AMASSE CAPITAL
寶 積 資 本

Amasse Capital Holdings Limited

寶積資本控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8168)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

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

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

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

The board (the "**Board**") of directors (the "**Director**") of Amasse Capital Holdings Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 30 September 2019 together with the comparative figures for the year ended 30 September 2018 as follows:

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	*3*	**10,698**	22,202
Other income	*4*	**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	*5*	**(4,667)**	2,492
Income tax expense	*6*	**–**	(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)*	*8*	**(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		**801**	254
Rental and other deposits	*10*	**383**	–
		1,184	254
Current assets			
Trade receivables	*9*	**3,855**	4,727
Prepayments, deposits and other receivables	*10*	**447**	502
Tax recoverable		**965**	–
Cash and cash equivalents		**39,532**	45,754
		44,799	50,983
Current liabilities			
Other payables and accruals	*11*	**1,569**	445
Contract liabilities		**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		**663**	426
Net assets		**43,701**	48,843
EQUITY			
Share capital		**10,000**	10,000
Reserves		**33,701**	38,843
Total equity		**43,701**	48,843

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.

In the opinion of the Directors, 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 was prepared to present the results of the companies now comprising the Group as if the current group structure had been in existence since 1 October 2017.

(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.

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) of annual report.

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

(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) of annual report.

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) of annual report respectively.

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.

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)

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.

(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.

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. 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. REVENUE

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

	2019	2018
	HK$'000	*HK$'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

4. OTHER INCOME

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

5. (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

6. INCOME TAX EXPENSE

	2019	2018
	HK$'000	*HK$'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	2018
	HK$'000	*HK$'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.

7. DIVIDEND

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

8. (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.

9. TRADE RECEIVABLES

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

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 *HK$'000*	2018 *HK$'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.

10. 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

11. 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 Overview" above. A detailed discussion of the risk factors is set out in the section headed "Risk Factors" in the prospectus of the Company dated 8 March 2018 (the "**Prospectus**").

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.

OTHER INFORMATION

Director's 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 announcement.

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.

Review by Audit Committee

The audit committee of the Company has reviewed and discussed with the Company's auditor, CHENG & CHENG LIMITED, Certified Public Accountants, the consolidated financial statements of the Group for the year ended 30 September 2019 including critical accounting policies and practices adopted by the Group.

Scope of Work of CHENG & CHENG LIMITED

The financial figures in respect of the preliminary announcement of the Group's results for the year ended 30 September 2019 have been compared by the Company's auditor, CHENG & CHENG LIMITED, Certified Public Accountants, to the amounts set out in the Group's audited consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by CHENG & CHENG LIMITED in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditor.

Events after the Reporting Period

The Group had no significant events from the end of the reporting period to the date of this announcement.

Publication of Annual Results and Annual Report

This announcement is published on the websites of the Stock Exchange (www.hkgem.com) and the Company (www.amasse.com.hk). The Company's annual report for the year ended 30 September 2019 containing all applicable information required by GEM Listing Rules will be despatched to the shareholders of the Company and published on the above websites in due course.

By order of the Board
Amasse Capital Holdings Limited
Lam Ting Lok
Executive Director and CEO

Hong Kong, 18 December 2019

As at the date of this announcement, the executive Directors are Mr. Lam Ting Lok, Mr. Lo Mun Lam Raymond, Ms. Tse Fung Sum Flora and Ms. Tsang Kwong Wan; and the independent non-executive Directors are Mr. Cheung Pak To, BBS, Mr. Tsang Jacob Chung and Dr. Yu Yuen Ping.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and will also be published on the Company's website at www.amasse.com.hk.