BISON FINANCE GROUP LIMITED
貝森金融集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 888)

2019 ANNUAL RESULTS ANNOUNCEMENT

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

The directors of Bison Finance Group Limited (the "**Company**") (the "**Directors**") submit herewith the consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 December 2019, together with the relevant comparative figures.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2019

(Expressed in Hong Kong dollars)

	Note	**2019** **$'000**	2018 $'000 (Note)
Revenue	3 & 4	**506,266**	414,008
Other revenue	5(a)	**10,077**	9,918
Other net income/(loss)	5(b)	**74,974**	(1,479)
Total operating revenue		**591,317**	422,447
Operating expenses			
Royalty, licence and management fees		**(191,779)**	(184,075)
Cost of production		**(73,723)**	(74,839)
Cost of services		**(31,222)**	(2,418)
Staff expenditure	6(b)	**(134,282)**	(89,813)
Depreciation and amortisation		**(32,925)**	(8,058)
Repairs and maintenance		**(919)**	(897)
(Provision)/reversal of provision for impairment losses, net	6(c)	**(16,496)**	3,785
Reversal of provision for onerous contracts, net		**—**	545
(Loss)/gain on deregistration of a subsidiary		**(2,527)**	13,725
Other operating expenses		**(60,013)**	(57,354)
Total operating expenses		**(543,886)**	(399,399)
Profit from operations		**47,431**	23,048
Finance costs	6(a)	**(15,377)**	(236)
Profit before taxation	6	**32,054**	22,812
Income tax	7	**(11,288)**	(6,555)
Profit attributable to equity shareholders of the Company for the year		**20,766**	16,257
Earnings per share (in Hong Kong cents)	9		
Basic and diluted		**1.81**	1.45

Note: The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, the comparative information is not restated. See note 2.

Details of dividends payable to equity shareholders of the Company attributable to the year are set out in note 8.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2019
(Expressed in Hong Kong dollars)

	2019	2018
	$'000	$'000
		(Note)
Profit for the year	**20,766**	16,257
Other comprehensive income for the year (after tax and reclassification adjustments):		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of the financial statements of operations outside Hong Kong, net of tax	**(21)**	(8,438)
Release upon deregistration of a subsidiary	**2,527**	(13,725)
	2,506	(22,163)
Total comprehensive income attributable to equity shareholders of the Company for the year	**23,272**	(5,906)

Note: The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, the comparative information is not restated. See note 2.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2019

(Expressed in Hong Kong dollars)

	Note	**2019** **$'000**	2018 $'000 (Note)
Non-current assets			
Property, plant and equipment	10	**61,330**	40,751
Intangible assets		**58,919**	68,525
Goodwill	11	**178,444**	217,176
Non-current prepayments and deposits	12	**5,637**	54,843
Financial assets at fair value through profit or loss	13	**167,452**	—
Loans receivable	14	**42,869**	—
Deferred tax assets		**1,265**	4,252
		515,916	385,547
Current assets			
Accounts receivable	15	**144,497**	142,023
Loans receivable	14	**58,481**	25,080
Amount due from a fellow subsidiary		**7**	—
Other receivables and deposits		**90,279**	24,113
Financial assets at fair value through profit or loss	13	**9,779**	29,650
Current tax recoverable		**1,670**	1,475
Cash held on behalf of clients		**900**	—
Pledged bank deposits	16	**98,698**	98,698
Bank deposits and cash		**80,722**	245,737
		485,033	566,776
Assets of a disposal group classified as held for sale	19	**95,218**	—
Total current assets		**580,251**	566,776
Current liabilities			
Accounts payable	17	**8,112**	4,043
Other payables and accruals		**38,618**	53,775
Contract liabilities		**38,691**	53,592
Lease liabilities		**18,613**	3,346
Promissory notes	18	**185,000**	100,000
Bond payable		**7,000**	—
Current tax payable		**3,933**	1,627
		299,967	216,383
Liabilities of a disposal group classified as held for sale	19	**3,790**	—
Total current liabilities		**303,757**	216,383
Net current assets		**276,494**	350,393
Total assets less current liabilities		**792,410**	735,940

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 31 December 2019

(Expressed in Hong Kong dollars)

	2019 **\$'000**	2018 \$'000 (Note)
Non-current liabilities		
Loan payable	**39,608**	—
Lease liabilities	**15,904**	3,289
Deferred tax liabilities	**15,043**	10,557
	70,555	13,846
NET ASSETS	**721,855**	722,094
CAPITAL AND RESERVES		
Share capital	**118,487**	118,487
Reserves	**603,368**	603,607
TOTAL EQUITY	**721,855**	722,094

Note: The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, the comparative information is not restated. See note 2.

NOTES

(Expressed in Hong Kong dollars unless otherwise indicated)

1. BASIS OF PREPARATION

The annual results set out in this announcement do not constitute the Group's financial statements for the year ended 31 December 2019 but are extracted from those financial statements.

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

2. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a new HKFRS, HKFRS 16, *Leases*, and a number of amendments to HKFRSs that are first effective for the current accounting period of the Group.

Except for HKFRS 16, *Leases*, none of the developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

HKFRS 16, Leases

HKFRS 16 replaces HKAS 17, *Leases*, and the related interpretations, HK(IFRIC) 4, *Determining whether an arrangement contains a lease*, HK(SIC) 15, *Operating leases – incentives*, and HK(SIC) 27, *Evaluating the substance of transactions involving the legal form of a lease*. It introduces a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less ("**short-term leases**") and leases of low value assets.

The Group has initially applied HKFRS 16 as from 1 January 2019. The Group has elected to use the modified retrospective approach and has therefore recognised the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 January 2019. Comparative information has not been restated and continues to be reported under HKAS 17.

a. ***New definition of a lease***

The change in the definition of a lease mainly relates to the concept of control. HKFRS16 defines a lease on the basis of whether a customer controls the use of an identified asset for a period of time, which may be determined by a defined amount of use. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group applies the new definition of a lease in HKFRS 16 only to contracts that were entered into or changed on or after 1 January 2019. For contracts entered into before 1 January 2019, the Group has used the transitional practical expedient to grandfather the previous assessment of which existing arrangements are or contain leases.

Accordingly, contracts that were previously assessed as leases under HKAS 17 continue to be accounted for as leases under HKFRS 16 and contracts previously assessed as non-lease service arrangements continue to be accounted for as executory contracts.

b. ***Lessee accounting and transitional impact***

HKFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by HKAS 17. Instead, the Group is required to capitalise all leases when it is the lessee, including leases previously classified as operating leases under HKAS 17, other than those short-term leases and leases of low-value assets. As far as the Group is concerned, these newly capitalised leases are primarily in relation to property, plant and equipment as disclosed in note 10.

At the date of transition to HKFRS 16 (i.e. 1 January 2019), the Group determined the length of the remaining lease terms and measured the lease liabilities for the leases previously classified as operating leases at the present value of the remaining lease payments, discounted using the relevant incremental borrowing rates at 1 January 2019. The weighted average of the incremental borrowing rates used for determination of the present value of the remaining lease payments was 2.8% per annum.

To ease the transition to HKFRS 16, the Group applied the following recognition exemption and practical expedients at the date of initial application of HKFRS 16:

(i) the Group elected not to apply the requirements of HKFRS 16 in respect of the recognition of lease liabilities and right-of-use assets to leases for which the remaining lease term ends within 12 months from the date of initial application of HKFRS 16, i.e. where the lease term ends on or before 31 December 2019; and

(ii) when measuring the lease liabilities at the date of initial application of HKFRS 16, the Group applied a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment).

The following table reconciles the operating lease commitments as disclosed in note 20(b) as at 31 December 2018 to the opening balance for lease liabilities recognised as at 1 January 2019:

	1 January 2019
	HK$'000
Operating lease commitments at 31 December 2018	15,957
Less: commitments relating to leases exempt from capitalisation:	
– short-term leases and other leases with remaining lease term ending on or before 31 December 2019	(4,695)
	11,262
Less: total future interest expenses	(256)
Present value of remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019	11,006
Add: finance lease liabilities recognised as at 31 December 2018	6,635
Total lease liabilities recognised at 1 January 2019	17,641

The right-of-use assets in relation to leases previously classified as operating leases have been recognised at an amount equal to the amount recognised for the remaining lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the consolidated statement of financial position at 31 December 2018.

So far as the impact of the adoption of HKFRS 16 on leases previously classified as finance leases is concerned, the Group is not required to make any adjustments at the date of initial application of HKFRS 16, other than changing the captions for the balances. Accordingly, instead of "finance lease liabilities", these amounts are included within "lease liabilities", and the depreciated carrying amount of the corresponding leased asset is identified as a right-of-use asset. There is no impact on the opening balance of equity.

The Group presents right-of-use assets in "property, plant and equipment" and presents lease liabilities separately in the consolidated statement of financial position.

The following table summarises the impacts of the adoption of HKFRS 16 on the Group's consolidated statement of financial position:

	Carrying amount at 31 December 2018	**Capitalisation of operating lease contracts**	**Carrying amount at 1 January 2019**
	HK$'000	HK$'000	HK$'000
Line items in the consolidated statement of financial position impacted by the adoption of HKFRS 16:			
Property, plant and equipment	40,751	11,006	51,757
Total non-current assets	**385,547**	**11,006**	**396,553**
Lease liabilities (current)	3,346	6,565	9,911
Current liabilities	**216,383**	**6,565**	**222,948**
Net current assets	**350,393**	**(6,565)**	**343,828**
Total assets less current liabilities	**735,940**	**4,441**	**740,381**
Lease liabilities (non-current)	3,289	4,441	7,730
Total non-current liabilities	**13,846**	**4,441**	**18,287**
Net assets	**722,094**	**—**	**722,094**

3. SEGMENT REPORTING

The Group manages its businesses by business line (products and services) and has reportable operating segments as follows:

(a) Financial services – licensed businesses including provision of investment advisory services, securities brokerage services, securities margin financing services, external asset management services, securities underwriting and placing services, fund management services and loan financing services, and provision of insurance brokerage services in the People's Republic of China (the "**PRC**"); and

(b) Media – provision of media sales, design and management services and production of advertisements for transit vehicle exteriors and interiors, shelters, outdoor signages advertising businesses and the provision of integrated marketing services covering these advertising platforms in Hong Kong.

EBITDA is a non-HKFRS measure used by management for monitoring business performance. The Group's EBITDA is defined as the Group's profit/loss before finance costs, income tax, depreciation and amortisation. Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before interest, taxes, depreciation and amortisation (adjusted EBITDA). The adjusted profit/loss is measured consistently with the Group's profit before tax except that certain income and gains/losses, finance costs as well as head office and corporate expenses are excluded from such measurement. The reportable segment profit for the year ended 31 December 2018 disclosed in last year annual report was segment profit before finance costs and income tax (EBIT). The corresponding segment information for the year ended 31 December 2018 has been restated.

Segment assets and liabilities include all current and non-current assets and liabilities, respectively, which are directly managed by the segments, excluding unallocated head office and corporate assets and liabilities as these assets and liabilities are managed on a group basis.

There are no sales between the reportable segments.

Information regarding the Group's reportable segments for the years ended 31 December 2019 and 2018 is set out below.

(a) Reportable segment revenue, profit or loss, assets and liabilities:

	Financial services		Media		Total	
	2019	2018	**2019**	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
		(Restated)		(Restated)		(Restated)
		(Note)		(Note)		(Note)
Disaggregated by timing of revenue recognition:						
Point in time	**86,720**	31,945	**214,346**	188,994	**301,066**	220,939
Over time	**35,352**	1,547	**169,848**	191,522	**205,200**	193,069
Revenue from external customers and reportable segment revenue	**122,072**	33,492	**384,194**	380,516	**506,266**	414,008
Reportable segment profit (adjusted EBITDA)	**52,616**	21,589	**26,250**	25,129	**78,866**	46,718
Other revenue and other net income/loss	**132**	48	**9**	(8)	**141**	40
Interest income from bank deposits	**153**	74	**29**	24	**182**	98
Interest expense	**(1,888)**	—	**(531)**	(86)	**(2,419)**	(86)
Depreciation and amortisation	**(10,933)**	(428)	**(13,088)**	(7,020)	**(24,021)**	(7,448)
Gain on deregistration of a subsidiary	**—**	—	**—**	13,725	**—**	13,725
(Provision)/reversal of provision for impairment losses of						
– intangible assets	**—**	—	**(279)**	—	**(279)**	—
– goodwill (Note 11(ii))	**(9,195)**	—	**—**	—	**(9,195)**	—
– accounts receivable	**—**	—	**(205)**	185	**(205)**	185
– loans receivable	**(2,894)**	—	**—**	—	**(2,894)**	—
– other receivables	**(1,439)**	3,600	**—**	—	**(1,439)**	3,600
Reversal of provision for onerous contracts, net	**—**	—	**—**	545	**—**	545
Reportable segment assets	**442,593**	404,027	**281,592**	319,274	**724,185**	723,301
Additions to non-current segment assets during the year	**2,567**	10,749	**4,789**	19,630	**7,356**	30,379
Reportable segment liabilities	**72,042**	22,181	**78,880**	100,580	**150,922**	122,761

Note: The Group has initially applied HKFRS 16 using the modified retrospective approach. Under this approach, the comparative information is not restated. See note 2.

(b) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities are as follows:

	2019 $'000	2018 $'000
Revenue		
Reportable segment revenue	**506,266**	414,008
Consolidated revenue	**506,266**	414,008

	2019 $'000	2018 $'000
Profit		
Reportable segment profit	**78,866**	46,718
Finance costs	**(15,377)**	(236)
Depreciation and amortisation	**(32,925)**	(8,058)
Unallocated other revenue and other net income	**84,728**	8,301
Unallocated head office and corporate expenses and others	**(83,238)**	(23,913)
Consolidated profit before taxation	**32,054**	22,812

	2019 $'000	2018 $'000
Assets		
Reportable segment assets	**724,185**	723,301
Unallocated head office and corporate assets and others	**371,982**	229,022
Consolidated total assets	**1,096,167**	952,323

	2019 $'000	2018 $'000
Liabilities		
Reportable segment liabilities	**150,922**	122,761
Unallocated head office and corporate liabilities and others	**223,390**	107,468
Consolidated total liabilities	**374,312**	230,229

4. REVENUE

The Group is principally engaged in (i) the provision of financial services and (ii) the provision of media sales, design and management services and production of advertisements. Further details regarding the Group's principal activities are disclosed in note 3.

An analysis of the Group's revenue for the year is as follows:

	2019 **$'000**	2018 $'000
Income from media sales, design and management services, production of advertisements	**384,194**	380,516
Fund management service income	**54,290**	15,910
External asset management advisory commission income	**39,641**	556
Insurance brokerage service income	**20,583**	17,026
Interest income from provision of loan financing	**2,717**	—
Others	**4,841**	—
	506,266	414,008

The Group applied the practical expedient in HKFRS 15.94 and therefore expensed the incremental costs of obtaining a contract if the amortisation period is one year or less.

5. OTHER REVENUE AND OTHER NET INCOME/(LOSS)

(a) Other revenue

	2019 **$'000**	2018 $'000
Net unrealised gains on financial assets at fair value through profit or loss	**—**	11
Interest income from bank	**1,773**	3,596
Other interest income	**7,467**	6,151
Sundry revenue	**837**	160
	10,077	9,918

(b) Other net income/(loss)

	2019 **$'000**	2018 $'000
Exchange gain/(loss)	**683**	(1,458)
Net realised and unrealised gains on financial assets at fair value through profit or loss	**74,298**	—
Loss on disposal of property, plant and equipment	**(7)**	(21)
	74,974	(1,479)

6. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after (crediting)/charging:

(a) Finance costs

	2019	2018
	$'000	$'000
Interest on lease liabilities	**942**	137
Interest on promissory note	**12,547**	99
Other interest expense	**1,888**	—
	15,377	236

Note: The Group has initially applied HKFRS 16 using the modified retrospective approach. Under this approach, the comparative information is not restated. See note 2.

(b) Staff costs

	2019	2018
	$'000	$'000
Directors' emoluments	**7,498**	5,625
Contributions to defined contribution retirement schemes	**4,635**	3,643
Equity-settled share-based payment expenses	**20,553**	—
Salaries and other benefits	**101,596**	80,545
	134,282	89,813

(c) Other items

	2019	2018
	$'000	$'000
Auditor's remuneration	**3,690**	3,407
Amortisation	**9,327**	55
Depreciation charge		
– owned property, plant and equipment	**9,526**	7,567
– right-of-use assets*	**14,072**	436
	23,598	8,003
Provision/(reversal of provision) for impairment losses, net		
– goodwill (Note 11(ii))	**9,195**	—
– intangible assets	**279**	—
– non-current prepayments and deposits	**1,439**	—
– accounts receivable	**205**	(185)
– loans receivable	**4,397**	—
– other receivables	**981**	(3,600)
	16,496	(3,785)
Total minimum lease payments for leases previously classified as operating leases under HKAS 17*	**—**	7,069

* The Group has initially applied HKFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 January 2019 to recognise right-of-use assets relating to leases which were previously classified as operating leases under HKAS 17. The depreciated carrying amount of the finance lease assets which were previously included in property, plant and equipment is also identified as a right-of-use asset. After initial recognition of right-of-use assets at 1 January 2019, the Group as a lessee is required to recognise the depreciation of right-of-use assets, instead of the previous policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term. Under this approach, the comparative information is not restated. See note 2.

7. INCOME TAX

	2019	2018
	$'000	$'000
Current tax		
Provision for Hong Kong Profits Tax for the current year	**3,311**	3,533
Over-provision in respect of prior years	**(769)**	(98)
	2,542	3,435
Provision for PRC corporate income tax	**1,273**	727
Over-provision in respect of prior years	**—**	(260)
	3,815	3,902
Deferred tax		
Reversal and origination of temporary differences	**7,473**	2,653
Income tax expense	**11,288**	6,555

The provision for Hong Kong Profits Tax for the year is calculated at 16.5% (2018: 16.5%) of the estimated assessable profits for the year. Taxation for subsidiaries in the PRC is charged at the appropriate current rates of taxation ruling in the PRC.

8. DIVIDENDS

(a) Dividend payable to equity shareholders of the Company attributable to the year:

	2019	2018
	$'000	$'000
Final dividend proposed after the end of the reporting period of nil cent per share (2018: Nil cent per share)	**—**	—

(b) No final dividend in respect of the financial year ended 31 December 2018 was approved and paid during the year (2018: Nil).

9. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the earnings attributable to ordinary equity shareholders of the Company of approximately $20,766,000 (2018: earnings of approximately $16,257,000) and the weighted average of 1,149,635,650 ordinary shares (2018: 1,122,373,464 ordinary shares) in issue during the year. The weighted average number of ordinary shares is arrived at after deducting the shares held for the share award scheme.

Weighted average number of ordinary shares

	2019	2018
	'000	'000
Issued ordinary shares at 1 January	**1,184,865**	997,365
Effect of placing new shares	**—**	129,452
Adjustment of shares award scheme	**(35,229)**	(4,444)
Weighted average number of ordinary shares at 31 December	**1,149,636**	1,122,373

(b) Diluted earnings per share

There were no dilutive potential ordinary shares outstanding during the years ended 31 December 2019 and 2018. Accordingly, diluted earnings per share is the same as basic earnings per share.

10. PROPERTY, PLANT AND EQUIPMENT

The Group has initially applied HKFRS 16 using the modified retrospective method and adjusted the opening balances at 1 January 2019 to recognise right-of-use assets relating to leases which were previously classified as operating leases under HKAS 17. In addition, the depreciated carrying amount of the finance leased assets which were previously included in other property, plant and equipment is also identified as right-of-use assets.

During the year ended 31 December 2019, additions to right-of-use assets were approximately $32,585,000 related to the capitalised lease payments payable under new tenancy agreements and licence agreements.

11. GOODWILL

	$'000
Cost and net carrying amount:	
At 1 January 2018	40,770
Acquisition of subsidiaries	178,444
Exchange adjustment	(2,038)
At 31 December 2018 and 1 January 2019	217,176
Impairment loss (Note (ii))	(9,195)
Reclassified to a disposal group classified as held for sale (Note 19)	(29,537)
At 31 December 2019	**178,444**

Impairment tests for cash-generating units containing goodwill

Goodwill is allocated to the Group's cash-generating units (CGU) as follows:

	2019 **$'000**	2018 $'000
Insurance brokerage business (Note (ii))	**—**	38,732
Investment advisory services business and fund management business (Notes (i) & (iii))	**178,444**	178,444
	178,444	217,176

Notes:

(i) An independent valuation was performed by external valuer for the 2019 and 2018 annual impairment assessment.

(ii) An impairment loss of approximately $9,195,000 for write-downs of the goodwill allocated to this CGU to the lower of its carrying amount and its fair value less costs to sell has been charged to the consolidated statement of profit or loss for the current year. The impairment loss has been applied to reduce the carrying amount of goodwill allocated to this CGU.

(iii) The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on historical data and financial budgets approved by the Board of Directors covering a five-year (2018: five-year) period. Cash flows beyond the five-year period are extrapolated using an estimated weighted average growth rate. The growth rates used do not exceed the long-term average growth rates for the businesses in which the CGU operates. The cash flows are discounted using a discount rate which is pre-tax and reflects specific risks relating to the relevant CGU.

For each of the CGUs with significant amount of goodwill, the key assumptions used in the value-in-use calculations are as follows:

	2019		2018	
	Investment advisory and fund management	**Insurance brokerage**	Investment advisory and fund management	Insurance brokerage
% of revenue growth	**6%**	**N/A**	6%	15%-20%
Long term growth rate	**3%**	**N/A**	3%	3%
Pre-tax discount rate	**16%**	**N/A**	17%	19%

Based on the above key assumptions and detailed five-year budget plan, the Board of Directors concluded there was no impairment to goodwill as the carrying amount of each of the CGUs did not exceed its recoverable amount.

The Board of Directors is not aware of any possible significant change to the above key assumptions on which the recoverable amount is based which would cause the carrying amount of the CGUs to exceed their respective recoverable amounts.

12. NON-CURRENT PREPAYMENTS AND DEPOSITS

Non-current prepayments and deposits comprise of the followings:

	2019	2018
	$'000	$'000
Purchase of property, plant and equipment	**1,745**	15,032
Security and other deposits, and other receivables	**3,892**	39,811
	5,637	54,843

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2019	2018
	$'000	$'000
Financial assets measured at fair value through profit or loss	**177,231**	29,650
Non-current (Note (i))	**167,452**	—
Current (Note (ii))	**9,779**	29,650
	177,231	29,650

Notes:

(i) 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 any of its connected person (as defined under the Listing Rules) ("**independent third party(ies)**"), entered into a subscription agreement (the "**Subscription Agreement**") on the terms of a partnership agreement (the "**Partnership Agreement**"), pursuant to which Premier Future has agreed to subscribe for limited partner interests in BeiTai Investment LP (the "**Investment Fund**"), with a capital commitment of $93,000,000, representing 75% (as at 31 December 2018: Nil) of the aggregated capital committed by all partners in the Investment Fund as at 31 December 2019.

The Investment Fund is a close-ended private equity fund structured as 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 subject to the Exempted Limited Partnership Law (Revised) of the Cayman Islands, the General Partner has control over the Investment Fund to control and manage its business and shall act at all times in good faith. The Board of Directors considered the Group has neither significant influence nor joint control over the Investment Fund and therefore it is classified as financial assets at fair value through profit or loss in accordance with the requirements under HKFRS 9, *Financial Instruments*. Details of the transaction have been disclosed in the Company's announcement dated 22 February 2019.

As at 31 December 2019, there was no unpaid capital commitment on investment in the Investment Fund (2018: Nil).

During the year ended 31 December 2019, net unrealised gain on the Investment Fund of approximately $74,453,000 (2018: Nil), which the underlying investments of the Investment Fund represented equity securities listed in Hong Kong, was recognised in the consolidated statement of profit or loss.

(ii) The balance at 31 December 2019 represented listed equity securities in Hong Kong (2018: financial investment products issued by a bank in the PRC with variable return).

14. LOANS RECEIVABLE

	2019	2018
	$'000	$'000
Secured	**57,704**	25,080
Unsecured	**48,043**	—
Less: Impairment allowance	**(4,397)**	—
	101,350	25,080
Non-current	**42,869**	—
Current	**58,481**	25,080
	101,350	25,080

The loans were made to five (2018: one) independent third parties and the balances are interest-bearing.

15. ACCOUNTS RECEIVABLE

	2019 $'000	2018 $'000
Accounts receivable	**144,497**	142,023

(a) Ageing analysis

Details of the ageing analysis of accounts receivable that are neither individually nor collectively considered to be impaired at the end of the reporting period are as follows:

	2019 $'000	2018 $'000
Neither past due nor impaired	**108,767**	75,714
Within one month past due	**19,932**	37,956
Over one month but within two months past due	**6,340**	12,418
Over two months but within three months past due	**3,611**	6,698
Over three months but within one year past due	**4,702**	8,165
Over one year past due	**1,145**	1,072
	144,497	142,023

According to the Group's credit policy, credit period granted to customers is generally within 90 days. Therefore, all the balances which are not past due as disclosed above are within three months from the invoice date.

All of the accounts receivable are expected to be recovered within one year.

(b) Impairment of accounts receivable

The Group measures loss allowances for accounts receivable at an amount equal to lifetime expected credit losses. Given the Group's profile of various types of customers and business engaged by the Group, accounts receivable exposure from loss allowance are managed locally in the operating unites where they arise.

The movement in the loss allowance account in respect of accounts receivable during the year is as follows:

	2019 $'000	2018 $'000
At 1 January	**7,506**	9,192
Reversal of expected credit loss on accounts receivable upon initial adoption of HKFRS 9	**—**	(1,493)
	7,506	7,699
Impairment loss recognised/(reversed)	**205**	(185)
Uncollectible amounts written off	**(6,674)**	(8)
At 31 December	**1,037**	7,506

16. PLEDGED BANK DEPOSITS

Pursuant to certain licence agreements between subsidiaries of the Company and independent third parties, bank guarantees have been provided to the independent third parties in respect of the subsidiaries' due performance and payment under the respective licence agreements. The Company has pledged bank deposits of approximately $97,248,000 (2018: approximately $97,248,000) to banks for the bank guarantees issued.

The remaining deposits amounting to $1,450,000 (2018: $1,450,000) have been pledged to secure banking facilities granted to the Group.

17. ACCOUNTS PAYABLE

Details of the ageing analysis of accounts payable at the end of the reporting period are as follows:

	2019 $'000	2018 $'000
Within one month	**7,544**	4,043
Within one to three months	**344**	—
Over three months but within six months	**224**	—
	8,112	4,043

Above balances are all within six months from the invoice date.

All of the accounts payable are expected to be settled within one year.

18. PROMISSORY NOTES

The movement of the promissory notes are set out below:

	2019	2018
	$'000	$'000
At 1 January	**100,000**	—
Issue of promissory notes (Notes (i) & (iii))	**90,000**	100,000
Issue of promissory notes upon acquisition of subsidiaries (Note (ii))	**—**	220,000
Redemption of promissory notes (Notes (i) & (ii))	**(5,000)**	(220,000)
At 31 December	**185,000**	100,000

Notes:

(i) On 28 December 2018, the Company issued promissory note (the "**Kinetic Promissory Note**") in the principal amount of $100,000,000 to Kinetic Creation Global Investments Limited ("**Kinetic**"), an indirect wholly-owned subsidiary of CCB International (Holdings) Limited. The Kinetic Promissory Note bears interest at a rate of 9% per annum for a term of one calendar year, which is subject to an extension for another one calender year by the written consent of Kinetic. During the year ended 31 December 2019, the maturity date of the Kinetic Promissory Note has been extended to 30 November 2020 and the principal amount of $5,000,000 has been redeemed on 28 December 2019. The Kinetic Promissory Note is subject to the fulfilment of covenants relating to certain of the Group's balance sheet ratios, as are commonly found in lending arrangements with financial institutions. The Kinetic Promissory Note would become payable on demand if the Group were to breach the covenants. The Group regularly monitors its compliance with these covenants. As at 31 December 2019, none of the covenants relating to had been breached (2018: Nil).

(ii) On 14 December 2018, upon the acquisition of subsidiaries, a wholly-owned subsidiary of the Company issued promissory notes in the principal amount of $220,000,000 as partial settlement of the total consideration for such acquisiton. The promissory notes bear interest at a rate of 3% per annum and were redeemed by the subsidiary of the Company on the even date.

(iii) On 9 August 2019, the Company issued promissory note in the principal amount of $90,000,000 to Fullbest Star Limited ("**Fullbest**"), an independent third party. The promissory note bears interest at a rate of 10% per annum for a term of one calendar year which is subject to an extension for another one calendar year by the written consent of Fullbest.

19. ASSETS AND LIABILITIES OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

In late 2019, the Group entered into negotiations with prospective buyers to dispose 100% equity interest of 中體保險經紀有限公司 (China Sports Insurance Broker Co., Ltd.*) ("**CSIB**"). CSIB is engaged in the provision of insurance brokerage services as part of the financial services segment of the Group. The associated assets and liabilities were consequently presented as held for sale in the 2019 financial statements.

On 18 February 2020, the Group entered into an agreement (the "**Disposal Agreement**") with an independent third party in relation to sale and purchase of 100% of the equity interests of CSIB (the "**Disposal**"). Details of the Disposal were disclosed in the Company's announcement dated 18 February 2020.

The following assets and liabilities were reclassified as held for sale in relation to the disposal group as at 31 December 2019:

	$'000
Assets classified as held for sale	
Property, plant and equipment	9,385
Goodwill	29,537
Prepayments and deposits	27,360
Accounts receivable	1,519
Other receivable and deposits	11,061
Bank deposits and cash	16,356
Total assets of disposal group held for sale	95,218
Liabilities directly associated with assets classified as held for sale	
Other payables and accruals	3,622
PRC tax payables	168
Total liabilities of disposal group held for sale	3,790

* *For identification purposes only*

Cumulative income or expense included in other comprehensive income

A cumulative foreign currency translation loss of approximately $289,000 has been recognised in other comprehensive income relating to the disposal group.

20. COMMITMENTS

(a) Capital commitments

At 31 December 2019, the Group had the following capital commitments in relation to the purchase of property, plant and equipment and investment in subsidiaries not provided for in the financial statements:

	2019	2018
	$'000	$'000
Contracted for		
Property, plant and equipment	**13,693**	14,993
Investment in subsidiaries	**1,634**	7,334
	15,327	22,327

(b) Operating lease commitments

At 31 December 2018, the Group's total future minimum lease payments under non-cancellable operating leases in respect of property and equipment are payable as follows:

	2018
	$'000
Within 1 year	10,445
After 1 year but within 5 years	5,512
	15,957

The Group is the lessee in respect of a number of properties held under leases which were previously classified as operating leases under HKAS 17. The Group has initially applied HKFRS 16 using the modified retrospective approach. Under this approach, the Group adjusted the opening balances at 1 January 2019 to recognise lease liabilities relating to these leases (see note 2). From 1 January 2019 onwards, future lease payments are recognised as lease liabilities in the consolidated statement of financial position.

(c) Other commitments

Under certain exclusive licences to (i) conduct media sales agency and management business on selected bus shelters, (ii) solicit advertising business in respect of the interior and exterior panels of buses operated by The Kowloon Motor Bus Company (1933) Limited ("**KMB**") and Long Win Bus Company Limited ("**Long Win**"), and (iii) solicit advertising business on other advertising spaces owned by independent third parties, the Group has committed to pay licence fees or royalty fees at a pre-determined percentage of the net advertising rental received, subject to a guaranteed minimum amount, as at 31 December 2019 and 2018. Such licences will expire in periods ranging from 2020 to 2022. The future minimum guaranteed licence fees and royalty fees are payable as follows:

	2019	2018
	$'000	$'000
Within 1 year	**123,872**	191,720
After 1 year but within 5 years	**87,800**	212,047
	211,672	403,767

The above licences typically run for an initial period of 32 to 72 months, and certain of the licences contain an option to renew the licence when all terms are renegotiated.

21. NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

(a) Disposal of CSIB

As mentioned in note 19, on 18 February 2020, the Group entered into the Disposal Agreement with an independent third party in relation to the sales and purchase of 100% of the equity interests of CSIB. The Disposal has not yet been completed as at the date of this announcement, subject to fulfillment or waiver (as the case may be) of conditions precedent to the Disposal Agreement.

(b) Effect on the Group due to the outbreak (the "Outbreak") of the Novel Coronavirus ("COVID-19")

Following the Outbreak emerged in early 2020, a series of precautionary and control measures have been and continued to be implemented across the globe. In Hong Kong and the PRC, the relevant authorities have taken certain emergency public health control measures in an attempt to contain the Outbreak including restrictions imposed on the transportation and quarantine of certain residents. Amid the large-scale spread of COVID-19, our daily operation and business performance in Hong Kong and the PRC have been adversely affected due to the aforesaid public health control measures. The Group has been implementing a number of measures to mitigate the impact on the disruption of the Group's business operation and economic activities, as caused by the Outbreak. The Group shall continue to pay close attention to the development of the Outbreak and its impact on the Group's financial position and operating results.

22. SCOPE OF WORK OF AUDITORS

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes for the year ended 31 December 2019 as set out in the preliminary announcement have been compared by the Group's auditors, KPMG, Certified Public Accountants, to the amounts set out in the Group's draft consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditors.

BUSINESS RESULTS

For the year under review, the Group is principally engaged in (a) the provision of financial services of licensed businesses including provision of investment advisory services business, securities brokerage business, securities underwriting and placing business, fund management business and loan financing business; as well as the provision of insurance brokerage services business in the People's Republic of China (the "**PRC**") (the "**Financial Services Business**") and (b) the provision of media sales, design services and production of advertisements for transit vehicle exteriors ("**BUS-BODY Advertising**") and interiors ("**BUS-INTERIOR Advertising**"), shelters ("**BUS-SHELTER Advertising**"), outdoor signage advertising business and the provision of integrated marketing services covering these advertising platforms in Hong Kong (the "**Media Business**").

For the year ended 31 December 2019, the Group reported total operating revenue increased by 40% to approximately HK$591.3 million (2018: approximately HK$422.4 million); while the profit attributable to equity shareholders of the Company (the "**Shareholders**") increased to approximately HK$20.8 million for the year ended 31 December 2019 (2018: approximately HK$16.3 million). The increase in profit for the year was mainly due to the increase in segment profit contributed by the Financial Services Business which raised by approximately HK$31.0 million to approximately HK$52.6 million for 2019 (2018: approximately HK$21.6 million) and the net realised and unrealised gains on financial assets at fair value through profit or loss of approximately HK$74.3 million and set off by the increase in overall operation costs including, among others, (i) the increase in depreciation and amortisation of approximately HK$24.9 million, (ii) the recognition of equity-settled share-based payment expenses of approximately HK$20.6 million, (iii) the decrease in gain on deregistration of a subsidiary of approximately HK$16.3 million and (iv) the increase in finance cost of approximately HK$15.1 million.

On the other hand, provision for deferred tax expense and impairment loss on goodwill of approximately HK$15.2 million were made in 2019 in contemplation of the disposal (the "**Disposal**") of 中體保險經紀有限公司 (China Sports Insurance Broker Co., Ltd.*) ("**CSIB**"). Details of the Disposal were disclosed in the Company's announcement dated 18 February 2020.

As at 31 December 2019, the Group had bank deposits and cash of approximately HK$80.7 million (2018: approximately HK$245.7 million).

Operating Revenue

For the year ended 31 December 2019, the Group reported total operating revenue of approximately HK$591.3 million, of which (a) approximately HK$122.1 million was attributable to the Financial Services Business, (b) approximately HK$384.2 million was attributable to the Media Business; and (c) approximately HK$85.0 million was attributable to other revenue and other net income.

* *for identification purposes only*

Revenue generated from the Financial Services Business, which includes revenue from external asset management ("**EAM**") and other related financial services, fund management business and brokerage income generated from the provision of insurance brokerage services in the PRC, was approximately HK$122.1 million in 2019, representing an increase of approximately 264.5% when compared to approximately HK$33.5 million in 2018. Such increase in revenue is mainly due to the fact that the Group commenced its Financial Services Business following the acquisition of Target Capital Management Limited ("**TCM**"), BTS Investment Limited, BTY Investment Limited, NanTai Investment Limited and Shanghai Asset Management Limited (collectively, the "**Subject Companies**") in December 2018.

Revenue generated from the Media Business increased by 1.0% to approximately HK$384.2 million in 2019 from approximately HK$380.5 million in 2018. Such increase mainly resulted from revenue generated from BUS-BODY Advertising.

Together with the satisfactory results arising from various business units of the Group, an encouraging growth was achieved during the year.

BUSINESS OVERVIEW

(1) Financial Services Business

Following the completion of the acquisition of TCM and Subject Companies in December 2018, the Group started to engage in the Financial Services Business with the licenses to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities Futures Ordinance (the "**SFO**"). In particular, during the year under review, TCM was admitted as a CCASS participant of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") to commence its licensed activities in securities trading and is able to carry out Type 9 regulated activities under the SFO without licensing conditions. With the increase in profit for the year under review which is mainly attributable to the increase in segment profit from the Financial Services Business, the Group will continue to further develop and expand its Financial Services Business by organic growth and/or through acquisition in order to diversify the income stream and customer base of the Group.

During the year under review, the Group continued to, through CSIB, engage in insurance brokerage business relating to sports in the PRC, which included the provision of insurance brokerage services, risk assessment and advisory services in relation to sport events. Having considered that the business development of the CSIB is very limited due to various restrictions and policies in place restricting the commercial development of insurance business in the PRC, in late 2019, the Group entered into negotiations with prospective buyers to dispose of 100% equity interest of CSIB. As disclosed in the announcement of the Company dated 18 February 2020, the Company entered into an agreement in relation to the Disposal of 100% of the equity interests of CSIB at a consideration of RMB80.5 million (subject to adjustment). In view of the increased risk of continued economic contraction in Hong Kong and the PRC amid the outbreak of novel coronavirus threatening the prospects of global financial market, the Group is of the view that the Disposal represents a good opportunity to streamline the Group's business segments, better utilise the Company's financial resources in its Financial Services Business, and strengthen the cash position of the Group.

(2) Media Business

During the year under review, the Group continued to operate the Media Business in Hong Kong. Although intensified competition and social unrest leading to a tough situation for the whole advertising market in Hong Kong, revenue attributable to BUS-BODY Advertising increased from approximately HK$266.2 million in 2018 to approximately HK$276.8 million in 2019. For BUS-SHELTER advertising, the Group has been making new investments in digital panels as 4-dimension interactive advertising platform at bus shelters in Hong Kong to drive the growth of the Media Business.

As disclosed in the announcement of the Company dated 22 November 2019, the tender for the exclusive licence of BUS-BODY Advertising and BUS-INTERIOR Advertising for a term from 2020 to 2027 was unsuccessful. The Group is of the view that the potential impact on Media Business as a whole upon expiry of the licences of BUS-BODY Advertising and BUS INTERIOR Advertising is unfavourable but could be manageable with the Group implementing the change in sale strategies and optimisation of resources allocation for the remaining Media Business. The Group will strengthen the sales team of BUS-SHELTER Advertising Business with the intent to maintain the profitability of the remaining Media Business and to explore the possibility of diversifying media business portfolio when suitable opportunities arise.

PROSPECTS

The year 2020 will be full of challenges with the global economy being impacted by outbreaks of coronavirus, international trade friction and geopolitical tensions. Despite the economic uncertainty and anticipated delay in investment activities, it is expected that there are opportunities to come along with the risks. The temporary downturn of global economy may create more investment, financing and marketing activities across the globe in anticipation of gradual recovery, which is expected to take place in the second half of 2020. The Group will focus on the growth, in terms of profitability and assets under management, of the Financial Services Business, while continue to provide support to maximise the value and competitiveness of the Media Business.

Looking forward, the Group will continue to identify other investment opportunities and explore further opportunities for investments in respect of the Financial Services Business to expand its business portfolio and income stream and maximise returns for its Shareholders, with an aim to drive sustainable growth the Group. At the same time, we will cautiously monitor market change and impose robust control measures to improve cost efficiency and risk management in order to be prepared for the upcoming challenges.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Liquidity and financial resources

At 31 December 2019, the Group's bank deposits and cash amounted to approximately HK$80.7 million (2018: approximately HK$245.7 million), denominated in Hong Kong dollars, US dollars, Euro, Singapore dollars and Renminbi. Apart from provision of working capital to support its sales of the Media Business, the Group maintains a healthy cash position to meet the potential needs for business expansion and development.

At 31 December 2019, the Group's indebtedness comprised lease liabilities, a bond, a loan and promissory notes of approximately HK$266.1 million (2018: approximately HK$106.6 million). Except for a loan which carried variable interest rates, all the other indebtedness carried interests with fixed interest rates ranging from 3% to 10% per annum (2018: 6% to 9% per annum). The indebtedness shall be repayable in 1 to 2.5 years (2018: 1 to 3.5 years). The gearing ratio, representing the ratio of total indebtedness to the total share capital and reserves of the Group, was 36.9% at 31 December 2019 (2018: 14.8%).

At 31 December 2019, the Group had stand-by banking facilities totalling HK$30.0 million (2018: HK$30.0 million).

At 31 December 2019, the Group had net current assets of approximately HK$276.5 million (2018: approximately HK$350.4 million) and total assets of approximately HK$1,096.2 million (2018: approximately HK$952.3 million).

Charge on assets

At 31 December 2019, bank deposits of approximately HK$98.7 million (2018: approximately HK$98.7 million) were pledged mainly to secure certain bank guarantees provided by the subsidiaries of the Company to independent third parties regarding their due performance and payment under certain licence agreements between the subsidiaries of the Company and these independent third parties.

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 and Renminbi. During the year, the Company recognised an exchange gain of approximately HK$0.7 million (2018: exchange loss of approximately HK$1.5 million). During the year, there was no material fluctuation in the exchange rates of Hong Kong dollars and US dollars. The Group did not engage in any derivatives activities and did not commit to any financial instruments to hedge its financial position exposure in 2019.

Capital expenditures and capital commitments

Capital expenditures incurred by the Group during 2019 amounted to approximately HK$13.1 million (2018: approximately HK$36.9 million).

Capital commitments contracted for but not provided for in the financial statements of the Group at 31 December 2019 amounted to approximately HK$15.3 million (2018: approximately HK$22.3 million).

Contingent liabilities

The Group did not have any significant contingent liabilities at 31 December 2019 and 2018.

EMPLOYEES AND EMOLUMENT POLICIES

At 31 December 2019, the Group had 179 full-time employees. The Group offers a comprehensive and competitive remuneration and benefits package to all its employees. In addition, it offers a performance bonus scheme to its senior staff based on achievement of business objectives and a sales commission scheme to its sales team based on achievement of advertising revenue targets. 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 can 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, among others, selected employees of the Group for providing them with incentives to continue to make substantial contributions for the long-term growth of the Group in the future and align their interests directly to the shareholders of the Company through ownership of Shares.

During the year, the Company purchased an aggregate of 38,356,000 Shares (2018: 24,644,000 Shares) from the market through a trustee (the "**Trustee**") under the Share Award Scheme at a total cost of HK$43,980,520 (2018: HK$29,405,660) (excluding all related expenses, transaction levy, brokerage, tax, duties and levies) and a total of 17,610,000 Shares (2018: Nil) have been granted to selected participants pursuant to the Share Award Scheme.

As at 31 December 2019, 45,390,000 Shares (2018: 24,644,000 Shares) were held by the Trustee for the purpose of the Share Award Scheme.

FINAL DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2019 (2018: Nil).

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

During the year, the Company purchased an aggregate of 38,356,000 Shares (2018: 24,644,000 Shares) from the market through the Trustee at a total cost of HK$43,980,520 (2018: HK$29,405,660) (excluding all related expenses, transaction levy, brokerage, tax, duties and levies) pursuant to the terms of the Share Award Scheme. Save as disclosed, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Bye-laws and the Law in Bermuda.

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 year ended 31 December 2019 with the exception of code provisions E.1.2 as described below.

For the year ended 31 December 2019, the Chairman of the Company was unable to attend the annual general meeting of the Company held on 18 June 2019 as stipulated in code provision E.1.2 due to other business engagements.

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. In response to a specific enquiry by the Company, all Directors confirmed that they have complied with the Securities Code throughout the year 2019.

REVIEW OF ANNUAL RESULTS

The audit committee of the Company has reviewed the annual results of the Group for the year ended 31 December 2019.

PUBLICATION OF ANNUAL REPORT

The 2019 Annual Report will be dispatched to shareholders and published on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.bison.com.hk) in due course.

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

Hong Kong, 20 March 2020

As at the date of this announcement, the Board 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.