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Output method

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 2(c)) (Continued)

Income from provision of corporate financial advisory services

Income from provision of general corporate financial advisory services is recognised over time based on contractual terms specified in the underlying agreements as the customers simultaneously receives and consumes the benefits providing by the entity's performance and the revenue can be measured reliably.

Corporate financial advisory income from providing specified financial advisory services in relation to type 6 (advising on corporate finance) regulated activities within the scope of financial services related activities, are recognised at a point in time when the reports are issued under the terms of each engagement and the revenue can be measured reliably, as only that time the Group has a present right to payment from the customers for the service performed. Invoices for the financial services are issued upon signing service contracts and when stated milestones in the contract are reached.

Costs to fulfil a contract

The Group incurs costs to fulfil a contract in its corporate finance advisory services. The Group first assesses whether these costs qualify for recognition as an asset in terms of other relevant HKFRSs, failing which it recognises an asset for these costs only if they meet all of the following criteria:

(i) the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;

(ii) the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

(iii) the costs are expected to be recovered.

The asset so recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate. The asset is subject to impairment review.

(k) Revenue recognition (prior to 1 October 2018)

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. 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Employee benefits

The Group operates a mandatory provident fund scheme (the "**MPF Scheme**"; a defined contribution plan) under which the Group and its employees are required to contribute 5% (subject to an aggregate maximum of HK$1,500 per month) of the employees' relevant income. Contributions from the employer are 100% vested in the employees as soon as they are paid to the MPF Scheme.

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).

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

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

4. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES (Continued)

(i) Revenue recognition (Continued)

Control is transferred over time and revenue is recognized over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

The directors of the Company have considered the detailed criteria for recognition of revenue set out in HKFRS 15 and in particular, whether the Group has satisfied all the performance obligations over time or at a point in time with reference to the details terms of transaction as stipulated in the contracts entered into with its customers. Accounting policies for revenue recognition are disclosed in note 3(j).

(ii) Provision of ECL for trade receivables

The Group uses provision matrix to calculate ECL for the trade receivables. The provision rates are based on debtors' aging as groupings of various debtors that have same credit periods and similar payment patterns. The provision matrix is based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. In addition, trade receivables with significant balances and credit-impaired are assessed for ECL individually.

As at 30 September 2019, the carrying amount of trade receivables is HK$3,855,000 (2018: HK$4,727,000) (net of loss allowance of HK$300,000 (2018: HK$300,000)).

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed in notes 14 and 22(a) respectively.

5. REVENUE

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

	2019 **HK$'000**	2018 HK$'000
Revenue		
Fee income from acting as:		
Financial adviser	**9,038**	18,737
Independent financial adviser	**1,660**	3,465
	10,698	22,202

	2019 **HK$'000**
Timing of revenue recognition	
At point in time	**7,608**
Over time	**3,090**
	10,698

6. OTHER INCOME

	2019 **HK$'000**	2018 HK$'000
Other income		
Bank interest income	**768**	250

7. SEGMENT INFORMATION

Information reported to the board of directors (the "**Board**") 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:

	2019	2018
	HK$'000	HK$'000
Customer A	**2,000**	N/A
Customer B	**1,200**	N/A
Customer C	**N/A**	6,000
Customer D	**N/A**	3,470

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

8. (LOSS)/PROFIT BEFORE INCOME TAX

(Loss)/profit before income tax is arrived at after charging:

	2019	2018
	HK$'000	HK$'000
Auditor's remuneration	**250**	250
Donation	**469**	1,100
Employee benefit expenses (including directors' remuneration)	**10,887**	10,019
Salaries and welfare	**7,541**	6,855
Performance related bonus	**2,876**	2,505
Retirement benefit scheme contributions	**233**	233
Provision for long service payment	**237**	426
Operating lease rental payments for rental premises	**861**	667

9. INCOME TAX EXPENSE

	2019 **HK$'000**	2018 HK$'000
Current tax – Hong Kong Profits Tax		
Charged for the year	**–**	1,467
	–	1,467

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profits (2018:16.5% on the estimated assessable profits).

No provision for deferred taxation has been made in view of immaterial effect (2018: Nil).

At the end of the reporting period, the Company has unused tax losses of approximately HK$3,383,000 (2018: Nil) available for offset against future profits. However, no deferred tax asset in respect of them had been recognized due to the unpredictability of future profit streams even though those tax losses may be carried forward indefinitely (2018: Nil).

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

	2019 **HK$'000**	2018 HK$'000
(Loss)/profit before income tax	**(4,667)**	2,492
Tax at Hong Kong Profits Tax rate of 16.5% (2018: 16.5%)	**(770)**	411
Income tax at concessionary rate (Note)	**277**	(165)
Tax effect of expenses not deductible for tax purpose	**399**	1,243
Tax effect of income not taxable for tax purpose	**(165)**	(41)
Tax effect of unused tax losses not recognised	**279**	–
Tax effect of temporary difference not recognised	**(20)**	19
Income tax expense	**–**	1,467

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.

10. 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
Year ended 30 September 2019					
Executive directors:					
Mr. Lam Ting Lok	960	–	240	18	1,218
Mr. Lo Mun Lam Raymond	–	600	150	–	750
Ms. Tse Fung Sum Flora	–	360	90	18	468
Ms. Tsang Kwong Wan	–	600	300	18	918
	960	1,560	780	54	3,354
Independent non-executive directors:					
Mr. Cheung Pak To, *BBS*	240	–	–	–	240
Mr. Tsang Jacob Chung	240	–	–	–	240
Dr. Yu Yuen Ping	240	–	–	–	240
	720	–	–	–	720

	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
Year ended 30 September 2018					
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
	960	1,560	780	65	3,365
Independent non-executive directors:					
Mr. Cheung Pak To, *BBS*	126	–	–	–	126
Mr. Tsang Jacob Chung	126	–	–	–	126
Dr. Yu Yuen Ping	126	–	–	–	126
	378	–	–	–	378

10. DIRECTORS' AND MANAGEMENT EMOLUMENTS (Continued)

(a) Directors' emoluments (Continued)

Notes:

(i) 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.

(ii) There was no arrangement under which the directors of the Company waived or agreed to waive any remuneration during the year and the prior year.

(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 of the Company; nor are any payable (2018: Nil). No consideration was provided to or receivable by third parties for making available directors' services (2018: Nil). There are no loans, quasi-loans or other dealings in favour of the directors of the Company, their controlled bodies corporate and connected entities (2018: 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 (2018: None).

(vi) No emoluments have been paid to the directors of the Company or the five highest 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 2019 and 2018.

(b) Individual with highest emoluments

Of the five individuals with the highest emoluments, two (2018: three) are directors of the Company whose emoluments are disclosed in Note 10(a). The aggregate of the emoluments in respect of the other three (2018: two) individuals are as follow:

	2019 **HK$'000**	2018 HK$'000
Salaries and other benefits	**1,560**	909
Performance related bonuses	**1,100**	850
Provident fund contributions	**54**	36
	2,714	1,795

The emoluments of the three (2018: two) individuals with the highest emoluments are within the following bands:

	2019	2018
Nil to HK$1,000,000	**2**	2
HK$1,000,001 to HK$1,500,000	**1**	–

11. DIVIDEND

No interim and final dividend was paid or proposed during the year ended 30 September 2019 (2018: Nil).

12. (LOSS)/EARNINGS PER SHARE

The calculation of the basic (loss)/earnings per share attributable to shareholders of the Company is based on the following data:

	2019	2018
(Loss)/profit for the year attributable to owners of the Company (HK$'000)	**(4,667)**	1,025
Weighted average number of ordinary shares in issue at the end of the year ('000)	**1,000,000**	905,753

For each year ended 30 September 2018 and 30 September 2019, there were no potential ordinary shares in issue, thus no adjustment has been made to the basic (loss)/earnings per share amount presented in respect of dilution.

13. PLANT AND EQUIPMENT

	Leasehold improvements HK$'000	Furniture and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
COST				
As at 1 October 2017, 30 September 2018 and 1 October 2018	–	81	677	758
Additions	164	39	536	739
At 30 September 2019	**164**	**120**	**1,213**	**1,497**
ACCUMULATED DEPRECIATION				
As at 1 October 2017	–	59	304	363
Charged for the year	–	5	136	141
At 30 September 2018 and 1 October 2018	–	64	440	504
Charged for the year	5	7	180	192
At 30 September 2019	**5**	**71**	**620**	**696**
NET BOOK VALUES				
At 30 September 2019	**159**	**49**	**593**	**801**
At 30 September 2018	–	17	237	254

14. TRADE RECEIVABLES

	2019	2018
	HK$'000	HK$'000
Trade receivables	**4,155**	5,027
Less: Loss allowance	**(300)**	(300)
	3,855	4,727

Income arising from the corporate finance advisory services is payable upon presentation of invoices. 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 2019, 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.

The following is an aged analysis of trade receivables net of loss allowance presented 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.

	2019	2018
	HK$'000	HK$'000
Within 1 month	**980**	3,972
1 to 3 months	**2,250**	375
Over 3 months	**625**	380
	3,855	4,727

There is no credit period granted for corporate finance advisory services income. The trade receivables of HK$3,855,000 (2018: HK$4,727,000) were past due but not impaired as at 30 September 2019.

Based on the historical experience of the Group, trade receivables that are past due but not impaired are generally recoverable.

15. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2019 **HK$'000**	2018 HK$'000
Prepayments	**329**	267
Deposits	**452**	197
Other receivables	**49**	38
	830	502
Deduct: Non-current portion	**(383)**	–
Current portion	**447**	502

16. CASH AND CASH EQUIVALENTS

	2019 **HK$'000**	2018 HK$'000
Cash at bank and on hand	**3,793**	6,754
Short-term bank deposits	**35,739**	39,000
	39,532	45,754

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.

17. OTHER PAYABLES AND ACCRUALS

	2019 **HK$'000**	2018 HK$'000
Other payables	**254**	56
Accruals	**1,315**	389
	1,569	445

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

18. CONTRACT LIABILITIES

	30 September 2019 HK$'000	1 October 2018* HK$'000
Corporate finance advisory services	**50**	225

Corporate finance advisory service income is generally paid in advance prior to the beginning of each transaction and is initially recorded as contract liabilities in the consolidated statement of financial position. The portion of income received from the clients but not yet earned is recorded as contract liabilities in the consolidated statement of financial position and will be reflected as a current liability if such amount represents revenue, that the Group expects to recognise within one year from reporting date.

During the year ended 30 September 2019, corporate finance advisory service fee of HK$225,000 that was included in the contract liabilities balance at the beginning of the year was recognised as revenue.

* The amount in this column is after the adjustments from the application of HKFRS 15.

19. SHARE CAPITAL

	Note	Number of ordinary shares of HK$0.01 each	Share Capital HK$'000
Authorised:			
At 1 October 2017		39,000,000	390
Increase in number of authorised shares	a	9,961,000,000	99,610
At 30 September 2018, 1 October 2018 and 30 September 2019		**10,000,000,000**	**100,000**
Issued and fully paid:			
At 1 October 2017		1	–
Reorganisation	b	99,999,999	1,000
Share issued pursuant to public offering	c	200,000,000	2,000
Capitalization issue of shares	c	700,000,000	7,000
At 30 September 2018, 1 October 2018 and 30 September 2019		**1,000,000,000**	**10,000**

19. SHARE CAPITAL (Continued)

Notes:

a) 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.

b) 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.

c) 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.

20. 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:

	2019 **HK$'000**	2018 HK$'000
Within one year	**1,300**	392
Later than one year and with five years	**2,097**	–
	3,397	392

21. 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 externally 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 Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). 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 2019.

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose to a variety of financial risks including credit risk, liquidity risk, interest rate risk and currency risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group regularly monitors its exposure and currently considers not necessary to hedge any of these financial risks.

(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 constituted a significant concentration of credit risk to an amount of HK$2,000,000 (2018: HK$3,000,000). This balance constituted approximately 48.1% (2018: 59.7%) of the total gross trade receivable.

The Group performs impairment assessment under ECL model upon application of HKFRS 9 (2018: incurred loss model) on trade balances individually or based on provision matrix. In this regard, the directors of the Company consider that the Group's credit risk did not significantly changed.

The Group assessed and concluded that there has no significant increase in credit risk since initial recognition, ECL for the financial assets at amortised cost including trade receivables, deposits and bank balances is immaterial.

During the year ended 30 September 2019, the Group did not recognise nor reverse any loss allowance for trade receivable based on the provision matrix. Loss allowance of HK$300,000 was made on a credit-impaired debtor.

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) Credit risk (Continued)

The management of the Group closely monitors the credit quality of trade receivables. Included in the Group's trade receivable balance are debtors with aggregate carrying amount of HK$3,855,000 (2018: HK$4,727,000) which are past due as at the reporting date for which the Group has not provided for loss allowance. The Group does not hold any collaterals over these balances.

Movement in the loss allowance account in respect of trade receivables during the year is as follows:

	2019	2018
	Total and lifetime ECL (credit-impaired)	Total
	HK$'000	HK$'000
Balance at beginning of the year under HKAS 39	**300**	300
Impact on initial application of HKFRS 9	**–**	–
Adjusted balance at beginning of the year	**300**	300
Impairment losses recognised during the year	**–**	–
Balance at end of the year	**300**	300

(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.

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(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 unduly exposures to significant interest rate movements.

(d) Currency risk

The Group has limited currency exposure as both revenue and expenses are denominated in the functional currency of the Group entities, HK dollar. At 30 September 2019, short-term time deposit of approximately HK$14,739,000 (2018: Nil) is denominated in US dollar, a currency other than the functional currency of the Group entities.

The Group is mainly exposed to the foreign exchange risk of US Dollar. Management considers that the Group's exposure to foreign currency risk is minimal. As HK dollar is pegged to US dollar, the directors of the Company consider that the currency risk of US dollar is insignificant.

(e) 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 2019 and 2018.

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
At 1 October 2017	210
Change from financing cash flows:	
Repayment to a director	(210)
At 30 September 2018, 1 October 2018 and 30 September 2019	–

24. 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 payments of the Group are as follows:

	2019 **HK$'000**	2018 HK$'000
At beginning of the year	**426**	–
Movements charged to profit or loss	**237**	426
At end of the year	**663**	426

25. RELATED PARTY TRANSACTIONS

Save as disclosed in Notes 10(a) 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:

	2019 **HK$'000**	2018 HK$'000
Short-term employee benefits	**4,930**	4,820
Post-employment benefits	**90**	100
	5,020	4,920

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

The Company's share option scheme (the "**Share Option Scheme**") was adopted pursuant to a resolution passed on 26 February 2018 for the primary purpose of providing incentives or rewards to directors and eligible employees, and will expire on 26 February 2028. Under the Share Option Scheme, the Board of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares of the Company.

(1) Purpose

The purpose of the Share Option Scheme is to provide incentive or reward to the eligible participants for their contribution to, and continuing efforts to promote the interests of the Group.

(2) Eligible Participants

Eligible participants include employee, adviser, consultant, service provider, agent, client, partner or joint venture partner of the Company or any subsidiary (including any director of the Company or any subsidiary) who is in full-time or part-time employment with or otherwise engaged by the Company or any subsidiary at the time when an option is granted to such employee, adviser, consultant, service provider, agent, client, partner or joint-venture partner or any person who, in the absolute discretion of the Board of Director, has contributed or may contribute to the Group as incentive or reward for their contribution to the Group to subscribe for the shares thereby linking their interest with that of the Group. The basis of eligibility shall be determined by the Board from time to time.

(3) Total Number of Shares available for Issue

The maximum number of shares in respect of which options may be granted under the Share Option Scheme is 100,000,000 shares, representing 10% of the shares of the Company in issue immediately upon completion of the public share offering and the capitalisation issue.

26. SHARE OPTION SCHEME (Continued)

(4) Total Maximum Entitlement of each Eligible Participant

Unless approved by the shareholders in the manner set out below, the total number of shares issued and to be issued upon exercise of the options granted and to be granted pursuant to the Share Option Scheme and any other share option schemes of the Group (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the shares in issue. Where any further grant of options would result in the shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the shares in issue, such further grant must be separately approved by shareholders in general meeting with such Eligible Participant and his close associates (or his associates if the Eligible Participant is a connected person) abstaining from voting. The Company must send a circular to the shareholders and the circular must disclose the identity of the Eligible Participant, the number and terms of the options to be granted (and options previously granted to such Eligible Participant). The number and terms (including the subscription price) of options to be granted to such Eligible Participant must be fixed before shareholders' approval and the date of meeting of our Board for proposing such further grant should be taken as the date of offer for the purpose of calculating the subscription price.

The exercise of any option shall be subject to the shareholders in general meeting approving any necessary increase in the authorised share capital of the Company. Subject thereto, the Board shall make available sufficient authorised but unissued share capital of our Company to allot the shares on the exercise of any option.

(5) Option period and Payment on Acceptance of the Option

Options granted must be taken up within 21 days of the date of grant, upon payment of HK$1 on acceptance of the offer. Options may be exercised at any time during a period commencing on or after the date on which the option is accepted and granted and expiring on a date to be notified by the Board to each grantee which shall not be more than 10 years from the date on which the option is accepted and granted.

(6) Minimum Period for which an Option must be Held before it can be Exercised

No minimum period for which an option must be held before it can be exercised unless otherwise determined by the Board at the time of grant.

(7) Subscription Price of Shares

The subscription price for shares under the Share Option Scheme shall be determined at the absolute discretion of the Board but in any event will not be less than the highest of (a) the closing price of the shares on the Stock Exchange as shown in the daily quotations sheet of the Stock Exchange on the offer date of the particular option, which must be a business day; (b) the average of the closing prices of the shares as shown in the daily quotations sheets of the Stock Exchange for the five consecutive business days immediately preceding the offer date of that particular option; and (c) the nominal value of a share on the offer date of the particular option.

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	Place of operation	Particulars of issued and paid-up share capital	Percentage of equity attributable to the Company as at 30 September 2019	2018	Principal activities
Merit Group Investment Limited	British Virgin Islands	Hong Kong	US$1	**100%**	100%	Investment holding
Amasse Capital Limited	Hong Kong	Hong Kong	HK$10,000,000 (2018: HK$5,000,000)	**100%**	100%	Provision of corporate finance advisory services
Amasse Asset Management Limited	Hong Kong	Hong Kong	HK$500,000	**100%**	–	Dormant

None of the subsidiaries has issued any debt securities at the end of each reporting period.

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.

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	**2019 HK$'000**	2018 HK$'000
Non-current assets			
Investment in a subsidiary		**–***	–*
Current assets			
Prepayments, deposits and other receivables		**179**	161
Amount due from a subsidiary	a	**10,489**	5,039
Cash and cash equivalents		**35,927**	40,885
		46,595	46,085
Current liabilities			
Other payables and accruals		**174**	150
Amounts due to subsidiaries	a	**2,947**	13,162
		3,121	13,312
Net current assets		**43,474**	32,773
Net assets		**43,474**	32,773
EQUITY			
Share capital		**10,000**	10,000
Reserves	b	**33,474**	22,773
Total equity		**43,474**	32,773

* less than HK$1,000

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

Notes:

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

b) **Movement in reserves**

For the year ended 30 September 2019

	Share premium HK$'000	Other reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 30 September 2018 and 1 October 2018	**31,299**	**4,000**	**(12,526)**	**22,773**
Profit and total comprehensive income	**–**	**–**	**10,701**	**10,701**
At 30 September 2019	**31,299**	**4,000**	**(1,825)**	**33,474**

For the year ended 30 September 2018

	Share premium HK$'000	Other reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 October 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 19(b))	–	(1,000)	–	(1,000)
Issue of share pursuant to public offering	46,000	–	–	46,000
Capitalisation issue of shares (Note 19(c))	(7,000)	–	–	(7,000)
Share issuance costs	(7,701)	–	–	(7,701)
At 30 September 2018	31,299	4,000	(12,526)	22,773

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

RESULTS

	For the year ended 30 September				
	2019	2018	2017	2016	2015
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	**10,698**	22,202	24,514	23,024	14,715
(Loss)/profit before tax	**(4,667)**	2,492	9,890	15,598	10,446
Income tax expense	**–**	(1,467)	(2,574)	(2,568)	(1,643)
(Loss)/profit and total comprehensive (expense)/income	**(4,667)**	1,025	7,316	13,030	8,803

ASSETS AND LIABILITIES

	As at 30 September				
	2019	2018	2017	2016	2015
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Total assets	**45,983**	51,237	15,478	20,186	13,015
Total liabilities	**2,282**	2,394	7,959	983	42
Total equity	**43,701**	48,843	7,519	19,203	12,973

Note:

The financial information for the years ended 30 September 2016 and 2015 was extracted from the Prospectus.