

Amasse Capital Holdings Limited
寶 積 資 本 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8168)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 31 MARCH 2020

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 announcement, 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 announcement 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 announcement misleading.*

The unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the three months and six months ended 31 March 2020 (the “**Period**”), together with the comparative unaudited figures for the corresponding period in 2019 are as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 March 2020

	<i>Note</i>	Three months ended 31 March		Six months ended 31 March	
		2020 <i>HK\$'000</i> (unaudited)	2019 <i>HK\$'000</i> (unaudited)	2020 <i>HK\$'000</i> (unaudited)	2019 <i>HK\$'000</i> (unaudited)
Revenue	4	3,200	2,330	10,210	4,389
Other income	5	119	215	278	406
Employee benefit expenses		(1,877)	(1,927)	(5,781)	(6,739)
Operating lease expense		(50)	(192)	(107)	(382)
Depreciation of plant and equipment		(72)	(35)	(144)	(70)
Depreciation of right-of-use assets		(313)	–	(626)	–
Other operating expenses		(982)	(754)	(1,900)	(1,543)
Finance costs		(35)	–	(60)	–
Profit/(loss) before income tax	7	(10)	(363)	1,870	(3,939)
Income tax expense	8	–	–	–	–
Profit/(loss) and total comprehensive expense for the period attributable to owners of the Company		<u>(10)</u>	<u>(363)</u>	<u>1,870</u>	<u>(3,939)</u>
Profit/(loss) per share					
– Basic (<i>HK cents</i>)	10	<u>(0.001)</u>	<u>(0.04)</u>	<u>0.19</u>	<u>(0.39)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2020

		As at 31 March 2020 <i>HK\$'000</i> (unaudited)	As at 30 September 2019 <i>HK\$'000</i> (audited)
	<i>Note</i>		
ASSETS AND LIABILITIES			
Non-current assets			
Plant and equipment	11	657	801
Right-of-use assets		2,558	—
Rental and other deposits	12	383	383
		<u>3,598</u>	<u>1,184</u>
Current assets			
Trade receivables	12	4,330	3,855
Prepayments, deposits and other receivables	12	468	447
Tax recoverable		965	965
Financial assets at fair value through profit or loss	13	2,997	—
Cash and cash equivalents		<u>32,765</u>	<u>39,532</u>
		<u>41,525</u>	<u>44,799</u>
Current liabilities			
Other payables and accruals	14	241	1,569
Lease liabilities		1,190	—
Contract liabilities		<u>50</u>	<u>50</u>
		<u>1,481</u>	<u>1,619</u>
Net current assets		<u>40,044</u>	<u>43,180</u>
Total assets less current liabilities		<u>43,642</u>	<u>44,364</u>
Non-current liabilities			
Lease liabilities		1,408	—
Provision for long service payment		<u>663</u>	<u>663</u>
		<u>2,071</u>	<u>663</u>
Net assets		<u><u>41,571</u></u>	<u><u>43,701</u></u>
EQUITY			
Share capital	15	10,000	10,000
Reserves		<u>31,571</u>	<u>33,701</u>
Total equity		<u><u>41,571</u></u>	<u><u>43,701</u></u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 31 March 2020

1. GENERAL

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 14 February 2017. The shares of the Company are listed on the GEM of the Stock Exchange. The registered office and the principal place of business of the Company are P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands and Room 1201, Prosperous Building, 48-52 Des Voeux Road Central, Hong Kong respectively.

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

The unaudited condensed consolidated interim financial statements are presented in Hong Kong dollars ("HK\$") which is same as the functional currency of the Group and all values are rounded to the nearest thousand except when otherwise indicated.

2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements of the Group have been prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong, the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622) and the GEM Listing Rules.

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

The principal accounting policies used in the unaudited condensed consolidated interim financial statements for the six months ended 31 March 2020 are the same as those followed in the preparation of the Group's annual report for the year ended 30 September 2019, except for the new and revised HKFRSs issued by the HKICPA that are adopted for the first time for the current accounting period of the Group. The adoption of these new and revised HKFRSs has had no material effect on the amounts reported in the unaudited condensed consolidated interim financial statements and/or disclosures set out in the unaudited condensed consolidated interim financial statements. The Group has not early adopted any new HKFRSs that have been issued but are not yet effective.

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRS

The Group has adopted HKFRS 16 Leases from 1 October 2019. The Group has applied HKFRS 16 using the simplified transition approach and has not restated comparatives for the 2018 reporting period as permitted under the specific transition provisions in the standard.

At adoption of HKFRS 16, the Group recognized lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of HKAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 October 2019.

All right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the consolidated balance sheet immediately before the adoption of the HKFRS 16. As a result of the adoption of HKFRS 16, as of 1 October 2019, the Group recognized a right-of-use assets of approximately HK\$3.2 million in non-current assets, and a lease liability of approximately HK\$1.2 million and approximately HK\$2 million in other payables and accruals and non-current liabilities, respectively.

In applying HKFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- the accounting for certain operating leases with a remaining lease term of less than 12 months as of 1 October 2019 as short-term leases;
- the exclusion of initial direct costs for the measurement of the right-of-use assets at the date of initial application.

Upon adoption of HKFRS 16, principal elements of lease payments and related interest portion have been classified within financing activities.

4. 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	
	2020	2019	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue				
Fee income from acting as:–				
Financial adviser	3,140	1,780	9,400	3,509
Independent financial adviser	60	550	810	880
	<u>3,200</u>	<u>2,330</u>	<u>10,210</u>	<u>4,389</u>
Timing of revenue recognition				
At point in time	2,450	1,650	8,810	2,579
Over time	750	680	1,400	1,810
	<u>3,200</u>	<u>2,330</u>	<u>10,210</u>	<u>4,389</u>

5. OTHER INCOME

	Three months ended 31 March		Six months ended 31 March	
	2020	2019	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Other income				
Bank interest income	112	215	271	406
Unrealised gain on fair value of financial assets at fair value through profit or loss	7	–	7	–
	<u>119</u>	<u>215</u>	<u>278</u>	<u>406</u>

6. 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	
	2020 <i>HK\$’000</i> (unaudited)	2019 <i>HK\$’000</i> (unaudited)	2020 <i>HK\$’000</i> (unaudited)	2019 <i>HK\$’000</i> (unaudited)
Customer A	300	600	300	600
Customer B	–	300	–	600
Customer C	–	200	120	480
Customer D	–	244	–	450
Customer E	700	–	1,000	–
Customer F	480	–	660	–
Customer G	380	–	380	–

7. PROFIT/(LOSS) BEFORE INCOME TAX

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

	Three months ended 31 March		Six months ended 31 March	
	2020 <i>HK\$’000</i> (unaudited)	2019 <i>HK\$’000</i> (unaudited)	2020 <i>HK\$’000</i> (unaudited)	2019 <i>HK\$’000</i> (unaudited)
Auditor’s remuneration	63	62	125	125
Donation	149	110	332	279
Employee benefit expenses (including Directors’ remuneration)	1,877	1,927	5,781	6,739
– Salaries and welfare	1,821	1,870	3,732	3,745
– Performance related bonus	–	–	1,935	2,876
– Retirement benefit scheme contributions	56	57	114	118
Finance costs				
– Interest on lease liabilities	35	–	60	–

8. INCOME TAX

No provision for Hong Kong Profits Tax for the six months ended 31 March 2020 (2019: Nil) has been made in respect of the subsidiary as the tax losses brought forward from previous years exceed the estimated assessable profits for the period.

9. DIVIDEND

The dividend of HK\$0.4 cents per share for the three months ended 31 December 2019 totally HK\$4 million (2018: Nil) was declared and paid.

No dividend is declared for the three months ended 31 March 2020 (2019: Nil).

10. PROFIT/(LOSS) PER SHARE

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

	Three months ended 31 March		Six months ended 31 March	
	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Profit/(loss) for the period attributable to owners of the Company (HK\$'000)	<u>(10)</u>	<u>(363)</u>	<u>1,870</u>	<u>(3,939)</u>
Number of ordinary shares in issue at the end of the period ('000)	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>

11. PLANT AND EQUIPMENT

During the reporting period, the Group had no acquisition of plant and equipment (2019: Nil).

12. TRADE RECEIVABLES AND PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 31 March 2020 HK\$'000 (unaudited)	As at 30 September 2019 HK\$'000 (audited)
Trade receivables	4,630	4,155
Less: loss allowance	<u>(300)</u>	<u>(300)</u>
	<u>4,330</u>	<u>3,855</u>
Prepayments, deposits and other receivables	851	830
Deduct: non-current portion	<u>(383)</u>	<u>(383)</u>
Current portion	<u>468</u>	<u>447</u>

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

	As at 31 March 2020 HK\$'000 (unaudited)	As at 30 September 2019 HK\$'000 (audited)
Within 1 month	560	980
1 to 3 months	1,030	2,250
Over 3 months	2,740	625
	<u>4,330</u>	<u>3,855</u>

There is no credit period granted for corporate finance advisory services income. The trade receivables of approximately HK\$4.3 million were past due. Management will closely monitor at this juncture and not impaired as at 31 March 2020.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 March 2020 HK\$'000 (unaudited)	As at 30 September 2019 HK\$'000 (audited)
Listed securities		
– Equity securities listed in Hong Kong	2,997	–

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

During the period, the following gain was recognised in profit or loss:

	As at 31 March 2020 HK\$'000 (unaudited)	As at 30 September 2019 HK\$'000 (audited)
Unrealised gain on fair value of financial assets at FVTPL	7	–

The portfolio of equity investments comprises mainly constituent stocks of the Hang Seng Index.

14. OTHER PAYABLES AND ACCRUALS

	As at 31 March 2020 <i>HK\$'000</i> (unaudited)	As at 30 September 2019 <i>HK\$'000</i> (audited)
Other payables	20	254
Accruals	221	1,315
	<u>241</u>	<u>1,569</u>

15. SHARE CAPITAL

	Number of ordinary shares of HK\$0.01 each <i>Note</i>	Share capital <i>HK\$'000</i>
Authorised:		
At 30 September 2018, 30 September 2019, 1 October 2019 and 31 March 2020	<u>10,000,000,000</u>	<u>100,000</u>
Issued and fully paid:		
At 30 September 2018, 30 September 2019, 1 October 2019 and 31 March 2020	<u>1,000,000,000</u>	<u>10,000</u>

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 2020 <i>HK\$'000</i> (unaudited)	2019 <i>HK\$'000</i> (unaudited)
Short-term employee benefits	3,190	3,130
Post-employment benefits	45	45
	<u>3,235</u>	<u>3,175</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

The Group is a corporate finance advisory service provider based in Hong Kong and licensed to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”), subject to the conditions that its operating subsidiary, Amasse Capital Limited, shall not (i) hold client assets; (ii) for Type 1 regulated activity, engage in dealing activities other than those relating to corporate finance; and (iii) for Type 6 regulated activity, act as sponsor in respect of an application for listing on a recognised stock market of any securities.

The Group is principally engaged in providing corporate finance advisory services in Hong Kong including (i) acting as financial adviser to Hong Kong public listed companies and investors seeking to control or invest in public listed companies in Hong Kong regarding corporate transactions which mainly involve the compliance with the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), the GEM Listing Rules and/or the Codes on Takeovers and Mergers and Share Buy-backs (the “**Takeovers Code**”); (ii) acting as independent financial adviser to independent board committees and/or independent shareholders of public listed companies in Hong Kong; and (iii) acting as underwriter and/or placing agent not holding client assets in dealing activities for its clients.

During the Period, the Group had only one operating subsidiary, namely, Amasse Capital Limited. In order to cope with the challenging environments, the Group has decided to seek other financial related services to diversify its business and broaden its revenue base so as to generate value for shareholders. The Group formed a wholly-owned subsidiary named as Amasse Asset Management Limited (“**Amasse AM**”) which made an application (the “**Application**”) to the Securities and Futures Commission (“**SFC**”) for granting the licenses of Type 4 (Advising on securities) and Type 9 (Asset Management) regulated activities under the SFO. The Application was still under review by the SFC. It is expected that Amasse AM will participate in providing asset management services after granting the licenses by the SFC. Meanwhile, the Group will continue to provide quality corporate finance advisory services to customers so as to generate value for our customers and future revenue for our shareholders.

According to the website of the Stock Exchange, the number of circular (“**Circular(s)**”) in respect of Takeovers Code related transactions and/or notifiable transactions under Chapter 14 of the Listing Rules and/or under Chapter 19 of the GEM Listing Rules of Hong Kong listed companies (including transactions with M&A) had increased by approximately 18.8% in the three months ended 31 March 2020 and 12.3% in the six months ended 31 March 2020 as compared with the corresponding period of last year respectively. Regardless of such increase, the number of the Circular seriously dropped by approximately 32.1% in the three months ended 31 March 2020 (approximately 95 transactions), as compared to the three months ended 31 December 2019 (approximately 140 transactions).

Further, according to the HKEX Securities and Derivates Markets Quarterly Reports published by the Stock Exchange, it was observed that the number of corporate fund raising transactions (including placing, right issues and open offer) of Hong Kong listed companies had increased to about 108 transactions for the six months ended 31 March 2020, representing an increase of approximately 22.7% as compared to about 88 transactions for the corresponding period of last year.

During the six months ended 31 March 2020, the Group was involved in 28 corporate finance advisory transactions which was approximately 33.3% increment as compared to the same period last year and was outperformed the general market trend.

Looking forward, the business and operation environments of the Group will remain challenging as effective from 1 October 2019, the Stock Exchange tightened its review on the suitability of listing of new applicants, enhance the continuing listing criteria for listed issuers and tighten the reverse takeovers rules to prevent backdoor listings particularly those involving shell companies. The tightened regulatory measures together with the recent economic uncertainties, such as tightened controls on capital outflow by the Government of The People's Republic of China (the "PRC"), trade conflict between the PRC and the United States (the "US"), the social instability in Hong Kong since June 2019 and the global outbreak of coronavirus disease in early 2020, the overall market is expected to be volatile. The Directors expect that there are still uncertainties and adverse effects on the overall business of our Group with the weak economic conditions, both in Hong Kong and worldwide. As a result of the above, in particular the outbreak of the coronavirus pandemic which continues to affect the business operations as well as the corporate transaction of our clients, the Directors expect that the deal flow of our corporate finance services will be severally affected and the performance of our Group in the coming quarters will be very challenging.

FINANCIAL REVIEW

Revenue

Revenue for the six months ended 31 March 2020 amounted to approximately HK\$10.2 million, representing an increase of approximately HK\$5.8 million or approximately 132.6% as compared with that of approximately HK\$4.4 million for the corresponding period of last year. Such increase was mainly driven by the increase of the total fees for corporate finance advisory services provided by the Group which were due to the increase of the total corporate finance advisory transactions, in which some complex transactions that induced higher servicing fee. The Group was involved in 28 (2019: 21) corporate finance advisory transactions during the six months ended 31 March 2020, representing an increase of approximately 33.3% as compared to the corresponding period last year.

Other Income

The Group's other income mainly included the bank interest income for the six months ended 31 March 2020 of approximately HK\$0.3 million (2019: approximately HK\$0.4 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\$5.8 million (2019: approximately HK\$6.7 million), representing a decrease of approximately HK\$0.9 million as compared with the six months ended 31 March 2020, primarily due to the decrease of approximately HK\$0.9 million of the performance related bonuses paid during the Period.

Other Operating Expenses

Other operating expenses for the six months ended 31 March 2020 were approximately HK\$1.9 million when compared to approximately HK\$1.5 million for the six months ended 31 March 2019. The increase in other operating expenses was mainly due to the increase in legal and professional fee and other operating expenses.

Profit for the Period

The Group generated net profit of approximately HK\$1.9 million for the six months ended 31 March 2020 as compared to net loss of approximately HK\$3.9 million for the six months ended 31 March 2019. The net profit for the Period was mainly due to (i) the increase in revenue by approximately HK\$5.8 million; (ii) the decrease in employee benefits expenses by approximately HK\$0.9 million; and (iii) the increase of depreciation of right-of-use assets by approximately HK\$0.6 million which was incurred by adoption of HKFRS 16 as mentioned in note (3) above.

Liquidity and Financial Resources

As at 31 March 2020 and 30 September 2019, the Group had cash and cash equivalents of approximately HK\$32.8 million and HK\$39.5 million respectively.

As at 31 March 2020 and 30 September 2019, the Group had no banking facilities and no borrowings, hence no gearing ratio of the Group was presented.

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

Treasury Policy

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

Capital Structure

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

Charges on Group Assets

As at 31 March 2020, the Group did not have any charges on its assets (2019: Nil).

Foreign Currency Exposure

The Group's exposures to foreign currencies mainly arises from US\$ time deposits. The Directors should be aware that foreign currency time deposit is subject to currency risks and there can be no assurance that any appreciation value of foreign currency dollar. In order to mitigate the potential impact of currency fluctuation, the Directors closely monitors its foreign currency exposures and cash is deposited in US\$ time deposit with short maturities. No other foreign currency time deposit was entered into by the Group during the six months ended 31 March 2020. As at 31 March 2020, the Group had US\$ time deposits of approximately US\$1.9 million (2019: approximately US\$1.4 million).

Capital Commitments and Contingent Liabilities

As at 31 March 2020, the Group did not have any significant capital commitments and contingent liabilities (2019: Nil).

Employees and Remuneration Policies

As at 31 March 2020, the Group employed 15 (2019: 16) staff (including executive directors). The Group determine the employees' remuneration based on factors such as qualification, duty, contributions and years of experience. In addition, the Group provides comprehensive training programs to its employees or sponsors the employees to attend various job-related training courses.

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

As at 31 March 2020, the Group maintained a portfolio of equity investments with total carrying amount of approximately HK\$3 million (2019: Nil). The portfolio of equity investments comprises mainly constituent stocks of the Hang Seng Index. The portfolio of equity investments as at 31 March 2020 are set out as follows.

	Investment cost <i>HK\$'000</i>	Percentage of fair value of the investment in listed securities/ total assets of the Group as at 31 March 2020	Unrealised fair value gain for the period ended 31 March 2020 <i>HK\$'000</i>	Fair value of the investment in listed securities as at 31 March 2020 <i>HK\$'000</i>
Financial assets at fair value through profit or loss	2,990	6.6%	7	2,997

The Group held less than 0.1% of shareholding in each of the listed securities in the above equity investments portfolio.

During the three months ended 31 March 2020, the stock market witnessed a sustaining pullback, the investments portfolio still got a positive return that better than bank deposit interest income. 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 (2019: Nil).

DIVIDENDS

The dividend of HK\$0.4 cents per share for the three months ended 31 December 2019 totally HK\$4 million (2018: Nil) was paid to shareholders on 12 March 2020.

The Board has not declared the payment of a dividend for the three months ended 31 March 2020 (2019: Nil).

USE OF PROCEEDS

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

During the period under review, the Group had used approximately HK\$0.5 million. The remaining Net Proceeds of approximately HK\$25.7 million were deposited as short-term time deposits with a licensed bank in Hong Kong. The following sets forth a summary of the allocation of the Net Proceeds and its utilisation as at 31 March 2020, as compared to that envisaged in the prospectus of the Company dated 8 March 2018 (the “Prospectus”).

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

An analysis comparing the business objectives as stated in the Prospectus with the Group’s actual business progress for the period from listing date to 31 March 2020 is set out below:

	Approximate amount of Net Proceeds from the Listing <i>HK\$ million</i>	Approximate actual amount utilised from the Listing to 30 September 2018 <i>HK\$ million</i>	Approximate actual amount utilised from 1 October 2018 to 30 September 2019 <i>HK\$ million</i>	Approximate actual amount utilised from 1 October 2019 to 31 March 2020 <i>HK\$ million</i>	Unused amount of Net Proceeds as at 31 March 2020 <i>HK\$ million</i>
Expanding the corporate finance advisory business	5.9	–	0.1	0.1	5.7
Building up an IPO team	17.1	–	–	–	17.1
Developing the equity capital markets business	0.7	–	–	–	0.7
Expanding office	3.1	–	0.5	0.4	2.2
General working capital	2.2	2.2	–	–	–
	<u>29.0</u>	<u>2.2</u>	<u>0.6</u>	<u>0.5</u>	<u>25.7</u>

The business objectives and planned use of proceeds as stated in the Prospectus were based on the best estimation of the future market conditions made by the Group at the time of preparing the Prospectus. In pursuing the long-term goals, the Group planned to build up an IPO team in year 2019 to provide IPO sponsorship services and to act as compliance adviser as set out in the Prospectus.

However, the increasingly stringent approval process by Stock Exchange on new listing applications discouraging applicants from raising capital from the IPO market. Further, Hong Kong has been hit by volatility stemming from concerns over trade conflict between the PRC and the US, the social instability in Hong Kong since June 2019, and the global outbreak of coronavirus disease in early 2020, the economic outlook and financial market in Hong Kong remain uncertain. The Group therefore weighed up the costs and the benefits and considered the adoption of a prudent approach to hold-up on establishment of an IPO team and expansion of equity capital markets business until the time when the social and economic environments become clearer.

On 6 April 2020, the Board announced to reallocate the unused Net Proceeds of approximately HK\$17.8 million for building up an IPO team and developing the equity capital markets business to (i) approximately HK\$10 million to the establishment of asset management services which will be applied as a seed money by the Group to invest in equity or debt securities of Hong Kong listed companies, so as to build up the Group's track record on portfolio management; and (ii) approximately HK\$7.8 million as general working capital of the Group as to provide more buffer to cope with the economic uncertainty in the future.

As set out in the "Future Plans and Use of Proceeds" section in the Prospectus, one of the uses of the Net Proceeds has been to expand the Group's corporate finance advisory business by recruiting additional employees. The Group has recruited one associate.

The Group has made progress in expansion of office, a new office has been rented. Approximately HK\$0.9 million out of Net Proceeds has been used to pay for the rental deposit and rental fee. Going forward, the Group will carry out its expansion plans cautiously with reference to the then prevailing market condition, and regulatory changes and atmosphere while keeping in mind the paramount objective to preserve shareholders' value.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Compliance with Corporate Governance Code

The Board is of the view that the Company has met the code provisions set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix 15 to the GEM Listing Rules during the six months ended 31 March 2020, except for the deviation as specified and explained below with considered reasons for such deviations.

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive of a listed issuer should be separate and should not be performed by the same individual. Currently, no chairman has been elected for the Company. In accordance with Article 132 of the Memorandum and Article of Association of the Company, the Directors may elect a chairman of the board meetings and determine the period for which he/she is to hold office. If no such chairman is elected, the Directors present may choose one of their members to be chairman of the meeting. The Board considers this arrangement allows contributions from all Directors with different expertise to manage the Group’s overall business development, implementation and management.

Directors’ Securities Transactions

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

Directors’ Interests in Contracts

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

Directors’ Interests in a Competing Business

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

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 2020, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he/she is taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long position in ordinary shares of the Company

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

Notes:

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

Save as disclosed above, as at 31 March 2020, 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 2020, to the knowledge of the Directors, shareholders of the Company (other than the Directors or chief executives of the Company) who had interests or short positions in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follow:

Long position in ordinary shares of associated corporation

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

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

Save as disclosed above, as at 31 March 2020, 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 reporting period.

Compliance adviser's interests

As notified by Somerley Capital Limited (“**Somerley**”), compliance adviser of the Company, neither Somerley nor any of its close associates and none of the directors or employees had any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities, if any) which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules as at 31 March 2020.

Change of Directors' Information

On 26 March 2020, Mr. Tsang Jacob Chung has appointed as Independent Non-executive Director of China International Fund Management Company Limited, a private company based in Shanghai which is owned by JPMorgan Asset Management (UK) Limited and Shanghai International Trust Co. Ltd.

Audit Committee

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

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

The Audit Committee has reviewed the unaudited consolidated report of the Group for the six months ended 31 March 2020.

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

Hong Kong, 11 May 2020

As at the date of this announcement, 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.

This announcement will remain on the “Latest Listed Company Information” page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and will also be published on the Company's website at www.amasse.com.hk.