

**ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 30 SEPTEMBER 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.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this announcement, 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 announcement.

This announcement, for which the directors of Amasse Capital Holdings Limited 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 for the purpose of giving information with regard to the Company and its subsidiaries. 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 board (the “**Board**”) of directors (the “**Director**”) of Amasse Capital Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 30 September 2021 together with the comparative figures for the year ended 30 September 2020 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 September 2021

	<i>Notes</i>	2021 HK\$'000	2020 HK\$'000
Revenue	3	5,567	16,197
Other income and other net (loss)/gain	4	407	8,622
Loss allowance on trade receivables		(653)	(2,050)
Employee benefit expenses		(10,502)	(11,566)
Depreciation of plant and equipment		(181)	(280)
Depreciation of right-of-use assets		(1,253)	(1,253)
Other operating expenses		(2,794)	(3,852)
Finance costs		(144)	(122)
		<hr/>	<hr/>
(Loss)/profit before taxation	5	(9,553)	5,696
Income tax	6	123	(73)
		<hr/>	<hr/>
(Loss)/profit and total comprehensive (expense)/income for the year attributable to equity shareholders of the Company		(9,430)	5,623
		<hr/>	<hr/>
(Loss)/earnings per share	8		
– Basic and diluted (HK cents)		(0.94)	0.56
		<hr/>	<hr/>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2021

	Notes	2021 HK\$'000	2020 HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Plant and equipment		340	521
Right-of-use assets		678	1,931
Prepayments and deposits	10	18	423
Deferred tax assets		—	126
		1,036	3,001
Current assets			
Contract assets		—	259
Trade receivables	9	1,129	2,404
Prepayments, deposits and other receivables	10	614	518
Financial assets at fair value through profit or loss	11	21,189	17,905
Tax recoverable		—	1,015
Cash and cash equivalents		18,904	24,670
		41,836	46,771
Current liabilities			
Other payables and accruals	12	574	1,119
Contract liabilities		82	376
Lease liabilities		790	1,220
Loans from securities brokers		9,361	307
		10,807	3,022
Net current assets		31,029	43,749
Total assets less current liabilities		32,065	46,750
Non-current liabilities			
Lease liabilities		—	790
Provision for long service payment		171	387
Deferred tax liabilities		—	249
		171	1,426
Net assets		31,894	45,324
EQUITY			
Share capital		10,000	10,000
Reserves		21,894	35,324
Total equity		31,894	45,324

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2021

1. GENERAL

Amasse Capital Holdings Limited (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**”). Its ultimate parent is Access Cheer Limited (“**Access Cheer**”), a company incorporated in the British Virgin Islands. Its ultimate controlling party is Ms. Tse Fung Sum Flora, who is also the Executive Director of the Company. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section to the annual report.

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 consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”) which is also the functional currency of the Company and all values are rounded to the nearest thousand except when otherwise indicated.

2. BASIS OF PREPARATION

(a) Basis of preparation

These consolidated financial statements 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**”).

These consolidated financial statements have been prepared under the historical cost convention except for financial instruments that are measured at fair values.

(b) Application of new and amendments to HKFRSs

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group’s financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 16	Covid-19-Related Rent Concessions

The application of the new and amendments to HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and on the disclosures set out in these consolidated financial statements.

(c) **New and amendments to HKFRSs in issue but not yet effective**

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts and related Amendments ¹
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ¹
Amendments to HKAS 8	Definition of Accounting Estimates ¹
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ¹
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ¹
Amendments to HKFRS 3	Reference to the Conceptual Framework ²
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use ²
Amendments to HKAS 37	Onerous Contracts – Costs of Fulfilling a Contract ²
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020 ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2 ⁴
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021 ⁵

¹ Effective for annual periods beginning on or after 1 January 2023.

² Effective for annual periods beginning on or after 1 January 2022.

³ Effective for annual periods beginning on or after a date to be determined.

⁴ Effective for annual periods beginning on or after 1 January 2021.

⁵ Effective for annual periods beginning on or after 1 April 2021.

The directors of the Company anticipate that the application of all these new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. REVENUE AND SEGMENT INFORMATION

The principal activities of the Group are the provision of corporate finance advisory services and investment advisory services.

Information reported to the board of directors (the “**Board**”) of the Company, being the chief operating decision maker (the “**CODM**”) for the purposes of resource allocation and assessment of segment performance focuses on advisory services provided. The CODM considers the Group’s operation, assets and revenue are located and derived in Hong Kong. The principal activity of the reportable and operating segment is the provision of corporate finance advisory services only. In addition to the provision of corporate finance advisory services, other operating segment includes the provision of investment advisory services which did not meet the quantitative thresholds for the reportable segment in both current and prior years. Accordingly, no segment and geographical information are presented.

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	2021 <i>HK\$’000</i>	2020 <i>HK\$’000</i>
Corporate finance advisory fee income from acting as:		
Financial adviser	4,683	14,726
Independent financial adviser	884	1,221
	<u>5,567</u>	<u>15,947</u>
Investment advisory fee income	—	250
	<u>5,567</u>	<u>16,197</u>

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is as follows:

	2021 HK\$'000	2020 <i>HK\$'000</i>
Disaggregated by timing of revenue recognition		
Point in time	—	9,310
Over time	5,567	6,887
	5,567	16,197

Transaction price allocated to the remaining performance obligations for contracts with customers

All corporate finance advisory services and investment advisory services are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

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

	2021 HK\$'000	2020 <i>HK\$'000</i>
Other income		
Bank interest income	101	339
Dividend income	104	4
Government grants (note)	261	522
Reversal of provision for long service payment	216	276
Sundry income	127	—
	809	1,141
Other net (loss)/gain		
Net realised (loss)/gain on financial assets at fair value through profit or loss	(506)	3,287
Net unrealised (loss)/gain on financial assets at fair value through profit or loss	(263)	4,194
Exchange gains	367	—
	(402)	7,481
	407	8,622

note: Government grants of HK\$261,000 (2020: HK\$522,000) relates to Employment Support Scheme provided by the Hong Kong government.

5. (LOSS)/PROFIT BEFORE TAXATION

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Auditor's remuneration	250	250
Bad debt written off	—	80
Donation	548	780
Employee benefit expenses (including directors' remuneration)	10,502	11,566
Salaries and welfare	7,682	7,795
Performance related bonus	2,600	3,535
Retirement benefit scheme contributions	220	236
Expenses relating to short-term leases	21	22
Net exchange (gain)/loss	(367)	211
	<u> </u>	<u> </u>

6. INCOME TAX

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Current tax – Hong Kong Profits Tax		
Charged for the year	—	—*
Over-provision in prior years	—	(50)
	<u> </u>	<u> </u>
	—	(50)
Deferred taxation	(123)	123
	<u> </u>	<u> </u>
	(123)	73
	<u> </u>	<u> </u>

* Less than HK\$1,000

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying Group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of Group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profits for the year.

For the year ended 30 September 2020, the Hong Kong profits tax of the qualifying Group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

7. DIVIDEND

During the year ended 30 September 2021, a special dividend of HK\$0.4 cents per share in respect of the year ended 30 September 2020 (2020: Nil) was declared and paid to the owners of the Company on 17 February 2021. The aggregate amount of the special dividend declared and paid in the year ended 30 September 2021 amounted to HK\$4,000,000 (2020: Nil). No interim dividend was declared during the year, nor has any dividend been proposed since the end of the reporting period.

During the year ended 30 September 2020, a dividend for the three months ended 31 December 2019 of HK\$0.4 cents per share was paid on 12 March 2020.

8. (LOSS)/EARNINGS PER SHARE

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

	2021	2020
(Loss)/profit for the year attributable to equity shareholders of the Company (HK\$'000)	<u>(9,430)</u>	<u>5,623</u>
Weighted average number of ordinary shares ('000)	<u>1,000,000</u>	<u>1,000,000</u>

For each year ended 30 September 2020 and 30 September 2021, there were no potential ordinary shares in issue, thus no adjustment has been made to the basic (loss)/earnings per share amount presented in respect of dilution.

9. TRADE RECEIVABLES

	2021 HK\$'000	2020 HK\$'000
Trade receivables	3,832	4,454
Less: Loss allowance	<u>(2,703)</u>	<u>(2,050)</u>
	<u>1,129</u>	<u>2,404</u>

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 year.

	2021 HK\$'000	2020 HK\$'000
Within 1 month	245	420
1 to 3 months	318	1,102
Over 3 months	<u>566</u>	<u>882</u>
	<u>1,129</u>	<u>2,404</u>

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

10. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Prepayments	243	406
Deposits	387	387
Other receivables	2	148
	<hr/>	<hr/>
	632	941
Deduct: Non-current portion	(18)	(423)
	<hr/>	<hr/>
Current portion	<u>614</u>	<u>518</u>

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss as at 30 September comprise:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Listed securities held for trading:		
– Equity security listed in Hong Kong	—	9,941
– Equity security listed in the United States	21,189	7,964
	<hr/>	<hr/>
	<u>21,189</u>	<u>17,905</u>

12. OTHER PAYABLES AND ACCRUALS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Other payables	92	51
Accruals	482	1,068
	<hr/>	<hr/>
	<u>574</u>	<u>1,119</u>

All the other payables and accruals are expected to be settled within one year or are repayable on demand.

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.

Looking forward, the business and operation environments of the Group will remain challenging due to the global outbreak of coronavirus disease. Additionally, the end of coronavirus pandemic in Hong Kong is remained uncertain as there are confirmed cases occasionally. As such, the Directors believe that full recovery of the world economies as well as Hong Kong are still pending and the overall market will remain unstable.

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.

Further, it is observed that for the past two years, the number of new listed companies in Hong Kong were decreasing. According to the HKEX fact book 2020, the number of new listed companies (i) in main board of the Stock Exchange (excluding the number of transfer of listing from GEM to main board) were 138 in 2020 as compared to that of 148 in 2019, representing a decrease of approximately 6.8%; and (ii) in GEM were 8 in 2020 as compared to that of 15 in 2019, representing a decrease of approximately 46.7%. According to HKEX monthly market highlights, the number of new listed companies in main board and GEM of the Stock Exchange (including the number of transfer of listing from GEM to main board) were 3 in October 2021 as compared to that of 16 in October 2020, representing a decrease of approximately 81.3%. It is also observed that for the past three years, the number of new listing applications were decreasing. According to 2020-2021 annual report published by the SFC, the number of listing application received (excluding applications for transfer from GEM to main board) were 378, 274 and 240 for the year 2018/19, 2019/20 and 2020/21 respectively. Based on the above, it is indicated despite the Group's potential customer base were increasing, it was increased at a decreasing rate.

Advisory services on general offers under the Takeovers Code were typically high fee generator for our Group in the past. Unfortunately, our Group was unable to be engaged for the aforesaid general offers advisory in the past financial year. The Group observed that the number of general and partial offers under the Takeovers Code were decreasing for the past three years. According to 2020-2021 annual report published by the SFC, the number of general and partial offers under the Takeovers Code were 55, 41 and 38 for the year 2018/19, 2019/20 and 2020/21 respectively.

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 Directors also observe that recently the Hong Kong government has submitted proposals to implement a "health code" system to the mainland authorities in the hope of resuming quarantine-free travel between the two territories despite it will take some time before full resumption of travel.

In view of the challenging environment, the Group has 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 Directors consider that for the year ended 30 September 2021 (the "**2021 Financial Year**"), the performance of our corporate finance advisory services has shown some signs of improvement as further discussed below.

Notwithstanding the fact that for the 2021 Financial Year, the revenue of the Group was decreased by approximately 65.4% as compared to that for the corresponding period in 2020, as a result of continuous effort by the management of the Company, the Group's performance was improved during the 2021 Financial Year in view of:

- (i) the Group recorded revenue of HK\$3.60 million for the second half of 2021 Financial Year, representing an increase of approximately 82.7% when compared to the revenue of HK\$1.97 million for the first half of 2021 Financial Year.
- (ii) Although the average advisory fees were lower due to keen price competition, the number of transactions in the second half of 2021 Financial Year had increased since the Group had been engaged in 14 transactions in the second half of 2021 Financial Year, representing a significant increase as compared to 3 transactions in the first half of 2021 Financial Year.

Despite the Group has shown signs of improvement in the second half of the 2021 Financial Year, as a result of severe price competition in the market and lack of advisory engagement with relatively higher fee (such as advisory general offer as aforementioned), the financial performance of the Group for the 2021 Financial Year was weaker than that in the corresponding in 2020.

The Group has recruited a new responsible officer who previously worked at an international investment bank and has strong customer connection. It is believed that the appointment of such responsible officer will enable the Group to reach a wider customer base.

Recently, the Company has been engaged in certain transactions with relatively higher advisory fees. Further, the Company is pitching to offer services for several material transactions (including both listing rules and takeovers code related advisory), and if materialise, it is believed to offer considerable advisory fee income for the Group.

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 represented a milestone on 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. 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. For the period from the First Investment Date up to 30 September 2021, the aggregate return was approximately HK\$6.7 million, representing a return of approximately 55.8%.

For the period from the First Investment Date to 30 September 2021 (being approximately a 1.5 year period), Hang Seng Index dropped from 26,129.93 on 28 February 2020 to 24,575.64 on 30 September 2021, representing a slightly drop of approximately 5.9% while the Group achieved a return of approximately 55.8% during such period. The Group outperformed 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 for 1.5 year period as mentioned above, the Group has engaged a legal adviser to prepare the fund documents and is in the process of approaching certain limited partners. 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.

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. The Group observes that pandemic situation has been improving and the Hong Kong government has been taking different measures to fight against the coronavirus disease and to resume quarantine-free travel between mainland and Hong Kong. The Group believes that once the pandemic situation are fully recovered and the travel restriction are relaxed, the Group’s performance would be improved gradually.

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 a net profit position for the previous financial year ended 30 September 2020 as compared to the corresponding period in 2019. This proves that the Group has abilities to response to market condition promptly and to adjust its 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 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.

FINANCIAL REVIEW

Revenue

Revenue for the year ended 30 September 2021 amounted to approximately HK\$5.6 million, representing a decrease of approximately HK\$10.6 million or approximately 65.4% as compared with that of approximately HK\$16.2 million for the corresponding period of last year. Such decrease was mainly driven by the decrease of the total fees for corporate finance advisory services provided by the Group which were due to 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: approximately HK\$0.5 million); (ii) bank interest income of approximately HK\$0.1 million (2020: approximately HK\$0.3 million); (iii) dividend income of approximately HK\$0.1 million (2020: approximately HK\$0.004 million); (iv) sundry income of approximately HK\$0.1 million (2020: Nil); and (v) reversal of provision for long service payment of approximately HK\$0.2 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\$0.8 million (2020: net realised and unrealised gain on financial assets at fair value through profit or loss of approximately HK\$7.5 million); and (ii) foreign exchange gain of approximately HK\$0.4 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\$10.5 million (2020: approximately HK\$11.6 million), representing a decrease of approximately HK\$1.1 million as compared with the corresponding period of last year, primarily due to the decrease of approximately HK\$0.9 million of the performance related bonuses for 2020 paid during the year ended 30 September 2021.

Other Operating Expenses

Other operating expenses for the year ended 30 September 2021 were approximately HK\$2.8 million when compared to approximately HK\$3.9 million for the corresponding period of last year. The decrease in other operating expenses was mainly due to decrease of legal and professional fee.

Income Tax Expense

No provision for Hong Kong profits tax for the year ended 30 September 2021 (2020: Nil) has been made in respect of the subsidiary as no assessable profits for the year.

Income tax expense represents mainly provision of deferred taxation.

Loss for the Period

The Group incurred net loss of approximately HK\$9.4 million for the year ended 30 September 2021 as compared to net profit of approximately HK\$5.6 million for the year ended 30 September 2020. The net loss for the year was mainly due to (i) the decrease in revenue by approximately HK\$10.6 million; and (ii) the decrease in other income of approximately HK\$8.2 million.

Dividend

The Board does not recommend the payment of a final dividend for the year ended 30 September 2021 (2020: a special dividend of HK\$0.4 cents per share).

Liquidity and Financial Resources

As at 30 September 2021 and 2020, the Group had cash and cash equivalents of approximately HK\$18.9 million and HK\$24.7 million respectively. The Group's current ratio was approximately 3.9 times as compared to approximately 15.5 times as at 30 September 2020.

For the year ended 30 September 2021, the gearing ratio was approximately 31.8% (2020: 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.

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

Charges on Group Assets

As at 30 September 2021, the Group had pledged listed stocks of approximately HK\$21.2 million to secure the loans from securities brokers (2020: approximately HK\$8.2 million).

Future Plans for Material Investments or Capital Assets

The Group did not have any specific plans for material investments and capital assets as at 30 September 2021.

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 with short maturities. No other foreign currency time deposit was entered into by the Group during the year under review. As at 30 September 2021, the Group had CNY deposits of approximately CNY4.6 million (2020: CNY4.5 million), loans from broker firms of approximately US\$1.2 million (2020: deposits of approximately US\$0.1 million) and US\$ equity investments of approximately US\$2.7 million (2020: 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 30 September 2021, the Group did not have any significant capital commitments and contingent liabilities (2020: Nil).

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

As at 30 September 2021, the Group maintained a portfolio of equity investments with total carrying amount of approximately HK\$21.2 million (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 30 September 2021 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 year ended 30 September 2021	Fair value of the investment in listed securities as at 30 September 2021	30 September 2021
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	
Financial assets at fair value through profit or loss	21,452	263	21,189	49.4%

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 30 September 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	Investment cost <i>HK\$'000</i>	Fair value of the investment in listed securities as at	Percentage of fair value of the investment in listed securities/ total assets of the Group as at
			30 September 2021		30 September 2021 <i>HK\$'000</i>	30 September 2021
ASML Holding NV (Stock Code: ASML)	Development and manufacturing of photolithography system	450	less than 0.1%	2,541	2,610	6.1%
Other investments	—	—	—	18,911	18,579	43.3%
Total financial assets at fair value through profit or loss				<u>21,452</u>	<u>21,189</u>	<u>49.4%</u>

Details of the performance of financial assets at fair value through profit or loss during the year ended 30 September 2021 are as follows:

Description of investments	Realized fair value gain/ (loss) for the year ended 30 September 2021 <i>HK\$'000</i>	Unrealized fair value gain/ (loss) for the year ended 30 September 2021 <i>HK\$'000</i>	Dividend received during the year ended 30 September 2021 <i>HK\$'000</i>
ASML Holding NV (Stock Code: ASML)	104	69	2
Other investments	<u>(610)</u>	<u>(332)</u>	<u>102</u>
Total financial assets at fair value through profit or loss	<u>(506)</u>	<u>(263)</u>	<u>104</u>

Due to the turbulence in the stock market in the year ended 30 September 2021, the Directors expect the stock market will remain volatile in the coming year and 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, associates, joint ventures and capital assets during the year ended 30 September 2021 (2020: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2021, the Group employed 15 (2020: 16) staff (including executive Directors). The Group determines 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.

PRINCIPAL RISKS AND UNCERTAINTIES

There are certain risks and uncertainties involved in the Group's current operations, many of such are market systemic financial risks and beyond the Group's control. The most significant risks relating to the business such as (i) business continuity depending on the reliance upon key authorised persons; (ii) withdrawals and terminations of transactions by customers; (iii) default or delays in payments by customers; (iv) potential exposures of reduced financial services transactions arising from unfavourable economic and financial market and (v) the Group's business operation is regulated by legislation and various regulatory authorities. Any changes of the relevant laws, rules and regulations will have potentially impact on the Group's business and operation as noted in the sub-section headed "Business Review" above. A detailed discussion of the risk factors is set out in the section headed "Risk Factors" in the prospectus of the Company dated 8 March 2018 (the "**Prospectus**").

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) (the "**Net Proceeds**").

On 6 April 2020 and 27 November 2020, the Board resolved to change the use of proceeds as stated in the Prospectus (the "**Changes in Use of Net Proceeds**") to re-allocate the unutilised Net Proceeds. For further details of the Changes in Use of Net Proceeds and the reasons and benefits of such changes, please refer to the announcements of the Company dated 6 April 2020 and 30 November 2020. The Net Proceeds has been fully utilised as at 30 September 2021.

Set out below is the summary of the Net Proceeds utilised up to 30 September 2021 after the Changes in Use of Net Proceeds:

	Approximate amount of Net Proceeds from the Listing <i>HK\$ million</i>	Re-allocation of the unutilised Net Proceeds on 6 April 2020 <i>HK\$ million</i>	Re-allocation of the Unutilised Net Proceeds on 27 November 2020 <i>HK\$ million</i>	Approximate actual amount utilised from the Listing to 30 September 2021 <i>HK\$ million</i>	Unused amount of Net Proceeds as at 30 September 2021 <i>HK\$ million</i>
Expanding the corporate finance advisory business	5.9	—	-5.6	0.3	—
Building up an IPO team	17.1	-17.1	—	—	—
Developing the equity capital markets business	0.7	-0.7	—	—	—
Expanding office	3.1	—	-1.9	1.2	—
General working capital	2.2	+7.8	+7.5	17.5	—
Equity Investments	—	+10.0	—	10.0	—
	<u>29.0</u>	<u>—</u>	<u>—</u>	<u>29.0</u>	<u>—</u>

CORPORATE GOVERNANCE PRACTICES

The Board acknowledges the importance of good corporate governance practices and believes that maintaining a high standard of corporate governance practices is crucial to the development of the Company. The Board will continue to review its corporate governance practices in order to enhance its corporate governance standards, comply with the increasingly complicated regulatory requirements, and meet with the rising expectations of the shareholders and respective investors. The Company has complied with all the code provisions of the Corporate Governance Code (“**CG Code**”) as set out in Appendix 15 to the GEM Listing Rules throughout the year, except for the deviation as specified and explained below with considered reasons for such deviation.

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 articles of association (the “**Articles**”) 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 and experience to manage the Group’s overall business development, implementation and management.

OTHER INFORMATION

Directors' Securities Transactions

The Company has adopted the code for securities transactions by directors of listed issuers set out in the rules 5.48 to 5.67 of the GEM Listing Rules, as its own code regarding directors' dealings in the securities of the Company (the “**Own Code**”). Having made specific enquiry, all Directors confirmed that they have complied with the required standard set out in the Own Code from the year under review to the date of this announcement.

Purchase, Sale or Redemption of the Listed Shares of the Company

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

Review by Audit Committee

The audit committee of the Company has reviewed and discussed with the Company's auditor, CHENG & CHENG LIMITED, Certified Public Accountants, the consolidated financial statements of the Group for the year ended 30 September 2021 including critical accounting policies and practices adopted by the Group.

Scope of Work of CHENG & CHENG LIMITED

The financial figures in respect of the preliminary announcement of the Group's results for the year ended 30 September 2021 have been compared by the Company's auditor, CHENG & CHENG LIMITED, Certified Public Accountants, to the amounts set out in the Group's audited consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by CHENG & CHENG LIMITED in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditor.

Events after the Reporting Period

There are no significant events affecting the Group after the year ended 30 September 2021 and up to the date of this announcement.

Publication of Annual Results and Annual Report

This announcement is published on the websites of the Stock Exchange (www.hkgem.com) and the Company (www.amasse.com.hk). The Company's annual report for the year ended 30 September 2021 containing all applicable information required by GEM Listing Rules will be despatched to the shareholders of the Company and published on the above websites in due course.

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

Hong Kong, 6 December 2021

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. Li Wing Sum Steven 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.