AMASSE CAPITAL
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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 2020

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 2020 together with the comparative figures for the year ended 30 September 2019 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 September 2020

	Notes	**2020** ***HK$'000***	2019 *HK$'000*
Revenue	*3*	**16,197**	10,698
Other income and other net gain	*4*	**8,622**	768
Loss allowance on trade receivables		**(2,050)**	–
Employee benefit expenses		**(11,566)**	(10,887)
Operating lease expense		**–**	(861)
Depreciation of plant and equipment		**(280)**	(192)
Depreciation of right-of-use assets		**(1,253)**	–
Other operating expenses		**(3,852)**	(4,193)
Finance costs		**(122)**	–
Profit/(loss) before taxation	*5*	**5,696**	(4,667)
Income tax	*6*	**(73)**	–
Profit/(loss) and total comprehensive income/(expense) for the year attributable to equity shareholders of the Company		**5,623**	(4,667)
Earnings/(loss) per share	*8*		
– Basic and diluted *(HK cents)*		**0.56**	(0.47)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2020

	Notes	2020 HK$'000	2019 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Plant and equipment		**521**	801
Right-of-use assets		**1,931**	–
Prepayments and deposits	10	**423**	383
Deferred tax assets		**126**	–
		3,001	1,184
Current assets			
Contract assets		**259**	–
Trade receivables	9	**2,404**	3,855
Prepayments, deposits and other receivables	10	**518**	447
Financial assets at fair value through profit or loss	11	**17,905**	–
Tax recoverable		**1,015**	965
Cash and cash equivalents		**24,670**	39,532
		46,771	44,799
Current liabilities			
Other payables and accruals	12	**1,119**	1,569
Contract liabilities		**376**	50
Lease liabilities		**1,220**	–
Loan from a securities broker		**307**	–
		3,022	1,619
Net current assets		**43,749**	43,180
Total assets less current liabilities		**46,750**	44,364
Non-current liabilities			
Lease liabilities		**790**	–
Provision for long service payment		**387**	663
Deferred tax liabilities		**249**	–
		1,426	663
Net assets		**45,324**	43,701
EQUITY			
Share capital		**10,000**	10,000
Reserves		**35,324**	33,701
Total equity		**45,324**	43,701

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2020

1. GENERAL

Amasse Capital Holdings Limited (the "**Company**") is a public limited company incorporated in the Cayman Islands and its shares are listed on the GEM of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Its ultimate parent is Access Cheer Limited ("**Access Cheer**"), a company incorporated in the British Virgin Islands. Its ultimate controlling party is Ms. Tse Fung Sum Flora, who is also the Executive Director of the Company. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section to the annual report.

The Company is principally engaged in investment holding. The principal activities of its subsidiaries are provision of corporate finance advisory services and investment advisory services.

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**") which is also the functional currency of the Company and all values are rounded to the nearest thousand except when otherwise indicated.

2. BASIS OF PREPARATION

(a) Basis of preparation

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**") with collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("**HKASs**") and interpretations 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**").

These consolidated financial statements have been prepared under the historical cost convention except for financial instruments that are measured at fair values.

(b) Application of new and amendments to 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 16	Leases
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and on the disclosures set out in these condensed consolidated financial statements.

HKFRS 16, Leases

The Group has applied HKFRS 16 for the first time in the current year. HKFRS 16 superseded HKAS 17 Leases ("**HKAS 17**"), and the related interpretations.

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception or modification date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 October 2019.

As at 1 October 2019, the Group recognised additional lease liabilities and right-of-use assets at amounts equal to the related lease liabilities by applying HKFRS 16.C8(b)(ii) transition. Any difference at the date of initial application is recognised in the opening accumulated losses and comparative information has not been restated.

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

i. relied on the assessment of whether leases are onerous by applying HKAS 37 Provisions, Contingent Liabilities and Contingent Assets as an alternative of impairment review;

ii. elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application; and

iii excluded initial direct cost from measuring the right-of-use assets at the date of initial application.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average lessee's incremental borrowing rate applied is 5%.

	At 1 October 2019 *HK$'000*
Operating lease commitments at 30 September 2019	3,397
Less: commitments relating to leases exempt from capitalisation:	
– short-term leases and other leases with remaining lease term ending on or before 30 September 2020	(7)
	3,390
Less: total future interest expenses	(206)
Present value of remaining lease payments, discounted using the incremental borrowing rate at 1 October 2019 and total lease liabilities recognised at 1 October 2019	3,184

The carrying amount of right-of-use assets as at 1 October 2019 comprises the following:

	Right-of-use assets
	HK$'000
Right-of-use assets relating to operating leases recognised upon application of HKFRS 16	3,184

The following table summarises the impacts of the adoption of HKFRS 16 on the Group's consolidated statement of financial position:

	Carrying amounts at 30 September 2019	**Capitalisation of operating lease contracts**	**Carrying amounts at 1 October 2019**
	HK$'000	*HK$'000*	*HK$'000*
Line items in the consolidated statement of financial position impacted by the adoption of HKFRS 16:			
Right-of-use assets	–	3,184	3,184
Total non-current assets	**1,184**	**3,184**	**4,368**
Lease liabilities (current)	–	1,174	1,174
Current liabilities	**1,619**	**1,174**	**2,793**
Net current assets	**43,180**	**(1,174)**	**42,006**
Total assets less current liabilities	**44,364**	**2,010**	**46,374**
Lease liabilities (non-current)	–	2,010	2,010
Total non-current liabilities	**663**	**2,010**	**2,673**
Net assets	**43,701**	**–**	**43,701**

For the purpose of reporting cash flows from operating activities under indirect method for the year ended 30 September 2020, movements in working capital have been computed based on opening consolidated statement of financial position as at 1 October 2019 as disclosed above.

(c) New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[7]
Amendments to HKAS 1 and HKAS 8	Definition of Material[1]
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform[1]
Amendments to HKFRS 3	Definition of a Business[2]
Amendments to HKFRS 16	Covid-19-Related Rent Concessions[3]
HKFRS 17	Insurance Contracts[4]
Annual Improvements Project	Annual Improvements to HKFRSs 2018-2020 cycle[5]
Amendments to HKFRS 3	Reference to the Conceptual Framework[5]
Amendments to HKAS 16	Proceeds before Intended Use[5]
Amendments to HKAS 37	Onerous Contracts – Costs of Fulfilling a Contract[5]
Amendments to HKAS 1 (Revised)	Classification of Liabilities as Current or Non-current[6]

[1] *Effective for annual periods beginning on or after 1 January 2020.*

[2] *Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.*

[3] *Effective for annual periods beginning on or after 1 June 2020.*

[4] *Effective for annual periods beginning on or after 1 January 2021.*

[5] *Effective for annual periods beginning on or after 1 January 2022.*

[6] *Effective for annual periods beginning on or after 1 January 2023.*

[7] *Effective for annual periods beginning on or after a date to be determined.*

In addition to the above new and amendments to HKFRSs, a revised Conceptual Framework for Financial Reporting was issued in 2018. Its consequential amendments, the Amendments to References to the Conceptual Framework in HKFRS Standards, will be effective for annual periods beginning on or after 1 January 2020.

The directors of the Company anticipate that the application of all these new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. REVENUE

The principal activities of the Group are the provision of corporate finance advisory services and investment advisory services.

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	2020	2019
	HK$'000	*HK$'000*
Corporate finance advisory fee income from acting as:		
Financial adviser	**14,726**	9,038
Independent financial adviser	**1,221**	1,660
	15,947	10,698
Investment advisory fee income	**250**	–
	16,197	10,698

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is as follows:

	2020	2019
	HK$'000	*HK$'000*
Disaggregated by timing of revenue recognition		
Point in time	**9,310**	7,608
Over time	**6,887**	3,090
	16,197	10,698

Transaction price allocated to the remaining performance obligations for contracts with customers

All corporate finance advisory services and investment advisory services are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

4. OTHER INCOME AND OTHER NET GAIN

	2020	2019
	HK$'000	*HK$'000*
Other income		
Bank interest income	**339**	768
Dividend income	**4**	–
Government grants	**522**	–
Reversal of provision for long service payment	**276**	–
	1,141	768
Other net gain		
Net realised gain on financial assets at fair value through profit or loss	**3,287**	–
Net unrealised gain on financial assets at fair value through profit or loss	**4,194**	–
	7,481	–
	8,622	768

5. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging/(crediting):

	2020	2019
	HK$'000	*HK$'000*
Auditor's remuneration	**250**	250
Bad debt written off	**80**	–
Donation	**780**	469
Employee benefit expenses (including directors' remuneration)	**11,566**	10,887
Salaries and welfare	**7,795**	7,541
Performance related bonus	**3,535**	2,876
Retirement benefit scheme contributions	**236**	233
Provision for long service payment	**–**	237
Expenses relating to short-term leases and other leases with lease terms end within 12 months of the date of initial application of HKFRS 16	**22**	–
Net exchange loss	**211**	10
Operating lease rental payments for rental premises	**–**	861

6. INCOME TAX

	2020	2019
	HK$'000	*HK$'000*
Current tax – Hong Kong Profits Tax		
Charged for the year	**–***	–
Over-provision in prior years	**(50)**	–
	(50)	–
Deferred taxation	**123**	–
	73	–

* *Less than HK$1,000*

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 the qualifying Group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of Group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Accordingly, the Hong Kong profits tax of the qualifying Group entity is calculated at 8.25% on the first HK$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million for the year ended 30 September 2020.

For the year ended 30 September 2019, no provision for Hong Kong Profits Tax has been made as the Group had no assessable profits.

7. DIVIDEND

A dividend for the 3 months ended 31 December 2019 of HK$0.004 per share was paid on 12 March 2020 (2019: Nil).

Subsequent to the end of the reporting period, a special dividend in respect of the year ended 30 September 2020 of HK$0.004 per ordinary share, in an aggregate amount of HK$4,000,000 has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting (2019: Nil).

8. EARNINGS/(LOSS) PER SHARE

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

	2020	2019
Profit/(loss) for the year attributable to equity shareholders of the Company *(HK$'000)*	**5,623**	(4,667)
Weighted average number of ordinary shares *('000)*	**1,000,000**	1,000,000

For each year ended 30 September 2019 and 30 September 2020, there were no potential ordinary shares in issue, thus no adjustment has been made to the basic earnings/(loss) per share amount presented in respect of dilution.

9. TRADE RECEIVABLES

	2020	2019
	HK$'000	*HK$'000*
Trade receivables	**4,454**	4,155
Less: Loss allowance	**(2,050)**	(300)
	2,404	3,855

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.

	2020	2019
	HK$'000	*HK$'000*
Within 1 month	**420**	980
1 to 3 months	**1,102**	2,250
Over 3 months	**882**	625
	2,404	3,855

There is no credit period granted for corporate finance advisory services income and investment advisory services income.

10. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2020	2019
	HK$'000	*HK$'000*
Prepayments	**406**	329
Deposits	**387**	452
Other receivables	**148**	49
	941	830
Deduct: Non-current portion	**(423)**	(383)
Current portion	**518**	447

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss as at 30 September comprise:

	2020	2019
	HK$'000	*HK$'000*
Listed securities held for trading:		
– Equity security listed in Hong Kong	**9,941**	–
– Equity security listed in the United States	**7,964**	–
	17,905	–

12. OTHER PAYABLES AND ACCRUALS

	2020	2019
	HK$'000	*HK$'000*
Other payables	**51**	254
Accruals	**1,068**	1,315
	1,119	1,569

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

13. EVENTS AFTER THE REPORTING PERIOD

Outbreak of Coronavirus Disease 2019

After the outbreak of coronavirus ("**COVID-19**") in early 2020, a series of precautionary and control measures have been and continued to be implemented across the globe. The Group is paying close attention to the development of, and the disruption to business and economic activities caused by, the COVID-19 outbreak and evaluate its impact on the financial position, cash flows and operating results of the Group. Given the dynamic nature of the COVID-19 outbreak, it is not practicable to provide a reasonable estimate of its impacts on the Group's financial position, cash flows and operating results at the date on which these financial statements are authorised for issue.

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.

In May 2020, the Group's wholly-owned subsidiary, Amasse Asset Management Limited ("**Amasse AM**") was granted the licenses of Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO, subject to the conditions for Type 9 regulated activity that Amasse AM (i) shall not hold client assets; and (ii) only provide services to professional investors.

During the year under review, 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 dealing activities for its clients.

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 460 transactions for the year ended 30 September 2020, representing a slightly decreased of approximately 2.1% as compared to about 470 transactions for the corresponding period of last year.

During the year under review, the corporate finance advisory business remained the main revenue generator and the Group was engaged in a total of 38 corporate finance advisory transactions as compared to 36 transactions in the corresponding period last year, representing a slightly increase, due to continuous effort of the Group. In addition, as compared to the last year, the Group was also able to engage certain complex takeovers transaction, including general offer and privatization. As a result of the above, the Group generated approximately HK$15.9 million from the corporate finance advisory services business, representing an increase of approximately 48.6% as compared to that of HK$10.7 million in the corresponding period last year. Notwithstanding the challenging economics environment, the Group will continue to develop the corporate finance advisory business as it is our key business.

During the period, the Group was successfully engaged in one investment advisory transaction, which generated revenue of HK$0.25 million. The Group's investment advisory and asset management business was still at an early development stage and the Group will continue to develop this business segment, which would provide additional revenue source to the Group.

However, the Directors will be more cautious and conservative in the both the corporate finance advisory business and the asset management business in the coming year as further discussed in the section headed "Outlook and Prospect" on page 20 of this announcement.

FINANCIAL REVIEW

Revenue

Revenue for the year ended 30 September 2020 amounted to approximately HK$16.2 million, representing an increase of approximately HK$5.5 million or approximately 51.4% as compared with that of approximately HK$10.7 million for the corresponding period of last year. Such increase was mainly driven by the increase of the total fees for corporate finance advisory services provided by the Group which were due to the slightly increase of the total corporate finance advisory transactions, in which some complex transactions that induced higher servicing fee. The Group was involved in 38 (2019: 36) corporate finance advisory transactions during the year ended 30 September 2020, representing a slightly increase of approximately 5.6% as compared to the corresponding period of last year.

Other Income and Other Net Gain

The Group's other income for the year ended 30 September 2020 mainly included (i) realised and unrealised gain on financial assets at fair value through profit or loss approximately HK$7.5 million (2019: Nil); (ii) Hong Kong Government's subsidy, Employment Support Scheme approximately HK$0.5 million (2019: Nil); (iii) bank interest income of approximately HK$0.3 million (2019: approximately HK$0.8 million); and (iv) reversal of provision for long service payment approximately HK$0.3 million (2019: Nil).

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$11.6 million, representing an increase of approximately HK$0.7 million or 6.4% from approximately HK$10.9 million for the corresponding period of last year, primarily due to the increase of the performance related bonuses paid.

Other Operating Expenses

Other operating expenses for the year ended 30 September 2020 were approximately HK$3.9 million when compared to approximately HK$4.2 million for the corresponding period of last year. The decrease in other operating expenses was mainly due to the combined effects of (i) increase of bad debts, donation and exchange loss, etc of approximately HK$0.6 million, and (ii) decrease of legal advisory fee, repair and maintenance and entertainment expenses of approximately HK$0.9 million.

Income Tax Expense

No provision for Hong Kong profits tax for the year ended 30 September 2020 (2019: Nil) has been made in respect of the subsidiary as the tax losses brought forward from previous year exceed the estimated assessable profits for the year.

Income tax expense represents mainly provision of deferred taxation.

Profit for the Period

The Group generated net profit of approximately HK$5.6 million for the year ended 30 September 2020 as compared to net loss of approximately HK$4.7 million for the year ended 30 September 2019. The net profit for the year was mainly due to (i) the increase in revenue by approximately HK$5.5 million; and (ii) the increase in other income of approximately HK$7.9 million.

Dividend

The Board declared a special dividend of HK$0.4 cents per share (2019: Nil) for the year ended 30 September 2020. The special dividend will be paid to shareholders on or before 24 February 2021 upon approval at the annual general meeting. Together with the dividend for the three months ended 31 December 2019 of HK$0.4 cents per share (2018: Nil), the total dividend for the year 30 September 2020 is HK$0.8 cents per share.

Liquidity and Financial Resources

As at 30 September 2020 and 2019, the Group had cash and cash equivalents of approximately HK$24.7 million and HK$39.5 million respectively. The Group's current ratio was approximately 15.5 times as compared to approximately 27.7 times as at 30 September 2019.

For the year ended 30 September 2020, the gearing ratio was approximately 5.1% mainly due to the increase in lease liabilities after the initial application of HKFRS 16 on 1 October 2019 (2019: not applicable). Gearing ratio is calculated by dividing total debt by total equity. Total debt is defined to include all interest-bearing borrowings and lease liabilities.

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.

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 2020, the Group did not have any charges on its assets (2019: Nil).

Future Plans for Material Investments or Capital Assets

The Group did not have any specific plans for material investments and capital assets as at 30 September 2020.

Foreign Currency Exposure

The Group's exposures to foreign currencies mainly arises from CNY time deposits and US$ equity investments. The Directors should be aware that foreign currency time deposit and equity investments are 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$, GBP and CNY 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 2020, the Group had CNY time deposits of approximately CNY4.5 million (2019: Nil), deposits in broker firms of approximately US$0.1 million (2019: Nil) and US$ equity investments of approximately US$1.0 million (2019: Nil). The Group does not have foreign currency hedging arrangement but will closely monitor the exposure and take measures when necessary.

Capital Commitments and Contingent Liabilities

As at 30 September 2020, the Group did not have any significant capital commitments and contingent liabilities (2019: Nil).

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

As at 30 September 2020, the Group maintained a portfolio of equity investments with total carrying amount of approximately HK$17.9 million (2019: Nil). The portfolio of equity investments comprises mainly constituent stocks of key indexes in Hong Kong and US. The portfolio of equity investments as at 30 September 2020 are set out as follows.

	Investment cost *HK$'000*	**Unrealised fair value gain for the period ended 30 September 2020** *HK$'000*	**Fair value of the investment in listed securities as at 30 September 2020** *HK$'000*	**Percentage of fair value of the investment in listed securities/ total assets of the Group as at 30 September 2020**
Financial assets at fair value through profit or loss	13,711	4,194	17,905	36.0%

Details of the significant investments in the portfolio under financial assets at fair value through profit or loss with a value of 5% or more of the Group's total assets as at 30 September 2020 are as follows:

Description of investments	**Principal businesses**	**Number of shares held**	**Percentage held to the total issued share capital of the company as at 30 September 2020**	**Investment cost** *HK$'000*	**Fair value of the investment in listed securities as at 30 September 2020** *HK$'000*	**Percentage of fair value of the investment in listed securities/ total assets of the Group as at 30 September 2020**
Meituan (Stock Code: 3690)	Meituan is a China-based e-commerce platform providing life services	12,700	less than 0.1%	1,199	3,071	6.2%
Other investments	–	–	–	12,512	14,834	29.8%
Total financial assets at fair value through profit or loss				13,711	17,905	36.0%

Details of the performance of financial assets at fair value through profit or loss during the year are as follows:

Description of investments	Realized fair value gain for the year ended 30 September 2020	Unrealized fair value gain for the year ended 30 September 2020	Dividend received during the year ended 30 September 2020
	HK$'000	*HK$'000*	*HK$'000*
Meituan (Stock Code: 3690)	0	1,872	0
Other investments	3,287	2,322	4
Total financial assets at fair value through profit or loss	3,287	4,194	4

During the year, the performance of both the investments portfolio and the significant investment in the portfolio delivered better return than bank deposit interest income. Due to the turbulence in the stock market in the past nine months ended 30 September 2020, the Directors expect the stock market will remain volatile in the coming year and the Group will continue to adopt the cautious approach in making investment decision in securities trading so as to obtain a balance between risk and return.

Save as disclosed above, the Group did not have any significant investments, material acquisitions and disposals of subsidiaries, associates, joint ventures and capital assets during the year ended 30 September 2020 (2019: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2020, the Group employed 16 (2019: 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, many of such are market systemic financial risks and 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) the ("**Net Proceeds**").

On 6 April 2020, the Board resolved to change the use of proceeds as stated in the Prospectus. During the year under review, the Group had used approximately HK$18.2 million (2019: approximately HK$0.6 million). The following sets forth a summary of the allocation of the net proceeds and its utilisation as at 30 September 2020, as compared to the revised use of the Net Proceeds.

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 2020 is set out below:

	Approximate amount of Net Proceeds from the Listing	**Revised approximate amount of Net Proceeds from the Listing**	**Approximate actual amount utilised from the Listing to 30 September 2019**	**Approximate actual amount utilised from 1 October 2019 to 30 September 2020**	**Unused amount of Net Proceeds as at 30 September 2020**
	HK$ million	*HK$ million*	*HK$ million*	*HK$ million*	*HK$ million*
Expanding the corporate finance advisory business	5.9	5.9	0.1	0.2	5.6
Building up an IPO team	17.1	–	–	–	–
Developing the equity capital markets business	0.7	–	–	–	–
Expanding office	3.1	3.1	0.5	0.7	1.9
General working capital	2.2	10.0	2.2	7.3	0.5
Equity Investments	–	10.0	–	10.0	–
	29.0	29.0	2.8	18.2	8.0

Change in use of the Net Proceeds in April 2020

Reference is made to the announcement of the Company dated 6 April 2020 (the "**Change in use of Net Proceeds Announcement**") in relation to, among other things, the change in use of the unused Net Proceeds. As disclosed in the Change in use of Net Proceeds Announcement, in view of (i) Hong Kong has been hit by volatility stemming from concerns over trade conflict between the People's Republic of China (the "**PRC**") and the United States (the "**US**"); (ii) the social instability in Hong Kong since June 2019; and (iii) the global outbreak of coronavirus disease in early 2020, the economic outlook and financial market in Hong Kong remain uncertain, the Group therefore weighed up the costs and the benefits and considered the adoption of a prudent approach to hold-up on establishment of an IPO team and expansion of equity capital markets business until the time when the social and economic environments become clearer. The Board had resolved to change the Net Proceeds of approximately HK$17.1 million for building up an IPO team and HK$0.7 million for developing the equity capital markets business as to (i) HK$10.0 million for the establishment of asset management services. The fund would be applied as a seed money to invest in equity or debt securities of listed companies in order to build up the Group's track record in portfolio management; and (ii) approximately HK$7.8 million for general working capital of the Group.

Further change in use of the Net Proceeds

The Group hired one staff to expand the corporate finance advisory business and utilised approximately HK$0.3 million from listing to 30 September 2020. However, due to the coronavirus disease has yet to be under control and the trade conflict between the PRC and the US has yet to be resolved, the Board considers that the economic outlook and financial market in Hong Kong remain uncertain and volatile, the Board has decided not to further expand the corporate finance advisory business. Further, in order to have higher flexibility for allocating resources of the Group, the Board has also decide to change the unused Net Proceeds for expanding office to general working capital of the Group. Therefore, on 27 November 2020, the Board had resolved to change the unused Net Proceeds for expanding the corporate finance advisory business of approximately HK$5.6 million and for expanding office of approximately HK$1.9 million as at 30 September 2020 to general working capital of the Group (the "**Further Change in Use of Net Proceeds**").

Set out below is the summary of unused Net Proceeds after the Further Change in Use of Net Proceeds:

	Approximate amount of Net Proceeds *HK$ million*	**Revised approximate amount of Net Proceeds upon the Further Change in Use of Net Proceeds** *HK$ million*	**Unused amount of Net Proceeds upon the Further Change in Use of Net Proceeds** *HK$ million*
Expanding the corporate finance advisory business	5.9	0.3	–
Building up an IPO team	17.1	–	–
Developing the equity capital markets business	0.7	–	–
Expanding office	3.1	1.2	–
General working capital	2.2	17.5	8.0
Equity Investments	–	10.0	–
	29.0	29.0	8.0

Expected timeline for utilising the unused Net Proceeds

The remaining unutilised Net Proceeds for general working capital of approximately HK$8.0 million is expected to be utilised for general working capital of the Group in the coming year.

OUTLOOK AND PROSPECTS

Looking forward, the business and operation environments of the Group will remain challenging due to the global outbreak of coronavirus disease, and the dramatic escalation in tensions between the PRC and the US, 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, both in Hong Kong and worldwide. As a result of the above, in particular the outbreak of the coronavirus pandemic which continues to affect the business operations as well as the corporate transaction of our clients, the Directors expect that the deal flow of our corporate finance services will be severally affected and the performance of our Group in the coming year will be very challenging. Given the challenges mentioned above, the Directors will be more cautious and conservative in asset management business.

Notwithstanding the above, as a service company, the Directors believe that high quality advisory services are a way to success of the Group. The Directors consider that the professional teams of the Group have continued to provide high quality services to customers which will continue to deliver value 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

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 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 2020 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 2020 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

There are no significant events affecting the Group after the year ended 30 September 2020 and up 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 2020 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, 30 November 2020

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 Listed Company Information" 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.