

AMASSE CAPITAL
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AMASSE CAPITAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock code: 8168

INTERIM REPORT
2017-2018

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

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

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

*This report, for which the directors (the “**Directors**”) of Amasse Capital Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company and its subsidiaries (together, the “**Group**”). The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

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

Independent Non-executive Directors

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

BOARD COMMITTEES

Audit Committee

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

Remuneration Committee

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

Nomination Committee

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

COMPANY SECRETARY

Ms. Cheng Suk Kuen

COMPLIANCE OFFICER

Mr. Lam Ting Lok

AUTHORISED REPRESENTATIVES

Mr. Lam Ting Lok
Ms. Tsang Kwong Wan

AUDITOR

Cheng & Cheng Limited
Certified Public Accountants
10/F, Allied Kajima Building
138 Gloucester Road
Wanchai, Hong Kong

COMPLIANCE ADVISER

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

LEGAL ADVISOR

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

REGISTERED OFFICE

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

CORPORATE INFORMATION (CONTINUED)

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Prosperous Building
48-52 Des Voeux Road Central
Hong Kong

WEBSITE

www.amasse.com.hk

STOCK CODE

8168

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKERS

Industrial and Commercial Bank of
China (Asia) Limited
33/F, ICBC Tower
3 Garden Road, Central
Hong Kong

The unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the three months and six months ended 31 March 2018 (the “**Period**”), together with the comparative unaudited figures for the corresponding period in 2017 are as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and six months ended 31 March 2018

	Note	Three months ended 31 March		Six months ended 31 March	
		2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2017 HK\$'000 (audited)
Revenue	3	5,160	5,620	9,505	10,575
Other income	3	4	-	4	-
Employee benefit expenses		(1,706)	(1,261)	(5,807)	(4,648)
Operating lease expense		(208)	(130)	(394)	(261)
Depreciation of plant and equipment		(35)	(37)	(70)	(75)
Other operating expenses		(2,212)	(227)	(2,491)	(408)
Listing expenses		(5,569)	-	(5,569)	-
(Loss)/profit before income tax	5	(4,566)	3,965	(4,822)	5,183
Income tax expense	6	(309)	(653)	(292)	(854)
(Loss)/profit and total comprehensive (expense)/income for the period attributable to owners of the Company		(4,875)	3,312	(5,114)	4,329
(Loss)/earnings per share					
- Basic (HK cents)	8	(0.59)	0.41	(0.63)	0.54

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2018

		As at 31 March 2018	As at 30 September 2017
	<i>Note</i>	HK\$'000 (unaudited)	<i>HK\$'000</i> <i>(audited)</i>
Non-current assets			
Plant and equipment	9	325	395
Current assets			
Trade receivables	10	2,430	2,365
Prepayments, deposits and other receivables	10	230	2,085
Cash and cash equivalents		49,143	10,633
		51,803	15,083
Current liabilities			
Other payables and accruals	11	9,066	4,180
Deferred revenue		60	60
Amount due to a director	12	–	210
Tax payable		298	3,509
		9,424	7,959
Net current assets		42,379	7,124
Net assets		42,704	7,519
EQUITY			
Share capital	13	10,000	–*
Reserves		32,704	7,519
Total equity		42,704	7,519

* less than HK\$1,000

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months period ended 31 March 2018

	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000	Retained earnings/ (Accumulated losses) HK\$'000	Total HK\$'000
At 1 October 2017 (audited)	-	-	5,000	2,519	7,519
Loss and total other comprehensive expense for the period	-	-	-	(5,114)	(5,114)
Issue of shares to ultimate holding company pursuant to reorganisation (Note 13(c))	1,000	-	(1,000)	-	-
Issue of shares pursuant to public offering	2,000	46,000	-	-	48,000
Capitalisation issue of shares (Note 13(d))	7,000	(7,000)	-	-	-
Share issuance costs	-	(7,701)	-	-	(7,701)
At 31 March 2018 (unaudited)	10,000	31,299	4,000	(2,595)	42,704

For the six months period ended 31 March 2017

	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1 October 2016 (audited)	-	-	1,000	18,203	19,203
Profit and total other comprehensive income for the period	-	-	-	4,329	4,329
Dividend to shareholder	-	-	-	(19,000)	(19,000)
At 31 March 2017 (audited)	-	-	1,000	3,532	4,532

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 March 2018

	Six months ended	
	31 March	
	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(audited)
Cash flows from operating activities		
(Loss)/profit before income tax	(4,822)	5,183
Adjustments for:		
Interest income	(4)	–
Depreciation	70	75
Operating (loss)/profit before working capital changes	(4,756)	5,258
Increase in trade receivables	(65)	(1,267)
Decrease/(increase) in prepayments, deposits and other receivables	1,855	(38)
Increase in accruals and other payables	4,886	459
Increase in deferred income	–	200
Cash generated from operations	1,920	4,612
Income tax paid	(3,503)	–
Net cash (used in)/generated from operating activities	(1,583)	4,612
Cash flows from investing activities		
Bank interest income	4	–
Net cash generated from investing activities	4	–

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the six months ended 31 March 2018

	Six months ended	
	31 March	
	2018	2017
	HK\$'000	HK\$'000
	(Unaudited)	(audited)
Cash flows from financing activities		
Proceeds from issue of shares	48,000	–
Dividend paid to shareholder	–	(4,500)
Share issued expenses	(7,701)	–
Repayment to a director	(210)	–
	<hr/>	<hr/>
Net cash generated from/(used in) financing activities	40,089	(4,500)
	<hr/>	<hr/>
Increase in cash and cash equivalents	38,510	112
Cash and cash equivalents at beginning of the period	10,633	1,278
	<hr/>	<hr/>
Cash and cash equivalents at end of the period	49,143	1,390
	<hr/>	<hr/>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 31 March 2018

1. GENERAL

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. 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, Prospectus 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.

The unaudited condensed consolidated interim 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

(i) *Group Reorganisation*

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

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 March 2018

2. GROUP REORGANISATION AND BASIS OF PREPARATION (continued)

(ii) *Basis of Preparation*

The unaudited condensed 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 GEM Listing Rules.

The unaudited condensed consolidated financial statements of the Group have been prepared under the historical cost convention, except for certain financial assets and liabilities which have been measured at fair values.

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

Amendments to HKAS 7	Disclosure initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014-2016 Cycle

The application of the above new amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements. The application of Amendments to HKAS 7 “Disclosure initiative” will result in additional disclosures on the Group’s financing activities, specifically reconciliation between the opening and closing balances in the consolidated statement of financial position for liabilities arising from financing activities will be provided in the consolidated financial statements for the year ending 30 September 2018 on application.

The Group has not early adopted any other standard, amendment or interpretation that has been issued but is not yet effective.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 March 2018

3. REVENUE AND OTHER INCOME

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

	Three months ended 31 March		Six months ended 31 March	
	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2017 HK\$'000 (audited)
Revenue				
Fee income from acting as:-				
Financial adviser	4,150	5,530	8,495	10,195
Independent financial adviser	1,010	90	1,010	380
	<u>5,160</u>	<u>5,620</u>	<u>9,505</u>	<u>10,575</u>
Other income				
Bank interest income	4	-	4	-

4. SEGMENT INFORMATION

Information reported to the board of Directors (the "Board") of the Company, being the chief operating decision maker (the "CODM") for the purposes of resource allocation and assessment of segment performance focuses on advisory services provided. The CODM considers the Group's operation are located in Hong Kong. The principal activity of the reportable and operating segment is the provision of corporate finance advisory services only.

Information about major customers

Revenue from customers who individually contributed over 10% of the Group's total revenue during the period are as follows:

	Three months ended 31 March		Six months ended 31 March	
	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2017 HK\$'000 (audited)
Customer A	-	700	-	-
Customer B	-	2,700	-	5,000
Customer C	1,270	-	1,670	-
Customer D	1,200	-	2,200	-

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 March 2018

5. (LOSS)/PROFIT BEFORE INCOME TAX

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

	Three months ended 31 March		Six months ended 31 March	
	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2017 HK\$'000 (audited)
Auditor's remuneration	36	–	36	–
Donation	816	76	910	186
Employee benefit expenses (including Directors' remuneration)	1,706	1,261	5,807	4,648
– Salaries and welfare	1,649	1,220	3,189	2,367
– Performance related bonus	–	–	2,505	2,198
– Retirement benefit scheme contributions	57	41	113	83

6. INCOME TAX EXPENSE

	Three months ended 31 March		Six months ended 31 March	
	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2017 HK\$'000 (audited)
Current income tax: Hong Kong Profits Tax	309	653	292	854

Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated profits arising in Hong Kong during the period.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 March 2018

7. DIVIDEND

	Six months ended 31 March 2018 HK\$'000 (unaudited)	2017 HK\$'000 (audited)
(a) Dividend attributable to the interim period		
Interim dividend declared, approved and paid in cash on 31 March 2017	—	4,500
(b) Dividend attributable to the previous financial year		
Final dividend in respect of the previous financial year, declared and approved on 30 November 2016 (Note)	—	14,500

Note: the distribution of final dividend of HK\$14.5 million during the previous financial year was settled by offsetting against the amount due from the sole shareholder.

8. (LOSS)/EARNINGS PER SHARE

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

	Three months ended 31 March 2018 (unaudited)	2017 (unaudited)	Six months ended 31 March 2018 (unaudited)	2017 (audited)
(Loss)/profit for the period attributable to shareholders of the Company (HK\$'000)	(4,875)	3,312	(5,114)	4,329
Weighted average number of ordinary shares in issue at beginning of the period ('000)	711,111	800,000	756,044	800,000
Effect of public offering	111,111	—	54,945	—
Weighted average number of ordinary shares in issue at 31 March ('000)	822,222	800,000	810,989	800,000

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 March 2018

8. (LOSS)/EARNINGS PER SHARE (continued)

The weighted average number of ordinary shares for the purpose of calculating basic earnings per share has been determined on the assumption that the Reorganisation and Capitalisation issue as defined in note 13(c) and (d) had been effective on 1 October 2017.

For each of the three months and six months ended 31 March 2018 and 31 March 2017, there were no potential ordinary shares in issue, thus no diluted earnings per share is presented.

9. PLANT AND EQUIPMENT

During the period, the Group had no acquisition of plant and equipment (2017: nil).

10. TRADE RECEIVABLES AND PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 31 March 2018 HK\$'000 (unaudited)	As at 30 September 2017 HK\$'000 (audited)
Trade receivables	2,730	2,665
Less: provision for impairment losses	(300)	(300)
	2,430	2,365
Prepayments, deposits and other receivables (Note)	230	2,085

Note: As at 30 September 2017, the prepayments represented the prepaid expenses relating to the initial public offering (the "IPO") attributable to the new shares that will be issued amounted to approximately HK\$1,884,000.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 March 2018

10. TRADE RECEIVABLES AND PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

An aged analysis of trade receivables, net of impairment loss recognized, at the end of each reporting period, based on the invoice date, is as follows:

	As at 31 March 2018 HK\$'000 (unaudited)	As at 30 September 2017 HK\$'000 (audited)
Within 1 month	890	1,725
1 to 3 months	610	640
Over 3 months	930	–
	2,430	2,365

The trade receivables with a carrying amount of HK\$930,000 are past due but which the Directors of the Company consider not to be impaired as there has not been a significant change in credit quality and a substantial portion of the carrying amount is subsequently settled. The Directors of the Company consider full amounts to be recoverable.

11. OTHER PAYABLES AND ACCRUALS

	As at 31 March 2018 HK\$'000 (unaudited)	As at 30 September 2017 HK\$'000 (audited)
Other payables	5,074	1,613
Accruals	3,992	2,567
	9,066	4,180

As at 31 March 2018 and 30 September 2017, the other payables and accruals mainly represented the unpaid or to be paid expenses relating to IPO attributable to the new shares will be issued amounting to approximately HK\$8,098,000 and HK\$4,128,000 respectively.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 March 2018

12. AMOUNT DUE TO A DIRECTOR

The amount due to a director of approximately HK\$0.20 million is unsecured, interest-free and repayable on demand which represents the expenses incurred in relation to the listing of the shares on GEM. The amount was fully settled on 20 November 2017.

13. SHARE CAPITAL

	<i>Note</i>	Number of ordinary share of HK\$0.01 each	Share Capital HK\$'000
Authorised:			
At 14 February 2017 (date of incorporation)	a	39,000,000	390
Increase in number of authorized shares	b	9,961,000,000	99,610
As at 22 March 2018 (date of public offering) and 31 March 2018			
		10,000,000,000	100,000
Issued and fully paid:			
Issued upon incorporation	a	1	–
Reorganisation	c	99,999,999	1,000
Share issued pursuant to public offering	d	200,000,000	2,000
Capitalization issue of shares	d	700,000,000	7,000
		1,000,000,000	10,000

Notes:

- a. On 14 February 2017 (date of incorporation), the Company allotted and issued 1 share of HK\$0.01 to the subscriber which was subsequently transferred to the sole shareholder, Access Cheer Limited (“**Access Cheer**”) on the same date.
- b. Pursuant to the written resolutions of the sole shareholder of the Company passed on 26 February 2018, the authorized share capital of the Company was increased from HK\$390,000 divided into 39,000,000 shares to HK\$100,000,000 divided into 10,000,000,000 shares by the creation of an additional 9,961,000,000 shares.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 March 2018

13. SHARE CAPITAL (continued)

Notes: (continued)

- c. On 26 February 2018, the Company allotted and issued 99,999,999 shares to Access Cheer, all credited as fully paid, as consideration for the acquisition of the entire issued share capital of Amasse Capital Limited ("**Amasse Capital**") by Merit Group Investment Limited ("**MGIL**", a directly wholly-owned subsidiary of the Company). The aforesaid transactions contemplated under the share purchase agreement were completed on 26 February 2018, and as a result, Amasse Capital is wholly owned by MGIL, which in turn is wholly owned by the Company.
- d. On 22 March 2018, the Company issued 200,000,000 shares at HK\$0.24 per share pursuant to the IPO of the Company's shares for total gross proceeds of HK\$48,000,000. Conditional upon the crediting of the Company's share premium account as a result of the issue of the shares pursuant to the IPO, a sum of HK\$7,000,000 standing to the credit of the share premium account of the Company was capitalized by paying up in full at par a total of 700,000,000 new shares and for allotment and issue to Access Cheer.

14. OPERATING LEASE ARRANGEMENTS

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

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

	As at 31 March 2018 HK\$'000 (unaudited)	As at 30 September 2017 HK\$'000 (audited)
Within one year	636	636
Later than one year and with five years	67	385
	703	1,021

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 March 2018

15. RELATED PARTY TRANSACTIONS

Save as disclosed in Notes 7(b) and 12 to the unaudited condensed financial statements, the Group had the following material transactions with related parties.

Compensation of key management personnel

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

Key management personnel remuneration was as follow:

	Six months ended 31 March	
	2018	2017
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Short-term employee benefits	3,029	2,570
Post-employment benefits	47	37
	3,076	2,607

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

The Group is a corporate finance advisory service provider based in Hong Kong 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, 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 has provided corporate finance advisory services including (i) acting as financial adviser to Hong Kong public listed companies and investors seeking to control or invest in 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 GEM Listing Rules and/or the Codes on Takeovers and Mergers and Share Buy-backs (the “**Takeovers Codes**”); and (ii) acting as independent financial adviser to independent board committees and/or independent shareholders of public listed companies in Hong Kong.

During the period, the Group had only one operating subsidiary, namely, Amasse Capital. Corporate finance advisory business will remain as the core business of the Group and the Group intends to build on its ability to provide high quality corporate finance advisory services which has continued to generate a substantial majority of the Group’s revenue.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL REVIEW

Revenue

Revenue for the six months ended 31 March 2018 amounted to approximately HK\$9.5 million, representing a decrease of approximately HK\$1.1 million or 10.4% as compared with that of approximately HK\$10.6 million for the six months ended 31 March 2017. Such decrease was mainly attributable to (a) certain revenue of approximately HK\$0.82 million from relatively larger advisory transactions were deferred to recognition due to unexpected delay when the outcome of the corporate finance transaction could be estimated reliably, including when it was probable that the economic benefits associated with the advisory service transactions would flow to the Group. Such unexpected delay on corporate finance advisory transactions could impact the time period for recognition of revenue and it may vary in the future when the transactions are affected by the variation on the timing of revenue recognition; and (b) during the six months ended 31 March 2018, the Group was involved in 23 corporate finance advisory transactions which remained the same as compared with the same period last year.

Employee Benefit Expenses

Employee benefit expenses primarily consist of salaries, bonus and allowances as well as contributions to the mandatory provident fund for the Directors and employees of the Group. Employee benefits expenses was approximately HK\$5.8 million (2017: approximately HK\$4.6 million), representing an increase of approximately HK\$1.2 million as compared with the same period last year, primarily due to the combined effect of (a) upward adjustment to staff salaries and the recruitment of additional professional staff of approximately HK\$0.8 million; and (b) the increase of the performance related bonuses of approximately HK\$0.3 million during the period ended 31 March 2018.

Other Operating Expenses

Other operating expenses for the six months ended 31 March 2018 were approximately HK\$2.5 million when compared to approximately HK\$0.4 million for the same period in 2017. The increase in other operating expenses was mainly due to the increased cost of operating a publicly-traded company as fee paid to professional parties including audit fee, compliance advisory fee, insurance fee, legal advisory fee and printing fee required. During the six months ended 31 March 2018, the Group provided HK\$0.9 million in donation to contribute to the community.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Listing Expenses

During the six months ended 31 March 2018, the Group recognised non-recurring listing expenses under accrual basis of approximately HK\$5.6 million, as expenses in connection with the listing on GEM.

Loss for the Period

The Group incurred net loss of approximately HK\$5.1 million for the six months ended 31 March 2018 as compared to net profit of approximately HK\$4.3 million for the six months ended 31 March 2017. The net loss for the period was mainly due to the recognition of non-recurring listing expenses of approximately HK\$5.6 million for the six months ended 31 March 2018 (for the six months ended 31 March 2017: HK\$ Nil).

The Group's net profit after excluding non-recurring expenses would be approximately HK\$0.5 million.

Liquidity and Financial Resources

As at 31 March 2018 and 30 September 2017, the Group had cash and cash equivalents of approximately HK\$49.1 million and HK\$10.6 million respectively.

As at 31 March 2018 and 30 September 2017, the Group had no banking facilities and no 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 minimize the cost of funds, the Group's treasury activities are centralized and cash is generally deposited with leading licensed banks in Hong Kong and denominated in Hong Kong dollars.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Capital Structure

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

Pledge of Assets

As at 31 March 2018, the Group did not have any pledged assets (2017: Nil)

Foreign Currency Exposure

The majority of the Group's revenue is denominated in Hong Kong dollars and the Group's accounts are prepared in Hong Kong dollars. Consequently, the exposure to the risk of foreign exchange rate fluctuations for the Group is not material.

Capital Commitments and Contingent Liabilities

As at 31 March 2018, the Group did not have any significant capital commitments and contingent liabilities (2017: Nil).

Employees and Remuneration Policies

As at 31 March 2018, the Group employed 16 (2017: 12) staff (including executive Directors). We determine the employees' remuneration based on factors such as qualification, duty, contributions and years of experience. In addition, the Group provides comprehensive training programs to its employees or sponsors the employees to attend various job-related training courses.

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

The Group did not have any significant investments, material acquisitions and disposals of subsidiaries and capital assets during the reporting period.

INTERIM DIVIDEND

The Board is not declaring the payment of an interim dividend for the period. The detail is disclosed in Note 7 of the condensed consolidated interim financial statements.

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

The Company was listed on GEM on 22 March 2018. As the listing date to 31 March 2018 was relatively short and as at 31 March 2018, no material progress was made in realizing the objectives stated in the Prospectus. The Group is in its preliminary stage of implementing its business objectives and strategies as disclosed in the Prospectus. The Group will endeavor to achieve the milestone events as stated in Prospectus.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Compliance with Corporate Governance Code

The Board is of the view that the Company has met the code provisions set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix 15 to the GEM Listing Rules during the six months ended 31 March 2018, except for the deviation as specified and explained below with considered reasons for such deviations.

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 Article of Association of the Company, the Directors may elect a chairman of the Board meetings and determine the period for which he is to hold office. If no such chairman is elected, the Directors present may choose one of their members to be chairman of the meeting. The Board considers this arrangement allows contributions from all Directors with different expertise to manage the Group’s overall business development, implementation and management.

Securities Transactions by Directors

The Company has adopted rules 5.48 to 5.67 of the GEM Listing Rules, as its own code of conduct regarding directors’ dealings in the securities of the Company. Having made specific enquiry, all Directors confirmed that they have complied with the required standard of dealing from the date of listing to the date of this report.

Directors’ Interests in Contracts

None of the Directors nor their respective close associates had a material beneficial interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the period.

Directors’ Interests in a Competing Business

None of the Directors nor their respective close associates was interested in any business apart from the Group’s business which competes or is likely to compete, either directly or indirectly, with the Group’s businesses.

CORPORATE GOVERNANCE AND OTHER INFORMATION (CONTINUED)

Directors' and Chief Executive's Interests and/or Short Positions in Shares, Underlying Shares and Debentures of the Company or any Associated Corporation

As at 31 March 2018, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he/she is taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long position in ordinary shares of the Company

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

Notes:

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

CORPORATE GOVERNANCE AND OTHER INFORMATION (CONTINUED)

Save as disclosed above, as at 31 March 2018, none of the Directors and chief executive of the Company had an interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations that was notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she will be taken or deemed to have under the SFO), or was required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which was required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

Substantial shareholders' interests in shares and underlying shares of the Company

As at 31 March 2018, to the knowledge of the Directors, shareholders of the Company (the "Shareholders") (other than the Directors or chief executive of the Company) who had interests or short positions in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follow:

Long position in ordinary shares of associated corporation

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

Note:

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

Save as disclosed above, as at 31 March 2018, none of the substantial shareholders or other persons, other than Directors and chief executive of the Company whose interests are set out in the section headed "Directors' and Chief Executive's Interests and/or Short Positions in Shares, Underlying Shares and Debentures of the Company or any Associated Corporation" above, had any interest or a short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION (CONTINUED)

Purchase, Sale or Redemption of the Company's Listed Securities

During the reporting period and up to the date of this report, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed shares of the Company (the "**Shares**").

Share Option Scheme

The Company adopted a share option scheme (the "**Share Option Scheme**") on 26 February 2018. No share option has been granted under the Share Option Scheme since its adoption.

Compliance adviser's interests

As notified by Somerley Capital Limited ("**Somerley**"), compliance adviser of the Company, neither Somerley nor any of its close associates and none of the directors or employees had any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities, if any) which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules as at 31 March 2018.

Audit Committee

The Company has established an audit committee (the "**Audit Committee**") in compliance with Rule 5.29 to 5.33 of the GEM Listing Rules with specific written terms of reference in compliance with code provision C3.3 of the CG Code. The Audit Committee currently consists of all the three independent non-executive Directors, namely Mr. Tsang Jacob Chung, Mr. Cheung Pak To, *BBS* and Dr. Yu Yuen Ping. Mr. Tsang Jacob Chung is the chairman of the Audit Committee.

The primary duties of the Audit Committee are mainly reviewing the annual reports and accounts, half-year reports and quarterly reports of the Group, making recommendations to the Board on the appointment and dismissal of external auditors, providing advice in respect of financial reporting, reviewing risk management and internal control systems of the Group, and monitoring any continuing connected transactions.

CORPORATE GOVERNANCE AND OTHER INFORMATION (CONTINUED)

The Audit Committee has reviewed the unaudited consolidated results of the Group for the six months ended 31 March 2018.

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

Hong Kong, 14 May 2018

As at the date of this report, 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.