

AMASSE CAPITAL
寶 積 資 本

AMASSE CAPITAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock code: 8168

INTERIM REPORT
2021-2022

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.

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

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

CONTENTS

	Page
Corporate Information	3
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	5
Condensed Consolidated Statement of Financial Position	6
Condensed Consolidated Statement of Changes in Equity	8
Condensed Consolidated Statement of Cash Flows	9
Notes to the Condensed Consolidated Interim Financial Statements	11
Management Discussion and Analysis	21
Corporate Governance and Other Information	31

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. Li Wing Sum Steven
Dr. Yu Yuen Ping

BOARD COMMITTEES

Audit Committee

Mr. Li Wing Sum Steven (*Chairman*)
Mr. Cheung Pak To, *BBS*
Dr. Yu Yuen Ping

Remuneration Committee

Mr. Cheung Pak To, *BBS* (*Chairman*)
Mr. Li Wing Sum Steven
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 2022 (the “**Period**”), together with the comparative unaudited figures for the corresponding period in 2021 are as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 March 2022

	Notes	Three months ended 31 March		Six months ended 31 March	
		2022	2021	2022	2021
		HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Revenue	3	1,928	920	4,369	1,970
Other income	4	30	54	69	351
Other net loss	4	(1,994)	(4,212)	(2,007)	(860)
Employee benefit expenses		(1,833)	(1,974)	(4,438)	(6,507)
Depreciation of plant and equipment		(45)	(45)	(90)	(90)
Depreciation of right-of-use assets		(313)	(313)	(626)	(626)
Other operating expenses		(505)	(792)	(1,068)	(1,490)
Finance costs		(21)	(46)	(40)	(71)
Loss before taxation	6	(2,753)	(6,408)	(3,831)	(7,323)
Income tax	7	—	—	—	—
Loss and total comprehensive expense for the Period attributable to equity shareholders of the Company		(2,753)	(6,408)	(3,831)	(7,323)
Loss per share – Basic and diluted (HK cents)	9	(0.28)	(0.64)	(0.38)	(0.73)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2022

		As at 31 March 2022 <i>HK\$'000</i> (unaudited)	As at 30 September 2021 <i>HK\$'000</i> (audited)
	<i>Notes</i>		
ASSETS AND LIABILITIES			
Non-current assets			
Plant and equipment	10	250	340
Right-of-use assets		52	678
Prepayments and deposits	12	—	18
		302	1,036
Current assets			
Trade receivables	11	1,851	1,129
Prepayments, deposits and other receivables	12	750	614
Financial assets at fair value through profit or loss	13	19,824	21,189
Cash and cash equivalents	14	14,700	18,904
		37,125	41,836
Current liabilities			
Other payables and accruals	15	213	574
Contract liabilities		82	82
Lease liabilities		157	790
Loans from securities brokers		8,741	9,361
		9,193	10,807
Net current assets		27,932	31,029
Total assets less current liabilities		28,234	32,065

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

As at 31 March 2022

		As at 31 March 2022	As at 30 September 2021
	<i>Notes</i>	HK\$'000	<i>HK\$'000</i>
		(unaudited)	(audited)
Non-current liabilities			
Provision for long service payment		171	171
		171	171
Net assets		28,063	31,894
EQUITY			
Share capital	16	10,000	10,000
Reserves		18,063	21,894
Total equity		28,063	31,894

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 March 2022

	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 October 2021 (audited)	10,000	27,299	4,000	(9,405)	31,894
Loss and total comprehensive expense for the Period	—	—	—	(3,831)	(3,831)
At 31 March 2022 (unaudited)	10,000	27,299	4,000	(13,236)	28,063

For the six months ended 31 March 2021

	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000	Retained earnings/ (Accumulated losses) HK\$'000	Total HK\$'000
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)
Dividends paid	—	—	—	(4,000)	(4,000)
At 31 March 2021 (unaudited)	10,000	27,299	4,000	(7,298)	34,001

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 March 2022

	Six months ended 31 March	
	2022	2021
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Operating activities		
Loss before income tax	(3,831)	(7,323)
Adjustments for:		
Depreciation of plant and equipment	90	90
Depreciation of right-of-use assets	626	626
Dividend income from investments in listed securities	(41)	(29)
Bank interest income	(28)	(55)
Interest on lease liabilities	13	44
Interest on loans from securities brokers	27	27
Net unrealised loss on fair value of financial assets at fair value through profit or loss	255	3
Operating loss before changes in working capital	(2,889)	(6,617)
Decrease/(increase) in financial assets at fair value through profit or loss	1,110	(3,368)
Decrease in contract assets	—	259
(Increase)/decrease in trade receivables	(722)	1,250
(Increase)/decrease in prepayments, deposits and other receivables	(118)	71
Decrease in other payables and accruals	(361)	(873)
Decrease in other contract liabilities	—	(376)
Cash used in operations	(2,980)	(9,654)
Received dividend income from investments in listed securities	41	29
Net cash used in operating activities	(2,939)	(9,625)
Investing activities		
Bank interest income	28	55
Net cash generated from investing activities	28	55

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the six months ended 31 March 2022

	Six months ended 31 March	
	2022	2021
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Financing activities		
Repayment of lease liabilities	(633)	(602)
Net (decrease)/increase in loans from securities brokers	(620)	10,679
Interest paid on lease liabilities	(13)	(44)
Interest paid on loans from securities brokers	(27)	(27)
Dividend paid	—	(4,000)
Net cash (used in)/generated from financing activities	(1,293)	6,006
Decrease in cash and cash equivalents	(4,204)	(3,564)
Cash and cash equivalents at beginning of the Period	18,904	24,670
Cash and cash equivalents at end of the Period	14,700	21,106

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 31 March 2022

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 2022 are the same as those followed in the preparation of the Group’s annual report for the year ended 30 September 2021.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 March 2022

3. REVENUE

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

	Three months ended 31 March		Six months ended 31 March	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Revenue				
Corporate finance advisory fee income from acting as:-				
Financial adviser	1,528	860	3,589	1,840
Independent financial adviser	100	60	480	130
	1,628	920	4,069	1,970
Investment advisory fee income	300	—	300	—
	1,928	920	4,369	1,970
Timing of revenue recognition Over time	1,928	920	4,369	1,970
	1,928	920	4,369	1,970

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

For the six months ended 31 March 2022

4. OTHER INCOME AND OTHER NET LOSS

	Three months ended 31 March		Six months ended 31 March	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Other income				
Bank interest income	11	25	28	55
Dividend income	19	29	41	29
Government grants	—	—	—	261
Sundry income	—	—	—	6
	30	54	69	351
Other net loss				
Net realised loss on financial assets at fair value through profit or loss	(1,470)	(2,141)	(2,008)	(1,079)
Net unrealised loss on financial assets at fair value through profit or loss	(659)	(2,080)	(255)	(3)
Foreign exchange gain	135	9	256	222
	(1,994)	(4,212)	(2,007)	(860)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 March 2022

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	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Customer A	688	—	1,050	—
Customer B	240	175	820	175
Customer C	310	240	710	480
Customer D	120	120	380	240
Customer E	15	226	54	621
Customer F	—	100	—	100

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 March 2022

6. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

	Three months ended 31 March		Six months ended 31 March	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Auditor's remuneration	62	62	125	125
Donation	83	158	221	279
Employee benefit expenses (including Directors' remuneration)	1,833	1,974	4,438	6,507
– Salaries and welfare	1,795	1,934	3,622	4,023
– Performance related bonus	–	–	740	2,397
– Retirement benefit scheme contributions	38	40	76	87
Finance costs				
– Interest on lease liabilities	4	45	13	44
– Interest on loans from securities brokers	17	1	27	27

7. INCOME TAX

No provision for Hong Kong Profits Tax for the six months ended 31 March 2022 (2021: Nil) has been made as the Group had no assessable profits.

8. DIVIDEND

No dividend is declared for the six months ended 31 March 2022 (2021: Nil).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 March 2022

9. LOSS PER SHARE

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

	Three months ended 31 March		Six months ended 31 March	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Loss for the period attributable to equity shareholders of the Company (HK\$'000)	(2,753)	(6,408)	(3,831)	(7,323)
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 (2021: Nil).

11. TRADE RECEIVABLES

	As at 31 March 2022 HK\$'000 (unaudited)	As at 30 September 2021 HK\$'000 (audited)
Trade receivables	4,554	3,832
Less: Loss allowance	(2,703)	(2,703)
	1,851	1,129

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 March 2022

11. TRADE RECEIVABLES (CONTINUED)

The following is an aged analysis of trade receivables net of loss allowance presented based on the invoice date at the end of each reporting Period.

	As at 31 March 2022 HK\$'000 (unaudited)	As at 30 September 2021 HK\$'000 (audited)
Within 1 month	773	245
1 to 3 months	660	318
Over 3 months	418	566
	1,851	1,129

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

12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 31 March 2022 HK\$'000 (unaudited)	As at 30 September 2021 HK\$'000 (audited)
Prepayments	360	243
Deposits	387	387
Other receivables	3	2
	750	632
Deduct: Non-current portion	—	(18)
Current portion	750	614

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 March 2022

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 March 2022 HK\$'000 (unaudited)	As at 30 September 2021 <i>HK\$'000</i> (audited)
Listed securities held for trading:		
– Equity security listed in Hong Kong	2,347	–
– Equity security listed in the United States	17,477	21,189
	19,824	21,189

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

14. CASH AND CASH EQUIVALENTS

	As at 31 March 2022 HK\$'000 (unaudited)	As at 30 September 2021 <i>HK\$'000</i> (audited)
Cash at bank and on hand	9,755	12,405
Cash at other financial institutions	4,945	6,499
	14,700	18,904

Cash and cash equivalents include cash at bank and on hand and cash at other financial institutions. 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 2022

15. OTHER PAYABLES AND ACCRUALS

	As at 31 March 2022 HK\$'000 (unaudited)	As at 30 September 2021 HK\$'000 (audited)
Other payables	20	92
Accruals	193	482
	213	574

16. SHARE CAPITAL

	Number of ordinary shares of HK\$0.01 each	Share capital HK\$'000
Authorised: At 30 September 2020, 30 September 2021, 1 October 2021 and 31 March 2022	10,000,000,000	100,000
Issued and fully paid: At 30 September 2020, 30 September 2021, 1 October 2021 and 31 March 2022	1,000,000,000	10,000

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 March 2022

17. 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	
	2022	2021
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Short-term employee benefits	2,384	3,370
Post-employment benefits	49	56
	2,433	3,426

18. 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; (iii) acting as underwriter and/or placing agent not holding client assets in dealing activities for its clients; and (iv) providing investment advisory services.

The development of the coronavirus diseases in Hong Kong and the People’s Republic of China in the past few months affected the Group adversely. In view of the outbreak of fifth wave of pandemic situation in Hong Kong, the Hong Kong Government imposed tighten measures for a two months period from February to April 2022. Despite the Hong Kong Government has been relaxing the measures, it is conducted step by step and subject to the pandemic situation. Further, the PRC Government locked down certain tier one cities, including three of four tier one cities such as Guangzhou, Shenzhen and Shanghai, and particularly Shanghai is still under stringent control.

Furthermore, the Federal Reserve of the United States of America (the “**Federal Reserve**”) announced the increase of interest rate in mid-March and anticipate further significant interest rate hikes in the coming months, which together with the war between Russia and Ukraine have created significant fluctuation in the world’s capital market and will certainly impose addition uncertainty to the world’s economies this year.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

The Directors consider that the above factors have limited the Group's business opportunities, reduced the Group's transaction volume and resulted in delay or even cancellation of certain significant transactions under pitching by the Group in the past few months as (i) the tighten measures in Hong Kong and the lockdown in the PRC has hindered the Group's accessibility to clients; (ii) some of the Group's clients were unfortunately infected as a result of the recent outbreak of coronavirus diseases; and (iii) the increase of interest rate from the Federal Reserve and the war between Russia and Ukraine have imposed additional uncertainty and fluctuation to the world economics and financial markets which adversely impacts on investment sentiment of investors. Looking forward, the business and operation environments of the Group will remain challenging.

In view of the above, the Directors believe that full recovery of the world economies as well as Hong Kong still have a long way to go. The overall market will remain uncertain, which will have adverse effects on the overall business of our Group. Nonetheless, the Group has stick with 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 performance of the Group's corporate finance advisory services has shown a significant improvement that revenue for the six months ended 31 March 2022 was increased by almost 106.5% compared with the same period of last year.

During the period for the six months ended 31 March 2022, the Company has been engaged in certain transactions with relatively higher advisory fees. Further, the Company is still in the process of pitching to offer services for several material transactions (particularly takeovers code related advisory) as the negotiations are delayed primarily due to the market situations in Hong Kong, the PRC and worldwide as discussed above.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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. During the period for the three months ended 31 March 2022, the investment advisory service generated revenue of HK\$0.3 million.

Besides the asset management advisory services, another business strategy of the Group's asset management business is to establish a fund. The current focus of the Group is to set up an equity investment fund. 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. For the period from the First Investment Date up to 31 March 2022, the aggregate return was approximately HK\$4.4 million, representing a return of approximately 36.7%.

For the period from the First Investment Date to 31 March 2022 (being 2 years period), Hang Seng Index dropped from 26,129.93 on 28 February 2020 to 21,996.85 on 31 March 2022, representing a drop of approximately 15.8% while the Group achieved a return of approximately 36.7% during such period. The Group has continued to outperform the Hong Kong market and successfully established a positive investment track record, which demonstrating the Group's solid experience and expertise in the asset management skill.

Given the positive investment track record as mentioned above, the Group has engaged a legal adviser to prepare the fund documents. Unfortunately, the Group is still in the process of approaching certain limited partners as the negotiation are delayed primarily due to the market situations in Hong Kong, the PRC and worldwide as discussed above. The Group has already incorporated a company which will be acted as a general partner to the fund. It is expected that the fund will be an equity investment fund with size between HK\$100 million to HK\$150 million. Should the aforesaid fund be successfully established and operated, it is believed to bring in considerable management fee income to the Group.

Additionally, the Group has been successfully engaged to act as asset management advisor for two limited partnership funds. The Group is also in the process of pitching to act as asset management advisor of certain private funds.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

As disclosed in the section headed “Risk Factors” under the Company’s prospectus dated 8 March 2018, revenue of the Group’s corporate finance activities is to a large extent derived from transactions for which the Group is engaged on a one-off basis. The nature of the corporate finance activities also means the demand and scope for our activities are dependent on an array of factors such as the conditions of the financial markets which is beyond our control. In addition, the nature of the Group’s business is largely based on non-recurring projects and engagement terms may vary from project to project. As such, the Group is formulating different strategies, including but not limited to recruiting new responsible officer and emphasising on material transactions pitching with the hope to expand customer base as well as generate higher fee income.

Last but not the least, the Directors consider that the recent lackluster performance of the Group is just temporary in view that the Group’s unsatisfactory performance was mainly affected by the outbreak of the coronavirus disease and the global political and financial uncertainties. The Group believes that once the pandemic situation is fully recovered and the travel restriction are relaxed, the Group’s performance would be improved gradually.

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 from time to time.

Notwithstanding the above, as a service company, the Directors believe that high quality advisory services and consistent management are a way to success of the Group. The Directors consider that the professional teams of the Group have continued to provide high quality services to customers which will continue to deliver value for our Shareholders. Since the date of listing of the Company, there has been no change in composition of the executive directors of the Company and the majority of independent non-executive directors of the Company remains unchanged. All of the Company’s directors have extensive experience and knowledge on Hong Kong financial market and/or listed companies’ operation, rules and/or regulations. It is believed that the Group’s directors will continuous to contribute to the Group’s development.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL REVIEW

Revenue

Revenue for the six months ended 31 March 2022 amounted to approximately HK\$4.4 million, representing an increase of approximately HK\$2.4 million or approximately 120% as compared with that of approximately HK\$2.0 million for the corresponding period of last year. Such increase was mainly driven by the increase of the total corporate finance advisory transactions, in which some complex transactions induced higher servicing fee.

Other Income and Other Net Loss

The Group's other income mainly included bank interest income and dividend income of approximately HK\$0.07 million (2021: approximately HK\$0.04 million).

The Group's other net loss included (i) net realised and unrealised loss on financial assets at fair value through profit or loss of approximately HK\$2.3 million (2021: approximately HK\$1.1 million); and (ii) foreign exchange gain of approximately HK\$0.3 million (2021: approximately HK\$0.2 million).

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\$4.4 million (2021: approximately HK\$6.5 million), representing a decrease of approximately HK\$2.1 million as compared with the six months ended 31 March 2021, primarily due to the decrease of approximately HK\$1.7 million of the performance related bonuses for 2021 paid during the Period.

Other Operating Expenses

Other operating expenses for the six months ended 31 March 2022, were approximately HK\$1.1 million, which was decreased of HK\$0.4 million when compared to approximately HK\$1.5 million for the six months ended 31 March 2021 due to decrease of legal and professional fee and donation.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Loss for the Period

The Group incurred net loss of approximately HK\$3.8 million for the six months ended 31 March 2022 (2021: approximately HK\$7.3 million). The decrease of net loss for the Period as compared to the same period of last year was mainly due to the net effect of (i) the increase in revenue by approximately HK\$2.4 million; (ii) the increase in other net loss by approximately HK\$1.1 million; and (iii) the decrease in employee benefits expenses by approximately HK\$2.1 million.

Liquidity and Financial Resources

As at 31 March 2022 and 30 September 2021, the Group had cash and cash equivalents of approximately HK\$14.7 million and HK\$18.9 million respectively. As at 31 March 2022, the Group's current ratio was approximately 4.0 times as compared to approximately 3.9 times as at 30 September 2021.

As at 31 March 2022, the gearing ratio was approximately 31.7% mainly due to the increase in loan from a securities broker (30 September 2021: approximately 31.8%). 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 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 2022, the Group did not have any charges on its assets (2021: Nil).

Foreign Currency Exposure

The Group's exposures to foreign currencies mainly arises from Renminbi ("**RMB**"), Australian Dollars ("**AU\$**") and United States Dollars ("**US\$**") deposits and US\$ equity investments. The Directors should be aware that foreign currency 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 Hong Kong leading licensed banks with short maturities. No other foreign currency deposit was entered into by the Group during the Period. As at 31 March 2022, the Group had AU\$ deposits of approximately AU\$0.3 million (30 September 2021: NIL), US\$ deposits of approximately US\$1.1 million (30 September 2021: Nil) and loans from a securities broker of approximately US\$0.8 million (30 September 2021: approximately US\$1.2 million) and US\$ equity investments of approximately US\$2.2 million (30 September 2021: approximately US\$2.7 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 2022, the Group did not have any significant capital commitments and contingent liabilities (2021: Nil).

Employees and Remuneration Policies

As at 31 March 2022, the Group employed 14 (2021: 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 2022, the Group maintained a portfolio of equity investments with total carrying amount of approximately HK\$19.8 million (30 September 2021: approximately HK\$21.2 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 2022 are set out as follows.

				Percentage of fair value of the investment in listed securities/ total assets of the Group as at
	Investment cost	Unrealised fair value loss for the period ended	Fair value of the investment in listed securities as at	31 March
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	2022
Financial assets at fair value through profit or loss	20,079	(255)	19,824	53.0%

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 2022 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 2022	Investment cost <i>HK\$'000</i>	Fair value of the investment in listed securities as at 31 March 2022 <i>HK\$'000</i>	Percentage of fair value of the investment in listed securities/ total assets of the Group as at
						31 March 2022
Extra Space Storage Inc. (Stock Code: EXR)	A REIT Company	1,300	less than 0.1%	2,042	2,093	5.6%
Other investments	—	—	—	18,037	17,731	47.4%
Total financial assets at fair value through profit or loss				20,079	19,824	53.0%

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 loss for the Period ended 31 March 2022 <i>HK\$'000</i>	Unrealised fair value gain/(loss) for the Period ended 31 March 2022 <i>HK\$'000</i>	Dividend received during the Period ended 31 March 2022 <i>HK\$'000</i>
Extra Space Storage Inc. (Stock Code: EXR)	—	51	—
Other investments	(2,008)	(306)	41
Total financial assets at fair value through profit or loss	(2,008)	(255)	41

During the Period, the stock market experienced a volatile condition due to the global outbreak of coronavirus disease and the war conflict between Russia and Ukraine, 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 2022 (30 September 2021: Nil).

DIVIDENDS

No dividend is declared for the six months ended 31 March 2022 (2021: Nil).

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 2022, 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 2022, 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.

Save as disclosed above, as at 31 March 2022, 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.

CORPORATE GOVERNANCE AND OTHER INFORMATION (CONTINUED)

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

As at 31 March 2022, 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.

Save as disclosed above, as at 31 March 2022, 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.

CORPORATE GOVERNANCE AND OTHER INFORMATION (CONTINUED)

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. Li Wing Sum Steven, Mr. Cheung Pak To, *BBS* and Dr. Yu Yuen Ping. Mr. Li Wing Sum Steven 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.

The Audit Committee has reviewed the unaudited consolidated results of the Group for the six months ended 31 March 2022.

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

Hong Kong, 13 May 2022

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. Li Wing Sum Steven and Dr. Yu Yuen Ping.