貝森金融集團
Bison Finance Group

BISON FINANCE GROUP LIMITED
貝 森 金 融 集 團 有 限 公 司

(Incorporated in Bermuda with limited liability)

(Stock code: 888)

2020 INTERIM RESULTS ANNOUNCEMENT

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2020

The directors (the "**Directors**") of Bison Finance Group Limited (the "**Company**") submit herewith the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the six months ended 30 June 2020, together with the comparative figures for the six months ended 30 June 2019 and at 31 December 2019 respectively.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2020

	Notes	Six months ended 30 June 2020 HK$'000 (Unaudited)	2019 HK$'000 (Unaudited) (Restated)
REVENUE	4	**162,670**	234,962
Other income and gains, net	5	**68,951**	69,678
Royalty, licence and management fees		**(98,255)**	(93,522)
Cost of production		**(26,160)**	(39,254)
Cost of services		**(12,110)**	(14,812)
Staff expenditure		**(51,482)**	(77,775)
Depreciation and amortisation		**(18,969)**	(13,378)
Repairs and maintenance		**(677)**	(648)
Provision for impairment losses, net	6	**(91,003)**	(1,077)
Gain on disposal of subsidiaries, net	16	**7,879**	—
Other operating expenses		**(27,593)**	(29,901)
Finance costs	7	**(10,118)**	(5,212)
(LOSS)/PROFIT BEFORE TAX	6	**(96,867)**	29,061
Income tax credit/(expense)	8	**461**	(2,279)
(LOSS)/PROFIT FOR THE PERIOD ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY		**(96,406)**	26,782
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	10		
Basic and diluted		**HK(8.19) cents**	HK2.32 cents

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2020

	Note	Six months ended 30 June 2020 HK$'000 (Unaudited)	2019 HK$'000 (Unaudited)
(LOSS)/PROFIT FOR THE PERIOD		**(96,406)**	26,782
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences:			
Exchange differences on translation of foreign operations		**—**	5
Reclassification adjustment for a foreign operation disposed of during the period	16	**289**	—
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		**289**	5
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY		**(96,117)**	26,787

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2020

	Notes	**30 June 2020 HK$'000 (Unaudited)**	31 December 2019 HK$'000 (Audited) (Restated)
NON-CURRENT ASSETS			
Property, plant and equipment	11	**28,273**	61,330
Intangible assets		**54,261**	58,919
Goodwill	12	**108,358**	178,444
Non-current prepayments and deposits		**14,512**	5,637
Financial assets at fair value through profit or loss		**245,872**	167,452
Loans receivable	14	**—**	42,869
Deferred tax assets		**—**	1,265
Total non-current assets		**451,276**	515,916
CURRENT ASSETS			
Accounts receivable	13	**71,536**	144,497
Loans receivable	14	**124,256**	130,810
Amount due from a fellow subsidiary		**—**	7
Amount due from related companies		**2,311**	—
Other receivables and deposits		**9,214**	17,950
Other financial assets at fair value through profit or loss		**8,798**	9,779
Tax recoverable		**1,670**	1,670
Cash held on behalf of clients		**10,749**	900
Pledged deposits		**98,698**	98,698
Cash and cash equivalents		**155,141**	80,722
		482,373	485,033
Assets of a disposal group classified as held for sale		**—**	95,218
Total current assets		**482,373**	580,251

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

30 June 2020

	Notes	**30 June 2020 HK$'000 (Unaudited)**	31 December 2019 HK$'000 (Audited) (Restated)
CURRENT LIABILITIES			
Accounts payable	15	**17,142**	8,112
Other payables and accruals		**40,718**	38,618
Contract liabilities		**7,213**	38,691
Lease liabilities		**14,364**	18,613
Promissory notes		**190,000**	185,000
Bonds payable		**—**	7,000
Interest-bearing bank borrowing		**4,000**	—
Tax payable		**5,624**	3,933
		279,061	299,967
Liabilities of a disposal group classified as held for sale		**—**	3,790
Total current liabilities		**279,061**	303,757
NET CURRENT ASSETS		**203,312**	276,494
TOTAL ASSETS LESS CURRENT LIABILITIES		**654,588**	792,410
NON-CURRENT LIABILITIES			
Interest-bearing borrowings		**—**	39,608
Lease liabilities		**10,644**	15,904
Deferred tax liabilities		**8,220**	15,043
Total non-current liabilities		**18,864**	70,555
Net assets		**635,724**	721,855
EQUITY			
Equity attributable to owners of the parent			
Share capital		**118,487**	118,487
Reserves		**517,237**	603,368
Total equity		**635,724**	721,855

NOTES

1. 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 2020 but are extracted from that interim financial report.

This interim condensed consolidated financial information for the six months ended 30 June 2020 is unaudited and has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), 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 financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2019.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2019, except for the adoption of new standards effective as of 1 January 2020. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the unaudited interim condensed consolidation financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2019, except for the adoption of the following revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial information.

Amendments to HKFRS 3	*Definition of a Business*
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	*Interest Rate Benchmark Reform*
Amendments to HKAS 1 and HKAS 8	*Definition of Material*

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

3. OPERATING SEGMENT INFORMATION

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/LBITDA is a non-HKFRS measure used by management for monitoring business performance. The Group's EBITDA/LBITDA 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/LBITDA). 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.

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.

Certain comparative figures have been reclassified to conform with the current period's presentation.

3. OPERATING SEGMENT INFORMATION (continued)

Information regarding the Group's reportable segments for the six months period ended 30 June 2020 and 2019 is set out below.

a. Segment revenue, results, assets and liabilities:

	Financial services		Media		Total	
	30 June 2020 HK$'000 (Unaudited)	30 June 2019 HK$'000 (Unaudited) (Restated)	**30 June 2020 HK$'000 (Unaudited)**	30 June 2019 HK$'000 (Unaudited) (Restated)	**30 June 2020 HK$'000 (Unaudited)**	30 June 2019 HK$'000 (Unaudited) (Restated)
Segment revenue (note 4)						
Sales to external customers	**37,745**	48,979	**124,925**	185,983	**162,670**	234,962
Segment results (adjusted (LBITDA)/ EBITDA)	**(47,525)**	16,358	**(57,993)**	2,588	**(105,518)**	18,946
Reconciliation:						
Finance costs (other than interest on lease liabilities)					**(9,653)**	(4,858)
Depreciation and amortisation					**(18,969)**	(13,378)
Unallocated other income and gains, net					**68,840**	69,770
Unallocated head office and corporate expenses					**(31,567)**	(41,419)
(Loss)/profit before tax					**(96,867)**	29,061
Other segment information						
Depreciation and amortisation	**(4,995)**	(5,474)	**(7,072)**	(6,150)	**(12,067)**	(11,624)
Depreciation and amortisation — unallocated					**(6,902)**	(1,754)
Provision for impairment losses on:						
— property, plant and equipment	**—**	—	**(20,991)**	—	**(20,991)**	—
— goodwill	**(70,086)**	—	**—**	—	**(70,086)**	—

3. OPERATING SEGMENT INFORMATION (continued)

a. Segment revenue, results, assets and liabilities: (continued)

	Financial services		Media		Total	
	30 June 2020 HK$'000 (Unaudited)	31 December 2019 HK$'000 (Audited) (Restated)	**30 June 2020 HK$'000 (Unaudited)**	31 December 2019 HK$'000 (Audited) (Restated)	**30 June 2020 HK$'000 (Unaudited)**	31 December 2019 HK$'000 (Audited) (Restated)
Segment assets	**344,513**	600,275	**180,983**	281,592	**525,496**	881,867
Reconciliation:						
Corporate and other unallocated assets					**408,153**	214,300
Total assets					**933,649**	1,096,167
Segment liabilities	**25,618**	72,082	**44,713**	78,880	**70,331**	150,962
Reconciliation:						
Corporate and other unallocated liabilities					**227,594**	223,350
Total liabilities					**297,925**	374,312

4. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2020 HK$'000 (Unaudited)	2019 HK$'000 (Unaudited) (Restated)
Revenue from contracts with customers	**162,670**	234,962

4. REVENUE (continued)

Disaggregated revenue information for revenue from contracts with customers

	For the six months ended 30 June	
	2020	2019
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
		(Restated)
Types of services		
Income from media, sales, design and management services, production of advertisements	**124,925**	185,983
Fund management service income	**15,160**	16,226
External asset management advisory commission income	**15,590**	18,849
Insurance brokerage and advisory income	**112**	10,480
Interest income from provision of loan financing	**6,388**	3,403
Others	**495**	21
Total revenue from contracts with customers	**162,670**	234,962

Timing of revenue recognition

For the six months ended 30 June 2020

Segments	**Financial services HK$'000 (Unaudited)**	**Media HK$'000 (Unaudited)**	**Total HK$'000 (Unaudited)**
Services transferred at a point in time	**16,179**	**57,425**	**73,604**
Services transferred over time	**21,566**	**67,500**	**89,066**
Total revenue from contracts with customers	**37,745**	**124,925**	**162,670**

For the six months ended 30 June 2019

Segments	Financial services HK$'000 (Unaudited) (Restated)	Media HK$'000 (Unaudited) (Restated)	Total HK$'000 (Unaudited) (Restated)
Services transferred at a point in time	29,912	101,396	131,308
Services transferred over time	19,067	84,587	103,654
Total revenue from contracts with customers	48,979	185,983	234,962

5. OTHER INCOME AND GAINS, NET

	For the six months ended 30 June	
	2020	2019
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
		(Restated)
Other income		
Interest income from bank	**887**	923
Other interest income	**94**	—
Sundry revenue	**509**	16
	1,490	939
Other gains, net		
Exchange gain/(loss)	**22**	(257)
Net unrealised gains on financial assets at fair value through profit or loss	**67,439**	68,997
Loss on disposal of property, plant and equipment	**—**	(1)
	67,461	68,739
	68,951	69,678

6. (LOSS)/PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2020	2019
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Amortisation of intangible assets	**4,623**	4,664
Depreciation		
— property, plant and equipment	**5,001**	5,412
— right-of-use assets	**9,345**	3,302
	14,346	8,714
Provision for impairment losses, net	**91,003**	1,077
Lease payments not included in the measurement of lease liabilities	**163**	1,778
Gain on disposals of subsidiaries	**7,879**	—
Employee benefit expenses (excluding directors' and chief executive's remuneration):		
Wages and salaries	**34,365**	51,188
Equity-settled share-based payments	**12,742**	10,795
Pension scheme contributions (defined contribution scheme)	**1,366**	2,352
	48,473	64,335

7. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2020	2019
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Interest on lease liabilities	**465**	354
Interest on promissory notes	**8,569**	4,463
Other interest expense	**1,084**	395
	10,118	5,212

8. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2019: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

	For the six months ended 30 June	
	2020	2019
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Current — Hong Kong		
Charge for the period	**—**	725
Current — Elsewhere	**5,097**	899
Deferred	**(5,558)**	655
Total tax (credit)/charge for the period	**(461)**	2,279

9. DIVIDENDS

No interim dividend is payable for the six months ended 30 June 2020 (six months ended 30 June 2019: Nil). Final dividends, if any, will be proposed at year end.

No final dividend in respect of the financial year ended 31 December 2019 was approved and paid during the interim period (2019: Nil).

10. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic and diluted earnings per share is based on the loss attributable to ordinary equity shareholders of the Company of approximately HK$96,406,000 (2019: profit of approximately HK$26,782,000). The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue of 1,177,011,991 (2019: 1,152,670,923) during the period, as used in the basic and diluted earnings per share calculation, after deducting the shares held for the Company's share award scheme (the "Share Award Scheme").

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2020, a lease arrangement of the Group was subject to lease modification resulting in reduction of the Group's lease liabilities of approximately HK$825,000 and a corresponding adjustment of the same amount to the right-of-use assets.

During the six months ended 30 June 2020, the Group acquired assets with a cost of approximately HK$3,118,000.

During the six months ended 30 June 2020, an impairment loss of approximately HK$20,991,000 (30 June 2019: Nil) was recognised for certain property, plant and equipment of the Media segment. The recoverable amounts of the items of property, plant and equipment and right-of-use assets are determined based on a value in use calculation using cash flow projections based on financial budgets covering a period of the remaining lease terms plus the anticipated renewal period approved by senior management.

12. GOODWILL

	HK$'000
Cost and carrying amount:	
At 1 January 2019	217,176
Impairment loss	(9,195)
Reclassified to a disposal group classified as held for sale	(29,537)
At 31 December 2019 and 1 January 2020	178,444
Impairment loss	(70,086)
At 30 June 2020	108,358

12. GOODWILL (continued)

Impairment tests for cash-generating units containing goodwill

Goodwill is allocated to the Group's cash-generating unit (CGU), investment advisory services business and fund management business:

As at 31 December 2019, in view of the disposal of a subsidiary as disclosed in note 16, the recoverable amount of the CGU of the insurance brokerage business was determined based on its fair value less costs of disposal of the subsidiary with reference to the price quote obtained from the potential buyers at the end of the reporting period. An impairment loss of approximately HK$9,195,000 had been charged to the consolidated statement of profit or loss for the year ended 31 December 2019 to write down the carrying amount of the goodwill allocated to this CGU of the insurance brokerage business to the lower of its carrying amount and its fair value less costs to sell.

The recoverable amount of the CGU of the investment advisory services business and fund management business is determined based on value-in-use calculations. These calculations use cash flow projections based on historical data and financial budgets approved by Board of Directors covering a five-year (31 December 2019: 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 of the investment advisory services business and fund management business operates. The cash flows are discounted using a discount rate which is pre-tax and reflects specific risks relating to the relevant CGU.

For investment advisory services business and fund management business, the key assumptions used in the value-in-use calculations in 2020 and 2019 are as follows:

	30 June 2020	31 December 2019
% of revenue growth	**Nil to 1%**	6%
Long term growth rate	**3%**	3%
Pre-tax discount rate	**16%**	16%

As a result of the changes in the current economic environment related to the COVID-19 pandemic, social unrest and volatile global financial market, the Board of Directors considered the Group's Financial Services businesses and financial performance might continue to be affected until the pandemic eases and the global market shows signs of recovery. Given the adverse impact, the Board of Directors conservatively reassessed the above key assumptions and updated the five-year budget plan, it was concluded that the carrying amount of the CGU of the investment advisory services business and fund management business exceed its recoverable amount and impairment loss of approximately HK$70,086,000 was recognised for the six months ended 30 June 2020.

13. 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 2020 HK$'000 (Unaudited)	31 December 2019 HK$'000 (Audited)
Within 1 month	**23,748**	79,920
1 to 2 months	**14,882**	26,445
2 to 3 months	**6,402**	14,240
Over 3 months	**25,453**	22,722
Over 1 year	**1,051**	1,170
	71,536	144,497

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

14. LOANS RECEIVABLE

	30 June 2020 HK$'000 (Unaudited)	31 December 2019 HK$'000 (Audited) (Restated)
Secured	**12,848**	59,774
Unsecured	**113,193**	119,207
Impairment allowance	**(1,785)**	(5,302)
	124,256	173,679
Non-current	**—**	42,869
Current	**124,256**	130,810
	124,256	173,679

The loans were made to independent third parties with effective interest rates ranging from 3% to 12% (31 December 2019: 5% to 12%) per annum.

During the six months ended 30 June 2020, a net reversal of allowance for expected credit losses of approximately HK$623,000 was recognised (six months ended 30 June 2019: allowance for expected credit losses of approximately HK$724,000) in the consolidated statement of profit or loss.

15. ACCOUNTS PAYABLE

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

	30 June 2020 HK$'000 (Unaudited)	31 December 2019 HK$'000 (Audited)
Within 1 month	**17,072**	7,544
1 to 3 months	**—**	344
3 months to 1 year	**11**	224
Over 1 year	**59**	—
	17,142	8,112

The accounts payable are non-interest-bearing and are normally settled on 60-day terms.

16. DISPOSAL OF SUBSIDIARIES

Details of the net assets of the subsidiaries disposed of during the current period and the financial impacts are summarised as follows:

	HK$'000 (Unaudited)
Net assets disposed of	**85,861**
Exchange fluctuation reserve released upon disposal	289
	86,150
Gain on disposals of subsidiaries	7,879
	94,029
Satisfied by:	
Cash	**92,651**
Due from a related company	**1,378**
	94,029

17. COMMITMENTS

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

(a) Capital commitments

	30 June 2020 HK$'000 (Unaudited)	31 December 2019 HK$'000 (Audited) (Restated)
Contracted, but not provided for:		
Acquisition of property, plant and equipment	**—**	13,693
Investment in subsidiaries	**41,234**	41,234
	41,234	54,927

(b) Other commitments

Pursuant to the 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, (iii) solicit advertising business on billboards and other advertising spaces owned by independent third parties, which the suppliers have substantial substitution right, 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. Such licences will expire during 2020 to 2022. The future minimum guaranteed licence fees and royalty fees committed at the respective balance sheet dates are as follows:

	30 June 2020 HK$'000 (Unaudited)	31 December 2019 HK$'000 (Audited)
Within 1 year	**158,280**	123,872
In the second to fifth years, inclusive	**330,320**	87,800
	488,600	211,672

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

18. EVENT AFTER REPORTING PERIOD

Subsequent to 30 June 2020, the Group has started negotiation with The Kowloon Motor Bus Company (1933) Limited ("KMB") on potential reimbursement of cost for repainting and/or removal of advertisements on buses upon expiry of the related licences on 30 June 2020. Pursuant to the respective exclusive licences, the Group may be required to pay the cost for losses or damages to KMB subject to various conditions. The outcome of the negotiation is uncertain at the reporting date. In the opinion of the directors, adequate provision has been made in the Group's financial statements in relation to the potential cost.

19. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current period's presentation. In the opinion of the Board of Directors, this presentation better reflects the financial performance and position of the Group.

FINANCIAL REVIEW

For the six months ended 30 June 2020, the Group is principally engaged in (a) the provision of financial services of 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; as well as the provision of insurance brokerage services 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 ("**BILLBOARDS Advertising**") advertising business and the provision of integrated marketing services covering these advertising platforms in Hong Kong (the "**Media Business**").

For the six months ended 30 June 2020, the Group reported revenue of approximately HK$162.7 million (six months ended 30 June 2019: approximately HK$235.0 million (restated)), representing a decrease of 30.8% as compared to the corresponding period in 2019, of which approximately HK$37.7 million was generated from the Financial Services Business (six months ended 30 June 2019: approximately HK$49.0 million (restated)), approximately HK$124.9 million was generated from the Media Business (six months ended 30 June 2019: approximately HK$186.0 million). The overall decrease in revenue for the six months ended 30 June 2020 was mainly due to the adverse impact on the Group's business operation caused by the novel coronavirus (COVID-19) pandemic, social unrest in Hong Kong and volatile global financial market.

The Group's loss for the period was approximately HK$96.4 million for the six months ended 30 June 2020 (six months ended 30 June 2019: profit of approximately HK$26.8 million). The increase in loss for the current period was mainly attributable to (i) the decrease in revenue of approximately HK$72.3 million, the effect of which was partially net off by decrease in cost of production of approximately HK$13.1 million and decrease in staff expenditure of approximately HK$26.3 million, (ii) the increase in provision for impairment loss on goodwill in respect of Financial Services Business of approximately HK$70.1 million, and (iii) the increase in provision for impairment loss on assets of Media Business (including property, plant and equipment, non-current prepayments and deposits and intangible assets) of approximately HK$21.7 million.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Liquidity and Financial Resources

As at 30 June 2020, the Group's cash and cash equivalents amounted to approximately HK$155.1 million (31 December 2019: approximately HK$80.7 million), which are denominated in Hong Kong dollars, United States ("**US**") dollars, Euro, Singapore dollars and Renminbi. In addition to providing working capital to support its existing business, the Group maintains a healthy cash flow position with adequate facilities to meet potential needs for business expansion and development.

As at 30 June 2020, the Group's indebtedness comprised promissory notes, interest-bearing bank borrowing and lease liabilities of approximately HK$219.0 million (31 December 2019: approximately HK$266.1 million). Except for the interest-bearing bank borrowing which carried variable interest rates, all the other indebtedness carried interests with fixed rates ranging from 2.8% to 10.0% per annum. All of the indebtedness shall be repayable in one to two years. The gearing ratio, representing the ratio of total indebtedness to the total share capital and reserves of the Group, was 34.5% as at 30 June 2020 (31 December 2019: 36.9%).

As at 30 June 2020, the Group had net current assets of approximately HK$203.3 million (31 December 2019: approximately HK$276.5 million) and total assets of approximately HK$933.6 million (31 December 2019: approximately HK$1,096.2 million).

Charge on Assets

At 30 June 2020, bank deposits of approximately HK$98.7 million (31 December 2019: approximately HK$98.7 million) were pledged mainly to secure certain bank guarantees provided by the subsidiaries of the Company to the independent third parties regarding their due performance and payment under certain licence agreements between subsidiaries of the Company and 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, Euros and Renminbi. During the six months ended 30 June 2020, the Company recognised an exchange gain of approximately HK$22,000 (six months ended 30 June 2019: exchange loss of approximately HK$0.3 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 transactions involving derivative financial instruments and did not commit to any financial instruments to hedge its financial position exposure during the six months ended 30 June 2020.

Contingent Liabilities

The Group did not have any significant contingent liabilities at 30 June 2020 and 31 December 2019.

BUSINESS REVIEW AND PROSPECTS

The Group is principally engaged in the Financial Services Business and the Media Business during the reporting period. The Group will continue to review the operation and performance of the Financial Services Business and the Media 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) and Type 9 (asset management) regulated activities under the Securities Futures Ordinance. As at 30 June 2020, the Financial Services Business of the Group mainly consists of (i) external asset management ("**EAM**") services, (ii) fund management services, (iii) securities services; and (iv) investment advisory services to fund management.

(i) EAM services

The Group acts as an external asset manager to manage the assets of and provide investment solutions to clients which are mostly high net worth individuals. The assets under management ("**AUM**") of EAM dropped to approximately HK$4.7 billion as at 30 June 2020 (31 December 2019: approximately HK$6.1 billion). Revenue generated from EAM services during the six months ended 30 June 2020 amounted to approximately HK$15.6 million (six months ended 30 June 2019: approximately HK$18.8 million). Despite the market volatility brought by trade friction and geopolitical tensions as well as the outbreaks of novel coronavirus, 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 strong management team with extensive asset management experience and strong network with high net worth clients, to strengthen 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. The committed AUM of fund management services remained stable as at 30 June 2020 and amounted to approximately HK$8.6 billion (31 December 2019: approximately HK$8.6 billion). Revenue generated from fund management services during the six months ended 30 June 2020 amounted to approximately HK$15.2 million (six months ended 30 June 2019: approximately HK$16.3 million). Given that the terms of funds will gradually expire in the coming years and the economic uncertainty may result in delaying of the launch of new funds in the future, it is currently estimated that the growth and the performance from the fund management business will be lower than expected. As such, provision from impairment of goodwill relating to Financial Services Business of approximately HK$70.1 million was made as at 30 June 2020.

(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 of Hong Kong Limited in 2019. The Group will continue to develop and enhance the income stream from this segment.

(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. As at 30 June 2020, the Group, through TCM, acted as the investment adviser of 10 offshore private equity funds with total committed asset under management of approximately HK$8.6 billion (31 December 2019: approximately HK$8.6 billion).

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 中體保險經紀有限公司 (China Sports Insurance Broker Co., Ltd.*) ("**CSIB**") at a consideration of RMB80.5 million (subject to adjustment) (the "**Disposal**"). The Disposal had been completed on 30 April 2020.

* *For identification purposes only*

Meanwhile, as at 30 June 2020, a subsidiary of the Company is in the process of obtaining Type 6 licence (advising on corporate finance) from the Securities and Futures Commission in order to further broaden the Group's Financial Services Business and to develop synergies by strengthening its ability to provide integrated financial products and services.

In the long term, 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) Media Business

The Group continued to engage in BUS-BODY Advertising, BUS-INTERIOR Advertising, BUS-SHELTER Advertising, BILLBOARDS Advertising, and provision of integrated marketing solutions services in Hong Kong. During the six months ended 30 June 2020, the Media Business recorded revenue of approximately HK$124.9 million (six months ended 30 June 2019: approximately HK$186.0 million).

In the first half of 2020, the rapid spread of the COVID-19 pandemic caused city lockdowns and suspension of work, production and transportation throughout world. In addition, other uncertainties, including unstable social and political atmosphere in Hong Kong since mid-2019, brought various challenges to the Media Business. Facing the unfavourable business environment, the occupancy of various advertisement platforms provided by the Group has been adversely affected and thus a decline in advertisement revenue of the Media Business throughout the year of 2020 is expected.

While the Group anticipates that the customers will remain conservative on ad spending, especially on out-of-home (OOH) media, in the second half of 2020, the Group will strive to fully utilise the interactive capabilities of our digital panels in conjunction with devising more creative domination campaigns, at the bus shelters to drive the growth of this business unit.

Despite that the Group's licences of BUS-BODY Advertising and BUS-INTERIOR Advertising with The Kowloon Motor Bus Company (1933) Limited ("**KMB**") and Long Win Bus Company Limited have expired on 30 June 2020, the Group successfully won the tender pertaining to BUS-BODY Advertising and BUS-INTERIOR Advertising business of New World First Bus Services Limited and Citybus Limited with the terms commencing from 1 July 2020. The Group will continue to improve the business portfolio and implement cost control measures to enhance its cost efficiency in relation to the Media Business.

(3) Other Investments

The Group has been exploring opportunities for investments to diversify income stream and maximise returns for its shareholders. Since 2019, the Group has entered into the subscription agreements with BeiTai Investment Limited (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. 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 Board believes that such investment will enable the Group to capture investment opportunities and increase the efficiency of its financial resources, and expects the investment to generate a reasonable return for the duration of the Group's investments in the Investment Fund. For details, please refer for the Company's announcement dated 22 February 2019.

As at 30 June 2020, the Group has made investment of HK$103.0 million in the Investment Fund as a limited partner, and the underlying investments of the Investment Fund represent equity securities listed in the USA and Hong Kong and a bond issued by a corporation listed in Hong Kong. During the six months ended 30 June 2020, the Group recorded an unrealised gain on financial assets at fair value through profit or loss of approximately HK$68.4 million (for the six months ended 30 June 2019: approximately HK$69.0 million) from the Investment Fund.

To cope with various uncertainties in global and domestic economic and social environment, the Group will cautiously monitor the development to ensure timely response to changes in market condition and development of the COVID-19 pandemic. The Group will strategically streamline and alter allocation of resources among business segments where appropriate and will continue to identify other investment opportunities when they arise with a view to maximise returns for the shareholders.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2020, the Group had 123 full-time employees. The Group offers a comprehensive and competitive remuneration and benefits package to all its employees. For the six months ended 30 June 2020, the Group incurred staff costs of approximately HK$51.5 million (six months ended 30 June 2019: approximately HK$77.8 million). In addition, the Group 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 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**"). The purpose of the Share Option Scheme is to provide our employees with the opportunity to acquire proprietary interests in the Company as a reward for their contributions and to encourage them to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders (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 continuously make substantial contributions for the long-term growth of the Group in the future and aligning their interests directly to the Shareholders through ownership of Shares.

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

During the six months ended 30 June 2020, the trustee of the Share Award Scheme purchased a total of 6,980,000 Shares on the market at a total cost of HK$2,750,760 (excluding all related expenses, transaction levy, brokerage, tax, duties and levies) pursuant to the terms of the Share Award Scheme.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

EVENT(S) AFTER REPORTING PERIOD

On 30 June 2020, Messrs. KPMG ("**KPMG**") tendered its resignation as external auditor of the Company with immediate effect. The Board, with the recommendation of the audit committee of the Company, appointed Messrs. Ernst & Young as external auditor of the Company to fill the casual vacancy following the resignation of KPMG with effect from 8 July 2020 and to hold office until the conclusion of the next annual general meeting of the Company. For details, please refer to the Company's announcements dated 30 June 2020 and 8 July 2020.

Subsequent to the expiry of the licence for BUS-BODY Advertising and BUS-INTERIOR Advertising of KMB on 30 June 2020, the Group enters into negotiation with KMB in relation to potential cost for repainting and/or removal of advertisements on buses. For details, please refer to Note 18 above.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has complied with all the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2020 save for deviation of code provision E.1.2 as described below.

The Chairman of the Company and the chairmen of the audit committee, the remuneration committee and the nomination committee were unable to attend the annual general meeting of the Company held on 16 June 2020 ("**AGM**") as stipulated in code provision E.1.2 due to other business engagement and strict compliance with COVID-19 prevention and control measures. The board of directors of the Company had arranged Mr. SUN Lei, being executive director and chief executive officer of the Company, and Mr. ZHU Dong, being our executive director and chief financial officer of the Company to attend and chair the AGM together with the external independent auditor of the Company to answer the questions from the attending Shareholders.

COMPLIANCE WITH THE CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its own Code for Securities Transactions by Directors (the "**Securities Code**") on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of the Listed Issuers set out in Appendix 10 to the Listing Rules. Following specific enquiry by the Company, all Directors confirmed that they have complied with the Securities Code throughout the six months ended 30 June 2020.

AUDIT COMMITTEE

The Audit Committee of the Company has reviewed with management the accounting principles and policies adopted by the Group and discussed auditing, internal control and financial reporting matters, and also reviewed the unaudited interim financial report for the six months ended 30 June 2020. The review of the unaudited interim financial report was conducted with EY, being the Group's external auditors. The interim financial report for the six months ended 30 June 2020 was unaudited, but has been reviewed by EY in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA, whose unmodified review report will be included in the interim report to be sent to Shareholders.

PUBLICATION OF 2020 INTERIM REPORT

The 2020 interim report will be despatched 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, 27 August 2020

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