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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 2023

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 2023 (the “**Period**”) as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2023

		Unaudited	
		Six months ended 30 June	
	<i>Notes</i>	2023	2022
		HK\$'000	HK\$'000
Turnover	2	1,539,643	609,708
Operating income	3	(8,189)	77,994
Other income	4	37,611	8,784
Exchange gain, net		4,186	1,449
Cost of inventories recognised as expenses		(22,303)	(40,881)
Commission and brokerage expenses		(21,234)	(64,197)
Employee benefits expenses		(19,649)	(31,749)
Depreciation of property, plant and equipment		(1,848)	(2,230)
Depreciation of right-of-use assets		(2,376)	(7,490)
Amortisation of intangible assets		(1,180)	(3,875)
Reversal of impairment loss on financial assets for expected credit loss		865	7,041

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

		Unaudited 30 June 2023 <i>HK\$'000</i>	Audited 31 December 2022 <i>HK\$'000</i>
	<i>Notes</i>		
Non-current assets			
Property, plant and equipment		185,686	182,270
Right-of-use assets		10,779	13,683
Goodwill		18,476	18,476
Intangible assets		56,945	58,125
Interests in associates	<i>10</i>	164,114	157,477
Financial assets at fair value through profit or loss	<i>11</i>	22,731	29,289
Financial assets at fair value through other comprehensive income	<i>12</i>	836,618	842,008
Loan receivables	<i>14</i>	95,834	106,875
Other receivables	<i>15</i>	11,268	9,639
Deferred tax assets		23,670	22,862
		1,426,121	1,440,704
Current assets			
Inventories		6,366	8,197
Financial assets at fair value through profit or loss	<i>11</i>	558,600	615,264
Derivative financial instruments	<i>13</i>	60,974	38,385
Loan receivables	<i>14</i>	84,030	73,307
Trade and other receivables	<i>15</i>	128,963	289,700
Tax recoverable		146	—
Net defined benefit assets		—	1,884
Fixed bank deposits		1,221,862	1,107,902
Bank balances and cash		550,461	642,477
		2,611,402	2,777,116

		Unaudited	Audited
		30 June	31 December
		2023	2022
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Current liabilities			
Trade and other payables	16	89,190	201,525
Contract liabilities		18,163	18,400
Interest-bearing borrowings		78,446	76,030
Lease liabilities		4,956	4,056
Tax payables		10,261	10,650
		<u>201,016</u>	<u>310,661</u>
Net current assets		<u>2,410,386</u>	<u>2,466,455</u>
Total assets less current liabilities		<u>3,836,507</u>	<u>3,907,159</u>
Non-current liabilities			
Lease liabilities		6,779	9,546
Long-term liabilities	16	17,726	17,735
Deferred tax liabilities		10,118	10,269
		<u>34,623</u>	<u>37,550</u>
NET ASSETS		<u><u>3,801,884</u></u>	<u><u>3,869,609</u></u>
Capital and reserves			
Share capital		6,142,962	6,142,962
Reserves		(2,383,578)	(2,316,730)
Equity attributable to equity holders of the Company		3,759,384	3,826,232
Non-controlling interests		42,500	43,377
TOTAL EQUITY		<u><u>3,801,884</u></u>	<u><u>3,869,609</u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

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 2022 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 2023. 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 2022 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 2022 annual consolidated financial statements.

The financial information relating to the financial year ended 31 December 2022 that is included in these unaudited interim condensed consolidated financial statements for the six months ended 30 June 2023 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 2022 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, manufacture of infant formula and nutritional products and investment holding.

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:

	Unaudited	
	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
Brokerage commission income from:		
— securities dealing	5,169	9,994
— insurance	23,322	71,226
— underwriting and placing	—	21
Commission income from providing advisory, account and custody management	5,667	9,096
Margin facility and loan facility handling fee income	833	2,102
Dividend income from financial assets at fair value through profit or loss	4,069	5,138
Interest income from:		
— margin financing	1,914	3,082
— loan receivables from third parties	9,472	12,067
Manufacture of infant formula and nutritional products	24,757	44,807
	<u>75,203</u>	<u>157,533</u>
Loss from sale of financial assets at fair value through profit or loss, net*	<u>(83,392)</u>	<u>(79,539)</u>
	<u>(8,189)</u>	<u>77,994</u>

* Represented the proceeds from the sale of financial assets at fair value through profit or loss (“FVTPL”) of HK\$1,464,440,000 (2022: HK\$452,174,000) less relevant costs and carrying amount of the financial assets sold of HK\$1,547,832,000 (2022: HK\$531,713,000).

4. OTHER INCOME

	Unaudited	
	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
Interest income from financial institutions	34,289	5,110
Government subsidies	379	1,394
Rental income	1,091	1,039
Others	1,852	1,241
	<u>37,611</u>	<u>8,784</u>

5. 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
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
For the six months ended 30 June 2023									
(unaudited)									
Segment turnover									
From contracts with customers within the scope of HKFRS 15	—	45	34,809	—	—	24,757	92	—	59,703
From other source	1,468,509	9,472	1,959	—	—	—	—	—	1,479,940
	<u>1,468,509</u>	<u>9,517</u>	<u>36,768</u>	<u>—</u>	<u>—</u>	<u>24,757</u>	<u>92</u>	<u>—</u>	<u>1,539,643</u>
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>

(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-infant-child products	Manufacture of infant formula and nutritional products	Investment holding	Unallocated	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
For the six months ended 30 June 2023 (unaudited)									
Segment income	(79,323)	9,517	36,768	—	—	24,757	92	—	(8,189)
(Loss)/profit for the period before following items:	(92,912)	9,880	(1,720)	481	(182)	(3,339)	19,569	1,040	(67,183)
Finance costs	(10,797)	(4,433)	(1,614)	—	—	(121)	—	14,606	(2,359)
Share of results of associates	—	—	—	7,396	1,152	—	—	—	8,548
(Loss)/profit before taxation	(103,709)	5,447	(3,334)	7,877	970	(3,460)	19,569	15,646	(60,994)
Income tax credit	808	—	283	—	—	—	—	—	1,091
Segment results	<u>(102,901)</u>	<u>5,447</u>	<u>(3,051)</u>	<u>7,877</u>	<u>970</u>	<u>(3,460)</u>	<u>19,569</u>	<u>15,646</u>	<u>(59,903)</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 six months ended 30 June 2022									
(unaudited)									
Segment income	<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>—</u>	<u>77,994</u>
(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	<u>—</u>	<u>—</u>	<u>—</u>	<u>4,712</u>	<u>11,557</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>16,269</u>
(Loss)/profit before taxation	<u>(145,733)</u>	<u>9,085</u>	<u>(5,421)</u>	<u>4,667</u>	<u>11,265</u>	<u>(8,107)</u>	<u>2,273</u>	<u>7,898</u>	<u>(124,073)</u>
Income tax credit	<u>—</u>	<u>—</u>	<u>151</u>	<u>—</u>	<u>—</u>	<u>808</u>	<u>—</u>	<u>—</u>	<u>959</u>
Segment results	<u><u>(145,733)</u></u>	<u><u>9,085</u></u>	<u><u>(5,270)</u></u>	<u><u>4,667</u></u>	<u><u>11,265</u></u>	<u><u>(7,299)</u></u>	<u><u>2,273</u></u>	<u><u>7,898</u></u>	<u><u>(123,114)</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 2023 (unaudited)								
Assets before following items:	694,667	215,056	838,117	250	658	18,283	1,637,686	3,404,717
Interests in associates	—	—	—	94,536	69,578	—	—	164,114
Goodwill	—	—	18,476	—	—	—	—	18,476
	<u>694,667</u>	<u>215,056</u>	<u>856,593</u>	<u>94,786</u>	<u>70,236</u>	<u>18,283</u>	<u>1,637,686</u>	<u>3,587,307</u>
Segment assets								
Unallocated assets								<u>450,216</u>
Total assets								<u><u>4,037,523</u></u>
Liabilities								
Segment liabilities	(5,107)	(500)	(174,978)	—	(9,746)	(13,550)	(5,556)	(209,437)
Unallocated liabilities								<u>(26,202)</u>
Total liabilities								<u><u>(235,639)</u></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 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
	<u>848,407</u>	<u>208,607</u>	<u>1,116,234</u>	<u>93,136</u>	<u>230,413</u>	<u>60,830</u>	<u>1,715,114</u>	<u>4,273,341</u>
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
	<u>848,407</u>	<u>208,607</u>	<u>1,116,234</u>	<u>93,136</u>	<u>230,413</u>	<u>60,830</u>	<u>1,715,114</u>	<u>4,526,109</u>
Liabilities								
Segment liabilities	(15,030)	(500)	(236,965)	—	(9,746)	(38,786)	(5,159)	(306,186)
Unallocated liabilities	—	—	—	—	—	—	—	(23,434)
	<u>(15,030)</u>	<u>(500)</u>	<u>(236,965)</u>	<u>—</u>	<u>(9,746)</u>	<u>(38,786)</u>	<u>(5,159)</u>	<u>(329,620)</u>
Total liabilities								(329,620)

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

- Segment assets mainly include all property, plant and equipment, right-of-use assets, goodwill, intangible assets, interests in associates, financial assets at FVTPL, financial assets at FVOCI, loan receivables, trade and other receivables, deferred tax assets, inventories, derivative financial instruments, net defined benefit assets, fixed bank deposits and bank balances and cash. 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, interest-bearing borrowings, lease liabilities, net defined benefit obligations, tax payables and deferred tax 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 2023 (unaudited)								
Primary geographic markets								
Hong Kong	(77,645)	9,517	36,768	—	—	—	92	(31,268)
PRC	(1,678)	—	—	—	—	—	—	(1,678)
Australia	—	—	—	—	—	24,757	—	24,757
Europe	—	—	—	—	—	—	—	—
Total	<u>(79,323)</u>	<u>9,517</u>	<u>36,768</u>	<u>—</u>	<u>—</u>	<u>24,757</u>	<u>92</u>	<u>(8,189)</u>
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>

(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 financing services <i>HK\$'000</i>	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>	Investment holding <i>HK\$'000</i>	Total <i>HK\$'000</i>
For the six months ended 30 June 2023					
(unaudited)					
Major products/service lines					
Wealth and asset management	—	31,040	—	—	31,040
Financial brokerage and related services	45	3,769	—	—	3,814
Infant formula and nutritional products	—	—	24,757	—	24,757
Investment holding	—	—	—	92	92
	<u>45</u>	<u>34,809</u>	<u>24,757</u>	<u>92</u>	<u>59,703</u>
Timing of revenue recognition					
At a point in time	45	34,809	24,757	92	59,703
Transferred over time	—	—	—	—	—
	<u>45</u>	<u>34,809</u>	<u>24,757</u>	<u>92</u>	<u>59,703</u>

	Provision of financing services <i>HK\$'000</i>	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>	Investment holding <i>HK\$'000</i>	Total <i>HK\$'000</i>
For the six months ended 30 June 2022					
(unaudited)					
Major products/service lines					
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
Investment holding	—	—	—	—	—
	<u>—</u>	<u>92,439</u>	<u>44,807</u>	<u>—</u>	<u>137,246</u>
Timing of revenue recognition					
At a point in time	—	86,997	44,807	—	131,804
Transferred over time	—	5,442	—	—	5,442
	<u>—</u>	<u>92,439</u>	<u>44,807</u>	<u>—</u>	<u>137,246</u>

6. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

	Unaudited	
	Six months ended 30 June	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Other operating expenses		
Auditor's remuneration (including other audit fees, primarily in respect of audits of financial statements of subsidiaries)	1,551	1,650
Rent, rates and building management expenses	744	1,577
Management fees	999	773
Information services expenses	6,877	6,893
Utilities and office expenses	2,079	1,889
Legal and professional fees	4,317	7,215
	<u>16,467</u>	<u>19,997</u>

7. TAXATION

Hong Kong Profits Tax is calculated at the rate of 16.5% (2022: 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 period was 30% (2022: 30%) on its taxable profits.

Liechtenstein Corporate Income Tax rate of the Company's subsidiary operating in Liechtenstein during the period was 12.5% (2022: 12.5%) on its taxable profits.

Mainland China Enterprise Income Tax rate of the Company's subsidiaries operating in the PRC during the period ended 30 June 2023 was 25% (2022: 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 credit for the period are as follows:

	Unaudited	
	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
Current tax		
Hong Kong Profits Tax		
Current period provision	—	—
Under-provision in prior year	(132)	—
Mainland China Enterprise Income Tax		
Current period provision	—	—
Australian Income Tax		
Current period provision	—	—
Liechtenstein Corporate Income Tax		
Current period provision	—	—
Withholding tax	—	—
	<u>(132)</u>	<u>—</u>
Deferred tax		
Origination and reversal of temporary differences	<u>(959)</u>	<u>(959)</u>
Tax credit for the period	<u><u>(1,091)</u></u>	<u><u>(959)</u></u>

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 ordinary shares in issue during the period as follows:

	Unaudited	
	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
Loss for the period attributable to equity holders of the Company	<u>(59,047)</u>	<u>(121,303)</u>
	2023	2022
	No. of shares	No. of shares
	'000	'000
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>

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 any interim dividend for the current and prior periods.

10. INTERESTS IN ASSOCIATES

	Unaudited	Audited
	30 June	31 December
	2023	2022
	HK\$'000	HK\$'000
Carrying amount at the beginning of the period/year	157,477	315,399
Share of post-acquisition gains/(loss) and other comprehensive income during the period/year	6,637	(5,828)
Impairment losses during the period/year	—	(152,094)
Carrying amount at the end of the period/year	<u>164,114</u>	<u>157,477</u>

As at 30 June 2023, interests in associates comprise of:

- (i) HK\$94,536,000 (31 December 2022: HK\$87,140,000) representing 42.87% equity interest in Pangenja Inc (“**Pangenja**”), a company incorporated in the British Virgin Islands with limited liability, acquired by the Group in 2017. Pangenja is principally engaged in the provision of pre-natal and oncology related genetic diagnostics services.
- (ii) HK\$69,578,000 (31 December 2022: HK\$70,337,000) representing 46.20% equity interest in AYD Group Limited (“**AYD**”), a company incorporated in British Virgin Islands with limited liability, acquired by the Group in 2016. 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

Analysis of financial assets of fair value through profit or loss:

		Unaudited 30 June 2023 HK\$'000	Audited 31 December 2022 HK\$'000
	<i>Notes</i>		
Investments held for trading			
Equity securities — listed in Hong Kong	<i>(a)</i>	266,289	406,776
Equity securities — listed overseas	<i>(a)</i>	43,423	20,713
Equity securities — listed in PRC	<i>(a)</i>	248,888	187,775
Investments not held for trading			
Equity securities — listed in Hong Kong	<i>(a)&(c)</i>	4,562	10,721
Equity securities — listed overseas	<i>(a)&(c)</i>	4,977	5,441
Unlisted equity securities	<i>(b)&(c)</i>	13,192	13,127
		581,331	644,553
Less: Balances in current portion		(558,600)	(615,264)
Non-current portion		22,731	29,289

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 2023 HK\$'000	Audited 31 December 2022 HK\$'000
Unlisted equity securities	836,618	842,008

13. DERIVATIVE FINANCIAL INSTRUMENTS

	Unaudited	Audited
	30 June	31 December
	2023	2022
	HK\$'000	HK\$'000
Fixed coupon notes	60,974	38,385

14. LOAN RECEIVABLES

Loans granted to borrowers are repayable according to repayment schedules.

		Unaudited	Audited
		30 June	31 December
		2023	2022
	<i>Notes</i>	HK\$'000	HK\$'000
Loan receivables from third parties			
— Term loans	<i>(a)</i>	371,524	373,041
Expected credit loss and written-off	<i>(b)&(c)</i>	(191,660)	(192,859)
		179,864	180,182
Less: Balances due within one year included in current assets		(84,030)	(73,307)
Non-current portion		95,834	106,875

Notes:

(a) As at 30 June 2023, term loan receivables of:

- (i) HK\$248,896,000 (31 December 2022: HK\$251,146,000) 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\$115,655,000 (31 December 2022: HK\$115,137,000) are collateralised by unlisted or listed securities;
- (iii) HK\$6,973,000 (equivalent to CHF800,000) (31 December 2022: HK\$6,758,000 (equivalent to CHF800,000)) are collateralised by securities or bonds;

As at 30 June 2023 and 31 December 2022, 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 2022: 10% to 13% per annum) and all (31 December 2022: all) are within the respective maturity dates.

- (b) As at 30 June 2023, loan receivables amounted to HK\$Nil (31 December 2022: HK\$54,493,000) had been written-off. These relate to customers who were (i) in financial difficulties; (ii) declared bankruptcy; or (iii) deceased, and in the opinion of the directors, such loan receivables are uncollectible.
- (c) 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:

	Unaudited	Audited
	30 June	31 December
	2023	2022
	HK\$'000	HK\$'000
At the beginning of the reporting period	192,859	269,939
Credited during period/year	(1,199)	(20,485)
Written-off	—	(54,493)
Exchange realignment	—	(2,102)
	<hr/>	<hr/>
At the end of the reporting period	191,660	192,859
	<hr/> <hr/>	<hr/> <hr/>

15. TRADE AND OTHER RECEIVABLES

	<i>Notes</i>	Unaudited 30 June 2023 HK\$'000	Audited 31 December 2022 HK\$'000
Trade receivables	<i>(a)</i>	2,171	508
Accounts receivable from clients arising from provision of wealth and asset management services	<i>(b)</i>	18,081	24,061
Accounts receivable from third parties arising from provision of securities and commodities brokerage services:			
— custodian clients	<i>(b)</i>	16,063	67,957
— margin clients	<i>(b)</i>	59,292	164,039
— clearing houses and brokers	<i>(b)</i>	5,863	4,701
		101,470	261,266
Expected credit loss	<i>(c)</i>	(26,236)	(25,011)
		75,234	236,255
Deposits and prepayments		18,756	17,322
Other debtors		5,947	5,468
Amounts due from related parties	<i>(d)</i>	231,850	231,850
		256,553	254,640
Expected credit loss	<i>(d)</i>	(191,556)	(191,556)
		64,997	63,084
		140,231	299,339
Less: Balances due within one year included in current assets		(128,963)	(289,700)
Non-current portion		11,268	9,639

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\$69,495,000 (31 December 2022: HK\$276,964,000).

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:

	Unaudited 30 June 2023 <i>HK\$'000</i>	Audited 31 December 2022 <i>HK\$'000</i>
Less than 1 month	2,171	508
1 month to 3 months	—	—
Over 3 months to 6 months	—	—
	<u>2,171</u>	<u>508</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.

Movements in the expected credit loss are as follows:

	Unaudited 30 June 2023 <i>HK\$'000</i>	Audited 31 December 2022 <i>HK\$'000</i>
At the beginning of the reporting period	25,011	24,135
Allowance for expected credit loss	<u>1,225</u>	<u>876</u>
At the end of the reporting period	<u>26,236</u>	<u>25,011</u>

(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\$40,265,000 (31 December 2022: HK\$40,266,000) and other receivables from an associate of HK\$120,474,000 (31 December 2022: HK\$120,474,000), which are unsecured, interest-free and repayable within 1 year, and dividend receivable of HK\$71,082,000 (31 December 2022: 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. No increase in loss allowance for amounts due from related parties during the current period (31 December 2022: HK\$Nil).

16. TRADE AND OTHER PAYABLES

		Unaudited 30 June 2023 HK\$'000	Audited 31 December 2022 HK\$'000
	<i>Notes</i>		
Trade and bills payables to third parties	<i>(a)</i>	5,861	3,910
Accounts payable to clients arising from provision of wealth and asset management services	<i>(b)</i>	22,350	107,874
Accounts payable to third parties arising from provision of securities and commodities brokerage services:			
— custodian clients	<i>(b)</i>	229,378	411,740
— margin clients	<i>(b)</i>	15,748	38,445
— clearing house and brokers	<i>(b)</i>	230	26,400
		<u>273,567</u>	<u>588,369</u>
Less: Cash held on behalf of clients	<i>(c)</i>	<u>(236,031)</u>	<u>(430,257)</u>
		----- 37,536	----- 158,112
Other payables	<i>(d)</i>	62,282	59,950
Deposit received		6,883	931
Amounts due to related parties		215	267
		<u>69,380</u>	<u>61,148</u>
Total trade and other payables		106,916	219,260
Less: Balances due within one year included in current liabilities		<u>(89,190)</u>	<u>(201,525)</u>
Non-current portion		<u>17,726</u>	<u>17,735</u>

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:

	Unaudited 30 June 2023 HK\$'000	Audited 31 December 2022 HK\$'000
Less than 1 month	356	1,703
1 month to 3 months	224	1,951
Over 3 months	5,281	256
	<u>5,861</u>	<u>3,910</u>

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.

(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.

- (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 2023 and 31 December 2022, included in other payables are salaries and bonus payables, professional advisory fee payables and bond interest payable and included in non-current other payables is provision of voluntary liquidation cost for one of the subsidiaries.

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, 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 2023 (the “**Period**”), the Group generated a total turnover of approximately HK\$1,539.64 million (2022: HK\$609.71 million), representing an increase of 152.5%, and operating loss of approximately HK\$8.19 million (2022: operating income of HK\$77.99 million), an approximate 110.5% decrease from the same period in 2022. The Group recorded a net loss of approximately HK\$59.90 million (2022: HK\$123.11 million). Loss attributable to equity holders of the Company amounted to approximately HK\$59.05 million (2022: HK\$121.30 million). As a result, basic and diluted loss per share were 0.13 Hong Kong cents (2022: 0.27 Hong Kong cents). The reduction in net loss for the Period was mainly due to the market price fluctuations in the investments in listed securities of the Group during the Period and the decrease in the overall operational expenses incurred by the Group when compared with the corresponding period of last year.

MARKET AND BUSINESS REVIEW

In the Period, the economy of Hong Kong was in a downturn, the rapid decline in the share prices of many major blue-chip stocks has shrunk investors’ assets and their desire to invest has been greatly diminished, resulting in a continuous decline of turnover. The overall market sentiment has been affected, and Hong Kong stocks have repeatedly plunged during the last year. The average daily turnover of HKEX for the Period was approximately HK\$115.5 billion, representing a drop of approximately 21.69% from the average daily turnover of approximately HK\$147.5 billion in the prior year. In 2023, the situation seems to improve, as the Hang Seng Index reached a high of 22,700 points on 27 January, but the improvement cannot sustain. At the same time, the conflict between Russia and Ukraine led to a severe energy crisis, which triggered inflation in Europe and the United States. In order to beat inflation, the Federal Reserve raised interest rates for a several times, making a continuous increase in the cost of capital abroad. The above-mentioned events created significant fluctuation in the world’s capital market and imposed additional uncertainty to the world’s economies have placed significant challenge on the Group’s business model in respect of each of its core business.

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 and leverage financing solutions.

The total operating income contributed by this business segment during the Period was approximately HK\$36.77 million (2022: HK\$98.58 million), with a 62.7% or HK\$61.81 million decrease in operating income over the same period in 2022. The operating income of the segment was heavily hammered by the worsening of the global financial market during the Period. The loss attributable to the financial services business segment is HK\$3.05 million (2022: HK\$5.27 million). The decrease in loss is mainly due to the strict control on staff expenses, reducing non-essential daily expenses and operating expenses.

Voluntary Liquidation of Mason Privatbank Liechtenstein AG (“MPL”)

The voluntary liquidation of MPL commenced in March 2021 and is still in progress as at the date of this report.

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\$9.52 million (2022: HK\$7.40 million), representing an increase of 28.7%, and net profit of approximately HK\$5.45 million (2022: HK\$9.09 million). The decrease in net profit for the Period was mainly due to the decrease of the reversal of impairment loss of financial assets for expected credit loss for the Period when compared with the corresponding period in last year.

The increase in operating income attributable to this segment was primarily due to the provision of short-term loan to a new client during the Period. The total size of the Group's loan portfolio of loan business was approximately HK\$333.27 million as at 30 June 2023 (As at 31 December 2022: HK\$335.27 million), with credit impairment of approximately HK\$191.66 million as at 30 June 2023 (As at 31 December 2022: HK\$192.86 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\$102.90 million (2022: HK\$145.73 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.

A net profit of approximately HK\$7.88 million (2022: HK\$4.67 million) was recorded in the healthcare segment during the Period. The improvement of the profit for the Period was primarily due to the easing of the social distancing measures and travel measures in the first quarter of 2023, the number of Mainland China and overseas customers has been rebounded substantially.

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\$24.76 million (2022: HK\$44.81 million) and a net loss of approximately HK\$2.49 million (2022: net profit of HK\$3.97 million). The segment income decreased by 44.8% during the Period. It was mainly due to the overall milk powder manufacturing industry in Australia has been declining in the past five years, with profit margins dropping to 0 to 5%. Besides, fluctuations in the Australian dollar, global economic conditions and the continuing impact of the Australia-China trade tension also seriously hammered the business operation of B&P. During the Period, the operating performance of AYD Group was mainly affected by unfavorable factors such as the decrease in the domestic birth rate, the decline in spending power, which continued to affect the market environment of the maternal and infant industry. As a result, the segment result turned from profit into loss during the Period.

Investment holding

The investment holding business segment mainly holds the investments in private equity and funds, for dividend and investment income earning and capital appreciation purpose. As at 30 June 2023, the assets of this segment was approximately HK\$1,637.69 million (As at 31 December 2022: HK\$1,556.11 million), of which HK\$836.62 million (As at 31 December 2022: HK\$842.01 million) represents investment in a private equity, and HK\$13.19 million (2022: HK\$13.13 million) represents investments in funds. During the Period, segment income is approximately HK\$0.09 million (2022: HK\$1.61 million) and segment profit is approximately HK\$19.57 million (2022: profit of HK\$2.27 million). The significant decrease in segment income from the segment was mainly due to the decrease in management services fee earned during the Period. The increase in segment profit was mainly due to the significant increase in interest income from financial institutions during the Period.

PROSPECTS

Despite the end of COVID-19, there are challenges around every corner in the business environment, including economic slowdown, weak consumption, and higher capital cost in Hong Kong because of the Fed rate increase. These factors will create economic pressure on the Group's business development and is therefore cautiously optimistic for the year 2023 ahead. The Group considers that it is an opportunity to, within the year 2023, 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.

In the long run, with its dimension, we believe that the dynamic Mainland China market will remain to be the driver of the development of the world economy. The Group is expected to be able to capture these new market opportunities for investors in Hong Kong and the Greater Bay Area clients via various wealth management platforms and expected to bring new innovations and market opening for inbound and outbound flows of wealth management business.

FINANCIAL REVIEW

Liquidity and financial resources

As at 30 June 2023, the Group's total assets amounted to approximately HK\$4,037.52 million (As at 31 December 2022: HK\$4,217.82 million), among which 43.9% (As at 31 December 2022: 41.5%) was bank deposits and cash of approximately HK\$1,772.32 million (31 December 2022: HK\$1,750.38 million). The bank deposits and cash comprised fixed deposits of approximately HK\$1,221.86 million (As at 31 December 2022: HK\$1,107.90 million) in aggregate.

As at 30 June 2023, the net current assets of the Group amounted to approximately HK\$2,410.39 million (As at 31 December 2022: approximately HK\$2,466.46 million), with a current ratio, expressed as current assets over current liabilities, of approximately 12.99% (31 December 2022: approximately 8.94%). The gearing ratio of the Group as at 30 June 2023 (defined as total interest-bearing borrowings over the total equity) was 2.1% (31 December 2022: 2.0%).

As at 30 June 2023, the Group have a secured bank loan of CHF9 million (equivalent to approximately HK\$78.45 million) (31 December 2022: CHF9 million (equivalent to approximately HK\$76.03 million)) secured by mortgage of the two bank buildings owned by MPL in favour of the Bank Frick & Co AG, of which, carried an interest of 3.5% per annum.

As at 30 June 2023, the Company's total amount of issued and fully paid share capital was HK\$6,142.96 million (As at 31 December 2022: 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 2022: 44,364,885,557 shares).

As at 30 June 2023, the Group's total equity amounted to approximately HK\$3,801.88 million (31 December 2022: HK\$3,869.61 million), taking into account of non-controlling interest of approximately HK\$42.50 million (31 December 2022: HK\$43.38 million).

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 United States dollars, Australian 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 2023, the Group had a total capital commitment of approximately HK\$56.94 million (As at 31 December 2022: HK\$56.64 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, such guarantees were expired during the Period. As a result, the Group does not provide any guarantee as at 30 June 2023 (As at 31 December 2022: A maximum aggregate amount of the guarantees was RMB13.50 million, approximately HK\$15.11 million, which were fully utilised).

PLEDGE OF ASSETS

As at 30 June 2023, carrying values of property, plant and equipment of approximately CHF20.00 million (equivalent to HK\$174.33 million) (31 December 2022: approximately CHF20.00 million (equivalent to HK\$168.96 million)) were pledged for banking facilities granted to MPL, for the purpose of maintaining necessary operational liquidity level of MPL during its liquidation process.

MATERIAL ACQUISITION AND DISPOSALS OF SUBSIDIARIES

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

SIGNIFICANT INVESTMENTS

The Group remains cautious about the trading performance of its portfolio of securities. With volatile global financial markets during the Period, 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\$12.07 million (2022: HK\$56.74 million) during the Period. Save as disclosed above, the Group did not have any investment in an investee company with a value of 5% or more of the Group's total assets as at 30 June 2023.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the Period (2022: Nil).

IMPORTANT EVENTS SINCE THE PERIOD

No important event affect the Group has taken place since 30 June 2023 and up to the date of this report.

EMPLOYMENT AND REMUNERATION POLICY

As at 30 June 2023, the Group employed 63 employees globally (31 December 2022: 75), including 62 full-time and 1 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) and the Company (www.masonhk.com). The 2023 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 2023.

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

Hong Kong, 25 August 2023

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