

**AMASSE CAPITAL**  
**寶 積 資 本**

**AMASSE CAPITAL HOLDINGS LIMITED**

(Incorporated in the Cayman Islands with limited liability)

Stock code: 8168

**THIRD QUARTERLY REPORT**

For the nine months ended 30 June 2018

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

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

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

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*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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The unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the three months and nine months ended 30 June 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 nine months ended 30 June 2018

	Note	Three months ended 30 June		Nine months ended 30 June	
		2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)
Revenue	3	7,225	7,694	16,730	18,269
Other income	3	95	–	99	–
Employee benefit expenses		(3,576)	(1,268)	(9,383)	(5,916)
Operating lease expense		(185)	(166)	(579)	(427)
Depreciation of plant and equipment		(36)	(36)	(106)	(111)
Other operating expenses		(232)	(249)	(2,723)	(657)
Listing expenses		–	(1,785)	(5,569)	(1,785)
(Loss)/profit before income tax	4	3,291	4,190	(1,531)	9,373
Income tax expense	5	(661)	(999)	(953)	(1,853)
(Loss)/profit and total comprehensive (expense)/income for the period attributable to owners of the Company		2,630	3,191	(2,484)	7,520
(Loss)/earnings per share					
– Basic (HK cents)	7	0.26	0.40	(0.28)	0.94

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months period ended 30 June 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	-	-	-	(2,484)	(2,484)
Issue of shares to ultimate holding company pursuant to reorganisation	1,000	-	(1,000)	-	-
Issue of shares pursuant to public offering	2,000	46,000	-	-	48,000
Capitalisation issue of shares	7,000	(7,000)	-	-	-
Share issuance costs	-	(7,701)	-	-	(7,701)
<b>At 30 June 2018 (unaudited)</b>	<b>10,000</b>	<b>31,299</b>	<b>4,000</b>	<b>35</b>	<b>45,334</b>

For the nine months period ended 30 June 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	-	-	-	7,520	7,520
Dividend to shareholder	-	-	-	(19,000)	(19,000)
<b>At 30 June 2017 (unaudited)</b>	<b>-</b>	<b>-</b>	<b>1,000</b>	<b>6,723</b>	<b>7,723</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 June 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 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 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.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the nine months ended 30 June 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 accounting 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 accounting 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 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 FINANCIAL STATEMENTS (CONTINUED)

For the nine months ended 30 June 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 30 June		Nine months ended 30 June	
	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)
<b>Revenue</b>				
Fee income from acting as:-				
Financial adviser	5,560	6,949	14,055	17,144
Independent financial adviser	1,665	745	2,675	1,125
	<b>7,225</b>	<b>7,694</b>	<b>16,730</b>	<b>18,269</b>
<b>Other income</b>				
Bank interest income	95	-	99	-

### 4. (LOSS)/PROFIT BEFORE INCOME TAX

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

	Three months ended 30 June		Nine months ended 30 June	
	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)
Auditor's remuneration	107	-	143	-
Donation	100	40	1,010	226
Employee benefit expenses (including Directors' remuneration)	3,576	1,268	9,383	5,916
- Salaries and welfare	1,815	1,227	5,004	3,594
- Performance related bonus	1,700	-	4,205	2,198
- Retiring benefit scheme contributions	61	41	174	124



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the nine months ended 30 June 2018

### 5. INCOME TAX EXPENSE

	Three months ended 30 June		Nine months ended 30 June	
	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)
Current income tax:				
Hong Kong Profits Tax	661	999	953	1,853

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

### 6. DIVIDEND

	Nine months ended 30 June	
	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)
(a) Dividend attributable to the 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.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the nine months ended 30 June 2018

### 7. (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 30 June 2018		Nine months ended 30 June 2018	
	(unaudited)	2017 (unaudited)	(unaudited)	2017 (unaudited)
(Loss)/profit for the period attributable to shareholders of the Company (HK\$'000)	<b>2,630</b>	3,191	<b>(2,484)</b>	7,520
Weighted average number of ordinary shares in issue at beginning of the period ('000)	<b>1,000,000</b>	800,000	<b>504,029</b>	800,000
Effect of public offering	–	–	<b>369,963</b>	–
Weighted average number of ordinary shares in issue at 30 June ('000)	<b>1,000,000</b>	800,000	<b>873,992</b>	800,000

In determining the number of shares in issue, the total of 800,000,000 shares issued, 1 share issued on the incorporation of the Company, 99,999,999 shares issued on the Reorganisation of the Group on 26 February 2018 and 700,000,000 shares issued on capitalisation issue on 22 March 2018.

On 22 March 2018, upon its listing on GEM, the Company issued 200,000,000 new ordinary shares at an offer price of HK\$0.24 each and raised gross proceeds of HK\$48,000,000.

For each of the three months and nine months ended 30 June 2018 and 30 June 2017, there were no potential ordinary shares in issue, thus no diluted earnings per share is presented.

## 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 Limited, shall not (i) hold client assets; (ii) for Type 1 regulated activity, engage in dealing activities other than those relating to corporate finance; and (iii) for Type 6 regulated activity, act as sponsor in respect of an application for listing on a recognised stock market of any securities.

The Group 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 Limited. 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 nine months ended 30 June 2018 amounted to approximately HK\$16.7 million, representing a decrease of approximately HK\$1.6 million or 8.7% as compared with that of approximately HK\$18.3 million for the nine months ended 30 June 2017. Such decrease was mainly because of the completion of a transaction with significant fee income of approximately HK\$5 million during the period ended 30 June 2017 in respect of which the Group acted as the financial adviser for the offeror in a takeover case involving arrangement of financing from a commercial bank for the client of the Group, mostly offset by the increase in transactions volume handled by the Group during the current period. During the nine months ended 30 June 2018, the Group was involved in 41 (2017: 36) corporate finance advisory transactions, an increase of approximately 13.9% as compared to 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 were approximately HK\$9.4 million (2017: approximately HK\$5.9 million), representing an increase of approximately HK\$3.5 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\$1.5 million; (b) the increase of approximately HK\$0.3 million of the performance related bonuses paid during the period ended 30 June 2018; and (c) the provision of performance related bonus of approximately HK\$1.7 million for the nine-month period which will be paid at the end of the calendar year.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### Other Operating Expenses

Other operating expenses for the nine months ended 30 June 2018 were approximately HK\$2.7 million when compared to approximately HK\$0.7 million for the same period in 2017. The increase in other operating expenses were mainly due to (a) the increased cost of operating a publicly-traded company such as fee paid to professional parties including audit fee, compliance advisory fee, insurance fee, legal advisory fee and printing fee; and (b) the increase in donation.

During the nine months ended 30 June 2018, the Group provided approximately HK\$1.0 million in donation to contribute to the community (2017: approximately HK\$0.2 million).

### Listing Expenses

During the nine months ended 30 June 2018, the Group recognised non-recurring listing expenses 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\$2.5 million for the nine months ended 30 June 2018 as compared to net profit of approximately HK\$7.5 million for the nine months ended 30 June 2017. The net loss for the period was mainly due to (i) the increase in non-recurring listing expenses by approximately HK\$3.8 million; (ii) the increase in employee benefits expenses and other operating expenses by approximately HK\$1.8 million and HK\$3.7 million respectively; and (iii) the decrease in revenue and income tax expense by approximately HK\$1.6 million and HK\$0.9 million respectively.

The Group's net profit after excluding non-recurring expenses would be approximately HK\$3.1 million.

## **MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)**

### **DIVIDEND**

No dividend is declared for the nine months ended 30 June 2018. The detail is disclosed in Note 6 of the condensed consolidated financial statements.

### **SIGNIFICANT INVESTMENTS**

As at 30 June 2018, the Group did not have any significant investments.

## 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 nine months ended 30 June 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.

## CORPORATE GOVERNANCE AND OTHER INFORMATION (CONTINUED)

### 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.

### 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 30 June 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 30 June 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 30 June 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.

## CORPORATE GOVERNANCE AND OTHER INFORMATION (CONTINUED)

Save as disclosed above, as at 30 June 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.

### 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**”).

### Compliance adviser’s interests

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

## CORPORATE GOVERNANCE AND OTHER INFORMATION (CONTINUED)

The primary duties of the Audit Committee are to review the annual reports and accounts, half-year reports and quarterly reports of the Group, make recommendations to the Board on the appointment and dismissal of external auditors, provide advice in respect of financial reporting, review risk management and internal control framework of the Group, and monitor any continuing connected transactions.

The Audit Committee has reviewed the unaudited consolidated results of the Group for the nine months ended 30 June 2018.

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

Hong Kong, 3 August 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.*