

AMASSE CAPITAL
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AMASSE CAPITAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock code: 8168

INTERIM REPORT
2020-2021

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. Ying Yuk Sim

AUDITOR

Cheng & Cheng Limited
Certified Public Accountants
Levels 35, Tower 1
Enterprise Square Five
38 Wang Chiu Road
Kowloon Bay, Kowloon
Hong Kong

LEGAL ADVISOR

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

REGISTERED OFFICE

Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

CORPORATE INFORMATION (CONTINUED)

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1201, 12/F
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

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
PO Box 1350
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 2021 (the “**Period**”), together with the comparative unaudited figures for the corresponding period in 2020 are as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 March 2021

	Note	Three months ended 31 March		Six months ended 31 March	
		2021	2020	2021	2020
		HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Revenue	3	920	3,200	1,970	10,210
Other income	4	54	112	351	271
Other net (loss)/gain	4	(4,212)	7	(860)	7
Employee benefit expenses		(1,974)	(1,877)	(6,507)	(5,781)
Depreciation of plant and equipment		(45)	(72)	(90)	(144)
Depreciation of right-of-use assets		(313)	(313)	(626)	(626)
Other operating expenses		(792)	(1,032)	(1,490)	(2,007)
Finance costs		(46)	(35)	(71)	(60)
(Loss)/profit before taxation	6	(6,408)	(10)	(7,323)	1,870
Income tax	7	—	—	—	—
(Loss)/profit and total comprehensive (expense)/income for the period attributable to equity shareholders of the Company		(6,408)	(10)	(7,323)	1,870
(Loss)/earnings per share – Basic (HK cents)	9	(0.64)	(0.001)	(0.73)	0.19

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2021

		As at 31 March 2021 <i>HK\$'000</i> (unaudited)	As at 30 September 2020 <i>HK\$'000</i> (audited)
ASSETS AND LIABILITIES			
Non-current assets			
Plant and equipment	10	431	521
Right-of-use assets		1,305	1,931
Prepayments and deposits	11	402	423
Deferred tax assets		126	126
		2,264	3,001
Current assets			
Contract assets		—	259
Trade receivables	11	1,154	2,404
Prepayments, deposits and other receivables	11	468	518
Financial assets at fair value through profit or loss	12	21,270	17,905
Tax recoverable		1,015	1,015
Cash and cash equivalents	13	21,106	24,670
		45,013	46,771
Current liabilities			
Other payables and accruals	14	246	1,119
Contract liabilities		—	376
Lease liabilities		1,251	1,220
Loan from a securities broker		10,986	307
		12,483	3,022
Net current assets		32,530	43,749
Total assets less current liabilities		34,794	46,750

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONTINUED)**

As at 31 March 2021

		As at 31 March 2021 HK\$'000 (unaudited)	As at 30 September 2020 HK\$'000 (audited)
Non-current liabilities			
Lease liabilities		157	790
Provision for long service payment		387	387
Deferred tax liabilities		249	249
		793	1,426
Net assets		34,001	45,324
EQUITY			
Share capital	15	10,000	10,000
Reserves		24,001	35,324
Total equity		34,001	45,324

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 March 2021

	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 2020 (audited)	10,000	27,299	4,000	4,025	45,324
Loss and total comprehensive expense for the period	-	-	-	(7,323)	(7,323)
Dividend	-	-	-	(4,000)	(4,000)
At 31 March 2021 (unaudited)	10,000	27,299	4,000	(7,298)	34,001

For the six months ended 31 March 2020

	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 2019 (audited)	10,000	31,299	4,000	(1,598)	43,701
Profit and total comprehensive income for the period	-	-	-	1,870	1,870
Dividend	-	(4,000)	-	-	(4,000)
At 31 March 2020 (unaudited)	10,000	27,299	4,000	272	41,571

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 March 2021

	Six months ended 31 March	
	2021	2020
	<i>HK\$'000</i> (unaudited)	<i>HK\$'000</i> (unaudited)
Operating activities		
(Loss)/profit before income tax	(7,323)	1,870
Adjustments for:		
Bad debts written off	–	80
Depreciation of plant and equipment	90	144
Depreciation of right-of-use assets	626	626
Dividend income from investments in listed securities	(29)	–
Bank interest income	(55)	(272)
Interest on lease liabilities	44	60
Interest on loan from a securities broker	27	–
Net unrealised (loss)/gain on fair value of financial assets at fair value through profit or loss	3	(7)
Operating (loss)/profit before changes in working capital	(6,617)	2,501
Increase in financial assets at fair value through profit or loss	(3,368)	(2,990)
Decrease in contract assets	259	–
Decrease/(increase) in trade receivables	1,250	(555)
Decrease/(increase) in prepayments, deposits and other receivables	71	(21)
Decrease in other payables and accruals	(873)	(1,328)
Increase in other contract liabilities	(376)	–
Cash used in operations	(9,654)	(2,393)
Received dividend income from investments in listed securities	29	–
Net cash used in operating activities	(9,625)	(2,393)
Investing activities		
Bank interest income	55	272
Net cash generated from investing activities	55	272

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the six months ended 31 March 2021

	Six months ended 31 March	
	2021	2020
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Financing activities		
Repayment of lease liabilities	(602)	(646)
Net increase in loan from a securities broker	10,679	–
Interest paid on lease liabilities	(44)	–
Interest paid on loan from a securities broker	(27)	–
Dividend paid	(4,000)	(4,000)
Net cash generated from/(used in) financing activities	6,006	(4,646)
Decrease in cash and cash equivalents	(3,564)	(6,767)
Cash and cash equivalents at beginning of the period	24,670	39,532
Cash and cash equivalents at end of the period	21,106	32,765

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 31 March 2021

1. GENERAL

The Company is a public limited company incorporated in the Cayman Islands and its shares are listed on the GEM of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The registered office and the principal place of business of the Company are Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands and Room 1201, 12/F, Prosperous Building, 48-52 Des Voeux Road Central, Hong Kong respectively.

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

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”) which is also 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 financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”) with collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong, the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622) and the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “**GEM Listing Rules**”).

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.

The principal accounting policies used in the unaudited condensed consolidated financial statements for the six months ended 31 March 2021 are the same as those followed in the preparation of the Group’s annual report for the year ended 30 September 2020.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 March 2021

3. REVENUE

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	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Revenue				
Fee income from acting as:-				
Financial adviser	860	3,140	1,840	9,400
Independent financial adviser	60	60	130	810
	920	3,200	1,970	10,210
Timing of revenue recognition				
At point in time	—	2,450	—	8,810
Over time	920	750	1,970	1,400
	920	3,200	1,970	10,210

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 March 2021

4. OTHER INCOME AND OTHER NET (LOSS)/GAIN

	Three months ended 31 March		Six months ended 31 March	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Other income				
Bank interest income	25	112	55	271
Dividend income	29	—	29	—
Government grants	—	—	261	—
Sundry income	—	—	6	—
	54	112	351	271
Other net (loss)/gain				
Net realised loss on financial assets at fair value through profit or loss	(2,141)	—	(1,079)	—
Net unrealised gain/(loss) on financial assets at fair value through profit or loss	(2,080)	7	(3)	7
Foreign exchange gain	9	—	222	—
	(4,212)	7	(860)	7

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 March 2021

5. 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	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Customer A	226	—	621	—
Customer B	120	—	240	—
Customer C	100	—	100	—
Customer D	175	—	175	—
Customer E	240	480	480	660
Customer F	—	300	—	300
Customer G	—	—	—	120
Customer H	—	700	—	1,000
Customer I	—	380	—	380

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 March 2021

6. (LOSS)/PROFIT BEFORE TAXATION

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

	Three months ended 31 March		Six months ended 31 March	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Auditor's remuneration	62	63	125	125
Donation	158	149	279	332
Employee benefit expenses (including Directors' remuneration)	1,974	1,877	6,507	5,781
– Salaries and welfare	1,934	1,821	4,003	3,732
– Performance related bonus	–	–	2,417	1,935
– Retirement benefit scheme contributions	40	56	87	114
Finance costs				
– Interest on lease liabilities	45	35	44	60
– Interest on loan from a securities broker	1	–	27	–

7. INCOME TAX

No provision for Hong Kong Profits Tax for the six months ended 31 March 2021 (2020: Nil) has been made as the Group had no assessable profits.

8. DIVIDEND

No dividend is declared for the six months ended 31 March 2021 (2020: HK\$0.4 cents).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 March 2021

9. (LOSS)/EARNINGS PER SHARE

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

	Three months ended 31 March		Six months ended 31 March	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
(Loss)/profit for the period attributable to equity shareholders of the Company (HK\$'000)	(6,408)	(10)	(7,323)	1,870
Number of ordinary shares in issue at the end of the Period ('000)	1,000,000	1,000,000	1,000,000	1,000,000

10. PLANT AND EQUIPMENT

During the reporting Period, the Group had no acquisition of plant and equipment (2020: Nil).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 March 2021

11. TRADE RECEIVABLES AND PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 31 March 2021 HK\$'000 (unaudited)	As at 30 September 2020 HK\$'000 (audited)
Trade receivables	3,204	4,454
Less: loss allowance	(2,050)	(2,050)
	1,154	2,404
Prepayments, deposits and other receivables	870	941
Deduct: non-current portion	(402)	(423)
Current portion	468	518

An aged analysis of trade receivables, net of loss allowance 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 2021 HK\$'000 (unaudited)	As at 30 September 2020 HK\$'000 (audited)
Within 1 month	544	420
1 to 3 months	190	1,102
Over 3 months	420	882
	1,154	2,404

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 March 2021

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 March 2021 HK\$'000 (unaudited)	As at 30 September 2020 HK\$'000 (audited)
Listed securities held for trading:		
– Equity security listed in Hong Kong	9,047	9,941
– Equity security listed in the United States	12,223	7,964
	21,270	17,905

Financial assets at FVTPL are stated at fair values which are determined with reference to quoted market bid price.

13. CASH AND CASH EQUIVALENTS

	As at 31 March 2021 HK\$'000 (unaudited)	As at 30 September 2020 HK\$'000 (audited)
Cash at bank and on hand	7,323	11,657
Cash at other financial institutions	7,850	7,877
Short-term bank deposits	5,933	5,136
	21,106	24,670

Cash and cash equivalents include cash at bank and on hand, cash at other financial institutions and short-term bank deposits. Short-term bank deposits are made for varying periods of between one month and two months (2020: between one month and three months) depending on the cash requirements of the Group, and earn interest rate at the respective short-term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 March 2021

14. OTHER PAYABLES AND ACCRUALS

	As at 31 March 2021 <i>HK\$'000</i> (unaudited)	As at 30 September 2020 <i>HK\$'000</i> (audited)
Other payables	45	51
Accruals	201	1,068
	246	1,119

15. SHARE CAPITAL

	Number of ordinary shares of HK\$0.01 each	Share capital <i>HK\$'000</i>
Authorised: At 30 September 2019, 30 September 2020, 1 October 2020 and 31 March 2021	10,000,000,000	100,000
Issued and fully paid: At 30 September 2019, 30 September 2020, 1 October 2020 and 31 March 2021	1,000,000,000	10,000

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 March 2021

16. 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	
	2021	2020
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Short-term employee benefits	3,370	3,190
Post-employment benefits	56	45
	3,426	3,235

17. COMPARATIVE FIGURES

Certain comparative figures have been re-classified to conform with the current interim period's presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

The Group is a corporate finance advisory service provider and investment advisory service provider based in Hong Kong and licensed to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) 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 recognized stock market of any securities. Amasse Asset Management Limited shall not (i) hold client assets; and (ii) only provide services to professional investors.

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.

Looking forward, the business and operation environments of the Group will remain challenging due to the global outbreak of coronavirus disease and it is observed that there is serious rebound on confirmed cases worldwide, such as Japan, Philippines and India, which imposes additional uncertainty on full recovery of the world economies and therefore the overall market is expected to be volatile. Additionally, the end of coronavirus pandemic in Hong Kong is remained uncertain as there is rebound on confirmed cases from time to time and there are confirmed cases on coronavirus variant recently. The Group cannot rule out the possibility that the Hong Kong Government may maintain and/or further tighten the cross-boundary control social and economic activities as and when appropriate.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

The clients of the Group are mainly small to middle size enterprises which operate in the People's Republic of China. Given their company size, they are generally more risk adverse and cautious during the current uncertain economic climate and the cross border restrictions imposed by the Hong Kong Government has limited the Group's accessibility and therefore business opportunities with such clients are much diminished as a result. In view of the current situation, the Directors expect the challenging environment to continue until such time when the pandemic situation improves and the cross border restrictions are lifted.

In view of the above, the Directors expect that there are still uncertainties and adverse effects on the overall business of our Group.

Despite the challenging business environment for the Group as discussed above, the Directors are more optimistic now and believe the world economies will be resuming step by step as the vaccine is in place and applying across the world. The Group has also adjusted its business strategies as below:

Corporate Finance Advisory Services

The Directors observe there are severe price competition in the Hong Kong corporate finance industry during the uncertain economic climate. As such the Group has adopted a competitive price strategy while maintaining its high service quality for the clients.

The Group has actively maintained frequent contacts with the clients under its customer base through telecommunication media. By leveraging on the senior managements' resources and network, the Group has been proactively approaching new clients. As a result of the continuous effort and adjustment of the Group's business strategies, the engagement of our corporate finance advisory services has shown some signs of increment in the recent months although the average fee per engagement is low.

Asset Management Advisory Services

In addition to the corporate finance advisory services, the Group has been exploring and expanding new business, the asset management advisory services represent a material development of the Group. Amasse Asset Management Limited, a wholly-owned subsidiary of the Group, was granted the licenses of Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO in May 2020. For the year ended 30 September 2020, the Group was successfully engaged in one advisory transaction, which generated revenue of HK\$0.25 million and represented a milestone on the asset management advisory services.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Another business strategy of the Group's asset management advisory services is to establish a fund. The current focus of the Group is to set up an equity investment fund. Reference is made to the announcement of the Company dated 6 April 2020 whereby it was disclosed that the Group changed the use of the net proceeds from the Group's listing of approximately HK\$10.0 million for the establishment of asset management services and build up the Group's track record in portfolio management. The Group has started to invest in securities markets since March 2020 (the "**First Investment Date**") with a total initial capital of approximately HK\$12.0 million. As at 31 March 2021, the aggregate return was approximately HK\$6.4 million, representing a return of approximately 53.3%.

For the period from the First Investment Date to 31 March 2021, Hang Seng Index raised from 26,129.93 on 29 February 2020 to 28,378.35 on 31 March 2021, representing an increase of approximately 8.6% while the Group achieved a return of approximately 53.3% during such period. The Group has outperformed the Hong Kong market and successfully established a positive investment track record. As such, the Directors believe that such positive track record demonstrated the Group's solid experience and expertise in the asset management skill and will provide more confident and attraction to the potential clients for investment advisory services.

Last but not the least, the Directors consider that the recent lacklustre performance of the Group is just temporary in view that despite the negative impact from continuous occurrence of market uncertainty events during the recent few years, the Group was able to recorded approximately 51.4% increase in total revenue and net profit for the year ended 30 September 2020 as compared to the corresponding period in 2019. The Group has been formulating and adjusting business plans and strategies from time to time so as to improve its competitiveness during different economic situation.

The Directors believe that the future performance of the Group will be subject to the pace of recovery from the current pandemic situation as well as the success implementation and adjustment of the Group's business plans and strategies.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL REVIEW

Revenue

Revenue for the six months ended 31 March 2021 amounted to approximately HK\$2.0 million, representing a decrease of approximately HK\$8.2 million or approximately 80.4% as compared with that of approximately HK\$10.2 million for the corresponding period of last year. Such decrease was mainly driven by the decrease of the total corporate finance advisory transactions.

Other Income and Other Net (Loss)/Gain

The Group's other income mainly included (i) Hong Kong Government's subsidy, Employment Support Scheme of approximately HK\$0.3 million (2020: Nil); and (ii) bank interest income of approximately HK\$0.06 million (2020: approximately HK\$0.3 million).

The Group's other net (loss)/gain included (i) net realised and unrealised loss on financial assets at fair value through profit or loss of approximately HK\$1.1 million (2020: unrealised gain of approximately HK\$0.007 million); and (ii) foreign exchange gain of approximately HK\$0.2 million (2020: 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\$6.5 million (2020: approximately HK\$5.8 million), representing an increase of approximately HK\$0.7 million as compared with the six months ended 31 March 2020, primarily due to the increase of approximately HK\$0.5 million of the performance related bonuses for 2020 paid during the Period.

Other Operating Expenses

Other operating expenses for the six months ended 31 March 2021, were approximately HK\$1.5 million, which was decreased of HK\$0.5 million when compared to approximately HK\$2.0 million for the six months ended 31 March 2020 due to decrease of legal and professional fee.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Loss for the Period

The Group incurred net loss of approximately HK\$7.3 million for the six months ended 31 March 2021 (2020: net profit of approximately HK\$1.9 million). The net loss for the Period was mainly due to the net effect of (i) the decrease in revenue by approximately HK\$8.2 million; (ii) the decrease in other income and other net loss by approximately HK\$0.8 million; and (iii) the increase in employee benefits expenses by approximately HK\$0.7 million.

Liquidity and Financial Resources

As at 31 March 2021 and 30 September 2020, the Group had cash and cash equivalents of approximately HK\$21.1 million and HK\$24.7 million respectively. As at 31 March 2021, the Group's current ratio was approximately 3.6 times as compared to approximately 15.5 times as at 30 September 2020.

As at 31 March 2021, the gearing ratio was approximately 36.5% mainly due to the increase in loan from a securities broker (30 September 2020: approximately 5.1%). Gearing ratio is calculated by dividing total debt by total equity. Total debt is defined to include all interest-bearing borrowings and lease liabilities.

The Directors are of the view that at the date hereof, the Group's financial resources are sufficient to support its business and operations.

Treasury Policy

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

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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. The Directors review the Group's capital structure regularly.

Charges on Group Assets

As at 31 March 2021, the Group did not have any charges on its assets (2020: Nil).

Foreign Currency Exposure

The Group's exposures to foreign currencies mainly arises from CNY time deposits and US\$ equity investments. The Directors should be aware that foreign currency time deposit and equity investments are subject to currency risks and there can be no assurance that any appreciation value of foreign currency dollar. In order to mitigate the potential impact of currency fluctuation, the Directors closely monitors its foreign currency exposures and cash is deposited in CNY time deposit in Hong Kong leading licensed banks with short maturities. No other foreign currency time deposit was entered into by the Group during the period under review. As at 31 March 2021, the Group had CNY time deposits of approximately CNY5 million (30 September 2020: approximately CNY4.5 million), loans from a securities broker of approximately US\$1.4 million (30 September 2020: deposit of approximately US\$0.1 million) and US\$ equity investments of approximately US\$1.6 million (30 September 2020: approximately US\$1.0 million). The Group does not have foreign currency hedging arrangement but will closely monitor the exposure and take measures when necessary.

Capital Commitments and Contingent Liabilities

As at 31 March 2021, the Group did not have any significant capital commitments and contingent liabilities (2020: Nil).

Employees and Remuneration Policies

As at 31 March 2021, the Group employed 13 (2020: 15) 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.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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

As at 31 March 2021, the Group maintained a portfolio of equity investments with total carrying amount of approximately HK\$21.3 million (30 September 2020: approximately HK\$17.9 million). The portfolio of equity investments comprises mainly constituent stocks of key indexes in Hong Kong and US. The portfolio of equity investments as at 31 March 2021 are set out as follows.

	Unrealised fair value loss for the period ended 31 March 2021 <i>HK\$'000</i>	Fair value of the investment in listed securities as at 31 March 2021 <i>HK\$'000</i>	Percentage of fair value of the investment in listed securities/ total assets of the Group as at 31 March 2021
Financial assets at fair value through profit or loss	21,273	3	21,270 45.0%

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Details of the significant investments in the portfolio under financial assets at fair value through profit or loss with a value of 5% or more of the Group's total assets as at 31 March 2021 are as follows:

Description of investments	Principal businesses	Number of shares held	Percentage held to the total issued share capital of the company as at 31 March 2021	Investment cost <i>HK\$'000</i>	Fair value	Percentage of fair value of the investment in listed securities/ total assets of the Group as at 31 March 2021
					of the investment in listed securities as at 31 March 2021 <i>HK\$'000</i>	31 March 2021
Techtronic Industries Co. Ltd. (Hong Kong Stock Code: 0669)	Sales of power tools, power tools accessories, outdoor products and outdoor products accessories and sales of floorcare products and floorcare accessories	19,000	less than 0.1%	2,416	2,527	5.4%
Shenzhou International Group Holdings Ltd. (Hong Kong Stock Code: 2313)	Manufacture and sales of knitwear products	15,000	less than 0.1%	2,467	2,417	5.1%
Other investments	—	—	—	16,390	16,326	34.5%
Total financial assets at fair value through profit or loss				21,273	21,270	45.0%

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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

Description of investments	Realised fair value gain/(loss) for the Period ended 31 March 2021 <i>HK\$'000</i>	Unrealised fair value gain/(loss) for the Period ended 31 March 2021 <i>HK\$'000</i>	Dividend received during the Period ended 31 March 2021 <i>HK\$'000</i>
Techtronic Industries Co. Ltd. (Hong Kong Stock Code: 0669)	106	111	0
Shenzhou International Group Holdings Ltd. (Hong Kong Stock Code: 2313)	–	(50)	0
Other investments	<u>(1,185)</u>	<u>(64)</u>	<u>29</u>
Total financial assets at fair value through profit or loss	<u>(1,079)</u>	<u>(3)</u>	<u>29</u>

During the Period, the stock market experienced a volatile condition due to the global outbreak of coronavirus disease, the Directors expect the stock market will remain volatile in the coming year. The Group will continue to adopt the cautious approach in making investment decision in securities trading so as to obtain a balance between risk and return.

Save as disclosed above, the Group did not have any significant investments, material acquisitions and disposals of subsidiaries and capital assets during the Period ended 31 March 2021 (30 September 2020: Nil).

DIVIDENDS

The Board has not declared the payment of a dividend for the six months ended 31 March 2021 (2020: HK\$0.4 cents).

CORPORATE GOVERNANCE AND OTHER INFORMATION

Compliance with Corporate Governance Code

The board of Directors 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 2021, 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 separated 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 of Directors 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 2021, 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 Limited ("**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 2021, 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 2021, 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:

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 31 March 2021, 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.

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 Period.

Audit Committee

The Company has established an audit committee (the “**Audit Committee**”) in compliance with Rule 5.28 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 to review the annual reports and accounts, half-year reports and quarterly reports of the Group, make recommendations to the board of Directors 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.

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 2021.

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

Hong Kong, 14 May 2021

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.