

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited 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.



MASON GROUP HOLDINGS LIMITED

茂宸集團控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 273)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

The board (the “**Board**”) of directors (the “**Director(s)**”) of Mason Group Holdings Limited (the “**Company**”) hereby announces the consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2021 (the “**Year**”), together with comparative figures for the year ended 31 December 2020, which have been prepared in accordance with the Hong Kong Financial Reporting Standards (“**HKFRSs**”) as below.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Notes	2021 HK\$'000	2020 HK\$'000
Turnover	3	4,012,509	1,274,364
Operating income	4	604,426	528,955
Other income	5	10,984	124,390
Exchange gain/(loss), net		3,720	(3,385)
Cost of inventories recognised as expenses	7	(172,056)	(138,509)
Commission and brokerage expenses		(194,818)	(154,038)
Employee benefits expenses		(72,740)	(145,793)
Amortisation of intangible assets		(10,460)	(19,602)
Depreciation of property, plant and equipment		(11,212)	(17,792)
Depreciation of right-of-use assets		(14,562)	(18,467)
Loss on disposal of property, plant and equipment		(10,022)	(11,305)
Impairment loss on property, plant and equipment		(77,520)	–
Impairment loss on financial assets for expected credit loss		(205,524)	(67,165)
Loss on disposal of interests in a subsidiary	14	(4,644)	–
Net fair value (loss)/gain on financial instruments		(210,435)	107,345
Impairment loss on goodwill		–	(22,807)
Impairment loss on interests in associates		(194,508)	(191,346)
Impairment loss on intangible assets		(7,820)	(76,796)
Other operating expenses		(118,771)	(116,423)
Finance costs	7	(5,811)	(17,881)
Share of results of associates		(44,621)	53,497
Loss before taxation	7	(736,394)	(187,122)
Income tax expenses	8	(2)	(2,735)
Loss for the year		(736,396)	(189,857)

	<i>Notes</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Other comprehensive income:			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign subsidiaries		(9,347)	36,921
Share of other comprehensive income of an associate		1,672	12,088
<i>Items that will not be reclassified to profit or loss</i>			
Changes in fair value of defined benefit scheme at fair value through other comprehensive income		2,286	2,514
Changes in fair value of equity instruments at fair value through other comprehensive income		(83,908)	277,582
Other comprehensive income for the year		(89,297)	329,105
Total comprehensive income for the year		(825,693)	139,248
Loss attributable to:			
Equity holders of the Company		(733,623)	(140,711)
Non-controlling interests		(2,773)	(49,146)
Loss for the year		(736,396)	(189,857)
Total comprehensive income attributable to:			
Equity holders of the Company		(822,373)	187,875
Non-controlling interests		(3,320)	(48,627)
Total comprehensive income for the year		(825,693)	139,248
Loss per share			
Basic and diluted	<i>10</i>	HK(1.65) cent	HK(0.32) cent

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

		2021	2020
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		204,170	315,321
Right-of-use assets		14,201	29,012
Intangible assets		82,015	101,621
Goodwill		56,930	56,930
Interests in associates		315,399	885,724
Loan receivables		–	216,852
Other receivables	<i>11</i>	10,028	178,504
Deferred tax assets		3,684	7,924
Financial assets at fair value through profit or loss		138,208	197,028
Financial assets at fair value through other comprehensive income		942,975	1,026,883
Financial assets at amortised cost		–	153,996
		<u>1,767,610</u>	<u>3,169,795</u>
Current assets			
Inventories		8,962	11,064
Financial assets at fair value through profit or loss		788,745	819,708
Derivative financial instruments		22,295	19,529
Loan receivables		173,174	240,964
Reverse repurchase agreements		–	217,641
Trade and other receivables	<i>11</i>	308,511	404,868
Tax recoverables		–	59
Fixed bank deposits		551,457	1,194,299
Bank balances and cash		1,185,994	848,130
		<u>3,039,138</u>	<u>3,756,262</u>

	<i>Notes</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Current liabilities			
Trade and other payables	<i>12</i>	270,729	1,167,117
Contract liabilities		18,357	16,056
Repurchase agreements		–	239,479
Derivative financial instruments		–	19,521
Lease liabilities		12,288	16,202
Net defined benefit obligations		2,345	–
Tax payables		10,302	8,995
		<u>314,021</u>	<u>1,467,370</u>
Net current assets		<u>2,725,117</u>	<u>2,288,892</u>
Total assets less current liabilities		<u>4,492,727</u>	<u>5,458,687</u>
Non-current liabilities			
Deferred tax liabilities		26,935	33,823
Lease liabilities		3,649	15,901
Net defined benefit obligations		–	7,613
Long-term liabilities		47,967	468
		<u>78,551</u>	<u>57,805</u>
NET ASSETS		<u>4,414,176</u>	<u>5,400,882</u>
Capital and reserves			
Share capital	<i>13</i>	6,142,962	6,142,962
Reserves		<u>(1,778,175)</u>	<u>(953,398)</u>
Equity attributable to equity holders of the Company		4,364,787	5,189,564
Non-controlling interests		49,389	211,318
TOTAL EQUITY		<u>4,414,176</u>	<u>5,400,882</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

1. GENERAL

Mason Group Holdings Limited (the “**Company**”) is a limited liability company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of the registered office and the principal place of business of the Company is Portion 1, 12/F, The Center, 99 Queen’s Road Central, Hong Kong.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with all HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations (hereinafter collectively referred to as the “**HKFRS**”) and the provisions of Hong Kong Companies Ordinance which concern the preparation of financial statements. In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (“**Listing Rules**”) on the Stock Exchange.

(b) Basis of measurement

The financial statements have been prepared under the historical cost basis except for certain financial instruments, which are measured at fair values as explained in the accounting policies set out below.

The Company has delivered the consolidated financial statements for the year ended 31 December 2020 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the consolidated financial statements for the year ended 31 December 2021 in due course.

The Company’s auditor has reported on the consolidated financial statements of the Group for both years. The auditor’s reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

3. TURNOVER

Turnover from operations represents the aggregation of gross sales proceeds from trading of securities investments, provision of financing services, provision of wealth and asset management, financial brokerage and related services and manufacture of infant formula and nutritional products.

4. OPERATING INCOME

Operating income recognised from the principal activities of the Group during the year including trading of securities investments, provision of financing services, provision of wealth and asset management, financial brokerage and related services, manufacture of infant formula and nutritional products and investment holding is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Brokerage commission income from:		
— securities dealing	36,421	30,617
— insurance	218,490	170,245
— underwriting and placing commission income	25	891
Commission income from providing advisory, account and custody management	31,436	39,132
Financial advisory fee income	—	7,808
Margin facility and loan facility handling fee income	3,041	13,878
Gain from the sale of financial assets at FVTPL, net*	41,840	24,803
Dividend income from financial assets at FVTPL	42,312	10,169
Interest income from:		
— margin financing	12,245	7,368
— loan receivables from third parties	35,743	61,887
— loan receivables from a shareholder of an associate	—	368
Manufacture of infant formula and nutritional products	182,873	161,789
	<u>604,426</u>	<u>528,955</u>

* Represented the proceeds from the sale of financial assets at fair value through profit or loss (“**FVTPL**”) of HK\$3,449,923,000 (2020: HK\$770,212,000) less relevant costs and carrying value of the financial assets sold of HK\$3,408,083,000 (2020: HK\$745,409,000).

5. OTHER INCOME

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Interest income from financial institutions	5,924	29,604
Gain on redemption of unlisted investment	–	29,175
Government subsidies	199	5,185
Rental income	2,968	3,513
Forfeiture of deposits from termination of disposal of a subsidiary	–	55,306
Others	1,893	1,607
	<u>10,984</u>	<u>124,390</u>

6. SEGMENT INFORMATION

The directors of the Company have been identified as the chief operating decision makers to evaluate the performance of operating segments and to allocate resources to those segments based on the Group's internal reporting in respect of these segments. The directors of the Company consider trading of securities investments, provision of financing services, provision of wealth and asset management, financial brokerage and related services, provision of medical consultation and laboratory services, franchisor and retail of mother-infant-child products, manufacture of infant formula and nutritional products and investment holding are the Group's major operating segments. Segment results represent the profit earned or loss incurred by each segment.

Operating segments of the Group comprise the following:

Trading of securities investments	:	Investments of shares, stocks, options and funds
Provision of financing services	:	Provision of loan financing services
Provision of wealth and asset management, financial brokerage and related services	:	Provision of wealth and asset management, dealing in securities, provision of securities, commodities brokerage services and financial advisory services
Provision of medical consultation and laboratory services	:	Provision of medical consultation and laboratory services relating to assisted reproductive technology
Franchisor and retail of mother-infant-child products	:	Managing franchise and operating retail stores of mother-infant-child products
Manufacture of infant formula and nutritional products	:	Development, manufacture and sale of infant milk formula products, and supplement and organic nutritional products
Investment holding	:	Holding investments for dividend and investment income and capital appreciation, and provision of management services

(a) Segment turnover

The following is an analysis of the Group's turnover by operating segments:

	Trading of securities investments	Provision of financing services	Provision of wealth and asset management, financial brokerage and related services	Provision of medical consultation and laboratory services	Franchisor and retail of mother-infant-child products	Manufacture of infant formula and nutritional products	Investment holding	Unallocated	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
For the year ended 31 December 2021									
Segment turnover									
From contracts with customers within the scope of HKFRS 15	-	-	316,446	-	-	182,873	51	-	499,370
From other source	3,465,150	24,957	23,032	-	-	-	-	-	3,513,139
	<u>3,465,150</u>	<u>24,957</u>	<u>339,478</u>	<u>-</u>	<u>-</u>	<u>182,873</u>	<u>51</u>	<u>-</u>	<u>4,012,509</u>
For the year ended 31 December 2020									
Segment turnover									
From contracts with customers within the scope of HKFRS 15	-	-	253,543	-	-	161,789	9,028	-	424,360
From other source	376,339	45,144	23,965	164,574	-	-	239,982	-	850,004
	<u>376,339</u>	<u>45,144</u>	<u>277,508</u>	<u>164,574</u>	<u>-</u>	<u>161,789</u>	<u>249,010</u>	<u>-</u>	<u>1,274,364</u>

(b) Segment operating income and results

The following is an analysis of the Group's income by operating segments:

	Trading of securities investments	Provision of financing services	Provision of wealth and asset management, financial brokerage and related services	Provision of medical consultation and laboratory services	Franchisor and retail of mother-infant-child products	Manufacture of infant formula and nutritional products	Investment holding	Unallocated	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
For the year ended 31 December 2021									
Segment operating income	57,067	24,957	339,478	-	-	182,873	51	-	604,426
(Loss)/profit for the year before following items:	(71,623)	5,269	(10,015)	(595)	(189,008)	(15,723)	(91,858)	(17,895)	(391,448)
Gain/(loss) on disposal of property, plant and equipment	-	-	1	-	-	(41)	(9,994)	12	(10,022)
Impairment loss on property, plant and equipment	-	-	(77,520)	-	-	-	-	-	(77,520)
Impairment loss on interests in associates	-	-	-	(17,201)	(177,307)	-	-	-	(194,508)
Impairment loss on intangible assets	-	-	-	-	-	(7,820)	-	-	(7,820)
Finance costs	(22,405)	(10,206)	(3,870)	-	-	(331)	499	30,502	(5,811)
Share of results of associates	-	-	-	(743)	(43,878)	-	-	-	(44,621)
	(94,028)	(4,937)	(91,404)	(18,539)	(410,193)	(23,915)	(101,353)	12,619	(731,750)
Loss on disposal of interests in a subsidiary	-	-	-	(4,644)	-	-	-	-	(4,644)
(Loss)/profit before taxation	(94,028)	(4,937)	(91,404)	(23,183)	(410,193)	(23,915)	(101,353)	12,619	(736,394)
Income tax credit/(expense)	558	-	(695)	-	(1,407)	1,542	-	-	(2)
Segment results	<u>(93,470)</u>	<u>(4,937)</u>	<u>(92,099)</u>	<u>(23,183)</u>	<u>(411,600)</u>	<u>(22,373)</u>	<u>(101,353)</u>	<u>12,619</u>	<u>(736,396)</u>

	Trading of securities investments <i>HK\$'000</i>	Provision of financing services <i>HK\$'000</i>	Provision of wealth and asset management, financial brokerage and related services <i>HK\$'000</i>	Provision of medical consultation and laboratory services <i>HK\$'000</i>	Franchisor and retail of mother-infant-child products <i>HK\$'000</i>	Manufacture of infant formula and nutritional products <i>HK\$'000</i>	Investment holding <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
For the year ended 31 December 2020									
Segment operating income	<u>14,332</u>	<u>45,144</u>	<u>277,508</u>	<u>14,505</u>	<u>-</u>	<u>161,789</u>	<u>15,677</u>	<u>-</u>	<u>528,955</u>
Profit/(loss) for the year before following items:	91,928	(11,762)	(37,483)	11,430	3,183	(13,770)	77,819	(41,829)	79,516
Loss on disposal of property, plant and equipment	-	-	(1,242)	-	-	-	-	(10,063)	(11,305)
Impairment loss on goodwill	-	-	(22,807)	-	-	-	-	-	(22,807)
Impairment loss on interests in associates	-	-	-	(191,346)	-	-	-	-	(191,346)
Impairment loss on intangible assets	-	-	(76,796)	-	-	-	-	-	(76,796)
Finance costs	(4,424)	(13,316)	(5,503)	-	-	(631)	(8,631)	14,624	(17,881)
Share of results of associates	-	-	-	22,100	31,397	-	-	-	53,497
Profit/(loss) before taxation	<u>87,504</u>	<u>(25,078)</u>	<u>(143,831)</u>	<u>(157,816)</u>	<u>34,580</u>	<u>(14,401)</u>	<u>69,188</u>	<u>(37,268)</u>	<u>(187,122)</u>
Income tax (expense)/credit	<u>(14,076)</u>	<u>-</u>	<u>7,873</u>	<u>-</u>	<u>-</u>	<u>4,371</u>	<u>(903)</u>	<u>-</u>	<u>(2,735)</u>
Segment results	<u><u>73,428</u></u>	<u><u>(25,078)</u></u>	<u><u>(135,958)</u></u>	<u><u>(157,816)</u></u>	<u><u>34,580</u></u>	<u><u>(10,030)</u></u>	<u><u>68,285</u></u>	<u><u>(37,268)</u></u>	<u><u>(189,857)</u></u>

Segment operating income reported above represents income generated from external customers. There was no inter-segment operating income in both years.

Income and expenses are allocated to the reporting segments with reference to income generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation/amortisation of assets attributable to those segments.

The accounting policies of the operating segments are the same as the Group's accounting policies described in the consolidated financial statements. Segment results represent the results achieved by each segment. This is the measurement method reported to the chief operating decision makers for the purpose of resources allocation and assessment of segment performance.

(c) **Segment assets and liabilities**

An analysis of the Group's assets and liabilities by operating segments is set out below.

	Trading of securities investments <i>HK\$'000</i>	Provision of financing services <i>HK\$'000</i>	Provision of wealth and asset management, financial brokerage and related services <i>HK\$'000</i>	Provision of medical consultation and laboratory services <i>HK\$'000</i>	Franchisor and retail of mother-infant-child products <i>HK\$'000</i>	Manufacture of infant formula and nutritional products <i>HK\$'000</i>	Investment holding <i>HK\$'000</i>	Total <i>HK\$'000</i>
As at 31 December 2021								
Assets before following items:	1,052,731	207,053	1,326,482	-	401	57,522	1,495,063	4,139,252
Interests in associates	-	-	-	88,174	227,225	-	-	315,399
Goodwill	-	-	56,930	-	-	-	-	56,930
Segment assets	1,052,731	207,053	1,383,412	88,174	227,626	57,522	1,495,063	4,511,581
Unallocated assets								295,167
Total assets								<u>4,806,748</u>
Liabilities								
Segment liabilities	(18,538)	(500)	(298,720)	-	(9,746)	(27,109)	(5,740)	(360,353)
Unallocated liabilities								(32,219)
Total liabilities								<u>(392,572)</u>

	Trading of securities investments <i>HK\$'000</i>	Provision of financing services <i>HK\$'000</i>	Provision of wealth and asset management, financial brokerage and related services <i>HK\$'000</i>	Provision of medical consultation and laboratory services <i>HK\$'000</i>	Franchisor and retail of mother-infant-child products <i>HK\$'000</i>	Manufacture of infant formula and nutritional products <i>HK\$'000</i>	Investment holding <i>HK\$'000</i>	Total <i>HK\$'000</i>
As at 31 December 2020								
Assets before following items:	925,510	321,070	2,525,035	30	262,906	80,861	1,554,923	5,670,335
Interests in associates	-	-	-	534,690	351,034	-	-	885,724
Goodwill	-	-	56,930	-	-	-	-	56,930
	<u>925,510</u>	<u>321,070</u>	<u>2,581,965</u>	<u>534,720</u>	<u>613,940</u>	<u>80,861</u>	<u>1,554,923</u>	<u>6,612,989</u>
Segment assets	925,510	321,070	2,581,965	534,720	613,940	80,861	1,554,923	6,612,989
Unallocated assets								<u>313,068</u>
Total assets								<u><u>6,926,057</u></u>
Liabilities								
Segment liabilities	(35,239)	(500)	(1,408,516)	-	(8,339)	(26,122)	(11,779)	(1,490,495)
Unallocated liabilities								<u>(34,680)</u>
Total liabilities								<u><u>(1,525,175)</u></u>

For the purpose of monitoring segment performance and allocating resources between segments:

- Segment assets mainly include mainly all property, plant and equipment, intangible assets, goodwill, interests in associates, right-of-use assets, deferred tax assets, financial assets at FVTPL, financial assets at fair value through other comprehensive income, financial assets at amortised cost, inventories, loan receivables, derivative financial instruments, tax recoverables, trade and other receivables, fixed bank deposits, bank balances and cash, and reverse repurchase agreements. All assets are allocated to operating segments other than unallocated head office and corporate assets as these assets are managed on a group basis.
- Segment liabilities mainly include trade and other payables, contract liabilities, lease liabilities, tax payables, deferred tax liabilities, derivative financial instruments and repurchase agreements. All liabilities are allocated to operating segments other than unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

(d) Geographical information

The following table provides an analysis of the Group's operating income from external customers by locations of operations:

	Trading of securities investments <i>HK\$'000</i>	Provision of financing services <i>HK\$'000</i>	Provision of wealth and asset management, financial brokerage and related services <i>HK\$'000</i>	Provision of medical consultation and laboratory services <i>HK\$'000</i>	Franchisor and retail of mother-infant-child products <i>HK\$'000</i>	Manufacture of infant formula and nutritional products <i>HK\$'000</i>	Investment holding <i>HK\$'000</i>	Total <i>HK\$'000</i>
For the year ended								
31 December 2021								
Primary geographic markets								
Hong Kong	59,074	24,957	309,479	-	-	-	51	393,561
PRC	(2,007)	-	-	-	-	-	-	(2,007)
Australia	-	-	-	-	-	182,873	-	182,873
Europe	-	-	29,999	-	-	-	-	29,999
Total	<u>57,067</u>	<u>24,957</u>	<u>339,478</u>	<u>-</u>	<u>-</u>	<u>182,873</u>	<u>51</u>	<u>604,426</u>
For the year ended								
31 December 2020								
Primary geographic markets								
Hong Kong	14,332	45,144	229,300	14,505	-	-	15,677	318,958
PRC	-	-	-	-	-	-	-	-
Australia	-	-	-	-	-	161,789	-	161,789
Europe	-	-	48,208	-	-	-	-	48,208
Total	<u>14,332</u>	<u>45,144</u>	<u>277,508</u>	<u>14,505</u>	<u>-</u>	<u>161,789</u>	<u>15,677</u>	<u>528,955</u>

The following table provides an analysis of the Group's non-current assets (excluding financial instruments and deferred tax assets) by locations of assets ("Specified non-current assets"):

	Specified non-current assets	
	2021 HK\$'000	2020 HK\$'000
Hong Kong	219,019	697,760
PRC	227,225	351,034
Australia	35,144	57,241
Europe	191,327	282,573
Total	<u>672,715</u>	<u>1,388,608</u>

(e) **Disaggregation of revenue**

In the following table, revenue is disaggregated by major products and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segment.

	Provision of wealth and asset management, financial brokerage and related services HK\$'000	Franchisor and retail of mother-infant- child products HK\$'000	Manufacture of infant formula and nutritional products HK\$'000	Investment holding HK\$'000	Total HK\$'000
For the year ended 31 December 2021					
Major products/service lines					
Wealth and asset management	-	291,622	-	-	291,622
Financial brokerage and related services	-	24,824	-	-	24,824
Financing services	-	-	-	-	-
Mother-infant-child products	-	-	-	-	-
Infant formula and nutritional products	-	-	182,873	-	182,873
Management services	-	-	-	51	51
Total	<u>-</u>	<u>316,446</u>	<u>-</u>	<u>51</u>	<u>499,370</u>
Time of revenue recognition					
At a point in time	-	304,223	182,873	51	487,147
Transferred over time	-	12,223	-	-	12,223
Total	<u>-</u>	<u>316,446</u>	<u>-</u>	<u>51</u>	<u>499,370</u>

	Provision of wealth and asset management, financial brokerage and related services <i>HK\$'000</i>	Franchisor and retail of mother-infant- child products <i>HK\$'000</i>	Manufacture of infant formula and nutritional products <i>HK\$'000</i>	Investment holding <i>HK\$'000</i>	Total <i>HK\$'000</i>
For the year ended 31 December 2020					
Major products/service lines					
Wealth and asset management	-	218,818	-	-	218,818
Financial brokerage and related services	-	34,725	-	-	34,725
Financing services	-	-	-	-	-
Mother-infant-child products	-	-	-	-	-
Infant formula and nutritional products	-	-	161,789	-	161,789
Management services	-	-	-	9,028	9,028
	<u>-</u>	<u>253,543</u>	<u>-</u>	<u>9,028</u>	<u>424,360</u>
Total	<u>-</u>	<u>253,543</u>	<u>-</u>	<u>9,028</u>	<u>424,360</u>
Time of revenue recognition					
At a point in time	-	244,185	-	9,028	415,002
Transferred over time	-	9,358	-	-	9,358
	<u>-</u>	<u>253,543</u>	<u>-</u>	<u>9,028</u>	<u>424,360</u>
Total	<u>-</u>	<u>253,543</u>	<u>-</u>	<u>9,028</u>	<u>424,360</u>

(f) Other segment information

	Trading of securities investments <i>HKS'000</i>	Provision of financing services <i>HKS'000</i>	Provision of wealth and asset management, financial brokerage and related services <i>HKS'000</i>	Provision of medical consultation and laboratory services <i>HKS'000</i>	Franchisor and retail of mother-infant-child products <i>HKS'000</i>	Manufacture of infant formula and nutritional products <i>HKS'000</i>	Investment holding <i>HKS'000</i>	Unallocated <i>HKS'000</i>	Total <i>HKS'000</i>
For the year ended 31 December 2021									
Additions of specified non-current assets*	-	-	7,936	-	-	351	-	-	8,287
Amortisation of intangible assets	-	-	(2,866)	-	-	(7,594)	-	-	(10,460)
Depreciation of property, plant and equipment	-	-	(7,800)	-	-	(1,641)	(787)	(984)	(11,212)
Depreciation of right-of-use assets	-	-	(432)	-	-	(2,606)	-	(11,524)	(14,562)
Interest income included in operating income and other income	651	24,956	25,644	-	-	2	1,326	1,332	53,911
Impairment loss on financial assets for expected credit losses	(13)	(16,526)	(417)	-	(188,570)	(51)	2	51	(205,524)
Net fair value gain on financial instruments	(120,998)	-	-	-	-	-	(89,437)	-	(210,435)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
For the year ended 31 December 2020									
Additions of specified non-current assets*	-	-	7,936	-	-	351	-	-	8,287
Amortisation of intangible assets	-	-	(12,581)	-	-	(7,021)	-	-	(19,602)
Depreciation of property, plant and equipment	-	-	(11,508)	-	-	(2,038)	(1,575)	(2,671)	(17,792)
Depreciation of right-of-use assets	-	-	(881)	-	-	(3,419)	-	(14,167)	(18,467)
Interest income included in operating income and other income	3	45,370	35,759	-	-	-	13,571	4,524	99,227
Impairment loss on financial assets for expected credit losses	-	(50,782)	(16,285)	-	(216)	165	13	(60)	(67,165)
Net fair value gain on financial instruments	92,309	-	-	-	581	-	14,455	-	107,345
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

* Including additions of property, plant and equipment, intangible assets, right-of-use assets, interests in associates and goodwill directly or through acquisition of subsidiaries.

- (g) Operating income from customers for the year over 10% of the Group's total operating income is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Customer A – attributable to manufacture of infant formula and nutritional products	161,860	126,419
Customer B – attributable to provision of wealth and asset management, financial brokerage and related services	137,087	102,273

7. LOSS BEFORE TAXATION

This is stated after charging:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Finance costs		
Interest on bank and other borrowings	4,030	14,581
Interest on lease liabilities	1,781	3,300
	5,811	17,881
Other items		
Carrying amount of inventories sold	170,927	126,422
Write-down of inventories	1,129	12,087
Cost of inventories recognised as expenses	172,056	138,509
Auditor's remuneration (including other audit fee, primarily in respect of audits of financial statements of subsidiaries)	3,644	4,379
Rent, rates and building management expenses	2,932	11,010
Management fees	21,685	26,673
Information services expenses	18,643	20,936
Utilities and office expenses	4,517	9,050
Legal and professional fees	58,754	21,415
Staff costs (excluding directors' emoluments)		
Salaries, discretionary bonus, allowances and benefits in kind	59,242	125,657
Contributions to defined contribution retirement schemes	2,842	9,648

8. TAXATION

Hong Kong Profits Tax is calculated at the rate of 16.5% (2020: 16.5%) on the estimated assessable profits arising in Hong Kong, except for the first HK\$2,000,000 of qualified entity's assessable profit is calculated at 8.25%, which is in accordance with the two-tiered profits tax rates regime with effect from the year of assessment 2018/19.

Australian Income Tax rate of the Company's subsidiary operating in Australia during the year was 30% (2020: 30%) on its taxable profits.

Liechtenstein Corporate Income Tax rate of the Company's subsidiary operating in Liechtenstein during the year was 12.5% (2020: 12.5%) on its taxable profits.

Mainland China Enterprise Income Tax rate of the Company's subsidiaries operating in the PRC during the year ended 31 December 2021 was 25% (2020: 25%) on its taxable profits.

PRC withholding income tax of 10% shall be levied on the dividends declared by the companies established in the PRC to their foreign investors out of their profits earned after 1 January 2008. A lower 5% withholding tax rate may be applied when the immediate holding companies of the PRC subsidiaries are incorporated or operated in Hong Kong and fulfil the requirements to the tax treaty arrangements between the PRC and Hong Kong.

The major components of the income tax expense/(credit) for the year are as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Current tax		
Hong Kong Profits Tax		
Current year provision	279	209
Under provision in prior year	–	105
Mainland China Enterprise Income Tax		
Current year provision	–	–
Australian Income Tax		
Current year provision	–	–
Over provision in prior year	–	(2,468)
Liechtenstein Corporate Income Tax		
Current year provision	15	15
Withholding tax	<u>1,407</u>	<u>903</u>
	1,701	(1,236)
Deferred tax		
Origination and reversal of temporary differences	<u>(1,699)</u>	<u>3,971</u>
Tax expense for the year	<u><u>2</u></u>	<u><u>2,735</u></u>

9. DIVIDEND

No dividend was paid or proposed for the year ended 31 December 2021 and 2020, nor has any dividend been proposed since the end of reporting period.

10. LOSS PER SHARE

The calculation of the basic loss per share amounts is based on loss for the year attributable to equity holders of the Company, and the weighted average number of ordinary shares in issue during the year as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Loss for the year attributable to equity holders of the Company	<u>(733,623)</u>	<u>(140,711)</u>
	2021 <i>No. of shares '000</i>	2020 <i>No. of shares '000</i>
Number of shares Weighted average number of ordinary shares for the purpose of basic loss per share	<u>44,364,886</u>	<u>44,364,886</u>

11. TRADE AND OTHER RECEIVABLES

	<i>Notes</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Trade receivables	<i>(a) & (c)</i>	10,016	2,976
Accounts receivable from clients arising from provision of wealth and asset management services	<i>(b)</i>	17,474	11,092
Accounts receivable from third parties arising from provision of securities and commodities brokerage services:			
— custodian clients	<i>(b)</i>	19,843	82,750
— margin clients	<i>(b)</i>	191,473	150,201
— clearing houses and brokers	<i>(b)</i>	24,837	13,470
Expected credit loss	<i>(c)</i>	<u>263,643</u> <u>(24,135)</u>	260,489 (37,057)
		<u>239,508</u>	223,432
Deposits and prepayments		24,945	27,943
Other debtors	<i>(d)</i>	12,171	16,038
Amounts due from related parties	<i>(e)</i>	233,471	318,727
Expected credit loss	<i>(d) & (e)</i>	<u>270,587</u> <u>(191,556)</u>	362,708 (2,768)
		<u>79,031</u>	359,940
Total trade and other receivables, net of ECL provision		318,539	583,372
Less: Balances due within one year included in current assets		<u>(308,511)</u>	<u>(404,868)</u>
Non-current portion		<u>10,028</u>	178,504

Notes:

(a) Settlement terms of trade receivables

The Group's trading terms with its customers are mainly on credit. The credit terms offered to these customers are generally in credit limit and credit period from 30 to 60 days.

(b) Settlement terms of accounts receivable

Accounts receivable arising from the ordinary course of business of brokerage in securities and commodities in respect of cash clients and margin clients are two or three trading days after the transaction dates.

Accounts receivable arising from the ordinary course of business of brokerage in index, commodity and currency futures contracts represent the margin deposits maintained with futures clearing house, options clearing house or brokers to meet the margin requirements of open contracts. Margin calls from clearing house and brokers are settled on a daily basis. The excess amounts over the required margin deposits stipulated are repayable on demand.

The credit facility limits to margin clients are determined by the discounted market value of the collateral securities accepted by the Group. The majority of the loans to margin clients which are secured by the underlying pledged securities are interest-bearing. The Group maintains a list of approved stocks for margin lending at a specified loan to collateral ratio. Any excess in the lending ratio will trigger a margin call which the customers have to make up the shortfall.

Loans to margin clients as at the end of the reporting period were secured by the customers' securities to the Group as collateral with discounted market value of approximately HK\$425,833,000 (2020: HK\$355,446,000).

The Group determines the allowance for impaired debts based on the evaluation of collectability and ageing analysis of accounts receivable and on management's judgement including the assessment of change in credit quality, collateral and the past collection history of each client. The concentration of credit risk is limited due to the customer base being large and unrelated.

Trading limits are set for customers. The Group seeks to maintain tight control over its outstanding accounts receivable in order to minimise the credit risk. Overdue balances are regularly monitored by management.

(c) **Ageing analysis and impairment**

At the end of the reporting period, the ageing analysis of trade receivables, by invoice date is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Less than 1 month	3,595	283
1 month to 3 months	5,946	1,757
3 months to 6 months	475	936
	<u>10,016</u>	<u>2,976</u>

Movements in the expected credit loss are as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
At the beginning of the reporting period	37,057	36,799
(Reversal)/allowance for expected credit loss	(12,922)	258
	<u>24,135</u>	<u>37,057</u>

No ageing analysis has been disclosed in respect of accounts receivable arising from the ordinary course of brokerage business and wealth and asset management service business, as in the opinion of the management, it does not give additional value in view of the business's nature.

For trade receivables, impairment analysis is performed at each reporting date using the simplified approach to measure expected credit losses ("ECLs"). As at 31 December 2021, the gross carrying amount and loss allowance of trade receivables is HK\$10,016,000 (2020: HK\$2,976,000) and HK\$88,000 (2020: HK\$38,000) respectively.

For accounts receivable, impairment analysis is performed at each reporting date using general approach to measure ECLs.

The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade and account receivables are written off if past due for more than one year and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's accounts receivable as at 31 December 2021 and 2020:

	Stage 1 Gross amount <i>HK\$'000</i>	Stage 1 Allowance for ECLs <i>HK\$'000</i>	Stage 2 Gross amount <i>HK\$'000</i>	Stage 2 Allowance for ECLs <i>HK\$'000</i>	Stage 3 Gross amount <i>HK\$'000</i>	Stage 3 Allowance for ECLs <i>HK\$'000</i>	Total Gross amount <i>HK\$'000</i>	Total Allowance for ECLs <i>HK\$'000</i>
Balance as at 1 January 2021	<u>189,258</u>	<u>(385)</u>	<u>31,694</u>	<u>(86)</u>	<u>36,561</u>	<u>(36,548)</u>	<u>257,513</u>	<u>(37,019)</u>
New financial assets originated during the year	229,834	–	2	–	335	–	230,171	–
Derecognised, including repayment, during the year	(189,258)	385	(31,694)	86	(13,105)	13,091	(234,057)	13,562
Charged during the year	–	(253)	–	(2)	–	(335)	–	(590)
Balance as at 31 December 2021	<u><u>229,834</u></u>	<u><u>(253)</u></u>	<u><u>2</u></u>	<u><u>(2)</u></u>	<u><u>23,791</u></u>	<u><u>(23,792)</u></u>	<u><u>253,627</u></u>	<u><u>(24,047)</u></u>
	Stage 1 Gross amount <i>HK\$'000</i>	Stage 1 Allowance for ECLs <i>HK\$'000</i>	Stage 2 Gross amount <i>HK\$'000</i>	Stage 2 Allowance for ECLs <i>HK\$'000</i>	Stage 3 Gross amount <i>HK\$'000</i>	Stage 3 Allowance for ECLs <i>HK\$'000</i>	Total Gross amount <i>HK\$'000</i>	Total Allowance for ECLs <i>HK\$'000</i>
Balance as at 1 January 2020	<u>155,934</u>	<u>56</u>	<u>6,788</u>	<u>15</u>	<u>36,537</u>	<u>36,524</u>	<u>199,259</u>	<u>36,595</u>
New financial assets originated during the year	220,977	–	–	–	–	–	220,977	–
Transfer from/to 12-month ECLs to/from lifetime ECLs of new financial assets originated during the year	(31,718)	–	31,694	–	24	–	–	–
Derecognised, including repayment, during the year	(155,935)	(57)	(6,788)	(15)	–	–	(162,723)	(72)
Charged during the year	–	386	–	86	–	24	–	496
Balance as at 31 December 2020	<u><u>189,258</u></u>	<u><u>385</u></u>	<u><u>31,694</u></u>	<u><u>86</u></u>	<u><u>36,561</u></u>	<u><u>36,548</u></u>	<u><u>257,513</u></u>	<u><u>37,019</u></u>

(d) Other debtors

For other debtors, impairment analysis is performed at each reporting date using general approach and based on 12-months ECLs.

(e) **Amounts due from related parties**

Included in amounts due from related parties were amounts due from beneficial owners of respective non-controlling interests of subsidiaries of HK\$41,915,000 (2020: HK\$52,238,000) and other receivables from an associate of HK\$120,474,000 (2020: HK\$97,927,000), which are unsecured, interest-free and repayable within one year, and dividend receivable of HK\$71,082,000 (2020: HK\$166,785,000) which is unsecured, interest-free and repayable in five years from the date of dividend declaration. The carrying value of the amounts due approximate their fair value. The ECLs are based on the 12-month ECLs. The loss allowance increased by HK\$188,788,000 (2020: HK\$63,000) for amounts due from related parties during the year.

12. TRADE AND OTHER PAYABLES

	<i>Notes</i>	2021 HK\$'000	2020 <i>HK\$'000</i>
Trade payables to third parties	(a)	11,028	2,784
Accounts payable to clients arising from provision of wealth and asset management services	(b)	169,132	996,810
Accounts payable to third parties arising from provision of securities and commodities brokerage services:			
— custodian clients	(b)	577,104	463,650
— margin clients	(b)	73,403	95,421
— clearing house and brokers	(b)	4,176	58,364
		834,843	1,617,029
Less: Cash held on behalf of clients	(c)	(613,084)	(543,603)
		221,759	1,073,426
Other payables	(d)	44,499	82,985
Deposits received		4,183	5,238
Amounts due to related parties	(e)	288	5,468
		48,970	93,691
		270,729	1,167,117

(a) Ageing analysis of trade payables

At the end of the reporting period, the ageing analysis of trade payables by date of issue of invoice is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Less than 1 month	6,858	1,722
1 month to 3 months	4,100	76
3 months to 6 months	70	986
	<u>11,028</u>	<u>2,784</u>

(b) Settlement terms of accounts payable

Accounts payable arising from the ordinary course of business of wealth and asset management services are repayable to clients on demand.

Accounts payable arising from the ordinary course of business of brokerage in securities in respect of cash clients and margin clients are two or three trading days after the transaction dates.

Accounts payable arising from the ordinary course of business brokerage in index, commodity and currency futures contracts represent the margin deposits received from clients for their trading in futures contracts. The excess over the required margin deposits stipulated are repayable to clients on demand.

No ageing analysis has been disclosed in respect of accounts payable arising from the ordinary course of brokerage business and wealth and asset management service business, as in the opinion of the management, it does not give additional value in view of the business's nature.

- (c)** The Group maintains segregated accounts with banks and authorised institutions to hold cash on behalf of clients arising from its normal course of business in provision for brokerage services. At 31 December 2021, client money maintained in segregated accounts not otherwise dealt with in the financial statements amounted to HK\$613,084,000 (2020: HK\$543,603,000).
- (d)** As at 31 December 2021 and 2020, included in other payables are salaries and bonus payables, professional advisory fee payables and bond interest payable.
- (e)** As at 31 December 2021 and 2020, the amounts due to the directors of a subsidiary are unsecured, interest-free and have no fixed repayment term. The carrying value of the amounts due approximate their fair value.

13. SHARE CAPITAL

	<i>Number of shares</i>	<i>HK\$'000</i>
Issued and fully paid shares:		
At 1 January 2020	44,375,065,557	6,142,962
Cancelled during the year	<u>(10,180,000)</u>	<u>—</u>
At 31 December 2020, 1 January 2021 and 31 December 2021	<u>44,364,885,557</u>	<u>6,142,962</u>

During the year ended 31 December 2019, the Company repurchased 10,180,000 shares on The Stock Exchange of Hong Kong Limited for a total consideration of HK\$1,100,000, at a price per share between HK\$0.086 and HK\$0.121. The Company has cancelled these 10,180,000 shares on 23 March 2020. No shares were repurchased or cancelled by the Company during the year ended 31 December 2021.

14. DISPOSAL OF INTERESTS IN A SUBSIDIARY

On 26 February 2021, the Company's indirect wholly owned subsidiary, Mason Healthcare Group Limited (“**Mason Healthcare**”), entered into the share purchase agreement with a third party company (the “**Purchaser**”) in which Mason Healthcare transfer 64.85% equity interest in its subsidiary, Mason Reproductive Technology Limited (“**MRT**”), to the Purchaser at a cash consideration of HK\$268,000,000. The transfer was completed on 26 February 2021. After the disposal, MRT will cease to be an indirect non-wholly owned subsidiary of the Company and the Group will cease to have any interests in the MRT.

The following summarises consideration received and the carrying amount of the assets and liabilities at the date of disposal:

	<i>HK\$'000</i>
Net assets disposed of:	
Interest in an associate	422,140
Non-controlling interests	<u>(149,496)</u>
	272,644
Loss on disposal of MRT	<u>(4,644)</u>
Total consideration satisfied by cash	<u>268,000</u>

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

As a Hong Kong based company, the Company principally provides comprehensive financial services in Mainland China, Japan, South Korea and Europe, with businesses covering private banking, wealth and asset management, securities and futures brokerage, securities margin financing, corporate finance advisory services, investment in securities trading and money lending. As an investment holding company, in addition to directly investing in the healthcare sector and mother-infant-child consumer products sector, the Group also takes trading of securities as a principal business and invests conservatively in local and global stocks.

RESULTS

During the year ended 31 December 2021 (the “Year”), the Group recorded a turnover of approximately HK\$4,012.51 million (2020: HK\$1,274.36 million) and operating income of approximately HK\$604.43 million (2020: HK\$528.96 million). The increase in turnover and operating income for the Year was mainly due to the increased turnover and operating income generated from wealth and asset management, financial brokerage, and trading of securities investments.

During the Year, loss attributable to equity holders of the Company was approximately HK\$733.62 million (2020: loss attributable to equity holders of HK\$140.71 million), and basic and diluted loss per share were 1.65 Hong Kong cents (2020: loss per share of 0.32 Hong Kong cents). The increase in loss for the Year was mainly due to impairment loss on financial assets for expected credit loss of HK\$205.52 million (2020: HK\$67.17 million), impairment loss on property, plant and equipment of HK\$77.52 million (2020: nil), and impairment loss on investment in associates of HK\$194.51 million (2020: HK\$191.35 million). The Company engaged an independent professional valuer, Avista Valuation Advisory Limited (“Avista”) to perform the valuation for each business segments as at 31 December 2021 under the requirements of HKFRS.

MARKET AND BUSINESS REVIEW

As the global economy continues to sink into contraction in light of the impact of novel coronavirus, Hong Kong, an open economy highly dependent on the service sector, suffered a heavy economic blow. Under the triple negative factors of Sino-US trade frictions, global economic slowdown, and local social incidents, Hong Kong’s economy was further impaired by the implementation of rapidly evolving social distancing and quarantine measures. These measures have been very testing on the Group’s business model in respect of each of its core business, where the Group’s financial services and healthcare businesses do, in particular, require face-to-face contacts with customers. Previous border crossing by personnel of the Group’s business units, which are based outside Hong Kong, also became further challenged and frustrated.

Despite Hong Kong's slight pandemic alleviation during the latter part of the Year alongside slight global economic revival, business units of the Group still faced huge economic battles during the Year. Against the backdrop of huge U.S. monetary policy uncertainties, Mainland China's regulatory tightening and the coronavirus supply chain disruption, the Hong Kong local stock market corrected sharply in the second half of the Year, with the Hang Seng Index suffering a sharp decrease from approximately 29,100 points in June 2021 to approximately 23,500 points in December 2021.

The above said, the Group demonstrated resilience by operating costs reduction, achieved through effective group restructuring, and its further development of its financial services and investments. In particular, the Group's brokerage business and securities trading grew, which resulted in considerable income recorded during the Year. Besides, notwithstanding coronavirus related disruptions towards consumer goods, the Group's mother-infant-child consumer product sector remained relatively stable, thanks to the quick recovery of Mainland China's economy during the Year.

Financial Services — Provision of wealth and asset management, financial brokerage and related services

The Group's financial services business segment primarily focused on wealth management platform consisting of securities and futures brokerages, private banking, fixed income sales and distribution, discretionary account and asset management, insurance brokerage services, securities margin financing, leverage financing solutions and provision of corporate finance advisory and related services.

The total operating income contributed by this business segment during the Year was approximately HK\$339.48 million (2020: HK\$277.51 million) and the loss was approximately HK\$92.10 million (2020: HK\$135.96 million). The loss was reduced by approximately 32.26% due to the Group's continuous cost management efforts and the absence of impairment loss on goodwill of approximately HK\$22.81 million in last year. Despite the ever-increasing competition among financial institutions in the market, the two major financial services platforms of the Group, Mason Securities Limited (“MSL”) and Harris Fraser Group Limited (“HFG”), achieved promising results during the Year. Both MSL and HFG operating profits recorded considerable growth over the same period last year, increasing by approximately 36% and 60% respectively.

Voluntary Liquidation of MPL

During the Year, Mason Strategic Investment Company Limited, an indirect wholly-owned subsidiary of the Company which wholly owns Mason Privatbank Liechtenstein AG (“MPL”), resolved the voluntary liquidation of MPL, with the process and procedure for such voluntary liquidation commenced in March 2021.

MPL has become loss making since the financial year of 2019, given the macro-environment of the European banking industry became more challenging with tightened local regulations and the continuous negative interest policy. The severe situation of MPL was exacerbated by the declining global economy, which was further dampened by the impact of the COVID-19, as was globally felt since 2020. Given MPL has continuously sustained losses since 2019, with no reasonable means or prospect of improvement for the foreseeable future, on 12 March 2021, the Group considered the continuing holding of MPL being disadvantageous to the Group and therefore resolved for the voluntary liquidation of MPL. Especially given the Group is of view that MPL is likely to remain unable to generate sufficient revenue to cover its own operating expenses and liabilities, MPL's voluntary liquidation would enable the Group to release the financial burden resulting from its holding of MPL. With reference to MPL's voluntary liquidation, PricewaterhouseCoopers GmbH and Walpart Trust Registered are appointed as liquidators, where for further details of the subject voluntary liquidation, please refer to the Company's announcements dated 12 March 2021 and 26 May 2021. The liquidation and management's assessment on the financial impact to the Group were still in progress as at the date of this announcement.

Financial Services — Provision of financing services

During the Year, the Group's provision of financing service, mainly including leverage and acquisition financing activities and mortgage loan securitisation business in Hong Kong, contributed a total operating income of approximately HK\$24.96 million (2020: HK\$45.14 million) and net loss of approximately HK\$4.94 million (2020: HK\$25.08 million).

The decrease in operating income attributable to this segment was aligned with a more conservative credit strategy imposed by the Group since late 2019. After comprehensive and diligent evaluation, the overall loan portfolio was reduced, with effective actions taken to accelerate the recovery of outstanding loans. With the implementation of these efforts, credit ratios and collaterals quality in the overall loan portfolio have notably improved. With the Group's focus geared towards a more granular risk appetite, its active portfolio management actions involved all credit proposals being subject to robust credit risk assessments. Regular credit monitoring and the credit mitigation through enhancement of collaterals are also part of the controlling tools in the Group's credit risk management life cycle. For the Year, the total size of the Group's loan portfolio of mortgage and loan business was approximately HK\$351.27 million (2020: HK\$413.76 million), with credit impairment of approximately HK\$16.53 million (2020: HK\$50.78 million).

Financial Services — Trading of securities investments

The listed securities held by the Group, for the purpose of proprietary investment, are mainly listed on the Australian, Mainland China, Hong Kong, and United States stock markets. The Group focused its investment, including but not limited to securities trading and funds investment, in specialised sectors, with investments conducted with a cautious attitude and under strict discipline. During the Year, with the Hang Seng Index suffering a sharp decrease from approximately 29,100 points in June 2021 to approximately 23,500 points in December 2021, the Group's proprietary trading of securities recorded a loss of approximately HK\$93.47 million (2020: profit of HK\$73.43 million).

Healthcare service — Provision of medical and laboratory services

The Group's healthcare business comprises of the provision of assisted reproductive services, genetic diagnostic and counselling services, and health check services. During the Year, the results of the Group's healthcare business are entirely contributed by associated companies of the Group, The Women's Clinic Group Limited and its subsidiaries ("TWCGL") and Pangenia Inc and its subsidiaries ("**Pangenia**").

Since the outbreak of the COVID-19 in 2021, social distancing measures, inclusive of travel restrictions and quarantine arrangements, directly reduced the number of customers from Mainland China and overseas who patronise the Group's the healthcare services. The operating income of the segment significantly decreased in 2021 as the Group no longer consolidates TWCGL's result as a subsidiary upon the disposal in February 2021. As a result, the loss of approximately HK\$23.18 million was recorded in the healthcare segment during the Year (2020: loss of HK\$157.82 million) and impairment of HK\$17.20 million resulted from the deterioration of the business prospect of Pangenia.

In February 2021, the Group realised its investment in the assisted reproductive services business in Hong Kong through the disposal of Mason Reproductive Technology Limited at a cash consideration of HK\$268 million. The Group's exit from the assisted reproductive services business has allowed the Group to focus on other core businesses.

Mother-infant-child consumer products — infant formula manufacturing and sales

This business segment mainly includes AYD Group Limited and its subsidiaries ("**AYD Group**") which operates the franchise operating and managed retail stores of mother-infant-child products in Mainland China, as well as Blend and Pack Pty. Ltd ("**B&P**"), the Australia-based manufacturer of infant formula and nutritional products.

During the Year, this business segment contributed an operating income of approximately HK\$182.87 million (2020: HK\$161.79 million) and a loss of approximately HK\$433.97 million (2020: profit of HK\$24.55 million). The significant increase in loss was due to an increase in impairment loss on financial assets for expected credit loss of HK\$188.79 million (2020: HK\$0.06 million) and the impairment loss on interests in associates of HK\$177.31 million (2020: Nil) resulted from deterioration of the business prospect of AYD Group.

Investment holding

The investment holding business segment mainly holds the investments in private equity and funds, for earning dividend and investment income and capital appreciation purpose. As at 31 December 2021, the segment assets of this segment was approximately HK\$1,495.06 million (2020: HK\$1,554.92 million), of which HK\$942.98 million (2020: HK\$1,026.88 million) represents investment in a private equity, and HK\$16.24 million (2020: HK\$95.02 million) represents investments in funds. During the Year, segment income of approximately HK\$0.05 million (2020: HK\$15.68 million) and segment loss of approximately HK\$101.35 million (2020: profit of HK\$68.29 million) generated from fund investments were recorded.

FINANCIAL REVIEW

Liquidity and financial resources

As at 31 December 2021, the Group's total assets amounted to approximately HK\$4,806.75 million (31 December 2020: HK\$6,926.06 million), among which 36.15% (2020: 29.49%) was bank deposits and cash of approximately HK\$1,737.45 million (31 December 2020: HK\$2,042.43 million). The bank deposits and cash comprised fixed deposits of approximately HK\$551.46 million (31 December 2020: HK\$1,194.30 million) in aggregate.

As at 31 December 2021, the net current assets of the Group amounted to approximately HK\$2,725.12 million (2020: approximately HK\$2,288.89 million), which included bank deposits and cash of approximately HK\$1,737.45 million (2020: approximately HK\$2,042.43 million). The current ratio, expressed as current assets over current liabilities, was approximately 9.68 (2020: approximately 2.56).

As at 31 December 2021 and 2020, the Group does not have any interest-bearing borrowings and therefore the gearing ratio is not applicable to the Group for both years.

As at 31 December 2021 and 2020, the Company's total amount of issued and fully paid share capital is HK\$6,142.96 million and the total number of issued shares with no par value is 44,364,885,557 shares.

As at 31 December 2021, the Group's total equity amounted to approximately HK\$4,414.18 million (2020: HK\$5,400.88 million), taking into account of non-controlling interest of approximately HK\$49.39 million (31 December 2020: HK\$211.32 million).

As at 31 December 2020, the Group's the total debt to equity ratio was 0.04, being the Group's repurchase agreements divided by the total equity. The total debt to equity ratio is no longer applicable to the Group as at 31 December 2021, as the repurchase agreements were fully settled during the Year.

After taking into account the capital structure and liquidity analysis of the Group during the reporting period, as well as the estimated cash flows generated from the Group's operations, the management of the Group is satisfied that the Group will have sufficient working capital in the future to sustain the development of our current continuing operations and focus on the major advantageous businesses.

Treasury Policies

Having considered the Group's current cash and cash equivalents, bank and other borrowings and banking facilities, the management believes that the Group's financial resources are sufficient for its day-to-day operations. The Group did not use financial instruments for financial hedging purposes during the Year. The Group's business transactions, assets and liabilities are principally denominated in Australia dollars, Swiss Franc, Renminbi and Hong Kong dollars. Fluctuations in foreign currency may have an impact on the Group's results and net asset value as the Group's consolidated financial statements are presented in Hong Kong dollars. The Group's treasury policy is to manage its foreign currency exposure only when its potential financial impact is material to the Group. The Group will continue to monitor its foreign exchange position and, if necessary, utilise hedging tools, if available, to manage its foreign currency exposure.

PROSPECTS

With Mainland China's great success in the coronavirus control, as augmented with well-implemented vaccination programs across key markets, there were good windows of asset reallocation to capture market opportunities in key equity markets, fixed income, and credit markets. The continuous facilitation of cross-market wealth management for investors in Hong Kong and the Greater Bay Area is expected to bring new innovation and market opening for inbound and outbound flows of wealth management business. Therefore, the Group is expected to capture these new market opportunities for its clients via various wealth management platforms.

Despite the widespread of the highly transmissible Omicron coronavirus variant across the globe during the fourth quarter of the Year, the Group believes that the global economy will recover and is therefore cautiously optimistic for the year 2022 ahead. The Group considers it an opportunity to, within the year 2022, expand its competitive financial strength to establish a stronger presence in the Hong Kong financial industry by increasing new market share within the securities margin financing business as well as expanding opportunities in Southbound Trading and Northbound Trading.

CAPITAL COMMITMENTS

As at 31 December 2021, the Group had a total capital commitment of approximately HK\$56.65 million (2020: HK\$66.96 million), contracted for but not provided for in the financial statements.

CONTINGENT LIABILITIES

The Group previously entered into agreements to provide certain parent guarantees for bank loan facilities granted to AYD Group for its working capital requirements. As at 31 December 2021, the maximum aggregate amount of the guarantees was RMB7.43 million (approximately HK\$9.09 million) (2020: RMB13.50 million, approximately HK\$16.05 million) which were fully utilised. A guarantee fee will be charged at 1.5% per annum of the drawdown amount.

PLEDGE OF ASSETS

As at 31 December 2021 and 2020, the Group does not have any pledged assets.

MATERIAL ACQUISITIONS AND/OR DISPOSALS

On 26 February 2021, Mason Healthcare Group Limited, an indirect wholly-owned subsidiary of the Company, and Tongsheng International Enterprise Limited entered into the share purchase agreement, pursuant to which MHGL agreed to sell to Tongsheng, and Tongsheng agreed to acquire from MHGL, 648,538 issued shares in Mason Reproductive Technology Limited at the consideration of HK\$268 million in cash. Completion had taken place on the date of the share purchase agreement. For the details, please refer to the announcement of the Company dated 26 February 2021.

Save as disclosed above, the Group did not undertake any material acquisitions or disposals during the Year.

SIGNIFICANT INVESTMENTS

The Group remains cautious about the trading performance of its portfolio of securities. With volatile global financial markets during the Year, the Group proactively grasp investment opportunities and made stock investments to capture trading profits. A net fair value loss recognised for the Group's trading of securities investments amounted to approximately HK\$119.90 million (2020: gain of HK\$92.31 million) during the Year. The Group held a few listed investments with market value over HK\$50.00 million as at 31 December 2021 as set out below:

List of significant stocks in terms of market value as at 31 December 2021

Name of stock listed on Stock Exchange/overseas stock exchange		Stock code	Brief description of the business	Number of shares held	Proportion of shares held	Investment cost as at	Market value as at	Percentage to total assets value of the Group
				as at 31 December 2021	as at 31 December 2021	31 December 2021	31 December 2021	31 December 2021
						<i>HK\$'000</i>	<i>HK\$'000</i>	
Analogue Holdings Limited		1977	Provision of electrical and mechanical engineering building services	37,946,000	2.71%	50,908	67,544	1.41%
Tencent Holdings Limited		700	Provision of value-added services, FinTech and business services and online advertising services	237,800	0.002%	131,350	108,627	2.26%
Xtep International Holdings Limited		1368	Design, development, manufacturing, sales, marketing and brand management of sports products	3,934,500	0.15%	33,053	51,149	1.06%

Significant stock gain/(loss) for the year ended 31 December 2021

Name of stock listed on Stock Exchange/overseas stock exchange	Stock code	Brief description of the business	Realised gains/(losses) for the year ended 31 December 2021 <i>HK\$'000</i>	Unrealised gains/(losses) for the year ended 31 December 2021 <i>HK\$'000</i>	Dividend received for the year ended 31 December 2021 <i>HK\$'000</i>
Analogue Holdings Limited	1977	Provision of electrical and mechanical engineering building services	2,524	21,720	4,487
Tencent Holdings Limited	700	Provision of value-added services, FinTech and business services and online advertising services	(1,792)	(23,076)	254
Xtep International Holdings Limited	1368	Design, development, manufacturing, sales, marketing and brand management of sports products	9,010	18,096	646

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this announcement, as at 31 December 2021, the Group did not have any immediate plan for material investments or acquisition of material capital assets.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2021, the Group employed 121 employees globally (31 December 2020: 153), including 115 full-time and 6 part-time employees. The decrease in the number of employees was mainly due to company restructuring. Staff costs of the Group were approximately HK\$72.74 million for the year ended 31 December 2021 (2020: HK\$145.79 million). The remuneration policy and package of the Group's employees are structured in accordance to market terms and statutory requirements where appropriate. The Group also provides other staff benefits such as discretionary bonus, medical insurance and mandatory provident fund.

EVENT AFTER THE YEAR

No important event that affects the Group has taken place since 31 December 2021 and up to the date of this announcement.

RISK MANAGEMENT

The Group has established and maintained sufficient risk management procedures to identify and control various types of risk within the organisation and the external environment with active management participation and effective internal control procedures in the best interest of the Group and its shareholders.

CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company (the “AGM”) is scheduled to be held on Monday, 6 June 2022. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 31 May 2022 to Monday, 6 June 2022 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order for a shareholder of the Company to be eligible to attend and vote at the AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company’s share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 30 May 2022.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the Year (2020: Nil).

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities during the Year.

AUDIT COMMITTEE

The audit committee of the Company, comprising Mr. Wu Xu’an as chairman as well as Mr. Tian Ren Can, Mr. Wang Cong and Mr. Ng Yu Yuet as members, has reviewed the audited final results for the Year.

SCOPE OF WORK OF BDO LIMITED

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of comprehensive income, and the related notes thereto for the year ended 31 December 2021 as set out in this announcement have been agreed by the Group’s auditor, BDO Limited, to the amounts set out in the Group’s draft consolidated financial statements for the Year. The work performed by BDO Limited in this respect did not constitute an 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 BDO Limited on this announcement.

CORPORATE GOVERNANCE

During the Year, the Company has complied with all the code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 14 of Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the “Model Code for Securities Transactions by Directors of Listed Issuers” (the “**Model Code**”) in Appendix 10 of the Listing Rules as the code of conduct regarding directors’ securities transactions. Following specific enquiry by the Company, all of the Directors have confirmed that they have complied with the requirements as set out in the Model Code throughout the Year.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

This results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.masonhk.com). The annual report of the Company for the Year will be despatched to the Company’s shareholders and available on the above websites in due course.

By Order of the Board
Mason Group Holdings Limited
Han Ruixia
*Executive Director and
Deputy Chief Executive Officer*

Hong Kong, 30 March 2022

As at the date of this announcement, the Board comprises:

Executive Directors:

Ms. Han Ruixia

Mr. Zhang Zhenyi

Non-executive Director:

Ms. Hui Mei Mei, Carol

Independent Non-executive Directors:

Mr. Tian Ren Can

Mr. Wang Cong

Mr. Wu Xu’an

Mr. Ng Yu Yuet