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**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 INTERIM RESULTS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2022**

**INTERIM RESULTS**

The board (the “**Board**”) of directors (the “**Directors**”) of Mason Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) hereby announces the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2022 (the “**Period**”) as follows:

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

*For the six months ended 30 June 2022*

		<b>Unaudited</b>	
		<b>Six months ended 30 June</b>	
	<i>Notes</i>	<b>2022</b>	<b>2021</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
Turnover	2	<b>609,708</b>	1,860,151
<b>Operating income</b>	3	<b>77,994</b>	334,602
Other income	4	<b>8,784</b>	11,745
Exchange gain, net		<b>1,449</b>	1,301
Consumables used and merchandise sold		<b>(40,881)</b>	(62,188)
Commission and brokerage expenses		<b>(64,197)</b>	(101,164)
Employee benefits expenses		<b>(31,749)</b>	(42,068)
Amortisation of intangible assets		<b>(3,875)</b>	(5,471)
Depreciation of property, plant and equipment		<b>(2,230)</b>	(8,732)
Depreciation of right-of-use assets		<b>(7,490)</b>	(7,617)
Loss on disposal of property, plant and equipment		—	(33)
Impairment loss on property, plant and equipment		—	(78,352)
Reversal/(provision) of impairment			
loss on financial assets for expected credit loss		<b>7,041</b>	(5,479)
Loss on disposal of interest in a subsidiary	17	—	(4,644)

		<b>Unaudited</b>	
		<b>Six months ended 30 June</b>	
		<b>2022</b>	<b>2021</b>
<i>Notes</i>		<i>HK\$'000</i>	<i>HK\$'000</i>
	Net fair value (loss)/gain on financial instruments	<b>(56,811)</b>	25,625
	Other operating expenses	<b>(27,717)</b>	(63,282)
	Finance costs	<b>(660)</b>	(4,476)
	Impairment loss on interests in associates	—	(18,307)
	Share of results of associates	<b>16,269</b>	5,808
		<u>          </u>	<u>          </u>
	Loss before taxation	<b>(124,073)</b>	(22,732)
	Income tax credit/(expenses)	<b>959</b>	(3,275)
		<u>          </u>	<u>          </u>
	<b>Loss for the period</b>	<b>(123,114)</b>	(26,007)
		<u>          </u>	<u>          </u>
	<b>Other comprehensive income:</b>		
	<i>Items that will be reclassified subsequently to profit or loss</i>		
	Exchange differences on translation of foreign subsidiaries	<b>(10,902)</b>	(10,128)
	Share of other comprehensive income of an associate	<b>(9,020)</b>	(1,605)
	<i>Items that will not be reclassified to profit or loss</i>		
	Changes in fair value of equity instruments at fair value through other comprehensive income	<b>(74,651)</b>	10,498
		<u>          </u>	<u>          </u>
	<b>Other comprehensive income for the period</b>	<b>(94,573)</b>	(1,235)
		<u>          </u>	<u>          </u>
	<b>Total comprehensive income for the period</b>	<b>(217,687)</b>	(27,242)
		<u>          </u>	<u>          </u>
	<b>Loss for the period attributable to:</b>		
	Equity holders of the Company	<b>(121,303)</b>	(29,127)
	Non-controlling interests	<b>(1,811)</b>	3,120
		<u>          </u>	<u>          </u>
	<b>Loss for the period</b>	<b>(123,114)</b>	(26,007)
		<u>          </u>	<u>          </u>
	<b>Total comprehensive income attributable to:</b>		
	Equity holders of the Company	<b>(215,595)</b>	(30,114)
	Non-controlling interests	<b>(2,092)</b>	2,872
		<u>          </u>	<u>          </u>
	<b>Total comprehensive income for the period</b>	<b>(217,687)</b>	(27,242)
		<u>          </u>	<u>          </u>
	<b>Loss per share</b>		
	Basic and diluted	<b>(HK0.27 cents)</b>	(HK0.07 cents)
		<u>          </u>	<u>          </u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 30 June 2022*

		Unaudited 30 June 2022 <i>HK\$'000</i>	Audited 31 December 2021 <i>HK\$'000</i>
	<i>Notes</i>		
<b>Non-current assets</b>			
Property, plant and equipment		194,483	204,170
Right-of-use assets		27,020	14,201
Intangible assets		77,308	82,015
Goodwill		56,930	56,930
Interests in associates	10	322,648	315,399
Other receivables	15	8,687	10,028
Deferred tax assets		3,684	3,684
Financial assets at fair value through profit or loss	11	53,014	138,208
Financial assets at fair value through other comprehensive income	12	868,324	942,975
		1,612,098	1,767,610
<b>Current assets</b>			
Inventories		4,017	8,962
Financial assets at fair value through profit or loss	11	698,695	788,745
Derivative financial instruments	13	74,563	22,295
Loan receivables	14	163,801	173,174
Trade and other receivables	15	370,707	308,511
Fixed bank deposits		713,182	551,457
Bank balances and cash		889,046	1,185,994
		2,914,011	3,039,138

		<b>Unaudited</b>	Audited
		<b>30 June</b>	31 December
		<b>2022</b>	2021
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Current liabilities</b>			
Trade and other payables	16	222,873	270,729
Contract liabilities		6,446	18,357
Lease liabilities		11,021	12,288
Net defined benefit obligations		2,258	2,345
Tax payables		10,032	10,302
		<u>252,630</u>	<u>314,021</u>
<b>Net current assets</b>		<u>2,661,381</u>	<u>2,725,117</u>
<b>Total assets less current liabilities</b>		<u>4,273,479</u>	<u>4,492,727</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		25,713	26,935
Lease liabilities		16,580	3,649
Long-term liabilities		34,697	47,967
		<u>76,990</u>	<u>78,551</u>
<b>NET ASSETS</b>		<u><u>4,196,489</u></u>	<u><u>4,414,176</u></u>
<b>Capital and reserves</b>			
Share capital		6,142,962	6,142,962
Reserves		(1,993,770)	(1,778,175)
Equity attributable to equity holders of the Company		4,149,192	4,364,787
Non-controlling interests		47,297	49,389
<b>TOTAL EQUITY</b>		<u><u>4,196,489</u></u>	<u><u>4,414,176</u></u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 June 2022*

### 1. BASIS OF PREPARATION

These interim condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“**HKAS 34**”), issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure provisions of Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

These interim condensed consolidated financial statements have been prepared with the same accounting policies adopted in the 2021 annual consolidated financial statements, except for those that relate to new standards, amendments and interpretations effective for the first time for period beginning on or after 1 January 2022. The effect of the adoption of these standards, amendments and interpretation was not material to the Group’s results of operations or financial position.

The preparation of these interim condensed consolidated financial statements in compliance with HKAS 34 requires the use of certain judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

These interim condensed consolidated financial statements are presented in Hong Kong Dollars (“**HK\$**”), unless otherwise stated. These interim condensed consolidated financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2021 annual consolidated financial statements. These interim condensed consolidated financial statements and notes do not include all of the information required for a complete set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (the “**HKFRSs**”) and should be read in conjunction with the 2021 annual consolidated financial statements.

The financial information relating to the financial year ended 31 December 2021 that is included in these unaudited interim condensed consolidated financial statements for the six months ended 30 June 2022 as comparative information does not constitute the statutory annual consolidated financial statements of the Company for that year but is derived from those consolidated financial statements. Further information relating to these statutory consolidated financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap.622) (the “**Companies Ordinance**”) is as follows:

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

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

### 2. TURNOVER

Turnover from operation 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.

### 3. OPERATING INCOME

Operating income recognised from the principal activities of the Group during the period 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 follow:

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<b>HK\$'000</b>	<b>HK\$'000</b>
Brokerage commission income from:		
— securities dealing	9,994	22,757
— insurance	71,226	111,590
— underwriting and placing	21	—
Commission income from providing advisory, account and custody management	9,096	18,017
Financial service fee income	2,102	1,825
(Loss)/gain from sale of financial assets at fair value through profit or loss, net*	(79,539)	49,219
Dividend income from financial assets at fair value through profit or loss	5,138	36,284
Interest income from:		
— margin financing	3,082	6,207
— loan receivables from third parties	12,067	20,260
Manufacture of infant formula and nutritional products	44,807	68,443
	<u>77,994</u>	<u>334,602</u>

\* Represented the proceeds from the sale of financial assets at fair value through profit or loss (“FVTPL”) of HK\$452,174,000 (2021: HK\$1,574,768,000) less relevant costs and carrying amount of the financial assets sold of HK\$531,713,000 (2021: HK\$1,525,549,000).

### 4. OTHER INCOME

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<b>HK\$'000</b>	<b>HK\$'000</b>
Interest income from financial institutions	5,110	2,729
Rental income	1,039	1,890
Others	2,635	7,126
	<u>8,784</u>	<u>11,745</u>

## 5. SEGMENT INFORMATION

The management has 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 management considers 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

(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 six months ended 30 June 2022 (unaudited)									
Segment turnover									
From contracts with customers within the scope of HKFRS 15	—	—	90,825	—	—	44,807	1,614	—	137,246
From other source	457,312	7,396	7,754	—	—	—	—	—	472,462
	<u>457,312</u>	<u>7,396</u>	<u>98,579</u>	<u>—</u>	<u>—</u>	<u>44,807</u>	<u>1,614</u>	<u>—</u>	<u>609,708</u>
For the six months ended 30 June 2021 (unaudited)									
Segment turnover									
From contracts with customers within the scope of HKFRS 15	—	—	154,138	—	—	68,443	—	—	222,581
From other source	1,583,967	13,893	39,658	—	—	—	52	—	1,637,570
	<u>1,583,967</u>	<u>13,893</u>	<u>193,796</u>	<u>—</u>	<u>—</u>	<u>68,443</u>	<u>52</u>	<u>—</u>	<u>1,860,151</u>

**(b) Segment 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-child products	Manufacture of infant formula and nutritional products	Investment holding	Unallocated	Total
	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>
For the six months ended 30 June 2022 (unaudited)									
Segment income	(74,402)	7,396	98,579	—	—	44,807	1,614	—	77,994
(Loss)/profit for the period before following items:	(135,085)	13,506	(5,210)	(45)	(292)	(7,998)	2,273	(6,831)	(139,682)
Finance costs	(10,648)	(4,421)	(211)	—	—	(109)	—	14,729	(660)
Share of results of associates	—	—	—	4,712	11,557	—	—	—	16,269
(Loss)/profit before taxation	(145,733)	9,085	(5,421)	4,667	11,265	(8,107)	2,273	7,898	(124,073)
Income tax credit	—	—	151	—	—	808	—	—	959
Segment results	<u>(145,733)</u>	<u>9,085</u>	<u>(5,270)</u>	<u>4,667</u>	<u>11,265</u>	<u>(7,299)</u>	<u>2,273</u>	<u>7,898</u>	<u>(123,114)</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-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>
<b>For the six months ended 30 June 2021</b>									
<b>(unaudited)</b>									
<b>Segment income</b>	<u>58,418</u>	<u>13,893</u>	<u>193,796</u>	<u>—</u>	<u>—</u>	<u>68,443</u>	<u>52</u>	<u>—</u>	<u>334,602</u>
Profit/(loss) for the period before following items:	55,915	11,934	14,364	140	2,513	(8,649)	5,009	(3,954)	77,272
(Loss)/gain on disposal of property, plant and equipment	—	—	—	—	—	(41)	—	8	(33)
Impairment loss on property, plant and equipment	—	—	(78,352)	—	—	—	—	—	(78,352)
Finance costs	(11,477)	(9,524)	(3,248)	—	—	(247)	404	19,616	(4,476)
Impairment loss on interest in associate	—	—	—	(18,307)	—	—	—	—	(18,307)
Share of results of associates	—	—	—	(131)	5,939	—	—	—	5,808
	<u>44,438</u>	<u>2,410</u>	<u>(67,236)</u>	<u>(18,298)</u>	<u>8,452</u>	<u>(8,937)</u>	<u>5,413</u>	<u>15,670</u>	<u>(18,088)</u>
Loss on disposal of interests in a subsidiary	—	—	—	(4,644)	—	—	—	—	(4,644)
(Loss)/profit before taxation	<u>44,438</u>	<u>2,410</u>	<u>(67,236)</u>	<u>(22,942)</u>	<u>8,452</u>	<u>(8,937)</u>	<u>5,413</u>	<u>15,670</u>	<u>(22,732)</u>
Income tax (expense)/credit	<u>(4,683)</u>	<u>—</u>	<u>18</u>	<u>—</u>	<u>(1,407)</u>	<u>2,797</u>	<u>—</u>	<u>—</u>	<u>(3,275)</u>
<b>Segment results</b>	<u><u>39,755</u></u>	<u><u>2,410</u></u>	<u><u>(67,218)</u></u>	<u><u>(22,942)</u></u>	<u><u>7,045</u></u>	<u><u>(6,140)</u></u>	<u><u>5,413</u></u>	<u><u>15,670</u></u>	<u><u>(26,007)</u></u>

**(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 30 June 2022 (unaudited)								
Assets before following items:	848,407	208,607	1,059,304	250	651	60,830	1,715,714	3,893,763
Interests in associates	—	—	—	92,886	229,762	—	—	322,648
Goodwill	—	—	56,930	—	—	—	—	56,930
Segment assets	848,407	208,607	1,116,234	93,136	230,413	60,830	1,715,114	4,273,341
Unallocated assets								252,768
Total assets								<u>4,526,109</u>
<b>Liabilities</b>								
Segment liabilities	(15,030)	(500)	(236,965)	—	(9,746)	(38,786)	(5,159)	(306,186)
Unallocated liabilities								(23,434)
Total liabilities								<u>(329,620)</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>
<b>As at 30 June 2021 (unaudited)</b>								
<b>Assets before following items:</b>	1,200,394	299,812	1,704,911	—	265,356	71,124	1,378,196	4,919,793
Interests in associates	—	—	—	87,680	355,369	—	—	443,049
Goodwill	—	—	56,930	—	—	—	—	56,930
	<u>1,200,394</u>	<u>299,812</u>	<u>1,761,841</u>	<u>87,680</u>	<u>620,725</u>	<u>71,124</u>	<u>1,378,196</u>	<u>5,419,772</u>
Segment assets								
Unallocated assets								347,694
								<u>5,767,466</u>
<b>Liabilities</b>								
Segment liabilities	(46,604)	(500)	(433,392)	—	(9,746)	(23,347)	(5,225)	(518,814)
Unallocated liabilities								(24,508)
								<u>(543,322)</u>
Total liabilities								<u>(543,322)</u>

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

- Segment assets include mainly property, plant and equipment, right-of-use assets, intangible assets, goodwill, interests in associates, deferred tax assets, loan receivables, derivative financial instruments, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, financial assets at amortised cost, inventories, trade and other receivables, tax recoverables, 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 include trade and other payables, contract liabilities, tax payables, deferred tax liabilities, derivative financial instruments, net defined benefit obligations, long-term liabilities, repurchase agreements and lease liabilities. 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) Primary geographical market**

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 six months ended 30 June 2022 (unaudited)								
Primary geographic markets								
Hong Kong	(77,417)	7,396	92,447	—	—	—	1,614	24,040
PRC	3,015	—	—	—	—	—	—	3,015
Australia	—	—	—	—	—	44,807	—	44,807
Europe	—	—	6,132	—	—	—	—	6,132
Total	<u>(74,402)</u>	<u>7,396</u>	<u>98,579</u>	<u>—</u>	<u>—</u>	<u>44,807</u>	<u>1,614</u>	<u>77,994</u>
For the six months ended 30 June 2021 (unaudited)								
Primary geographic markets								
Hong Kong	59,064	13,893	174,339	—	—	—	52	247,348
PRC	(646)	—	—	—	—	—	—	(646)
Australia	—	—	—	—	—	68,443	—	68,443
Europe	—	—	19,457	—	—	—	—	19,457
Total	<u>58,418</u>	<u>13,893</u>	<u>193,796</u>	<u>—</u>	<u>—</u>	<u>68,443</u>	<u>52</u>	<u>334,602</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.

	<b>Provision of wealth and asset management, financial brokerage and related services <i>HK\$'000</i></b>	<b>Manufacture of infant formula and nutritional products <i>HK\$'000</i></b>	<b>Total <i>HK\$'000</i></b>
<b>For the six months ended 30 June 2022 (unaudited)</b>			
<b>Major products/service lines</b>			
Wealth and asset management	87,191	—	87,191
Financial brokerage and related services	5,248	—	5,248
Infant formula and nutritional products	—	44,807	44,807
	<u>92,439</u>	<u>44,807</u>	<u>137,246</u>
<b>Timing of revenue recognition</b>			
At a point in time	86,997	44,807	131,804
Transferred over time	5,442	—	5,442
	<u>92,439</u>	<u>44,807</u>	<u>137,246</u>

	Provision of wealth and asset management, financial brokerage and related services <i>HK\$'000</i>	Manufacture of infant formula and nutritional products <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>For the six months ended 30 June 2021 (unaudited)</b>			
<b>Major products/service lines</b>			
Wealth and asset management	136,579	—	136,579
Financial brokerage and related services	17,559	—	17,559
Infant formula and nutritional products	—	68,443	68,443
	<u>154,138</u>	<u>68,443</u>	<u>222,581</u>
<b>Timing of revenue recognition</b>			
At a point in time	149,212	68,443	217,655
Transferred over time	4,926	—	4,926
	<u>154,138</u>	<u>68,443</u>	<u>222,581</u>

## 6. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
<b>Other operating expenses</b>		
Auditor's remuneration	<b>1,650</b>	2,490
Rent, rates and building management expenses	<b>1,577</b>	1,470
Management fees	<b>773</b>	13,941
Information services expenses	<b>6,893</b>	11,003
Utilities and office expenses	<b>1,889</b>	4,120
Legal and professional fees	<b>7,215</b>	9,739
	<u><b>19,597</b></u>	<u>42,763</u>

## 7. TAXATION

	<i>Notes</i>	<b>Unaudited</b>	
		<b>Six months ended 30 June</b>	
		<b>2022</b>	2021
		<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Current tax</b>			
Hong Kong Profits Tax	(a)	—	95
Liechtenstein Corporate Income Tax	(b)	—	27
Australian Income Tax	(c)	—	(1,421)
		—	(1,299)
Withholding tax		—	1,407
		—	108
<b>Deferred tax</b>			
Origination and reversal of taxable temporary differences		(959)	3,167
Tax (credit)/expense for the period		(959)	3,275

*Notes:*

### (a) Hong Kong Profits Tax

Hong Kong Profits Tax is calculated at the rate of 16.5% (2021: 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 new two-tiered profits tax rates regime with effect from the year of assessment 2018/19.

### (b) Liechtenstein Corporate Income Tax

Liechtenstein Corporate Income Tax of the Company's subsidiary operating in Liechtenstein during the six months ended 30 June 2022 was 12.5% (2021: 12.5%) on its taxable profits.

### (c) Australian Income Tax

Australian Income Tax rate of the Company's subsidiary operating in Australia during the six months ended 30 June 2022 was 30% (2021: 30%) on its taxable profits.

## 8. LOSS PER SHARE

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

	Unaudited Six months ended 30 June	
	2022 HK\$'000	2021 HK\$'000
<b>Loss</b>		
Loss for the period attributable to equity holders of the Company	<u>(121,303)</u>	<u>(29,127)</u>
	2022 No. of shares '000	2021 No. of shares '000
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>44,364,886</u>	<u>44,364,886</u>

The Company had no dilutive potential ordinary shares for both periods. Accordingly, the diluted loss per share was the same as the basic loss per share for both periods.

## 9. INTERIM DIVIDEND

The board of directors does not recommend the payment of an interim dividend for both periods.

## 10. INTERESTS IN ASSOCIATES

	Unaudited 30 June 2022 HK\$'000	Audited 31 December 2021 HK\$'000
Carrying amount at the beginning of the period/year	315,399	885,724
Share of post-acquisition gains and other comprehensive income during the period/year	7,249	(42,949)
Impairment losses during the period/year	—	(194,508)
Disposal during the period/year	—	(422,141)
Cancellation of dividend declared	—	123,834
Dividends received	—	(34,561)
	<u>322,648</u>	<u>315,399</u>
Carrying amount at the end of the period/year	<u>322,648</u>	<u>315,399</u>

As at 30 June 2022, interests in associates comprise of:

- (i) HK\$92,886,000 (31 December 2021: HK\$88,174,000) representing 42.87% equity interest in Pangenja Inc (“**Pangenja**”), a company incorporated in the British Virgin Islands with limited liability. Pangenja is principally engaged in the provision of pre-natal and oncology related genetic diagnostics services.
- (ii) HK\$229,762,000 (31 December 2021: HK\$227,225,000) representing 46.20% equity interest in AYD Group Limited (“**AYD**”), a company incorporated in British Virgin Islands with limited liability. AYD is principally engaged in franchisor and retail of mother-infant-child products in Southern China and Eastern China.

## 11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

		Unaudited 30 June 2022 HK\$'000	Audited 31 December 2021 HK\$'000
	<i>Notes</i>		
<b>Investments held for trading</b>			
Equity securities — listed in Hong Kong	<i>(a)</i>	368,085	438,271
Equity securities — listed overseas	<i>(a)</i>	59,223	1,491
Equity securities — listed in PRC	<i>(a)</i>	271,387	348,983
<b>Investments not held for trading</b>			
Equity securities — listed in Hong Kong	<i>(a)&amp;(c)</i>	32,118	67,544
Equity securities — listed overseas	<i>(a)&amp;(c)</i>	6,548	54,419
Unlisted equity securities	<i>(b)&amp;(c)</i>	14,348	16,245
		<u>751,709</u>	<u>926,953</u>
Less: Balances in current portion		<u>(698,695)</u>	<u>(788,745)</u>
Non-current portion		<u><u>53,014</u></u>	<u><u>138,208</u></u>

*Notes:*

- (a) The fair value of listed equity securities are based on quoted market prices in active markets.
- (b) The fair value of unlisted equity securities are determined by reference to net asset value or by using market approach at the reporting date.
- (c) The financial assets are classified as financial assets at FVTPL as the Group has not elected to recognise the fair value gain or loss through other comprehensive income.

## 12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Unaudited 30 June 2022 HK\$'000	Audited 31 December 2021 HK\$'000
Unlisted equity securities	<u><u>868,324</u></u>	<u><u>942,975</u></u>

### 13. DERIVATIVE FINANCIAL INSTRUMENTS

	<b>Unaudited</b>	Audited
	<b>30 June</b>	31 December
	<b>2022</b>	2021
	<b>HK\$'000</b>	<b>HK\$'000</b>
Fixed coupon notes	<b>74,563</b>	22,295

### 14. LOAN RECEIVABLES

Loans granted to borrowers are repayable according to repayment schedules.

		<b>Unaudited</b>	Audited
		<b>30 June</b>	31 December
		<b>2022</b>	2021
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Loan receivables from third parties</b>			
— Term loans	<i>(a)</i>	<b>424,208</b>	443,113
Expected credit loss	<i>(b)</i>	<b>(260,407)</b>	(269,939)
		<b>163,801</b>	173,174
Less: Balances due within one year included in current assets		<b>(163,801)</b>	(173,174)
Non-current portion		<b>—</b>	—

*Notes:*

(a) As at 30 June 2022, term loan receivables of:

- (i) HK\$249,192,000 (31 December 2021: HK\$265,599,000) are secured by corporate/personal guarantee provided by equity holders of the borrowers and collateralised by unlisted securities or listed securities or properties;
- (ii) HK\$113,935,000 (31 December 2021: HK\$114,092,000) are collateralised by unlisted or listed securities;
- (iii) HK\$61,081,000 (equivalent to CHF7,432,000) (31 December 2021: HK\$63,422,000 (equivalent to CHF7,432,000)) are collateralised by securities or bonds;

As at 30 June 2022 and 31 December 2021, there are no unsecured term loan receivables.

The term loan receivables carry fixed interest rates ranging from around 10% to 13% per annum (31 December 2021: 10% to 16% per annum) and all (31 December 2021: all) are within the respective maturity dates.

- (b) The management assessed the collectability of loan receivables at the end of the reporting period individually with reference to borrowers' past settlement history and current creditworthiness. Loan receivables that were neither past due nor impaired related to several borrowers for whom there was no history of default. Loan receivables that were past due but not impaired as management is of the opinion that there has not been a significant change in credit quality of the borrower or the party who provided guarantees and fair value of the collaterals obtained in respect of these loans.

The 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.

Movements in the expected credit loss are as follows:

	<b>Unaudited</b>	Audited
	<b>30 June</b>	31 December
	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
At the beginning of the reporting period	<b>269,939</b>	240,476
(Credited)/charged during period/year	<b>(7,443)</b>	30,700
Exchange realignment	<b>(2,089)</b>	(1,237)
	<hr/>	<hr/>
At the end of the reporting period	<b>260,407</b>	269,939
	<hr/> <hr/>	<hr/> <hr/>

## 15. TRADE AND OTHER RECEIVABLES

		Unaudited 30 June 2022 HK\$'000	Audited 31 December 2021 HK\$'000
	<i>Notes</i>		
<b>Trade receivables</b>	<i>(a)</i>	<b>5,740</b>	10,016
Accounts receivable from clients arising from provision of wealth and asset management services	<i>(b)</i>	<b>31,701</b>	17,474
Accounts receivable from third parties arising from provision of securities and commodities brokerage services:			
— custodian clients	<i>(b)</i>	<b>59,312</b>	19,843
— margin clients	<i>(b)</i>	<b>207,797</b>	191,473
— clearing houses and brokers	<i>(b)</i>	<b>26,303</b>	24,837
		<b>330,853</b>	263,643
Expected credit loss	<i>(c)</i>	<b>(24,039)</b>	(24,135)
		<b>306,814</b>	239,508
Deposits and prepayments		<b>28,143</b>	24,945
Other debtors		<b>3,675</b>	12,171
Amounts due from related parties	<i>(d)</i>	<b>232,318</b>	233,471
		<b>264,136</b>	270,587
Expected credit loss	<i>(d)</i>	<b>(191,556)</b>	(191,556)
		<b>72,580</b>	79,031
		<b>379,394</b>	318,539
Less: Balances due within one year included in current assets		<b>(370,707)</b>	(308,511)
Non-current portion		<b>8,687</b>	10,028

*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 receivables 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\$470,273,000 (31 December 2021: HK\$425,833,000).

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:

	<b>Unaudited</b> <b>30 June</b> <b>2022</b> <i>HK\$'000</i>	Audited 31 December 2021 <i>HK\$'000</i>
Less than 1 month	753	3,595
1 month to 3 months	3,611	5,946
Over 3 months to 6 months	1,376	475
	<u>5,740</u>	<u>10,016</u>

Movements in the expected credit loss are as follows:

	<b>Unaudited</b> <b>30 June</b> <b>2022</b> <i>HK\$'000</i>	Audited 31 December 2021 <i>HK\$'000</i>
At the beginning of the reporting period	24,135	37,057
Reversal of allowance for expected credit loss	(96)	(12,922)
At the end of the reporting period	<u>24,039</u>	<u>24,135</u>

No ageing analysis has been disclosed in respect of accounts receivable arising from the ordinary course of brokerage and the 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.

**(d) 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\$40,722,000 (31 December 2021: HK\$41,915,000) and other receivables from an associate of HK\$191,556,000 (31 December 2021: HK\$120,474,000), which are unsecured, interest-free and repayable within 1 year, and dividend receivable of HK\$71,082,000 (31 December 2021: HK\$71,082,000) which is unsecured, interest-free and repayable in five years from the date of dividend declaration. The carrying value of the amounts due approximate to their fair value. The ECLs are based on the 12-months ECLs. The loss allowance increased by HK\$Nil (31 December 2021: increased by HK\$188,788,000) for amounts due from related parties during the period.

## 16. TRADE AND OTHER PAYABLES

		<b>Unaudited</b>	Audited
		<b>30 June</b>	31 December
		<b>2022</b>	2021
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
Trade and bills payables to third parties	<i>(a)</i>	<b>6,220</b>	11,028
Accounts payable to clients arising from provision of wealth and asset management services	<i>(b)</i>	<b>116,560</b>	169,132
Accounts payable to third parties arising from provision of securities and commodities brokerage services:			
— custodian clients	<i>(b)</i>	<b>481,837</b>	577,104
— margin clients	<i>(b)</i>	<b>42,500</b>	73,403
— clearing house and brokers	<i>(b)</i>	—	4,176
		<b>647,117</b>	834,843
Less: Cash held on behalf of clients	<i>(c)</i>	<b>(465,226)</b>	(613,084)
		<b>181,891</b>	221,759
Other payables	<i>(d)</i>	<b>73,515</b>	44,499
Deposit received		<b>1,649</b>	4,183
Amounts due to related parties		<b>515</b>	288
		<b>75,679</b>	48,970
		<b>257,570</b>	270,729

*Notes:*

### (a) Ageing analysis of trade payables

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

	<b>Unaudited</b>	Audited
	<b>30 June</b>	31 December
	<b>2022</b>	2021
	<b>HK\$'000</b>	<b>HK\$'000</b>
Less than 1 month	<b>4,013</b>	6,858
1 month to 3 months	<b>1,951</b>	4,100
Over 3 months to 6 months	<b>256</b>	70
	<b>6,220</b>	11,028

**(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 of 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 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.
- (d) As at 30 June 2022 and 31 December 2021, included in other payables are salaries and bonus payables, professional advisory fee payables and bond interest payable.

**17. DISPOSAL OF INTEREST 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 ( <i>Note 10</i> )	422,141
Non-controlling interests	<u>(149,497)</u>
	272,644
Loss on disposal of MRT	<u>(4,644)</u>
Total consideration satisfied by cash	<u><u>268,000</u></u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### OVERVIEW

As a Hong Kong based company, the Group principally provides comprehensive financial services in Mainland China, Japan and South Korea, with businesses covering 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.

### INTERIM RESULTS

During the six months ended 30 June 2022 (the “**Period**”), the Group generated a total turnover of approximately HK\$609.71 million (2021: HK\$1,860.15 million), representing a decrease of 67.22%, and operating income of approximately HK\$77.99 million (2021: HK\$334.60 million), an approximate 76.69% decrease from the same period in 2021. The Group recorded a net loss of approximately HK\$123.11 million (2021: net loss of HK\$26.01 million). Loss attributable to equity holders of the Company amounted to approximately HK\$121.30 million (2021: loss attributable to equity holders of HK\$29.13 million). As a result, basic and diluted loss per share were 0.27 Hong Kong cents (2021: loss per share of 0.07 Hong Kong cents). The decrease in turnover and operating income for the Period was mainly due to the fragile global economy deeply affecting the performance in business segments of trading of securities investments and provision of wealth and asset management, financial brokerage and related services.

### MARKET AND BUSINESS REVIEW

As Hong Kong’s economy suffers contraction as the prolonged Coronavirus Disease (the “**COVID-19**”) pandemics hammered key drivers of growth, such as tourism and consumption, the resulting range of social distancing and quarantine measures implemented to reduce the COVID-19 spread have placed significant challenge on the Group’s business model in respect of each of its core business, in particular, where the Group’s financial services and healthcare businesses need to face customers directly, when quite some customers are also based outside Hong Kong. As such, businesses of the Group faced enormous challenges during the Period.

#### **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, 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 Period was approximately HK\$98.58 million (2021: HK\$193.80 million), with a 49.13% or HK\$95.22 million decrease in operating income over the same period in 2021. The operating income of the segment was heavily hammered by the worsening of the global financial market and the prolonged social distancing measures during the Period. The loss attributable to the financial services business segment is HK\$5.27 million (2021: HK\$67.22 million). The decrease in loss is mainly due to the absence of impairment loss on property, plant and equipment incurred in 2022 on Mason Privatbank Liechtenstein AG (“MPL”) which is in the process of voluntary liquidation.

### **Voluntary Liquidation of MPL**

The voluntary liquidation of MPL commenced in March 2021 and is still in progress as at the date of this announcement. During the Period, one of the liquidators, Walpart Trust Registered, resigned as liquidators and Seeger, Frick & Partners was appointed as liquidators, together with PricewaterhouseCoopers GmbH.

### **Financial Services — Provision of financing services**

During the Period, the Group’s provision of financing service, mainly including leverage and acquisition financing activities in Hong Kong, contributed a total operating income of approximately HK\$7.40 million (2021: HK\$13.89 million), representing a decrease of 46.72%, and net profit of approximately HK\$9.09 million (2021: net profit of HK\$2.41 million). The improvement in net profit is mainly due to the decrease in provision for expected credit loss during the Period.

The decrease in operating income attributable to this segment was aligned with the decrease in size of the Group’s loan portfolio during the Period. The total size of the Group’s loan portfolio of loan business was approximately HK\$335.28 million as at 30 June 2022 (As at 31 December 2021: HK\$351.27 million), with reversal of credit impairment of HK\$7.44 million as at 30 June 2022 (As at 31 December 2021: credit impairment of HK\$16.53 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 Period, the Asia-Pacific stock market was sharply declined due to external factors, and the investment portfolio was inevitably affected. The Group’s proprietary trading of securities recorded a net loss of approximately HK\$145.73 million (2021: net profit of HK\$39.76 million).

## **Healthcare service — Provision of medical and laboratory services**

The Group's healthcare business comprises of the provision of genetic diagnostic and counselling services and health check services. During the Period, the results of the Group's healthcare business are mainly contributed by associate companies of the Group, Pangenia Inc and its subsidiaries.

Since the outbreak of the COVID-19, 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. Despite of these challenges, a net profit of approximately HK\$4.67 million was recorded in the healthcare segment during the Period (2021: net loss of HK\$22.94 million). The profit for the Period was primarily due to the absence of the impairment loss on interests in associates and loss on disposal of Mason Reproductive Technology Limited in the same period in 2021.

## **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 Period, this business segment contributed an operating income of approximately HK\$44.81 million (2021: HK\$68.44 million) and a net profit of approximately HK\$3.97 million (2021: net profit of HK\$0.91 million). The segment income decreased during the Period was mainly due to the continuing impact from the escalation of the Australia-China trade tension decreased the business volume in B&P. The improvement in segment profit was primarily due to the easing of social distancing measures in Mainland China that contributed to the recovery of the retail business 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 30 June 2022, the assets of this segment was approximately HK\$1,715.71 million (As at 31 December 2021: HK\$1,495.06 million), of which HK\$868.32 million (As at 31 December 2021: HK\$942.98 million) represents investment in a private equity, and HK\$14.35 million (2021: HK\$16.24 million) represents investments in funds. During the Period, segment income is approximately HK\$1.61 million (2021: HK\$0.05 million) and segment profit is approximately HK\$2.27 million (2021: profit of HK\$5.41 million).

## **PROSPECTS**

With Mainland China's great success in the control of the COVID-19, as supported with well-implemented vaccination programs across key markets, this created good timing for 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 innovations and market opening for inbound and outbound flows of wealth management business. The Group is expected to be able to capture these new market opportunities for clients via various wealth management platforms.

In particular, given the overall high coverage of COVID-19 vaccines and the easing of social distancing, the Group believes that global economy will recover gradually and is therefore cautiously optimistic for the year 2022 ahead. The Group considers that it is an opportunity to, within the year 2022, expand its competitive financial strength to make a stronger presence in the Hong Kong financial industry by increasing new market share within the securities margin financing business as well as other different types of secured lending businesses.

## **FINANCIAL REVIEW**

### **Liquidity and financial resources**

As at 30 June 2022, the Group's total assets amounted to approximately HK\$4,526.11 million (As at 31 December 2021: HK\$4,806.75 million), among which 35.40% (As at 31 December 2021: 36.15%) was bank deposits and cash of approximately HK\$1,602.23 million (31 December 2021: HK\$1,737.45 million). The bank deposits and cash comprised fixed deposits of approximately HK\$713.18 million (As at 31 December 2021: HK\$551.46 million) in aggregate.

As at 30 June 2022, the net current assets of the Group amounted to approximately HK\$2,661.38 million (As at 31 December 2021: approximately HK\$2,725.12 million), with a current ratio, expressed as current assets over current liabilities, of approximately 11.53 (31 December 2021: approximately 9.68).

As at 30 June 2022 and 31 December 2021, the Group does not have any interest-bearing borrowings and therefore the gearing ratio is not applicable to the Group for both periods.

As at 30 June 2022, the Company's total amount of issued and fully paid share capital was HK\$6,142.96 million (As at 31 December 2021: 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: 44,364,885,557 shares).

As at 30 June 2022, the Group's total equity amounted to approximately HK\$4,196.49 million (31 December 2021: HK\$4,414.18 million), taking into account of non-controlling interest of approximately HK\$47.30 million (31 December 2021: HK\$49.39 million).

As at 30 June 2022, the Group does not have any debt and therefore the total debt to equity ratio is no longer applicable to the Group (As at 31 December 2021: Nil).

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 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 Period. 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.

### **CAPITAL COMMITMENTS**

As at 30 June 2022, the Group had a total capital commitment of approximately HK\$57.01 million (As at 31 December 2021: HK\$56.65 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 30 June 2022, the maximum aggregate amount of the guarantees was RMB13.50 million (approximately HK\$15.81 million) (As at 31 December 2021: RMB13.50 million, approximately HK\$16.52 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 30 June 2022, the Group does not have any pledged assets (31 December 2021: Nil).

### **MATERIAL ACQUISITION AND DISPOSALS OF SUBSIDIARIES**

The Group did not undertake any material acquisitions or disposals during the Period.

## **INTERIM DIVIDEND**

The Board does not recommend the payment of an interim dividend for the Period (2021: Nil).

## **IMPORTANT EVENTS SINCE THE PERIOD**

No important event affect the Group has taken place since 30 June 2022 and up to the date of this announcement.

## **EMPLOYMENT AND REMUNERATION POLICY**

As at 30 June 2022, the Group employed 87 employees globally (31 December 2021: 121), including 84 full-time and 3 part-time employees. The decrease in the number of employees was mainly due to company restructuring. 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.

## **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.

## **MANAGEMENT COMMITTEE**

A management committee of the Company (the “**Management Committee**”) was established on 1 November 2019 by the order of the board, to make suggestions on the management and operation of the business of the Group to the executive Directors for their consideration and approval and to manage and operate the business of the Group. The Management Committee is also responsible for the day to day operation, among other matters, the implementation of overall strategy and direction set by the Board. The Management Committee includes members with solid management experience in finance, banking, fund management sector, risk management and legal and compliance. It currently comprises Ms. Han Ruixia, an executive Director of the Company and Deputy Chief Executive Officer of the Group and Mr. Zhang Zhenyi, an executive Director and company secretary of the Company and Chief Financial Officer of the Group.

## **PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY**

During the Period, neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed securities during the Period.

## 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. The principal duties of the audit committee include the review and supervision of the Group's financial reporting process and internal controls. The Audit Committee has reviewed the unaudited interim results of the Group for the Period.

## CORPORATE GOVERNANCE

During the Period, the Company has complied with all the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules on the Stock Exchange.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopts the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules as the code of conduct regarding Directors' securities transactions.

Upon specific enquiry by the Company, all the Directors have confirmed that they have complied with the required standards set out in the Model Code throughout the Period.

## PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.masonhk.com](http://www.masonhk.com)). The 2022 interim report of the Company for the Period will be despatched to the shareholders of the Company who have selected to have a printed copy and will be available on the above websites before the end of September 2022.

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

Hong Kong, 26 August 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