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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)

2024 INTERIM RESULTS ANNOUNCEMENT

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

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 2024, together with the comparative figures for the six months ended 30 June 2023 and as at 31 December 2023 respectively.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	<i>Note</i>	Six months ended 30 June	
		2024	2023
		<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)
Revenue	5	23,322	20,897
Other income and other gains/(losses), net	6	5,700	(4,382)
Cost of services provided		(15,632)	(10,937)
Staff expenditure		(10,398)	(12,089)
Research and development costs		(6,750)	–
Depreciation	7	(723)	(489)
Reversal of/(provision for) impairment losses			
on financial assets, net	7	3,923	(2,278)
Gain on disposals of subsidiaries	7	218	50
Other operating expenses, net	8	(4,589)	(4,795)
Finance costs	9	(4,648)	(4,724)
		<hr/>	<hr/>
Loss before tax	7	(9,577)	(18,747)
Income tax credit/(expense)	10	4	(8)
		<hr/>	<hr/>
Loss and total comprehensive loss for the period		<u>(9,573)</u>	<u>(18,755)</u>
Attributable to:			
Owners of the Company		(9,572)	(18,753)
Non-controlling interests		(1)	(2)
		<hr/>	<hr/>
		<u>(9,573)</u>	<u>(18,755)</u>
Loss per share attributable to owners of the Company			
Basic and diluted	12	<u>HK(0.67) cents</u>	<u>HK(1.32) cents</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

		At 30 June 2024 <i>HK\$'000</i> (Unaudited)	At 31 December 2023 <i>HK\$'000</i> (Audited)
	<i>Note</i>		
Non-current assets			
Property and equipment and right-of-use assets	13	2,257	2,163
Intangible assets		–	–
Prepayments, deposits and other receivables		3,350	8,401
		<hr/>	<hr/>
Total non-current assets		5,607	10,564
Current assets			
Accounts receivable	15	16,792	16,013
Loans receivable	16	14,511	15,427
Loan to a related company	17	–	734
Prepayments, deposits and other receivables		7,603	6,815
Financial assets at fair value through profit or loss	14	17,629	23,850
Pledged deposits		800	800
Cash and cash equivalents		112,651	112,436
		<hr/>	<hr/>
Total current assets		169,986	176,075
Current liabilities			
Accounts payable	18	4,147	4,765
Other payables and accruals		23,064	20,035
Contract liabilities		101	–
Lease liabilities		8,718	9,320
Promissory note		90,000	90,000
		<hr/>	<hr/>
Total current liabilities		126,030	124,120
Net current assets		43,956	51,955
		<hr/>	<hr/>
Total assets less current liabilities		49,563	62,519
Non-current liability			
Lease liabilities		497	3,880
		<hr/>	<hr/>
NET ASSETS		49,066	58,639
EQUITY			
Share capital		142,184	142,184
Reserves		(93,115)	(83,543)
		<hr/>	<hr/>
Equity attributable to owners of the Company		49,069	58,641
Non-controlling interests		(3)	(2)
		<hr/>	<hr/>
TOTAL EQUITY		49,066	58,639
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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, China Taiping Finance Centre, 18 King Wah Road, North Point, Hong Kong. During the period, the Group was principally engaged in the provision of financial services.

In the opinion of the Directors, the immediate 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 and Bison Capital 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 (“**Fruitful Worldwide**”) 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.

After making appropriate enquiries with the Receivers, the Receivers indicated that (i) they are unable to actively look for potential purchaser for the controlling stake (i.e. 30% of the issued share capital of the Company) (the “**Controlling Stake**”); and (ii) they are not in discussion with a potential purchaser over the Controlling Stake and the Company understands that an offer on the charged shares is unlikely to be imminent.

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 2024 but are extracted from that interim financial report.

This interim condensed consolidated financial information for the six months ended 30 June 2024 is unaudited and has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), including compliance with Hong Kong Accounting Standard (“**HKAS**”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2023.

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 2023, 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 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)</i>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

The adoption of the above revised standards has had no significant financial effect on the Group's 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.

5. REVENUE

An analysis of revenue is as follows:

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Revenue from contracts with customers	23,085	20,189
Revenue from other sources		
– Interest income on loans receivable	237	708
Total	<u>23,322</u>	<u>20,897</u>

Revenue from contracts with customers

(i) Disaggregated revenue information

Types of services	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Fund management service income	4,181	6,430
External asset management advisory commission income	18,582	12,677
Financial advisory and consultancy fee income	300	1,060
Others	22	22
Total	<u>23,085</u>	<u>20,189</u>

(ii) **Timing of revenue recognition**

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Services transferred at a point in time	18,904	13,759
Services transferred over time	4,181	6,430
	<u>23,085</u>	<u>20,189</u>
Total	<u>23,085</u>	<u>20,189</u>

6. **OTHER INCOME AND OTHER GAINS/(LOSSES), NET**

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Bank interest income	115	203
Dividend income from investments in financial assets at fair value through profit or loss	–	158
Sundry income	161	12
	<u>276</u>	<u>373</u>
Total other income	<u>276</u>	<u>373</u>
Exchange gain, net	345	485
Gain on disposal of property and equipment (<i>note 13</i>)	200	–
Net unrealised gains/(losses) on financial assets at fair value through profit or loss (<i>note 14</i>)		
– Listed equity investment	–	132
– Investment in a private equity fund	4,879	(5,372)
	<u>4,879</u>	<u>(5,240)</u>
Subtotal	<u>4,879</u>	<u>(5,240)</u>
Total other gains/(losses)	<u>5,424</u>	<u>(4,755)</u>
Total other income and other gains/(losses)	<u>5,700</u>	<u>(4,382)</u>

7. LOSS BEFORE TAX

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

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Depreciation		
– Property and equipment	256	489
– Right-of-use assets	467	–
Total	<u>723</u>	<u>489</u>
(Reversal of)/provision for impairment losses on financial assets, net		
– Accounts receivable	35	(782)
– Loans receivable (<i>note 16</i>)	(3,675)	2,694
– Loan to a related company (<i>note 17</i>)	(283)	366
Total	<u>(3,923)</u>	<u>2,278</u>
Gain on disposals of subsidiaries	(218)	(50)
Employee benefit expenses (excluding directors' and chief executive's remuneration):		
– Wages and salaries	7,343	8,861
– Pension scheme contributions (defined contribution scheme)	227	250
Total	<u>7,570</u>	<u>9,111</u>

8. OTHER OPERATING EXPENSES, NET

An analysis of other operating expenses, net is as follows:

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Building management fees and air-conditioning charges	978	938
Entertainment	69	535
Government rent and rates	222	223
Information and technology expenses	456	233
Lease charges for short-term leases	–	165
Legal and professional fees	1,836	1,117
Transport and travelling expenses	182	566
Miscellaneous expenses	846	1,018
	<hr/>	<hr/>
Total	4,589	4,795

9. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Interest on lease liabilities	160	261
Interest on promissory note	4,488	4,463
	<hr/>	<hr/>
Total	4,648	4,724

10. INCOME TAX (CREDIT)/EXPENSE

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.

Hong Kong Profits Tax has been provided at the rate of 16.5% (30 June 2023: 16.5%) on the estimated assessable profits arising in Hong Kong, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (30 June 2023: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (30 June 2023: 8.25%) and the remaining assessable profits are taxed at 16.5% (30 June 2023: 16.5%).

No provision for the PRC corporate income tax have been made as the Group did not generate any assessable profits arising in the PRC for the years ended 30 June 2024 and 2023.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Groups operates.

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current – Hong Kong		
– (Over)/under-provision in respect of prior years	<u>(4)</u>	<u>8</u>
Total tax (credit)/expense for the period	<u><u>(4)</u></u>	<u><u>8</u></u>

11. DIVIDENDS

No interim dividend is payable for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil). Final dividends, if any, will be proposed at year end.

No final dividend in respect of the financial year ended 31 December 2023 was approved and paid during the six months ended 30 June 2024.

12. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic and diluted loss per share amounts is based on the loss for the period attributable to owners of the Company of HK\$9,572,000 (six months ended 30 June 2023: HK\$18,753,000). 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 2023: 1,421,838,398) during the six months ended 30 June 2024, as used in the basic and diluted loss per share calculation.

No adjustment has been made to the basic loss per share amounts presented for the six months ended 30 June 2024 and 2023 in respect of dilution as the impact of share options had an anti-dilutive effect in the basic loss per share amounts presented.

13. PROPERTY AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the six months ended 30 June 2024, additions to property and equipment and right-of-use assets amounted to HK\$Nil (30 June 2023: HK\$166,000) and HK\$817,000 (30 June 2023: HK\$Nil) respectively.

An asset with net book value of HK\$Nil were disposed of by the Group during the six months ended 30 June 2024 (30 June 2023: HK\$Nil), resulting in a gain on disposal of HK\$200,000 (30 June 2023: HK\$Nil) (note 6).

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

		30 June 2024	31 December 2023
	Note	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Audited)
Listed equity investment, at fair value	(a)	–	–
Unlisted equity investment, at fair value	(b)	–	–
Private equity fund, at fair value	(c)	<u>17,629</u>	<u>23,850</u>
Current portion		<u><u>17,629</u></u>	<u><u>23,850</u></u>

(a) Listed equity investment, at fair value

During the six months ended 30 June 2023, a net unrealised fair value gain on another listed equity investment in Hong Kong of HK\$132,000 (note 6) was recognised in the interim condensed consolidated statement of profit or loss. During the year ended 31 December 2023, the Group sold all shares of the listed equity investment.

(b) 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 Directors 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.

During the year ended 31 December 2023, the Group disposed of its subsidiary Bison Digital Holding Limited which holds the 10% shareholding interest of the private company. As at 31 December 2023, the Group has no shareholding interest in the private company.

(c) 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**”). During the six months ended 30 June 2024, the Group withdrew the capital contribution of HK\$11,100,000 from the Investment Fund 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 of the Investment Fund at its discretion. Thus, as at 30 June 2024, the Group’s capital contribution amounted to HK\$60,900,000 (31 December 2023: HK\$72,000,000), representing 67% (31 December 2023: 71%) of the aggregated capital contributed by all partners in the Investment Fund. The remaining capital contributions to the Investment Fund were contributed as to 21% (31 December 2023: 19%) at HK\$19,000,000 (31 December 2023: HK\$20,000,000) by Fullbest Star Limited (“**Fullbest**”); and as to 12% (31 December 2023: 10%) at HK\$11,000,000 (31 December 2023: HK\$11,000,000) by a private equity fund managed by the Company’s subsidiary.

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 2024, there was no unpaid capital commitment on investment in the Investment Fund (31 December 2023: Nil).

As at 30 June 2024, the underlying investments of the Investment Fund included an unsecured redeemable bond which was stated at fair value with original and extended maturity date of 18 January 2022 and 30 September 2024 respectively, issued by Emerge Ventures Limited (the "**EV Bond**"), private entity in Hong Kong which is wholly-owned by a business associate of a close family member of Mr. XU; and equity securities of and an unlisted unsecured redeemable bond which was stated at fair value with original and extended maturity date of 11 December 2021 and 30 September 2024 respectively, issued by A Metaverse Company ("**AMC**") (the "**AMC Bond**") in which Mr. XU holds a less than 30% indirect beneficial interest. The Group's share of the fair values of EV Bond and AMC Bond amounted to HK\$5,630,000 (31 December 2023: HK\$5,979,000) and HK\$11,005,000 (31 December 2023: HK\$11,443,000) respectively. During the six months ended 30 June 2024, substantially all AMC equity securities held by the Investment Fund have been disposed of with a proceed of HK\$2,829,000. As at 30 June 2024, the quoted price of the Group's interest in the AMC equity securities amounted to HK\$Nil (31 December 2023: HK\$2,715,000).

During the six months ended 30 June 2024, the Investment Fund negotiated with EV and AMC for the redemption plans of EV Bond and AMC Bond, respectively, and the repayment of corresponding accrued coupon interests. In a result, the Investment Fund agreed and signed an agreement to extend the maturity date to 30 September 2024. Up to 30 June 2024, EV and AMC settled partial accrued interests in an aggregate amount of HK\$1,750,000 and HK\$6,500,000 respectively. Subsequently, AMC settled the remaining accrued interests and partial principal in an aggregate amount of HK\$2,664,000 and HK\$836,000 respectively up to the date of this announcement.

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 2024, net unrealised gain of HK\$4,879,000 (six months ended 30 June 2023: net unrealised loss of HK\$5,372,000) (note 6) was recognised in the interim condensed consolidated statement of profit or loss and other comprehensive income.

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 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 2024.

15. ACCOUNTS RECEIVABLE

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

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Within 1 month	15,429	14,607
1 to 2 months	24	24
2 to 3 months	39	–
3 to 12 months	459	748
Over 1 year	841	634
	<hr/>	<hr/>
Total	16,792	16,013

The Group normally grants credit to existing customers where payment in advance is normally required for new customers. The credit period is generally 90 days from the date of billings. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivable and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's accounts receivable relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its accounts receivable balances. Accounts receivable are non-interest-bearing.

16. LOANS RECEIVABLE

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Loans receivable – unsecured	17,819	22,410
Impairment allowance	(3,308)	(6,983)
	<hr/>	<hr/>
Current	14,511	15,427

The loans were made to one (31 December 2023: two) independent third party with effective interest rates at 3% (31 December 2023: 3%) per annum and are repayable within one year (31 December 2023: within one year).

During the six months ended 30 June 2024, a reversal of impairment losses of HK\$3,675,000 (six months ended 30 June 2023: a net provision for impairment loss HK\$2,694,000) (note 7) was recognised in the interim condensed consolidated statement of profit or loss and other comprehensive income due to the net-off effect of repayment of certain loans receivable of HK\$4,828,000, and the corresponding increase in allowance of expected credit loss of the remaining unsettled overdue loan balance.

Management makes periodic and collective assessment as well as individual assessment on the recoverability of loans receivable based on historical settlement records, past experience, and also quantitative and qualitative forward-looking information that is reasonable and supportive.

17. LOAN TO A RELATED COMPANY

As at 31 December 2023, loan to a related company in the gross amount of HK\$1,665,000, before impairment of HK\$931,000 (which is not a connected person under the Listing Rules) is interest bearing at 15% per annum and was already past due.

During the six months ended 30 June 2024, the loan to a related company of HK\$1,017,000 has been repaid with the remaining amount of HK\$648,000 being written off as bad debt and a reversal of impairment losses of HK\$283,000 (six months ended 30 June 2023: provision for impairment losses of HK\$366,000) (note 7) was recognised in the interim condensed consolidated statement of profit or loss and other comprehensive income.

18. ACCOUNTS PAYABLE

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

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Within 1 month	<u>4,147</u>	<u>4,765</u>

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

19. CAPITAL COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Contracted, but not provided for:		
Investment in subsidiaries	<u>64,574</u>	<u>64,574</u>

INTERIM DIVIDEND

The Directors do not propose to declare an interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

FINANCIAL REVIEW

For the six months ended 30 June 2024, 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 2024, the Group reported revenue of approximately HK\$23.3 million (six months ended 30 June 2023: approximately HK\$20.9 million), representing an increase of approximately 11.6% as compared to the corresponding period in 2023.

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\$9.6 million for the six months ended 30 June 2024 (six months ended 30 June 2023: approximately HK\$18.8 million), representing a decrease in loss of approximately 49.0% as compared to the corresponding period in 2023. Such decrease in loss was mainly attributable to a net unrealised gain on an investment in a private equity fund of approximately HK\$4.9 million was recognised during the six months ended 30 June 2024, whereas a net unrealised loss of approximately HK\$5.4 million was recognised for the six months ended 30 June 2023.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There was no specific plan for material investments or capital assets as at 30 June 2024. 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 Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) as and when appropriate.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2024, the Group’s cash and cash equivalents amounted to approximately HK\$112.7 million (31 December 2023: approximately HK\$112.4 million), which are denominated in Hong Kong dollars, United States (“US”) dollars, Euros, Singapore dollars and Renminbi.

As at 30 June 2024, the Group's indebtedness comprised promissory notes and lease liabilities of approximately HK\$99.2 million (31 December 2023: approximately HK\$103.2 million). The Group's indebtedness are denominated in Hong Kong dollar. All the indebtedness carried interests with fixed rates ranging from 2.8% to 10.0% per annum. All of the indebtedness shall be repayable in 1 to 2 years (31 December 2023: 1 to 2 years). The gearing ratio, representing the ratio of total indebtedness to the total share capital and reserves of the Group, was 202.2% as at 30 June 2024 (31 December 2023: 176.0%). The increase in the gearing ratio was mainly due to the decrease in reserves of the Company by approximately 11.5% mainly resulting from the loss attributable to owners of the Company of approximately HK\$9.6 million for the six month ended 30 June 2024, despite the decrease in indebtedness for the six month ended 30 June 2024. As at 30 June 2024, the Group had net current assets of approximately HK\$44.0 million (31 December 2023: approximately HK\$52.0 million) and total assets of approximately HK\$175.6 million (31 December 2023: approximately HK\$186.6 million).

Charge on Assets

As at 30 June 2024, bank deposits of the Company of approximately HK\$0.8 million (31 December 2023: approximately HK\$0.8 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 2024, the Company recognised an exchange gain, net of approximately HK\$0.3 million (six months ended 30 June 2023: approximately HK\$0.5 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 2024.

Contingent Liabilities

The Group did not have any significant contingent liabilities as at 30 June 2024 and 31 December 2023.

BUSINESS REVIEW AND PROSPECTS

The Group is principally engaged in the Financial Services Business during the six months ended on 30 June 2024. 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 2024, 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 2024, the Financial Services Business recorded revenue of approximately HK\$23.3 million (six months ended 30 June 2023: approximately HK\$20.9 million).

(i) EAM services

The Group provides EAM services to clients which are mostly high net worth individuals whose asset sizes under EAM arrangement amounted to approximately HK\$4.4 billion as at 30 June 2024 (31 December 2023: approximately HK\$4.1 billion). Revenue generated from EAM services during the six months ended 30 June 2024 amounted to approximately HK\$18.6 million (six months ended 30 June 2023: approximately HK\$12.7 million).

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 2024 amounted to approximately HK\$4.2 million (six months ended 30 June 2023: approximately HK\$6.4 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 engage 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 2024 amounted to approximately HK\$0.3 million (six months ended 30 June 2023: approximately HK\$1.1 million).

Although the Group's Financial Services Business continued to face challenges due to the uncertainties in the geopolitical tensions, high interest rate and unfavorable market prospect in Hong Kong, the management of the Group is optimistic that the Group will be benefited from the recovery of economy in Hong Kong in the foreseeable future which is reflected in the gradual recovery of the Group's revenue for the six months ended 30 June 2024, The Group will continue to develop and enhance the income stream from its Financial Services Business.

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 2024, the Group has made investment of HK\$60.9 million (31 December 2023: HK\$72.0 million) in the Investment Fund as a limited partner, which represented approximately 67.0% (31 December 2023: approximately 71.0%) of the total capital contribution of the Investment Fund. The Group's capital contribution was reduced by HK\$11.1 million from HK\$72.0 million as at 31 December 2023 to HK\$60.9 million as at 30 June 2024 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 at its discretion (the “**Withdrawal of Capital Contribution**”). As at 30 June 2024, the underlying investments of the Investment Fund mainly represented 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 interim condensed consolidated statement of financial position. As at 30 June 2024, the fair value of Investment Fund was approximately HK\$17.6 million (31 December 2023: approximately HK\$23.9 million), which represented approximately 10.0% (31 December 2023: approximately 12.8%) of the total assets of the Group as at 30 June 2024. During the six months ended 30 June 2024, as a result of an increase in fair value of the Investment Fund, the Group recorded a net unrealised gain on financial assets at fair value through profit or loss of approximately HK\$4.9 million (six months ended 30 June 2023: net unrealised loss of approximately HK\$5.4 million) from the Investment Fund. No dividend was received from the Investment Fund for the six months ended 30 June 2024 and 2023.

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 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 2024.

It is expected that the overall business environment in which the Group operates will remain challenging, especially amid the geopolitical tensions and high interest rate and global inflation pressure. The Group will continue to cautiously monitor the development to ensure timely response to changes regarding the market condition. The Group will strategically adjust the allocation of the resources within the Financial Services Business 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 2024, there was no material acquisition or disposal of subsidiaries, associates and joint ventures by the Group.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2024, the Group had 31 full-time employees (31 December 2023: 26). The Group offers a comprehensive and competitive remuneration and benefits package to all its employees. For the six months ended 30 June 2024, the Group incurred staff costs of approximately HK\$10.4 million (six months ended 30 June 2023: approximately HK\$12.1 million). 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, in order to align with the corporate objectives of the Company. 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.

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

During the six months ended 30 June 2024 and 30 June 2023, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board is of the opinion that the Company has complied with all the code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules throughout the six months ended 30 June 2024, save for the deviation from code provision C.2.1 of the CG Code which stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

However, upon Mr. SUN Lei (“**Mr. SUN**”), the executive Director and chief executive officer of the Company (the “**Chief Executive Officer**”), has been appointed as the chairman of the Company (the “**Chairman**”) with effect from 1 September 2023 (“**Mr. SUN’s Appointment**”) to fill the casual vacancy arisen following the resignation of Dr. MA Weihua as Director and Chairman on the same day, Mr. SUN serves as both the Chairman and Chief Executive Officer which deviates from the code provision C.2.1 of the CG Code. The Board is of the view that Mr. SUN’s Appointment facilitates the execution of the Group’s business strategies and enhances efficiency of its operation, which the Board considers to be beneficial to the Company and its shareholders as a whole. In addition, the Board currently comprises three executive Directors (including Mr. SUN) and three independent non-executive Directors, each of which represents half members of the Board. The Board is therefore structured to ensure the balance of power and authority to provide sufficient checks and balances for good corporate governance and to protect the interests of the Company and its Shareholders as a whole.

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 C3 to the Listing Rules. Having made specific enquiry of all Directors by the Company, all Directors confirmed that they have complied with the Securities Code throughout the six months ended 30 June 2024.

REVIEW OF INTERIM RESULTS

The unaudited interim results for the six months ended 30 June 2024 of the Company have been reviewed by the audit committee of the Company (the “**Audit Committee**”). The Audit Committee 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 2024. The review of the unaudited interim financial report of the Company for the six months ended 30 June 2024 was conducted with Baker Tilly Hong Kong Limited, being the Company’s external auditors. The interim financial report of the Company for the six months ended 30 June 2024 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 Hong Kong Institute of Certified Public Accountants, whose review report will be included in the interim report to be published on the website of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (www.hkexnews.hk) and the Company’s website (www.bison.com.hk).

EXTRACT OF INDEPENDENT AUDITOR’S REVIEW REPORT

The following is an extract of the independent auditor’s report on review of the interim condensed consolidated financial information of the Group for the six months ended 30 June 2024:

Basis of Qualified Conclusion

As at 30 June 2024, the Fund’s carrying value includes the Group’s interest in three underlying investments: (1) an unsecured redeemable bonds issued by Emerge Ventures Limited (“**EV**”), a private company, (the “**EV Bond**”); (2) an unsecured redeemable bonds issued by A Metaverse Company (“**AMC**”), a company listed on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**AMC Bond**”); and (3) the listed shares of AMC (the “**AMC Shares**”).

As detailed in our report on review of the Group’s interim condensed consolidated financial information for the six months ended 30 June 2023 dated 29 August 2023, there were scope limitations on the carrying values of the AMC Bond and AMC Shares as at 30 June 2023 and on the corresponding unrealised fair value gain/loss recognised in profit or loss for the period ended 30 June 2023 and our review conclusion on those interim condensed consolidated financial statements is modified. This matter has been resolved since our audit for the Company’s consolidated financial statements for the year ended 31 December 2023 and we have obtained sufficient appropriate audit evidence relating to the carrying values of the Group’s interests in the AMC Bond and AMC Shares as at 30 June 2024 and 31 December 2023. Our conclusion on the current period’s interim condensed consolidated financial statements is still modified because of the possible effect of this matter on the comparability of the current period’s figures and the corresponding figures.

In respect of the EV Bond, as detailed in note 13, up to the date of this report, the bond is still not redeemed by the issuer and no reliable financial information of EV for all years since 31 December 2021 have been provided by EV to the Fund or to the Group.

Based on the net assets statements of the Fund and limited available financial information and relevant supporting information of EV, management conducted fair value assessments on EV Bond and determined the fair value of the Group's interest in the EV Bond is approximately HK\$5,630,000 as at 30 June 2024, resulting an unrealised gain of approximately HK\$1,401,000 recognised for the period ended 30 June 2024. Neither the Fund nor the Group were provided with sufficient and appropriate information about the status of the operations and financial position of EV for management's assessments of the recoverability and the carrying value of the Group's interests in the EV Bond as at 30 June 2024.

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 EV Bond as at 31 December 2023 and 30 June 2024. As a consequence, we were unable to assess the fair value of the EV Bond and there were no other satisfactory procedures that we could perform to determine whether any adjustments to the Group's interests in the EV Bond as at 31 December 2023 and 30 June 2024 are necessary. Any adjustments to the carrying value of the Group's interests in the EV Bond as at 31 December 2023 and 30 June 2024 could have a significant consequential effect on the unrealised fair value gain/loss recognised in profit or loss arising from the Fund as reported by the Group for the periods ended 30 June 2023 and 2024.

Qualified Conclusion

Based on our review, except for the possible effects of the matters described above, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial information is not prepared, in all material respect, in accordance with HKAS 34.

STATUS ON RESOLVING THE AUDIT QUALIFICATION

Reference is made to the section headed "The Company's plan to address the Audit Qualification and complete the realisation of the process of the Investment Fund" of the annual report of the Company for the year ended 31 December 2023 (the "**2023 Annual Report**"), whereby it was disclosed that the issuers of the EV Bond and the AMC Bond agreed with the General Partner on the repayment schedule to ensure the liquidation of the Investment Fund would be completed before the end of year 2024.

During the six months ended 30 June 2024, the repayments have been timely made by the issuers of the EV Bond and the AMC Bond in accordance with the agreed repayment schedule, and the Company has, through the General Partner, from time to time follow-up with the issuers of the EV Bond and the AMC Bond to ensure there will be no delays in the repayment schedules that have been agreed with the issuers of the EV Bond and AMC Bond. Therefore, the Company expects that the liquidation of the Investment Fund, from which the Company is allowed to obtain distributable returns, and the resolution of the unresolved audit issues to remain on track and be completed by the end of 2024.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, there were no significant event after the six months ended 30 June 2024 and up to the date of this announcement.

PUBLICATION OF 2024 INTERIM REPORT

The 2024 interim report of the Company will be published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.bison.com.hk) in due course and despatched to the Shareholders upon request.

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

Hong Kong, 28 August 2024

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