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**BISON FINANCE GROUP LIMITED**

**貝森金融集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 888)**

## **2022 INTERIM RESULTS ANNOUNCEMENT**

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

The directors (the “**Directors**”) of Bison Finance Group Limited (the “**Company**”) submit herewith the unaudited condensed consolidated financial information of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2022, together with the comparative figures for the six months ended 30 June 2021 and at 31 December 2021 respectively.

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*For the six months ended 30 June 2022*

|  |       | Six months ended 30 June |                                       |
|--|-------|--------------------------|---------------------------------------|
|  |       | 2022                     | 2021                                  |
|  | Notes | HK\$'000<br>(Unaudited)  | HK\$'000<br>(Unaudited)<br>(Restated) |
| <b>CONTINUING OPERATIONS</b>                                     |       |                          |                                       |
| <b>REVENUE</b>   | 5     | <b>18,411</b>            | 45,828                                |
| Other income and other losses                                    | 6     | <b>(5,905)</b>           | (3,152)                               |
| Cost of services   |       | <b>(10,532)</b>          | (18,137)                              |
| Staff expenditure  |       | <b>(12,607)</b>          | (29,596)                              |
| Depreciation and amortisation                                    | 7     | <b>(8,203)</b>           | (11,409)                              |
| Reversal of/(provision for) impairment losses, net               | 7     | <b>4,145</b>             | (33)                                  |
| Loss on disposal of subsidiaries                                 | 7     | –                        | (372)                                 |
| Other operating expenses, net                                    |       | <b>(6,267)</b>           | (12,602)                              |
| Finance costs  | 8     | <b>(4,577)</b>           | (5,789)                               |
|  |       | <b>(25,535)</b>          | (35,262)                              |
| <b>LOSS BEFORE TAX FROM CONTINUING OPERATIONS</b>                | 7     |                          |                                       |
| Income tax credit  | 9     | <b>261</b>               | 762                                   |
|  |       | <b>(25,274)</b>          | (34,500)                              |
| <b>LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS</b>            |       |                          |                                       |
|  |       | <b>(25,274)</b>          | (34,500)                              |
| <b>DISCONTINUED OPERATION</b>                                    |       |                          |                                       |
| Loss for the period from Discontinued Operation                  | 10    | –                        | (18,364)                              |
|  |       | <b>(25,274)</b>          | (52,864)                              |
| <b>LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY</b> |       |                          |                                       |
|  |       | <b>(25,274)</b>          | (52,864)                              |
| <b>LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>      |       |                          |                                       |
| <b>Basic</b>   |       |                          |                                       |
| – For loss for the period from continuing operations             |       | <b>HK(1.78) cents</b>    | HK(4.53) cents                        |
| – For loss from Discontinued Operation                           |       | N/A                      | HK(1.57) cents                        |
|  |       | <b>HK(1.78) cents</b>    | HK(4.53) cents                        |
| <b>Diluted</b>   |       |                          |                                       |
| – For loss for the period from continuing operations             |       | <b>HK(1.78) cents</b>    | HK(4.53) cents                        |
| – For loss from Discontinued Operation                           |       | N/A                      | HK(1.57) cents                        |
|  |       | <b>HK(1.78) cents</b>    | HK(4.53) cents                        |

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2022

|  | Six months ended 30 June        |                                 |
|--|---------------------------------|---------------------------------|
| Note   | 2022<br>HK\$'000<br>(Unaudited) | 2021<br>HK\$'000<br>(Unaudited) |
| <b>LOSS FOR THE PERIOD</b>   | <b><u>(25,274)</u></b>          | <b><u>(52,864)</u></b>          |
| <b>OTHER COMPREHENSIVE INCOME</b>  |                                 |                                 |
| Other comprehensive income that may be reclassified to profit or loss in subsequent periods: |                                 |                                 |
| Exchange differences on translation of foreign operations, net of tax                        | <u>–</u>                        | <u>(685)</u>                    |
| <b>OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX</b>                                   | <b><u>–</u></b>                 | <b><u>(685)</u></b>             |
| <b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>         | <b><u>(25,274)</u></b>          | <b><u>(53,549)</u></b>          |

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION***At 30 June 2022*

|   | Note | <b>30 June<br/>2022<br/>HK\$'000<br/>(Unaudited)</b> | 31 December<br>2021<br>HK\$'000<br>(Audited) |
|---|------|--|--|
| <b>NON-CURRENT ASSETS</b>                             |      |  |  |
| Property, plant and equipment and right-of-use assets | 13   | <b>26,471</b>  | 9,199  |
| Goodwill  | 14   | –  | –  |
| Intangible assets                                     |      | <b>24,997</b>  | 26,576                                       |
| Prepayments, deposits and other receivables           |      | <b>3,051</b>   | –  |
| Financial asset at fair value through profit or loss  | 15   | –  | 2,000  |
| Loan receivable                                       | 17   | <b>10,782</b>  | 10,783                                       |
|   |      | <hr/>  | <hr/>  |
| Total non-current assets                              |      | <b>65,301</b>  | 48,558                                       |
| <b>CURRENT ASSETS</b>                                 |      |  |  |
| Accounts receivables                                  | 16   | <b>24,959</b>  | 44,408                                       |
| Loans receivables                                     | 17   | <b>11,143</b>  | 13,703                                       |
| Loan to a related company                             | 18   | <b>5,803</b>   | 5,665  |
| Amount due from a related company                     |      | <b>153</b>   | 513  |
| Prepayments, deposits and other receivables           |      | <b>3,396</b>   | 7,393  |
| Financial assets at fair value through profit or loss | 15   | <b>65,408</b>  | 73,023                                       |
| Cash held on behalf of clients                        |      | –  | 79   |
| Pledged deposits                                      |      | <b>800</b>   | 1,175  |
| Cash and cash equivalents                             |      | <b>137,193</b>                                       | 147,437                                      |
|   |      | <hr/>  | <hr/>  |
| Total current assets                                  |      | <b>248,855</b>                                       | 293,396                                      |
| <b>CURRENT LIABILITIES</b>                            |      |  |  |
| Accounts payables                                     | 19   | <b>4,240</b>   | 6,797  |
| Other payables and accruals                           |      | <b>12,389</b>  | 31,162                                       |
| Interest-bearing other borrowing                      |      | <b>3,000</b>   | –  |
| Contract liabilities                                  |      | <b>70</b>  | 205  |
| Lease liabilities                                     |      | <b>8,587</b>   | 7,773  |
| Promissory note                                       |      | <b>90,000</b>  | 90,000                                       |
|   |      | <hr/>  | <hr/>  |
| Total current liabilities                             |      | <b>118,286</b>                                       | 135,937                                      |

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**(continued)**  
*At 30 June 2022*

|   | Note | <b>30 June<br/>2022<br/>HK\$'000<br/>(Unaudited)</b> | 31 December<br>2021<br>HK\$'000<br>(Audited) |
|---|------|--|--|
| <b>NET CURRENT ASSETS</b>                           |      | <u>130,569</u>                                       | <u>157,459</u>                               |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>        |      | <u>195,870</u>                                       | <u>206,017</u>                               |
| <b>NON-CURRENT LIABILITIES</b>                      |      |  |  |
| Lease liabilities                                   |      | 15,388   | –  |
| Deferred tax liabilities                            |      | <u>3,387</u>   | <u>3,648</u>                                 |
| Total non-current liabilities                       |      | <u>18,775</u>  | <u>3,648</u>                                 |
| <b>NET ASSETS</b>                                   |      | <u><u>177,095</u></u>                                | <u><u>202,369</u></u>                        |
| <b>EQUITY</b>                                       |      |  |  |
| <b>Equity attributable to owners of the Company</b> |      |  |  |
| Share capital                                       |      | 142,184  | 142,184                                      |
| Reserves  |      | <u>34,911</u>  | <u>60,185</u>                                |
| Total equity  |      | <u><u>177,095</u></u>                                | <u><u>202,369</u></u>                        |

## NOTES

### 1. CORPORATE INFORMATION

Bison Finance Group Limited (the “**Company**”) is a limited company, incorporated in Bermuda and has its registered office at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business of the Company is 6th Floor, 18 King Wah Road, North Point, Hong Kong. During the period, the Group was principally engaged in the provision of financial services.

On 26 October 2021, the Company’s wholly-owned subsidiary, Bus Power Limited (“**Bus Power**”) entered into a termination agreement to early terminate the agreement for provision of bus body advertising agency services to Citybus Limited, New World First Bus Services Limited (the “**Bus Companies**”) (as amended and supplemented) for a term of three years expiring on 30 June 2023 (the “**Advertising Agreement**”) and the ancillary documents relating to the Advertising Agreement (as amended and supplemented) (the “**Ancillary Documents**”) with effect from 1 November 2021. Therefore, the media business was discontinued (“**Discontinued Operation**”). The comparative information relating to the Discontinued Operation has been re-presented to conform to the current period’s presentation. Details are included in note 10.

In the opinion of the Directors, the holding company and the ultimate holding company of the Company are Bliss Chance Global Limited (“**Bliss Chance**”) and Bison Capital Financial Holdings Limited (“**Bison Capital**”), respectively. Bliss Chance Global Limited and Bison Capital Financial Holdings Limited are incorporated in the British Virgin Islands.

On 8 October 2021, the Company was notified by Bliss Chance that it received a letter regarding the appointment of two joint and several receivers (the “**Receivers**”) over 680,508,005 shares of the Company (the “**Charged Shares**”), which were charged under a share charge executed by Bliss Chance as the chargor and Fruitful Worldwide Limited as chargee (the “**Share Charge**”). Based on the information provided by Bliss Chance, the Receivers were appointed by Fruitful Worldwide due to non payment of quarterly fixed dividend by Bliss Chance in accordance with the terms of an investment agreement dated 17 May 2017 which constitutes an event of default pursuant to the Share Charge, causing the security under the Share Charge become immediately enforceable.

On 29 December 2021, the Receivers have entered into a memorandum of understanding with an interested party in relation to the possible sale of the Charged Shares which was subsequently terminated in June 2022.

Up to the date of this announcement, no further action was taken by the Receivers and there is no change to the Group’s holding companies.

### 2. BASIS OF PREPARATION

The interim results set out in this announcement do not constitute the Group’s interim financial report for the six months ended 30 June 2022 but are extracted from that interim financial report.

This interim condensed consolidated financial information for the six months ended 30 June 2022 is unaudited and has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“**HKAS**”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

## 2. BASIS OF PREPARATION (continued)

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2021.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of new standards effective as of 1 January 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet mandatorily effective.

## 3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of the following revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's interim condensed consolidated financial information.

|  |   |
|--|---|
| Amendments to HKFRS 3                            | <i>Reference to the Conceptual Framework</i>  |
| Amendments to HKAS 16                            | <i>Property, Plant and Equipment: Proceeds before Intended Use</i>                                  |
| Amendments to HKAS 37                            | <i>Onerous Contracts – Cost of Fulfilling a Contract</i>  |
| Annual Improvements to<br>HKFRSs 2018-2020 cycle | <i>Amendments to HKFRS 1, HKFRS 9, Illustrative Examples<br/>accompanying HKFRS 16, and HKAS 41</i> |

The adoption of the above revised standards has had no significant financial effect on the Group's unaudited interim condensed consolidated financial information.

## 4. OPERATING SEGMENT INFORMATION

No operating segment information is presented as the Group only operates in one single operating segment, i.e., the financial services which comprise licensed businesses including provision of investment advisory services to fund management, corporate finance advisory services, securities services, external asset management services and fund management services.

In the prior period, the Group also involved in media business which comprise the provision of media sales, design and management services and production of advertisements for transit vehicle exteriors and interiors, advertising businesses and provision of integrated marketing services (the "Media segment"). During the year ended 31 December 2021, the Group had terminated the Media segment which was included in Discontinued Operation for the periods ended 30 June 2022 and 2021. Further details are included in note 10.

## 5. REVENUE

An analysis of revenue from continuing operations is as follows:

|  | <b>For the six months ended 30 June</b> |             |
|--|---|-------------|
|  | <b>2022</b>                             | 2021        |
|  | <b>HK\$'000</b>                         | HK\$'000    |
|  | <b>(Unaudited)</b>                      | (Unaudited) |
|  |   | (Restated)  |
| Revenue from contracts with customers  | <b>17,703</b>                           | 43,478      |
| Revenue from other sources             |   |             |
| – Interest income on loans receivables | <b>708</b>                              | 2,350       |
|  | <b>18,411</b>                           | 45,828      |

### Disaggregated revenue information for revenue from contracts with customers

|  | <b>For the six months ended 30 June</b> |             |
|--|---|-------------|
|  | <b>2022</b>                             | 2021        |
|  | <b>HK\$'000</b>                         | HK\$'000    |
|  | <b>(Unaudited)</b>                      | (Unaudited) |
|  |   | (Restated)  |
| <b>Types of services</b>                             |   |             |
| Fund management service income                       | <b>5,251</b>                            | 15,904      |
| External asset management advisory commission income | <b>12,070</b>                           | 23,629      |
| Financial advisory and consultancy fee income        | <b>304</b>                              | 1,319       |
| Others   | <b>78</b>                               | 2,626       |
| Total revenue from contracts with customers          | <b>17,703</b>                           | 43,478      |

### Timing of revenue recognition

|   | <b>For the six months ended 30 June</b> |             |
|---|---|-------------|
|   | <b>2022</b>                             | 2021        |
|   | <b>HK\$'000</b>                         | HK\$'000    |
|   | <b>(Unaudited)</b>                      | (Unaudited) |
|   |   | (Restated)  |
| Services transferred at a point in time     | <b>12,452</b>                           | 27,574      |
| Services transferred over time              | <b>5,251</b>                            | 15,904      |
| Total revenue from contracts with customers | <b>17,703</b>                           | 43,478      |

**6. OTHER INCOME AND OTHER LOSSES**

|  | <b>For the six months ended 30 June</b> |             |
|--|---|-------------|
|  | <b>2022</b>                             | 2021        |
|  | <b>HK\$'000</b>                         | HK\$'000    |
|  | <b>(Unaudited)</b>                      | (Unaudited) |
|  |   | (Restated)  |
| Interest income from banks   | <b>171</b>                              | 169         |
| Dividend income from investments in financial assets at<br>fair value through profit or loss | <b>184</b>                              | 208         |
| Rental income from a related company   | <b>153</b>                              | 153         |
| Sundry revenue   | <b>190</b>                              | 2           |
|  | <hr/>                                   | <hr/>       |
| <b>Other income</b>  | <b>698</b>                              | 532         |
|  | <hr/> <hr/>                             | <hr/> <hr/> |
| Exchange losses, net   | <b>(1,989)</b>                          | (674)       |
| Net unrealised losses on financial assets at fair value through<br>profit or loss            | <b>(4,614)</b>                          | (3,010)     |
|  | <hr/>                                   | <hr/>       |
| <b>Other losses</b>  | <b>(6,603)</b>                          | (3,684)     |
|  | <hr/> <hr/>                             | <hr/> <hr/> |
| <b>Other income and other losses</b>   | <b>(5,905)</b>                          | (3,152)     |
|  | <hr/> <hr/>                             | <hr/> <hr/> |

## 7. LOSS BEFORE TAX FROM CONTINUING OPERATIONS

The Group's loss before tax from continuing operations is arrived at after charging/(crediting):

|   | <b>For the six months ended 30 June</b>              |   |
|---|--|---|
|   | <b>2022</b><br><b>HK\$'000</b><br><b>(Unaudited)</b> | 2021<br>HK\$'000<br>(Unaudited)<br>(Restated) |
| Amortisation of intangible assets   | 1,579  | 4,617   |
| Depreciation  |  |   |
| – property, plant and equipment   | 1,427  | 1,452   |
| – right-of-use assets   | 5,197  | 5,340   |
|   | <u>8,203</u>   | <u>11,409</u>                                 |
| (Reversal of)/provision for impairment losses, net                                      |  |   |
| – accounts receivables  | (2,446)  | (12)  |
| – loans receivables   | (1,983)  | 215   |
| – loan to a related company   | 122  | –   |
| – other receivables   | 162  | (170)   |
|   | <u>(4,145)</u>                                       | <u>33</u>                                     |
| Loss on disposal of subsidiaries  | –  | 372   |
| Employee benefit expenses<br>(excluding directors' and chief executive's remuneration): |  |   |
| – Wages and salaries  | 9,225  | 13,725  |
| – Equity-settled share-based payments   | –  | 9,069   |
| – Pension scheme contributions (defined contribution scheme)                            | 277  | 627   |
|   | <u>9,502</u>   | <u>23,421</u>                                 |

## 8. FINANCE COSTS

An analysis of finance costs is as follows:

|                               | <b>For the six months ended 30 June</b>              |   |
|-------------------------------|--|---|
|                               | <b>2022</b><br><b>HK\$'000</b><br><b>(Unaudited)</b> | 2021<br>HK\$'000<br>(Unaudited)<br>(Restated) |
| Interest on lease liabilities | 97   | 192   |
| Interest on promissory notes  | 4,463  | 5,297   |
| Other interest expenses       | 17   | 300   |
|                               | <u>4,577</u>   | <u>5,789</u>                                  |

## 9. INCOME TAX CREDIT

Pursuant to the rules and regulations of Bermuda, the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in Bermuda, the Cayman Islands and the British Virgin Islands. The Group's subsidiaries were subject to the applicable income tax rates of 8.25% to 25% for six months ended 30 June 2022 (six months ended 30 June 2021: 8.25% to 25%).

No provision for Hong Kong profits tax and the People's Republic of China (the "PRC") corporate income tax has been made as the Group did not generate any assessable profits arising in Hong Kong and the PRC for six months ended 30 June 2022 (six months ended 30 June 2021: Nil).

|  | For the six months ended 30 June |                                 |
|--|----------------------------------|---------------------------------|
|  | 2022<br>HK\$'000<br>(Unaudited)  | 2021<br>HK\$'000<br>(Unaudited) |
| Current  | –                                | –                               |
| Deferred   | (261)                            | (762)                           |
| Total tax credit for the period from continuing operations | <u>(261)</u>                     | <u>(762)</u>                    |

## 10. DISCONTINUED OPERATION

On 26 October 2021, Bus Power entered into a termination agreement to early terminate the Advertising Agreement and the Ancillary Documents with the Bus Companies with effect from 1 November 2021. A termination fee of approximately HK\$50,716,000 was made by the Group to the Bus Companies, in which HK\$18,669,000 being the work deposit previously provided to the Bus Companies upon signing of the Advertising Agreement and the remaining HK\$32,047,000 was settled on 1 November 2021. Following the termination of the Advertising Agreement and the Ancillary Documents, the Media segment was discontinued.

The results of Media segment for the period are presented below:

|   | For the six months ended 30 June |                                 |
|---|----------------------------------|---------------------------------|
|   | 2022<br>HK\$'000<br>(Unaudited)  | 2021<br>HK\$'000<br>(Unaudited) |
| Revenue   | –                                | 64,928                          |
| Other income and net gains                      | –                                | 1,276                           |
| Expenses  | –                                | (84,775)                        |
| Reversal of impairment losses, net              | –                                | 260                             |
| Finance costs                                   | –                                | (53)                            |
| Loss for the period from Discontinued Operation | <u>–</u>                         | <u>(18,364)</u>                 |

## 10. DISCONTINUED OPERATION (continued)

The net cash flows incurred by Media segment are as follows:

|  | For the six months ended 30 June |                                 |
|--|----------------------------------|---------------------------------|
|  | 2022<br>HK\$'000<br>(Unaudited)  | 2021<br>HK\$'000<br>(Unaudited) |
| Operating activities   | –                                | (794)                           |
| Investing activities   | –                                | 4                               |
| Financing activities   | –                                | (1,146)                         |
| Net cash outflow   | <u>–</u>                         | <u>(1,936)</u>                  |
| Loss per share:  |                                  |                                 |
| Basic, from Discontinued Operation   | N/A                              | (1.57)                          |
| Diluted, from Discontinued Operation   | <u>N/A</u>                       | <u>(1.57)</u>                   |
| The calculations of basic and diluted loss per share from Discontinued Operation are based on:                       |                                  |                                 |
| Loss attributable to owners of the Company from Discontinued Operation   | –                                | (18,364)                        |
| Weighted average number of ordinary shares in issue during the period used in the basic loss per share calculation   | N/A                              | 1,166,977,975                   |
| Weighted average number of ordinary shares in issue during the period used in the diluted loss per share calculation | <u>N/A</u>                       | <u>1,166,977,975</u>            |

## 11. DIVIDENDS

No interim dividend is payable for the six months ended 30 June 2022 (six months ended 30 June 2021: Nil). Final dividends, if any, will be proposed at year end.

No final dividend in respect of the financial year ended 31 December 2021 was approved and paid during the interim period (2021: Nil).

## 12. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic and diluted loss per share is based on the loss attributable to owners of the Company of approximately HK\$25,274,000 (six months ended 30 June 2021: loss of approximately HK\$52,864,000). The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue of 1,421,838,398 (30 June 2021: 1,166,977,975) during the period, as used in the basic and diluted loss per share calculation, after deducting the shares held for the Company's share award scheme.

The calculations of basic and diluted loss per share are based on:

|  | For the six months ended 30 June |                                 |
|--|----------------------------------|---------------------------------|
|  | 2022<br>HK\$'000<br>(Unaudited)  | 2021<br>HK\$'000<br>(Unaudited) |
| Loss attributable to owners of the Company,<br>used in the basic loss per share calculation: |                                  |                                 |
| From continuing operations   | (25,274)                         | (34,500)                        |
| From Discontinued Operation  | –                                | (18,364)                        |
|  | <u>–</u>                         | <u>(18,364)</u>                 |
| Loss attributable to owners of the Company   | <u>(25,274)</u>                  | <u>(52,864)</u>                 |

## 13. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the six months ended 30 June 2022, additions to right-of-use assets were approximately HK\$23,896,000. This amount primarily related to the capitalised lease payments payable under new tenancy agreements (30 June 2021: Nil).

During the six months ended 30 June 2022, a lease subject to lease modification was early terminated resulting in the derecognition of lease liability of approximately HK\$1,856,000 (31 December 2021: HK\$150,000). A gain on lease modification of HK\$1,856,000 (31 December 2021: HK\$150,000) was credited to the statement of consolidated profit or loss during the period.

## 14. GOODWILL

|   | HK\$'000        |
|---|-----------------|
| <b>Cost and carrying amount:</b>                            |                 |
| <b>At 1 January 2021</b>                                    | 78,554          |
| Impairment loss   | <u>(78,554)</u> |
| <b>At 31 December 2021, 1 January 2022 and 30 June 2022</b> | <u><u>–</u></u> |

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

|   |      | 30 June<br>2022         | 31 December<br>2021   |
|---|------|-------------------------|-----------------------|
|   | Note | HK\$'000<br>(Unaudited) | HK\$'000<br>(Audited) |
| Listed equity investment, at fair value   |      | 1,033                   | 1,749                 |
| Unlisted equity investment, at fair value | (a)  | –                       | 2,000                 |
| Private equity fund, at fair value        | (b)  | 64,375                  | 71,274                |
|   |      | <u>65,408</u>           | <u>75,023</u>         |
| Portion classified as non-current assets  |      | –                       | (2,000)               |
|   |      | <u>65,408</u>           | <u>73,023</u>         |

### (a) Unlisted equity investment, at fair value

During the year ended 31 December 2021, the Group subscribed 10% shareholding interest in a private company incorporated in Hong Kong at a total consideration of HK\$2,000,000. The board of directors of the Company considered the Group has neither significant influence nor joint control over the investment and therefore it is classified as a financial asset at fair value through profit or loss in accordance with the requirements under HKFRS 9 Financial Instruments. Net unrealised loss of HK\$2,000,000 was recognised in the consolidated statement of profit or loss during the period ended 30 June 2022.

### (b) Private equity fund, at fair value

On 22 February 2019, Premier Future Limited (“**Premier Future**”), a wholly-owned subsidiary of the Company, and BeiTai Investment Limited (the “**General Partner**”), an independent third party of the Company and its connected person (as defined under the Listing Rules) (“**independent third party(ies)**”), entered into a subscription agreement, pursuant to which Premier Future has agreed to subscribe for limited partner interests in BeiTai Investment LP (the “**Investment Fund**”). As at 30 June 2022, the Group’s capital contribution amounted to HK\$72,000,000 (31 December 2021: HK\$77,000,000), representing 71% (31 December 2021: 71%) of the aggregated capital contributed by all partners in the Investment Fund. The Group’s capital contribution was reduced by HK\$5,000,000 from HK\$77,000,000 as at 31 December 2021 to HK\$72,000,000 as at 30 June 2022 due to the withdrawal of capital contribution in accordance with the terms and conditions of the amended and restated limited partnership agreement for BeiTai Investment LP dated 20 March 2020 as determined by the general partner of the Investment Fund at its discretion. The remaining capital contributions to the Investment Fund were contributed as to 19% (31 December 2021: 19%) at HK\$19,000,000 (31 December 2021: HK\$21,000,000) by Fullbest Star Limited (“**Fullbest**”); and as to 10% (31 December 2021: 10%) at HK\$11,000,000 (31 December 2021: HK\$11,000,000) by a private equity fund managed by the Company’s subsidiary.

## 15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

### (b) Private equity fund, at fair value (continued)

The Investment Fund is a close-end private equity fund structured as a limited partnership in the Cayman Islands with an investment objective to achieve long-term capital appreciation through investments in convertible bonds and other investments. Under the partnership agreement, none of the limited partners may take any part in the conduct of the business of the Investment Fund or be involved in the making of any investment decision of the Investment Fund, and is subject to the Exempted Limited Partnership Law (Revised) of the Cayman Islands. Subject to certain kickout conditions, the General Partner may determine to invest in debt securities or equity securities of both private and listed companies in Hong Kong or elsewhere or by investing in such other financial instruments, and shall act at all times in good faith. In the opinion of the Directors, the Group has neither significant influence nor joint control over the Investment Fund and therefore it is classified as financial asset at fair value through profit or loss in accordance with the requirements under HKFRS 9 Financial Instruments. Details of the transaction were disclosed in the Company's announcement dated 22 February 2019.

As at 30 June 2022, there was no unpaid capital commitment on investment in the Investment Fund (31 December 2021: Nil).

As at 30 June 2022, the underlying investments of the Investment Fund included equity securities of a Hong Kong listed entity which is independent of the Group; an unsecured redeemable bond which was stated at the carrying value at its principal amount of HK\$22 million at fixed coupon of 15% with a maturity date of 18 January 2022 issued by Emerge Ventures Limited (the "**EV Bond**"), a private entity in Hong Kong which is wholly-owned by a business associate of a close family member of Mr. Xu Peixin ("**Mr. Xu**"); and equity securities of and an unlisted unsecured redeemable bond which was stated at the carrying value at its principal amount of HK\$43 million at fixed coupon of 8% with original and extended maturity date of 11 December 2021 and 15 February 2022, respectively, issued by A Metaverse Company ("**AMC**") (the "**AMC Bond**") in which Mr. Xu holds less than 30% indirect beneficial interest. The Group's share of the carrying values of the two unsecured redeemable bonds and the AMC equity securities amounted to HK\$46,150,000 (31 December 2021: HK\$46,150,000) and HK\$13,836,000 (31 December 2021: HK\$15,474,000) as at 30 June 2022 respectively.

The Group's interest in the Investment Fund is accounted for as financial assets at fair value through profit and loss based on the share of the net asset value of the Investment Fund because its contractual cash flows are not solely payments of principal and interest. During the six months ended 30 June 2022, net unrealised loss on the private equity fund of approximately HK\$1,899,000 (six months ended 30 June 2021: net unrealised gain of approximately HK\$731,000) was recognised in the consolidated statement of profit or loss.

During the period ended 30 June 2022, the total accrued coupon interest as at period end for both the EV Bond and the AMC Bond had been settled while the bonds had not been redeemed upon their respective maturity dates and up to the date of this announcement. At the same time, AMC's equity securities are under trading suspension since 1 April 2022 and the trading is not resumed up to the date of this announcement.

On 22 February 2022, the Investment Fund has reached the end of the investment term. The General Partner has initiated the liquidation process of the Investment Fund by realising the underlying investments by sales of the listed equity securities on stock exchanges and redemption of bonds. The proceeds from the liquidation of the Investment Fund (after deducting the handling charges) are expected to be recovered by the Group before the end of 2022.

## 16. ACCOUNTS RECEIVABLES

An ageing analysis of the accounts receivables as at the end of the reporting period, based on the invoice date or payment schedule and net of loss allowance, is as follows:

|                | <b>30 June<br/>2022<br/>HK\$'000<br/>(Unaudited)</b> | 31 December<br>2021<br>HK\$'000<br>(Audited) |
|----------------|--|--|
| Within 1 month | 22,087   | 36,467                                       |
| 1 to 2 months  | –  | 3,693  |
| 2 to 3 months  | –  | 2,510  |
| 3 to 12 months | 2,071  | 1,530  |
| Over 1 year    | 801  | 208  |
|                | <u>24,959</u>  | <u>44,408</u>                                |

The Group's trading terms with its customers are mainly on credit period of generally 90 days.

## 17. LOANS RECEIVABLES

|                      | <b>30 June<br/>2022<br/>HK\$'000<br/>(Unaudited)</b> | 31 December<br>2021<br>HK\$'000<br>(Audited) |
|----------------------|--|--|
| Unsecured            | 42,984   | 47,528                                       |
| Impairment allowance | (21,059)   | (23,042)                                     |
|                      | <u>21,925</u>  | <u>24,486</u>                                |
| Non-current          | 10,782   | 10,783                                       |
| Current              | 11,143   | 13,703                                       |
|                      | <u>21,925</u>  | <u>24,486</u>                                |

The loans were made to three (31 December 2021: three) independent third parties with effective interest rates ranging from 5% to 12% (31 December 2021: 5% to 12%) per annum and are repayable within one to two years (31 December 2021: one to two years).

During the six months ended 30 June 2022, a net reversal of allowance for expected credit losses of approximately HK\$1,983,000 was recognised (six months ended 30 June 2021: net provision of allowance for expected credit losses of approximately HK\$215,000) in the interim condensed consolidated statement of profit or loss due to the net-off effect of repayment of certain loans receivables of HK\$5,000,000 and the corresponding increase in allowance of expected credit loss of the remaining unsettled overdue loan balances.

Management makes periodic and collective assessment as well as individual assessment on the recoverability of loans receivables based on historical settlement records, past experience, and also quantitative and qualitative forward-looking information that is reasonable and supportive. Collateral for certain of the loans receivables included non-listed securities of small to medium-sized companies. Those securities are less liquid and more volatile in respect of their value, which have been taken into consideration in arriving at the measurement of expected credit loss.

## 18. LOAN TO A RELATED COMPANY

As at 30 June 2022, loan to a related company in the amount of HK\$5,803,000 (31 December 2021: HK\$5,665,000) (which is not a connected person under the Listing Rules) is interest bearing at 10% (31 December 2021: 10%) per annum and was already past due. During the six months ended 30 June 2022, a provision for expected credit loss of approximately HK\$122,000 (six months ended 30 June 2021: Nil) was made (note 7) and recognised in the interim condensed consolidated statement of profit or loss. Management of the Company is negotiating with the related company for the repayment plan and expects to be recovered by the end of 2022.

## 19. ACCOUNTS PAYABLES

An ageing analysis of accounts payables at the end of the reporting period, based on invoice date, is as follows:

|                | <b>30 June<br/>2022<br/>HK\$'000<br/>(Unaudited)</b> | 31 December<br>2021<br>HK\$'000<br>(Audited) |
|----------------|--|--|
| Within 1 month | 4,166  | 5,313  |
| 1 to 2 months  | –  | –  |
| 2 to 3 months  | –  | 503  |
| Over 3 months  | 74   | 981  |
|                | <u>4,240</u>   | <u>6,797</u>                                 |

The accounts payables are non-interest-bearing and are normally settled within one month.

## 20. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period.

|                                   | <b>30 June<br/>2022<br/>HK\$'000<br/>(Unaudited)</b> | 31 December<br>2021<br>HK\$'000<br>(Audited) |
|-----------------------------------|--|--|
| Contracted, but not provided for: |  |  |
| Investment in a subsidiary        | <u>41,234</u>  | <u>41,234</u>                                |

## INTERIM DIVIDEND

The Directors do not propose to declare an interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: Nil).

## FINANCIAL REVIEW

For the six months ended 30 June 2022, the Group is principally engaged in the provision of financial services with the licenses to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (“SFO”) (collectively the “**Financial Services Business**”).

### Revenue

For the six months ended 30 June 2022, the Group reported revenue of approximately HK\$18.4 million (six months ended 30 June 2021: approximately HK\$45.8 million (restated)), representing a decrease of approximately 59.8% as compared to the corresponding period in 2021.

The decrease in revenue for the six months ended 30 June 2022 was mainly due to the unfavourable macroeconomic environment brought by (i) potential increase in prevailing interest rates in Hong Kong and overseas markets which led to shift of investment preferences of customers of the Financial Services Business to more conservative products and reduction in investments; and (ii) geopolitical tensions which reduced investors’ risk appetite and hence their transaction frequency. The decrease in transactions and/or service fees charged amid such unfavourable market situation resulted in the decrease in revenue of the Financial Services Business.

### Loss for the period attributable to owners of the Company

The Group’s loss for the period attributable to owners of the Company was approximately HK\$25.3 million for the six months ended 30 June 2022 (six months ended 30 June 2021: approximately HK\$52.9 million). The decrease in loss for the current period was mainly attributable to:

#### *(i) Reduction in operating loss of the Media Business segment*

During the six months ended 30 June 2021, the Group recorded operating loss of approximately HK\$18.4 million resulting from the operation of its BUS-BODY Advertising and BUS-INTERIOR Advertising businesses. Following the termination of the BUS-BODY Advertising and BUS-INTERIOR Advertising businesses with effective from 1 November 2021, the Group no longer incurred such operating loss for the six months ended 30 June 2022.

#### *(ii) Reduction in staff expenditure*

As a result of the streamlining of business segments, for the six months ended 30 June 2022, the Group’s staff expenditure decreased by approximately HK\$17.0 million to approximately HK\$12.6 million (six months ended 30 June 2021: approximately HK\$29.6 million (restated)) representing a decrease of approximately 57.4%.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

There was no specific plan for material investments or capital assets as at 30 June 2022. In the event that the Group is engaged in any plan for material investments or capital assets, the Company will make announcement(s) and comply with the Listing Rules of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) as and when appropriate.

## **LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

### **Liquidity and Financial Resources**

As at 30 June 2022, the Group’s cash and cash equivalents amounted to approximately HK\$137.2 million (31 December 2021: approximately HK\$147.4 million), which are denominated in Hong Kong dollars, United States (“**US**”) dollars, Euros, Singapore dollars and Renminbi.

As at 30 June 2022, the Group’s indebtedness comprised promissory note, lease liabilities and interest-bearing other borrowing of approximately HK\$117.0 million (31 December 2021: approximately HK\$97.8 million). The Group’s indebtedness are denominated in Hong Kong dollar. All the indebtedness carried interests with fixed rates ranging from 2.9% to 12.0% per annum (31 December 2021: from 2.8% to 10.0% per annum). All of the indebtedness shall be repayable in 1 to 3 years (31 December 2021: 1 to 2 years). The gearing ratio, representing the ratio of total indebtedness to the total share capital and reserves of the Group, was 66.1% as at 30 June 2022 (31 December 2021: 48.3%).

As at 30 June 2022, the Group had net current assets of approximately HK\$130.6 million (31 December 2021: approximately HK\$157.5 million) and total assets of approximately HK\$314.2 million (31 December 2021: approximately HK\$342.0 million).

### **Charge on Assets**

At 30 June 2022, bank deposits of the Company of approximately HK\$0.8 million (31 December 2021: approximately HK\$1.2 million) were pledged mainly for the corporate credit cards issued to the Group.

### **Exposure to Fluctuations in Exchange Rates and Related Hedges**

The Group’s monetary assets and transactions are principally denominated in Hong Kong dollars, US dollars, Euros, Singapore Dollar and Renminbi. During the six months ended 30 June 2022, the Company recognised an exchange loss, net of approximately HK\$2.0 million (six months ended 30 June 2021: approximately HK\$0.7 million). During the period, there was no material fluctuation in the exchange rates between Hong Kong dollars and US dollars. The Group did not engage in any derivative activities and did not commit to any financial instruments to hedge its financial position and foreign currency exposure during the six months ended 30 June 2022.

## **Contingent Liabilities**

The Group did not have any significant contingent liabilities as at 30 June 2022 and 31 December 2021.

## **BUSINESS REVIEW AND PROSPECTS**

The Group is principally engaged in the Financial Services Business during the reporting period. The Group will continue to review the operation and performance of the Financial Services Business from time to time to ensure timely adjustment to the strategies in achieving our corporate goals, while continue to cautiously formulate plans to further develop the Financial Services Business in the future.

### **(1) Financial Services Business**

The Group continued to engage in the Financial Services Business with the licences to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO.

As at 30 June 2022, the Financial Services Business of the Group mainly consists of (i) external asset management (“**EAM**”) services, (ii) fund management services, (iii) securities services, (iv) investment advisory services to fund management, and (v) corporate finance advisory services.

During the six months ended 30 June 2022, the Financial Services Business recorded revenue of approximately HK\$18.4 million (six months ended 30 June 2021: approximately HK\$45.8 million).

#### **(i) EAM services**

The Group provides EAM services to clients which are mostly high net worth individuals whose asset sizes under EAM arrangement decreased to approximately HK\$4.5 billion as at 30 June 2022 (31 December 2021: approximately HK\$4.9 billion). Revenue generated from EAM services during the six months ended 30 June 2022 amounted to approximately HK\$12.1 million (six months ended 30 June 2021: approximately HK\$23.6 million).

Despite the market volatility brought by geopolitical tensions as well as the persistence of COVID-19 pandemic, the Group will continue to leverage on (i) the stable relationship between the Group and the financial institutions which are able to provide investment products which suit the needs of the EAM clients; and (ii) the management team with extensive asset management experience and strong network with high net worth clients, to broaden the customer base and support continuous development of the EAM business.

**(ii) Fund management services**

The Group acts as the investment managers or general partners of certain offshore private equity funds and manages the assets and investments of the funds on a discretionary basis in pursuit of the investment objectives and strategies of the funds, which include achievement of long term compounded net asset value gain for investors. Revenue generated from fund management services during the six months ended 30 June 2022 amounted to approximately HK\$5.3 million (six months ended 30 June 2021: approximately HK\$15.9 million).

**(iii) Securities services**

The Group provides a full range of securities brokerage services, including securities margin financing, underwriting, placing services, as well as securities dealing which was commenced after Target Capital Management Limited (“TCM”) was admitted as a CCASS participant of the Stock Exchange in 2019. The securities margin financing services of TCM are mainly provided to its institutional and retail clients for the security trading in their securities accounts maintained in TCM, which form part of the securities brokerage services provided by TCM. The business remains minimal at this stage so as to minimise the operating cost during the uncertain economic condition.

**(iv) Investment advisory services to fund management**

The Group acts as the investment adviser to fund managers or general partners of several offshore private equity funds and provides portfolio advisory services to them.

**(v) Corporate finance advisory services**

The Group started to engaged in provision of corporate finance advisory services through Bison Corporate Finance Limited since December 2020. Revenue generated from corporate finance advisory services during the six months ended 30 June 2022 amounted to approximately HK\$0.3 million (six months ended 30 June 2021: approximately HK\$1.3 million). Although the local and global economies are still not fully recovered which pose challenges to the Group’s Financial Services Business, the Group shall continue to develop this business segment and seek to expand its operating scale under such unfavourable circumstances, and the management of the Group is optimistic that this business segment would be able to play a more important role in bringing in revenue to the whole Financial Services Business segment in the foreseeable future. The Group will continue to develop and enhance the income stream from this segment.

Apart from the traditional financial services, the Group is exploring new opportunities from emerging financial markets to further develop its Financial Services Business. The Group’s Financial Services Business will continue to utilise the Group’s resources and network as well as the extensive investment experience of our senior management, which are considered as major contributing factors to maintain an ongoing business development in the Financial Services Business carried out by the Group.

## (2) Other Investments

The Group has been continuously exploring opportunities for investments to diversify income stream and maximise the returns for the Shareholders of the Company (the “**Shareholders**”). On 22 February 2019, the Group entered into the subscription agreements with BeiTai Investment Limited (the “**General Partner**”) (an independent third party to the Company and its connected persons), being the general partner of BeiTai Investment LP (the “**Investment Fund**”) to subscribe for limited partner interests in the Investment Fund. The objective of the Investment Fund is to invest in debt securities or equity securities of both private and listed companies in Hong Kong or elsewhere or by investing in such other financial instruments as its General Partner may determine. Such investment is a passive investment and the Group, as a limited partner, is entitled to receive distributions of the Investment Fund in accordance with the Group’s capital commitment therein, but has no right to participate in the day-to-day operations of the Investment Fund, nor does it have control over the management of the Investment Fund. The investment strategy in the Investment Fund is to capture investment opportunities and increase the efficiency of its financial resources, and to generate a reasonable return for the duration of the Group’s investments in the Investment Fund. For details, please refer to the Company’s announcement dated 22 February 2019.

As at 30 June 2022, the Group has made investment of HK\$72.0 million (31 December 2021: HK\$77.0 million) in the Investment Fund as a limited partner, which represent approximately 71% (31 December 2021: approximately 71%) of the total capital contribution of the Investment Fund. The Group’s capital contribution was reduced by HK\$5.0 million from HK\$77.0 million as at 31 December 2021 to HK\$72.0 million as at 30 June 2022 due to the withdrawal of capital contribution, in accordance with the terms and conditions of the amended and restated limited partnership agreement for the Investment Fund dated 20 March 2020, as determined by the General Partner at its discretion (the “**Withdrawal of Capital Contribution**”). As at 30 June 2022 and 31 December 2021, the underlying investments of the Investment Fund represented equity securities listed in Hong Kong, a bond issued by a corporation listed in Hong Kong and a bond issued by a private entity. The investment in the Investment Fund is stated at fair value and is recorded as “financial assets at fair value through profit or loss” in the consolidated statement of financial position. As at 30 June 2022, together with the Withdrawal of Capital Contribution during the six months ended 30 June 2022 and the overall decline in fair value of the underlying assets of the Investment Fund during the six months ended 30 June 2022, the fair value of Investment Fund dropped to approximately HK\$64.4 million (31 December 2021: approximately HK\$71.3 million), which represented approximately 20.5% (31 December 2021: approximately 20.8%) of the total assets of the Group as at 30 June 2022. During the six months ended 30 June 2022, as a result of a decrease in fair value of the Investment Fund, the Group recorded an unrealised loss on financial assets at fair value through profit or loss of approximately HK\$1.9 million (six months ended 30 June 2021: unrealised gain of approximately HK\$0.7 million) from the Investment Fund. No dividend was received from the Investment Fund for the six months ended 30 June 2022 and 2021.

On 22 February 2022, the Investment Fund has reached the end of the investment term. The General Partner has initiated the liquidation process of the Investment Fund by realising the underlying investments by sales of the listed equity securities on stock exchanges and redemption of bonds. The proceeds from the liquidation of the Investment Fund (after deducting the handling charges) are expected to be recovered by the Group before the end of 2022.

It is expected that the overall business environment in which the Group operates will remain challenging, especially amid the on-going COVID-19 pandemic. The Group will continue to cautiously monitor the development to ensure timely response to changes regarding the market condition and the COVID-19 pandemic. The Group will strategically streamline and alter allocation of resources among business segments where appropriate and will continue to seize investment opportunities with a view to maximise returns for the Shareholders.

## **MATERIAL ACQUISITIONS OR DISPOSALS**

During the six months ended 30 June 2022, there was no material acquisition or disposal of subsidiaries, associates and joint ventures by the Group.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 30 June 2022, the Group had 33 full-time employees (31 December 2021: 45). The Group offers a comprehensive and competitive remuneration and benefits package to all its employees. For the six months ended 30 June 2022, the Group incurred staff costs of approximately HK\$12.6 million (six months ended 30 June 2021: approximately HK\$29.6 million (restated)). The remuneration of the Directors was determined with reference to the background, qualifications, experience of each Director, level of responsibilities undertaken with the Company and prevailing market conditions. The Group has adopted a provident fund scheme for its employees in Hong Kong as required under the Mandatory Provident Fund Schemes Ordinance.

The Company adopted a share option scheme (the “**Share Option Scheme**”) on 8 June 2018, under which the Company may grant options to, among others, employees of the Group to subscribe for shares of the Company (the “**Shares**”) for providing them with the opportunity to acquire proprietary interests in the Company as a reward for their contribution and to encourage them to work towards enhancing the value of the Company and its Shares for the benefit of the Company and the Shareholders as a whole.

The Company also adopted a share award scheme (the “**Share Award Scheme**”) on 24 August 2018 which complements the Share Option Scheme. Pursuant to the Share Award Scheme, the Shares may be awarded to employees, directors (including executive and non-executive directors), officers, agents or consultants of the Group for providing them with incentives to continuously make substantial contributions for the long-term growth of the Group in the future and aligning their interests directly to the Shareholders through ownership of Shares.

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

During the six months ended 30 June 2022 and 30 June 2021, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

## **EVENTS AFTER REPORTING PERIOD**

On 22 July 2022, Messrs. Ernst & Young (“EY”) tendered its resignation as external auditor of the Company with immediate effect. The Board, with the recommendation of the audit committee of the Company (the “**Audit Committee**”), appointed Messrs. Baker Tilly Hong Kong Limited as external auditor of the Company to fill the casual vacancy following the resignation of EY with effect from 22 July 2022 and to hold office until the conclusion of the next annual general meeting of the Company. For details, please refer to the Company’s announcement dated 22 July 2022.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Company has complied with all the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2022.

## **COMPLIANCE WITH THE CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted its own Code for Securities Transactions by Directors (the “**Securities Code**”) on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of the Listed Issuers set out in Appendix 10 to the Listing Rules. Following specific enquiry by the Company, all Directors confirmed that they have complied with the Securities Code throughout the six months ended 30 June 2022.

## **REVIEW OF INTERIM RESULTS**

The unaudited interim results for the six months ended 30 June 2022 of the Company have been reviewed by the audit committee of the Company. The Audit Committee of the Company has reviewed with management the accounting principles and policies adopted by the Group and discussed auditing, internal control and financial reporting matters, and also reviewed the unaudited interim financial report for the six months ended 30 June 2022. The review of the unaudited interim financial report was conducted with Baker Tilly Hong Kong Limited, being the Group’s external auditors. The interim financial report for the six months ended 30 June 2022 was unaudited, but has been reviewed by Baker Tilly Hong Kong Limited in accordance with Hong Kong Standard on Review Engagements 2410, Review of interim financial information performed by the independent auditor of the entity, issued by the HKICPA, whose review report will be included in the interim report to be sent to Shareholders.

## EXTRACT OF INDEPENDENT AUDITOR'S REVIEW REPORT

The following is an extract of the independent auditor's report on Review of Condensed Consolidated Financial Information of the Group for the six months ended 30 June 2022:

### Basis for Qualified Conclusion

As detailed in note 15 to the interim condensed consolidated financial information, the Group's financial assets at fair value through profit or loss as set out in the condensed consolidated statement of financial position as at 30 June 2022 amounted to approximately HK\$65,408,000, in which approximately HK\$64,375,000 represented the Group's interest in a private equity fund (the "**Fund**"). The financial assets at fair value through profit or loss representing the Group's interest in the Fund included an aggregate amount of HK\$46,150,000 and HK\$13,836,000, representing the Group's share of the carrying values of the Fund's two underlying investments in two unsecured redeemable bonds issued by Emerge Ventures Limited ("**EV**"), a private company, (the "**EV Bond**"), and A Metaverse Company ("**AMC**"), a company listed on the Stock Exchange (the "**AMC Bond**") (collectively, the "**Bonds**"), and listed shares of AMC (the "**AMC Shares**") respectively. During the period ended 30 June 2022, net unrealised fair value losses arising from the Fund attributable to the Group amounted to approximately HK\$1,899,000.

As also detailed in note 15, the EV Bond and the AMC Bond were matured in January 2022 and February 2022 respectively. Up to the date of this announcement, the Bonds were still not redeemed by the issuers and no audited financial information of EV for the year ended 31 December 2021 had been provided by EV to the Fund or to the Group.

The trading of AMC's shares has been suspended on the Stock Exchange since 1 April 2022. As at the date of this announcement, AMC has not announced its financial information for any financial period after the six months ended 30 June 2021 and trading of its shares has not been resumed.

Management conducts fair value assessments of the Bonds and the AMC Shares as at 30 June 2022 based on the net assets statements of the Fund indicating the fair value of the EV Bond, the AMC Bond and the AMC Shares as at 30 June 2022 with reference to the limited available financial information of EV and AMC. Neither the Fund nor the Group were provided with sufficient and appropriate additional information or other details about the status of the operations and financial position of EV and AMC for the management's assessment of the recoverability and/or the carrying values of the EV Bond, the AMC Bond and the AMC Shares held by the Fund as at 30 June 2022.

Management was unable to provide us with other sources of information or other evidence to support the appropriateness of the key inputs and assumptions adopted by management in their assessments of the determination of the carrying values of the Bonds as at 30 June 2022. We were therefore unable to assess the fair values of these underlying investments of the Fund and there were no other satisfactory procedures that we could perform to determine whether any adjustments to the carrying value of the Fund as at 30 June 2022 and the corresponding fair value changes for the six-month period ended 30 June 2022 were necessary.

## **Qualified Conclusion**

Except for the possible effects mentioned above, based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial information is not prepared, in all material respects, in accordance with HKAS 34.

## **PUBLICATION OF 2022 INTERIM REPORT**

The 2022 interim report will be despatched to Shareholders and published on the Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website ([www.bison.com.hk](http://www.bison.com.hk)) in due course.

By Order of the Board  
**Bison Finance Group Limited**  
**ZHU Dong**  
*Executive Director*

Hong Kong, 30 August 2022

*As at the date of this announcement, the board of Directors of the Company comprises Dr. MA Weihua as the Chairman and non-executive Director; Mr. XU Peixin, Mr. SUN Lei and Mr. ZHU Dong as executive Directors; and Dr. QI Daqing, Mr. CHEN Yigong and Mr. FENG Zhonghua as independent non-executive Directors.*