

AMASSE CAPITAL
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AMASSE CAPITAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock code: 8168

INTERIM REPORT
2018-2019

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

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

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

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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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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

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

Independent Non-executive Directors

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

BOARD COMMITTEES

Audit Committee

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

Remuneration Committee

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

Nomination Committee

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

COMPLIANCE OFFICER

Mr. Lam Ting Lok

AUTHORISED REPRESENTATIVES

Mr. Lam Ting Lok
Ms. Tsang Kwong Wan

COMPANY SECRETARY

Ms. Cheng Suk Kuen

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

Room 1201
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

The unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the three months and six months ended 31 March 2019 (the “**Period**”), together with the comparative unaudited figures for the corresponding period in 2018 are as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 March 2019

	Note	Three months ended 31 March		Six months ended 31 March	
		2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Revenue	3	2,330	5,160	4,389	9,505
Other income	3	215	4	406	4
Employee benefit expenses		(1,927)	(1,706)	(6,739)	(5,807)
Operating lease expense		(192)	(208)	(382)	(394)
Depreciation of plant and equipment		(35)	(35)	(70)	(70)
Other operating expenses		(754)	(2,212)	(1,543)	(2,491)
Listing expenses		-	(5,569)	-	(5,569)
Loss before income tax	5	(363)	(4,566)	(3,939)	(4,822)
Income tax expense	6	-	(309)	-	(292)
Loss and total comprehensive expense for the period attributable to owners of the Company		(363)	(4,875)	(3,939)	(5,114)
Loss per share					
- Basic and diluted (HK cents)	8	(0.04)	(0.59)	(0.39)	(0.63)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2019

	Note	As at 31 March 2019 HK\$'000 (unaudited)	As at 30 September 2018 HK\$'000 (audited)
ASSETS AND LIABILITIES			
Non-current assets			
Plant and equipment	9	184	254
Current assets			
Trade receivables	10	1,875	4,727
Prepayments, deposits and other receivables	10	921	502
Tax recoverable		965	–
Cash and cash equivalents		41,920	45,754
		45,681	50,983
Current liabilities			
Other payables and accruals	11	256	445
Other contract liabilities		279	–
Deferred revenue		–	50
Tax payable		–	1,473
		535	1,968
Net current assets		45,146	49,015
Total assets less current liabilities		45,330	49,269
Non-current liabilities			
Provision for long service payment		426	426
Net assets		44,904	48,843
EQUITY			
Share capital	12	10,000	10,000
Reserves		34,904	38,843
Total equity		44,904	48,843

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months period ended 31 March 2019

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Other reserve <i>HK\$'000</i>	Retained earnings/ (Accumulated losses) <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 October 2018 (audited)	10,000	31,299	4,000	3,544	48,843
Loss and total comprehensive expense for the period	-	-	-	(3,939)	(3,939)
At 31 March 2019 (unaudited)	10,000	31,299	4,000	(395)	44,904

For the six months period ended 31 March 2018

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Other reserve <i>HK\$'000</i>	Retained earnings/ (Accumulated losses) <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 October 2017 (audited)	-	-	5,000	2,519	7,519
Loss and total comprehensive expense for the period	-	-	-	(5,114)	(5,114)
Issue of shares to ultimate holding company pursuant to reorganisation (Note 12(b))	1,000	-	(1,000)	-	-
Issue of shares pursuant to public offering (Note 12(c))	2,000	46,000	-	-	48,000
Capitalisation issue of shares (Note 12(c))	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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 March 2019

	Six months ended 31 March	
	2019	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Cash flows from operating activities		
Loss before income tax	(3,939)	(4,822)
Adjustments for:		
Depreciation of plant and equipment	70	70
Bank interest income	(406)	(4)
Operating loss before working capital changes	(4,275)	(4,756)
Decrease/(increase) in trade receivables	2,852	(65)
(Increase)/decrease in prepayments, deposits and other receivables	(419)	1,855
(Decrease)/increase in other payables and accruals	(189)	4,886
Increase in other contract liabilities	229	–
Cash (used in)/generated from operations	(1,802)	1,920
Income tax paid	(2,438)	(3,503)
Net cash used in operating activities	(4,240)	(1,583)
Cash flows from investing activities		
Bank interest income	406	4
Net cash generated from investing activities	406	4

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the six months ended 31 March 2019

	Six months ended	
	31 March	
	2019	2018
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Cash flows from financing activities		
Proceeds from issue of shares	–	48,000
Share issuance expenses	–	(7,701)
Repayment to a director	–	(210)
	<hr/>	<hr/>
Net cash generated from financing activities	–	40,089
	<hr/>	<hr/>
(Decrease)/increase in cash and cash equivalents	(3,834)	38,510
Cash and cash equivalents at beginning of the period	45,754	10,633
	<hr/>	<hr/>
Cash and cash equivalents at end of the period	41,920	49,143
	<hr/>	<hr/>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 31 March 2019

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, Prosperous Building, 48-52 Des Voeux Road Central, Hong Kong respectively.

The Company is principally engaged in investment holding. The Group's only operating subsidiary is mainly engaged in the provision of corporate finance advisory services.

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. BASIS OF PREPARATION

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

The principal accounting policies used in the unaudited condensed consolidated interim financial statements for the six months ended 31 March 2019 are the same as those followed in the preparation of the Group's annual report for the year ended 30 September 2018, except for the new and revised HKFRSs issued by the HKICPA that are adopted for the first time for the current accounting period of the Group.

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

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 March 2019

2. BASIS OF PREPARATION (continued)

Other than as further explained below, the adoption of these new and revised HKFRSs has had no material effect on the amounts reported in the unaudited condensed consolidated interim financial statements and/or disclosures set out in the unaudited condensed consolidated interim financial statements. The Group has not early adopted any new HKFRSs that have been issued but are not yet effective.

HKFRS 9, "Financial Instruments"

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

The Group has applied HKFRS 9 retrospectively to items that existed at 1 October 2018 in accordance with the transition requirements, comparative information continue to be reported under HKAS 39. There is no significant impact on the Group's financial position and financial result upon initial application at 1 October 2018.

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

a) Classification of financial assets and financial liabilities

HKFRS 9 categories financial assets into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income and at fair value through profit or loss ("**FVTPL**"). These supersede HKAS 39's categories of held to maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVTPL. The classification of financial assets under HKFRS 9 is based on the business model under which the financial asset is managed and its contractual cash flow characteristics. Under HKFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are not separated from the host. Instead, the hybrid instrument as a whole is assessed for classification.

Under HKFRS 9, the classification for all of the Group's financial assets and financial liabilities measured at amortised cost remain the same. The carrying amounts for all financial assets and financial liabilities at 1 October 2018 have not been impacted by the initial application of HKFRS 9.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 March 2019

2. BASIS OF PREPARATION (continued)

HKFRS 9, "Financial Instruments" (continued)

b) Credit losses

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

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

HKFRS 15, "Revenue from Contracts with Customers"

The Group has adopted HKFRS 15 from 1 October 2018 which resulted in change in accounting policy. In accordance with the transition provisions in HKFRS 15, the Group has adopted the modified retrospective approach for transition to the new revenue standard. Under this transition approach, (i) comparative information for prior periods is not restated; (ii) the date of the initial application of HKFRS 15 is the first day of the annual reporting period in which the Group first applies the requirement of HKFRS 15, i.e. 1 October 2018; (iii) the Group recognises the cumulative effect of initial application of HKFRS 15 as an adjustment to the opening balance of retained profit (or other component of equity, as appropriate) in the year of adoption, i.e. as at 1 October 2018; and (iv) the Group elects to apply the new standard only to contracts that are not completed contracts at 1 October 2018.

HKFRS 15 introduces a 5-step approach when recognising revenue:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

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

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 March 2019

2. BASIS OF PREPARATION (continued)

HKFRS 15, "Revenue from Contracts with Customers" (continued)

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

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

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

The adoption of HKFRS 15 does not have a significant impact on the Group's recognition of revenue. The revenue of the Group is recognised either over time or at a point in time.

Under HKFRS 15, contract assets represent the Group's right to consideration in exchange for services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, receivables represent the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due. The Group recognises contract liabilities when a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional, before the Group performs a service or transfers a good to the customer.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 March 2019

2. BASIS OF PREPARATION (continued)

HKFRS 15, "Revenue from Contracts with Customers" (continued)

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

	Carrying amounts previously reported at 30 September 2018	Adjustments	Carrying amounts under HKFRS 15 at 1 October 2018
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Current Liabilities			
Other contract liabilities	–	50	50
Deferred income	50	(50)	–

The following table summaries the impacts of apply HKFRS 15 on the condensed consolidated statement of financial position at 31 March 2019 for each of the line items affected. Line items that were not affected by the changes have not been included.

	As reported	Adjustments	Amounts without application of HKFRS 15
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Current Liabilities			
Other contract liabilities	279	(279)	–
Deferred income	–	279	279

Except for the change of terminology used for deferred income, HKFRS 15 has had no significant effect on the unaudited condensed consolidated interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 March 2019

2. BASIS OF PREPARATION (continued)

HK(IFRIC) 22, "Foreign Currency Transactions and Advance Consideration"

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

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

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

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	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Revenue				
Fee income from acting as:-				
Financial adviser	1,780	4,150	3,509	8,495
Independent financial adviser	550	1,010	880	1,010
	2,330	5,160	4,389	9,505
Other income				
Bank interest income	215	4	406	4

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 March 2019

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 purpose 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 reporting period are as follows:

	Three months ended 31 March		Six months ended 31 March	
	2019 HK\$’000 (unaudited)	2018 HK\$’000 (unaudited)	2019 HK\$’000 (unaudited)	2018 HK\$’000 (unaudited)
Customer A	–	1,270	–	1,670
Customer B	–	1,200	–	2,200
Customer C	600	–	600	–
Customer D	300	–	600	–
Customer E	200	–	480	–
Customer F	244	–	450	–

**NOTES TO THE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS (CONTINUED)**

For the six months ended 31 March 2019

5. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging:

	Three months ended 31 March		Six months ended 31 March	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Auditor's remuneration	62	36	125	36
Donation	110	816	279	910
Employee benefit expenses (including Directors' remuneration)	1,927	1,706	6,739	5,807
– Salaries and welfare	1,870	1,649	3,745	3,189
– Performance related bonus	–	–	2,876	2,505
– Retirement benefit scheme contributions	57	57	118	113

6. INCOME TAX EXPENSE

	Three months ended 31 March		Six months ended 31 March	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Current income tax: Hong Kong profits tax	–	309	–	292

7. DIVIDEND

No dividend is declared for the six months ended 31 March 2019 (2018: Nil).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 March 2019

8. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	Three months ended		Six months ended	
	31 March		31 March	
	2019	2018	2019	2018
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Loss for the period attributable to owners of the Company (HK\$'000)	(363)	(4,875)	(3,939)	(5,114)
Weighted average number of ordinary shares in issue at the end of the period ('000)	1,000,000	822,222	1,000,000	810,989

For each of the three months and six months ended 31 March 2019 and 31 March 2018, there were no potential ordinary shares in issue, thus no adjustment has been made to the basic earnings per share amount presented in respect of dilution.

9. PLANT AND EQUIPMENT

During the reporting period, the Group had no acquisition of plant and equipment (2018: Nil).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 March 2019

10. TRADE RECEIVABLES AND PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 31 March 2019 HK\$'000 (unaudited)	As at 30 September 2018 HK\$'000 (audited)
Trade receivables	2,175	5,027
Less: provision for impairment losses	(300)	(300)
	1,875	4,727
Prepayments, deposits and other receivables	921	502

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

	As at 31 March 2019 HK\$'000 (unaudited)	As at 30 September 2018 HK\$'000 (audited)
Within 1 month	575	3,972
1 to 3 months	900	375
Over 3 months	400	380
	1,875	4,727

Trade receivables were arising from the provision of corporate finance advisory services. The Group generally does not provide credit period granted to customers for financial advisory services. The trade receivables of approximately HK\$1.9 million were past due but which the Directors of the Company consider not to be impaired and no allowances for bad and doubtful debts have been provided.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 March 2019

11. OTHER PAYABLES AND ACCRUALS

	As at 31 March 2019 HK\$'000 (unaudited)	As at 30 September 2018 HK\$'000 (audited)
Other payables	20	56
Accruals	236	389
	256	445

12. SHARE CAPITAL

	<i>Note</i>	Number of ordinary shares of HK\$0.01 each	Share capital HK\$'000
Authorised:			
At 1 October 2017		39,000,000	390
Increase in number of authorised shares	a	9,961,000,000	99,610
At 30 September 2018, 1 October 2018 and 31 March 2019		10,000,000,000	100,000
Issued and fully paid:			
At 1 October 2017		1	–
Reorganisation	b	99,999,999	1,000
Share issued pursuant to public offering	c	200,000,000	2,000
Capitalization issue of shares	c	700,000,000	7,000
At 30 September 2018, 1 October 2018 and 31 March 2019		1,000,000,000	10,000

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 March 2019

12. SHARE CAPITAL (continued)

Notes:

- a. Pursuant to the written resolutions of the sole shareholder of the Company passed on 26 February 2018, the authorised share capital of the Company was increased from HK\$390,000 divided into 39,000,000 shares to HK\$100,000,000 divided into 10,000,000,000 shares by the creation of an additional 9,961,000,000 shares.
- b. On 26 February 2018, the Company allotted and issued 99,999,999 shares to Access Cheer Limited ("**Access Cheer**"), all credited as fully paid, as consideration for the acquisition of the entire issued share capital of Amass Capital Limited 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 Limited is wholly owned by MGL, which in turn is wholly owned by the Company.
- c. On 22 March 2018, the Company issued 200,000,000 shares at HK\$0.24 per share pursuant to the initial public offering ("**IPO**") of the Company's shares for total gross proceeds of HK\$48,000,000. Conditional upon the crediting of the Company's share premium account as a result of the issue of the shares pursuant to the IPO, a sum of HK\$7,000,000 standing to the credit of the share premium account of the Company was capitalised by paying up in full at par a total of 700,000,000 new shares and for allotment and issue to Access Cheer.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 March 2019

13. 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 2019 HK\$'000 (unaudited)	As at 30 September 2018 HK\$'000 (audited)
Within one year	1,159	392
After one year but within five years	2,743	–
	3,902	392

14. RELATED PARTY TRANSACTIONS

Compensation of key management personnel of the Group

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 2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Short-term employee benefits	3,130	3,029
Post-employment benefits	45	47
	3,175	3,076

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

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

The Group is principally engaged in providing corporate finance advisory services in Hong Kong including (i) acting as financial adviser to Hong Kong public listed companies and investors seeking to control or invest in public listed companies in Hong Kong regarding corporate transactions which mainly involve the compliance with the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), the GEM Listing Rules and/or the Codes on Takeovers and Mergers and Share Buy-backs (the “**Takeovers Code**”); (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.

During the period under review, 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 be the major revenue stream of the Group.

On 29 June 2018, the Stock Exchange published a consultation paper to seek comments on proposals to tighten its review on the suitability of listing of new applicants, enhance the continuing listing criteria for listed issuers and tighten the reverse takeovers rules to prevent backdoor listings particularly those involving shell companies. Further, on 3 July 2018, the Stock Exchange effected certain amendments to the Listing Rules to tighten the requirements on capital raising activities by listed issuers, including the restriction of highly dilutive capital raising activities. As a combined effect from the aforesaid tightened regulatory measures, economic uncertainties (such as tightened controls on capital outflow by the Government of The People’s Republic of China (the “**PRC**”), and trade conflict between the PRC and the United States of America (“**US**”)), the merger and acquisition (“**M&A**”) activities as well as the corporate fund raising activities of Hong Kong listed companies have been adversely affected.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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 declined by approximately 31.0% in the three months ended 31 March 2019 and 24.4% in the six months ended 31 March 2019 as compared with the corresponding period of last year respectively. The number of the Circular continued to drop by approximately 38.9% in the three months ended 31 March 2019 (approximately 80 transactions), as compared to the three months ended 31 December 2018 (approximately 131 transactions).

Further, according to the HKEX Securities and Derivates Markets Quarterly Reports published by the Stock Exchange, it was observed that the number of corporate fund raising transactions (including placing, right issues and open offer) of Hong Kong listed companies had decreased to about 88 transactions for the six months ended 31 March 2019, representing a decrease of approximately 50.8% as compared to about 179 transactions for the corresponding period of last year, mainly driven by the tightened regulatory measures.

The performance of the Group had been adversely affected by the aforesaid tightened regulatory measures, economic uncertainties, which resulted in a decline of the total fees for corporate finance advisory services provided by the Group during the period under review as compared to the three months and six months ended 31 March 2018. The transaction volume is expected to decline for both corporate fund raising activities and M&A activities which will continue affecting the corporate finance advisory business of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL REVIEW

Revenue

Revenue for the six months ended 31 March 2019 amounted to approximately HK\$4.4 million, representing a decrease of approximately HK\$5.1 million or 53.7% as compared with that of approximately HK\$9.5 million for the corresponding period of last year. Such decrease was mainly due to (a) the decline of the total fees for corporate finance advisory services provided by the Group (i.e. transactions handled by the Group were less material with relatively lower fees chargeable) and (b) the decrease in the number of corporate finance advisory transactions handled by the Group to 21 transactions (2018: 23) during the six months ended 31 March 2019, representing a decrease of approximately 8.7% as compared to the corresponding period of last year.

Other Income

The Group's other income mainly included the bank interest income for the six months ended 31 March 2019 of approximately HK\$0.4 million (2018: Nil).

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\$6.7 million (2018: approximately HK\$5.8 million), representing an increase of approximately HK\$0.9 million as compared with the six months ended 31 March 2018, primarily due to the combined effect of (a) upward adjustment to staff salaries and the recruitment of additional professional staff of approximately HK\$0.5 million; and (b) the increase of approximately HK\$0.4 million of the performance related bonuses paid during the period under review.

Other Operating Expenses

Other operating expenses for the six months ended 31 March 2019 were approximately HK\$1.5 million when compared to approximately HK\$2.5 million for the six months ended 31 March 2018. The decrease in other operating expenses was mainly due to the decrease in donation and other operating expenses.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Loss for the Period

The Group incurred net loss of approximately HK\$3.9 million for the six months ended 31 March 2019 as compared to net loss of approximately HK\$5.1 million for the six months ended 31 March 2018. The decrease in net loss for the period was mainly due to (i) the decrease in revenue by approximately HK\$5.1 million; (ii) the decrease in listing expenses and income tax expenses by approximately HK\$5.6 million and HK\$0.3 million respectively; and (iii) the increase in bank interest income of approximately HK\$0.4 million.

Liquidity and Financial Resources

As at 31 March 2019 and 30 September 2018, the Group had cash and cash equivalents of approximately HK\$41.9 million and HK\$45.8 million respectively.

As at 31 March 2019 and 30 September 2018, 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 thereof, the Group's financial resources are sufficient to support its business and operations.

Treasury Policy

The Group adopts a prudent financial management approach towards its treasury policy and thus maintained a healthy liquidity position throughout the reporting period. The management of the Group regularly reviews the recoverable amount of trade receivables by performing ongoing credit assessments and monitoring prompt recovery and if necessary to make adequate impairment losses for irrecoverable amounts. In order to achieve better cost control and minimise the cost of funds, the Group's treasury activities are centralised and cash is generally deposited with leading licensed banks in Hong Kong and denominated in Hong Kong Dollars and United States dollars ("US\$").

Capital Structure

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

Pledge of Assets

As at 31 March 2019, the Group did not have any pledged assets (2018: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Foreign Currency Exposure

The Group's exposures to foreign currencies mainly arises from US\$ time deposits. The Directors should be aware that foreign currency time deposit is subject to currency risks and there can be no assurance that any appreciation value of foreign currency dollar. In order to mitigate the potential impact of currency fluctuation, the Directors closely monitors its foreign currency exposures and cash is deposited in US\$ time deposit with short maturities. No other foreign currency time deposit was entered into by the Group during the six months ended 31 March 2019. As at 31 March 2019, the Group had US\$ time deposits of approximately US\$1.4 million (2018: Nil).

Capital Commitments and Contingent Liabilities

As at 31 March 2019, the Group did not have any significant capital commitments and contingent liabilities (2018: Nil).

Employees and Remuneration Policies

As at 31 March 2019, the Group employed 16 (2018: 16) staff (including executive directors). The Group 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 period (2018: Nil).

DIVIDENDS

The Board has not declared the payment of a dividend for the six months ended 31 March 2019 (2018: Nil).

USE OF PROCEEDS

The net proceeds received by the Company from the IPO after deducting the relevant one-off and non-recurring listing expenses amounted to approximately HK\$29.0 million (based on the final public offering price of HK\$0.24 per share).

During the period under review, the Group had used approximately HK\$0.3 million. The remaining net proceeds of approximately HK\$26.5 million were deposited as short-term time deposits with a licensed bank in Hong Kong. The following sets forth a summary of the allocation of the net proceeds and its utilisation as at 31 March 2019, as compared to that envisaged in the prospectus of the Company dated 8 March 2018 (the "Prospectus").

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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 31 March 2019 is set out below:

	Approximate amount of net proceeds from the Listing <i>HK\$ million</i>	Approximate actual amount utilised from the Listing to 30 September 2018 <i>HK\$ million</i>	Approximate actual amount utilised from 1 October 2018 to 31 March 2019 <i>HK\$ million</i>	Unused amount of net proceeds as at 31 March 2019 <i>HK\$ million</i>
Expanding the corporate finance advisory business	5.9	-	0.1	5.8
Building up an IPO team	17.1	-	-	17.1
Developing the equity capital markets business	0.7	-	-	0.7
Expanding office	3.1	-	0.2	2.9
General working capital	2.2	2.2	-	-
	<u>29.0</u>	<u>2.2</u>	<u>0.3</u>	<u>26.5</u>

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

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

However, it is observed that for the period from January to March 2019, the IPO market performance was quiet as the Stock Exchange tightened its approval for new listings. There was a notable increase in the number of applicants that were rejected as part of the listing application process. This was in large part a direct result of the heightened scrutiny of the suitability and commercial rationale for listing applied by the Stock Exchange. Rejections were based on whether rationale for listing was supported by the applicant's expected growth and therefore, need for funding. The Stock Exchange's vetting process is qualitative and the review on the suitability of each applicant is holistic. A total of 43 IPO applicants were successfully listed on the Stock Exchange for the period from January to March 2019, which was around a 37.7% decrease in volume compared to the 69 new IPO listings from the corresponding period of last year. The Directors took the view that an increasingly stringent approval process will discourage applicant from raising capital from the IPO market. Further, Hong Kong has been hit by volatility stemming from concerns over trade conflict between the PRC and the US. The uncertainty in the economic outlook and volatile market would impact the timing and the number of companies that can go public hugely. In view of the above, the Group weighed up the costs and the benefits and considered adoption of a prudent approach to hold-up on establishment of an IPO team until the time when the regulatory and economic environments become clearer.

As set out in the "Future Plans and Use of Proceeds" section in the Prospectus, one of the uses of the net proceeds has been to expand the Group's corporate finance advisory business by recruiting additional employees. The Group has recruited one associate. Another use of net proceeds of the Group is to develop its equity capital market business. During the period under review, the Group remains resolute to execute and albeit with delay due to the challenging environments as noted in the sub-section headed "Business Review and Prospects" above and the economic uncertainties.

The Group has made progress in expansion of office, a new office has been rented. Approximately HK\$0.2 million out of net proceeds has been used to pay for the rental deposit. Going forward, the Group will carry out its expansion plans cautiously with reference to the then prevailing market condition, and regulatory changes and atmosphere while keeping in mind the paramount objective to preserve shareholders' value.

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 2019, 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/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 to manage the Group’s overall business development, implementation and management.

Directors’ Securities Transactions

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 during the period.

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 during the period.

CORPORATE GOVERNANCE AND OTHER INFORMATION (CONTINUED)

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

As at 31 March 2019, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the 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 2019, none of the Directors and chief executives of the Company had an interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations that was notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she will be taken or deemed to have under the SFO), or was required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which was required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

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

As at 31 March 2019, to the knowledge of the Directors, shareholders of the Company (other than the Directors or chief executives of the Company) who had interests or short positions in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follow:

Long position in ordinary shares of associated corporation

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: 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 2019, none of the substantial shareholders or other persons, other than Directors and chief executives of the Company whose interests are set out in the section headed "Directors' and Chief Executives' Interests and/or Short Positions in Shares, Underlying Shares and Debentures of the Company or any Associated Corporation" above, had any interest or a short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION (CONTINUED)

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

During the period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed shares of the Company.

Share Option Scheme

A share option scheme (the "**Share Option Scheme**") which became effective on 26 February 2018 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. Under the Share Option Scheme, the Company may grant options to selected classes of participants which include the Group's employee (including the Group's director), adviser, consultant, service provider, agent, client, partner or joint venture partner who is in full-time or part-time employment with or otherwise engaged by any member of the Group.

No share options were granted, exercised, cancelled or lapsed under the Scheme since its adoption to the end of the reporting period.

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 2019.

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-yearly 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 six months ended 31 March 2019.

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

Hong Kong, 3 May 2019

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.