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**BISON FINANCE GROUP LIMITED**

**貝森金融集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 888)**

## **2024 ANNUAL RESULTS ANNOUNCEMENT**

### **ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024**

The board (the “**Board**”) of directors (the “**Directors**”) of Bison Finance Group Limited (the “**Company**”) submit herewith the consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2024, together with the relevant comparative figures.

# **CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the year ended 31 December 2024*

		<b>2024</b>	<b>2023</b>
	<i>Notes</i>	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
Revenue	5	<b>44,174</b>	35,566
Other income and other gains/(losses), net	6	<b>24,864</b>	(7,518)
Cost of services provided		<b>(33,122)</b>	(23,304)
Staff expenditure		<b>(22,127)</b>	(22,860)
Research and development costs		<b>(10,957)</b>	–
Depreciation	7	<b>(1,548)</b>	(993)
(Provision for)/reversal of impairment losses			
on financial assets, net	7	<b>(3,339)</b>	20,609
Gain on disposal of subsidiaries	7	<b>217</b>	50
Other operating expenses, net	8	<b>(16,074)</b>	(12,708)
Finance costs	9	<b>(9,258)</b>	(9,473)
		<hr/>	<hr/>
<b>Loss before tax</b>	7	<b>(27,170)</b>	(20,631)
Income tax credit/(expense)	10	<b>4</b>	(7)
		<hr/>	<hr/>
<b>Loss and total comprehensive loss for the year</b>		<b><u>(27,166)</u></b>	<b><u>(20,638)</u></b>
<b>Attributable to:</b>			
Owners of the parent		<b>(27,168)</b>	(20,636)
Non-controlling interests		<b>2</b>	(2)
		<hr/>	<hr/>
		<b><u>(27,166)</u></b>	<b><u>(20,638)</u></b>
<b>Loss per share attributable to ordinary equity holders of the parent</b>			
Basic and diluted	12	<b><u>HK1.91 cents</u></b>	<b><u>HK1.45 cents</u></b>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*As at 31 December 2024*

		<b>2024</b>	2023
	<i>Notes</i>	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
<b>Non-current assets</b>			
Property and equipment and right-of-use assets	<i>13</i>	<b>2,509</b>	2,163
Intangible assets		<b>–</b>	–
Prepayments, deposits and other receivables		<b>287</b>	8,401
		<hr/>	<hr/>
Total non-current assets		<b>2,796</b>	10,564
		<hr/>	<hr/>
<b>Current assets</b>			
Accounts receivable	<i>15</i>	<b>13,710</b>	16,013
Loans receivable	<i>16</i>	<b>7,164</b>	15,427
Loan to a related company	<i>17</i>	<b>–</b>	734
Prepayments, deposits and other receivables		<b>8,614</b>	6,815
Financial assets at fair value through profit or loss	<i>14</i>	<b>18,733</b>	23,850
Pledged deposits		<b>800</b>	800
Cash and cash equivalents		<b>101,738</b>	112,436
		<hr/>	<hr/>
Total current assets		<b>150,759</b>	176,075
		<hr/>	<hr/>
<b>Current liabilities</b>			
Accounts payable	<i>18</i>	<b>3,904</b>	4,765
Other payables and accruals		<b>26,078</b>	20,035
Lease liabilities		<b>1,366</b>	9,320
Promissory note		<b>90,000</b>	90,000
		<hr/>	<hr/>
Total current liabilities		<b>121,348</b>	124,120
		<hr/>	<hr/>

	<i>Note</i>	<b>2024</b> <b><i>HK\$'000</i></b>	2023 <i>HK\$'000</i>
<b>Net current assets</b>		<u><b>29,411</b></u>	<u>51,955</u>
<b>Total assets less current liabilities</b>		<u><b>32,207</b></u>	<u>62,519</u>
<b>Non-current liability</b>			
Lease liabilities		<u><b>734</b></u>	<u>3,880</u>
<b>NET ASSETS</b>		<u><u><b>31,473</b></u></u>	<u><u>58,639</u></u>
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital		<b>142,184</b>	142,184
Reserves		<u><b>(110,711)</b></u>	<u>(83,543)</u>
		<b>31,473</b>	58,641
Non-controlling interests		<u>–</u>	<u>(2)</u>
<b>TOTAL EQUITY</b>		<u><u><b>31,473</b></u></u>	<u><u>58,639</u></u>

## NOTES

### 1. CORPORATE INFORMATION

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

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

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

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

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

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

### 2. BASIS OF PREPARATION

The annual results set out in this announcement do not constitute the Group’s consolidated financial statements for the year ended 31 December 2024 but are extracted from those consolidated financial statements.

These consolidated financial information have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention except for the financial assets at fair value through profit or loss which have been measured at fair value. These consolidated financial information are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company, and all values are rounded to the nearest thousand except when otherwise indicated.

### 3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRS Accounting Standards for the first time for the current year's consolidated financial statements:

Amendments to HKAS 1	<i>Classification of liabilities as Current or Non-current</i>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to HKFRS 16	<i>Lease liability in a Sale and Leaseback</i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

The adoption of the above revised standards has had no significant financial effect on the Group's consolidated financial statements for the years presented.

### 4. OPERATING SEGMENT INFORMATION

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

### 5. REVENUE

An analysis of revenue is as follows:

	2024 HK\$'000	2023 HK\$'000
Revenue from contracts with customers	43,722	34,392
Revenue from other sources		
– Interest income on loans receivable	452	1,174
Total	44,174	35,566

#### Revenue from contracts with customers

##### (i) Disaggregated revenue information

	2024 HK\$'000	2023 HK\$'000
<b>Types of services</b>		
Fund management service income	4,971	5,428
External asset management advisory commission income	38,197	27,032
Financial advisory and consultancy fee income	510	1,889
Others	44	43
Total	43,722	34,392

**(ii) Timing of revenue recognition**

	<b>2024</b> <b>HK\$'000</b>	<b>2023</b> <b>HK\$'000</b>
Services transferred at a point in time	<b>38,751</b>	28,964
Services transferred over time	<b>4,971</b>	5,428
	<hr/>	<hr/>
Total	<b>43,722</b>	34,392
	<hr/>	<hr/>

The following table shows the amount of revenue recognised in the current reporting period that was included in the contract liabilities at the beginning of the reporting period:

	<b>2024</b> <b>HK\$'000</b>	<b>2023</b> <b>HK\$'000</b>
Financial advisory business	<b>–</b>	10
	<hr/>	<hr/>
Total	<b>–</b>	10
	<hr/>	<hr/>

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

	<b>2024</b> <b>HK\$'000</b>	<b>2023</b> <b>HK\$'000</b>
Administrative income	<b>359</b>	–
Bank interest income	<b>197</b>	397
Dividend income from the investments in financial assets at fair value through profit or loss	<b>–</b>	158
Sundry revenue	<b>196</b>	79
	<hr/>	<hr/>
Total other income	<b>752</b>	634
	<hr/>	<hr/>
Exchange losses, net	<b>(2,409)</b>	(2,769)
Gain on disposal of property and equipment	<b>200</b>	–
Gain on early termination of leases, net	<b>3,288</b>	–
Net realised and unrealised gains/(losses) on financial assets at fair value through profit or loss ( <i>note 14</i> )		
– Listed equity investment	<b>–</b>	232
– Private equity fund	<b>23,033</b>	(5,615)
	<hr/>	<hr/>
Subtotal	<b>23,033</b>	(5,383)
	<hr/>	<hr/>
Total other gains/(losses)	<b>24,112</b>	(8,152)
	<hr/>	<hr/>
Total other income and other gains/(losses), net	<b>24,864</b>	(7,518)
	<hr/>	<hr/>

## 7. LOSS BEFORE TAX

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Depreciation		
– Property and equipment	537	793
– Right-of-use assets	1,011	200
	<u>1,548</u>	<u>993</u>
Provision for/(reversal of) impairment losses on financial assets, net		
– Accounts receivable ( <i>note 15</i> )	(379)	(2,883)
– Loans receivable ( <i>note 16</i> )	3,888	(14,258)
– Loan to a related company ( <i>note 17</i> )	(283)	(2,905)
– Prepayments, deposits and other receivables	113	(563)
	<u>3,339</u>	<u>(20,609)</u>
Exchange losses, net	2,409	2,769
Gain on disposal of subsidiaries	(217)	(50)
Lease payments not included in the measurement of lease liabilities	115	226
Auditor's remuneration	2,000	2,160
Employee benefit expenses (excluding directors' and chief executive's remuneration):		
– Wages and salaries	15,982	16,547
– Pension scheme contributions (defined contribution scheme)	476	462
	<u>16,458</u>	<u>17,009</u>
Total	<u>16,458</u>	<u>17,009</u>



## 8. OTHER OPERATING EXPENSES, NET

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Auditor's remuneration		
– Audit services	1,650	1,800
– Non-audit services	350	360
Bad debts written off	2,953	–
Building management fees and air-conditioning charges	1,984	1,922
Entertainment	234	909
Consultancy fees	2,042	511
Government rent and rates	441	448
Information and technology expenses	893	656
Lease charges for short-term leases	153	226
Legal and professional fees	2,690	2,854
Transportation and travelling expenses	911	931
Miscellaneous	1,773	2,091
	<hr/>	<hr/>
Total	16,074	12,708
	<hr/>	<hr/>

## 9. FINANCE COSTS

An analysis of finance costs is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest on lease liabilities	258	473
Interest on a promissory note	9,000	9,000
	<hr/>	<hr/>
Total	9,258	9,473
	<hr/>	<hr/>

## 10. INCOME TAX (CREDIT)/EXPENSE

Pursuant to the rules and regulations of Bermuda, the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in Bermuda, the Cayman Islands and the British Virgin Islands.

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

No provision for the Mainland China corporate income tax have been made as the Group did not generate any assessable profits arising in the Mainland China for the years ended 31 December 2024 and 2023.

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current tax – HK		
– (Over)/under-provision in prior years	(4)	7
Total tax (credit)/charge for the year	(4)	7

## 11. DIVIDENDS

No final dividend is proposed for the year ended 31 December 2024 (2023: Nil).

## 12. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic and diluted loss per share amount is based on the loss for the year attributable to owners of the parent of HK\$27,168,000 (2023: HK\$20,636,000). The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue of 1,421,838,398 (2023: 1,421,838,398) during the year, as used in the basic and diluted loss per share calculation.

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 December 2024 and 2023 in respect of dilution as the impact of the share options had an anti-dilution effect in the basic loss per share amounts presented.

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

During the year ended 31 December 2024, additions to property and equipment and right-of-use assets amounted to HK\$10,000 (2023: HK\$503,000) and HK\$2,502,000 (2023: HK\$1,598) respectively.

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

	Note	2024 HK\$'000	2023 HK\$'000
Listed equity investment, at fair value	(a)	–	–
Unlisted equity investment, at fair value	(b)	–	–
Private equity fund, at fair value	(c)	18,733	23,850
		<u>18,733</u>	<u>23,850</u>
Current portion		<u>18,733</u>	<u>23,850</u>

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

During the year ended 31 December 2023, the Group sold all shares of the listed equity investment. The proceeds from disposal of the shares amounted to HK\$1,133,000. A net realised fair value gain of HK\$232,000 on listed equity investment in Hong Kong was recognised in the consolidated statement of profit or loss and other comprehensive income.

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

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

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

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

On 22 February 2019, Premier Future Limited (“**Premier Future**”), a wholly-owned subsidiary of the Company, and BeiTai Investment Limited (the “**General Partner**”), an independent third party of the Company and its connected person (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) (“**independent third party(ies)**”), entered into a subscription agreement, pursuant to which Premier Future has agreed to subscribe for limited partner interests in BeiTai Investment LP (the “**Investment Fund**”). During the year ended 31 December 2024, the Group withdrew the capital contribution of HK\$28,150,000 from the Investment Fund in accordance with the terms and conditions of the amended and restated limited partnership agreement for the Investment Fund dated 20 March 2020 as determined by the general partner of the Investment Fund at its discretion. Thus, as at 31 December 2024, the Group’s capital contribution amounted to HK\$43,850,000 (2023: HK\$72,000,000), representing 59% (2023: 71%) of the aggregated capital contributed by all partners in the Investment Fund. The remaining capital contributions to the Investment Fund were contributed as to 26% (2023: 19%) at HK\$19,000,000 (2023: HK\$19,000,000) by Fullbest Star Limited (“**Fullbest**”); and as to 15% (2023: 10%) at HK\$11,000,000 (2023: HK\$11,000,000) by a private equity fund managed by the Company’s subsidiary (“**Shangtai**”).

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

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

As at 31 December 2024, the underlying investments of the Investment Fund included an unsecured redeemable bond which was stated at fair value with original and extended maturity date of 18 January 2022 and 30 September 2024 respectively, issued by Emerge Ventures Limited (the "**EV Bond**"), a private entity in Hong Kong which is wholly-owned by a business associate of a close family member of Mr. XU; and an unlisted unsecured redeemable bond which was stated at fair value with original and extended maturity date of 11 December 2021 and 30 September 2024 respectively, issued by A Metaverse Company ("**AMC**") (the "**AMC Bond**") in which Mr. XU holds a less than 30% indirect beneficial interest (2023: and equity securities of AMC). The Group's share of the fair values of EV Bond and AMC Bond amounted to HK\$6,401,000 (2023: HK\$5,979,000) and HK\$8,430,000 (2023: HK\$11,443,000) respectively.

During the year ended 31 December 2024, all AMC equity securities held by the Investment Fund have been disposed of with a proceed of HK\$3,215,000 (2023: quoted price of the Group's interest in the AMC equity securities amounted to HK\$2,715,000).

During the year ended 31 December 2024, the Investment Fund negotiated with EV and AMC for the redemption plans of EV Bond and AMC Bond, respectively, and the repayment of corresponding accrued coupon interests. As a result, the Investment Fund agreed and signed an agreement to extend the maturity date to 30 September 2024. As at 31 December 2024, EV and AMC have settled all accrued coupon interests and redeemed partial of principal amounts at HK\$7,264,000 and HK\$5,836,000 respectively.

The Group's interest in the Investment Fund is accounted for as a financial asset at fair value through profit and loss based on the share of the net asset value of the Investment Fund because its contractual cash flows are not solely payments of principal and interest. During the year ended 31 December 2024, net unrealised gain of HK\$23,033,000 (2023: net unrealised loss of HK\$5,615,000) (note 6) was recognised in the consolidated statement of profit or loss and other comprehensive income.

On 22 February 2022, the Investment Fund has reached the end of the investment term. The General Partner has initiated the liquidation process of the Investment Fund by realising the underlying investments by sales of the listed equity securities and redemption of bonds. The proceeds from the liquidation of the Investment Fund (after deducting the handling charges) are expected to be recovered by the Group before September 2025.

Subsequent to the year ended 31 December 2024, with the consents of General Partner and limited partners, Fullbest and Shantai withdrew their capital contributions from the Investment Fund on 1 January 2025. The EV Bond was transferred to Fullbest in exchange of its capital contribution in the Investment Fund at the amount of HK\$10,780,000. On the same date, Shangtai redeemed its equity interests from the Investment Fund. Following the completion of distribution and withdrawal of these two limited partners, the Group's capital contribution represented 100% to the Investment Fund.

## 15. ACCOUNTS RECEIVABLE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Accounts receivable	20,473	23,155
Impairment allowance	(6,763)	(7,142)
	<u>13,710</u>	<u>16,013</u>
Net carrying amount	<u>13,710</u>	<u>16,013</u>

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:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 1 month	4,382	14,607
1 to 2 months	23	24
2 to 3 months	77	–
3 to 12 months	192	748
Over 1 year	9,036	634
	<u>13,710</u>	<u>16,013</u>
Total	<u>13,710</u>	<u>16,013</u>

## 16. LOANS RECEIVABLE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loans receivable – unsecured	18,035	22,410
Impairment allowance	(10,871)	(6,983)
	<u>7,164</u>	<u>15,427</u>
Net carrying amount	<u>7,164</u>	<u>15,427</u>

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

During the year ended 31 December 2024, a net provision for impairment losses of HK\$3,888,000 (2023: a net reversal of HK\$14,258,000) (note 7) was recognised in the consolidated statement of profit or loss and other comprehensive income.

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

## 17. LOAN TO A RELATED COMPANY

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

During the year ended 31 December 2024, HK\$1,017,000 of the loan was repaid, and the remaining balance of HK\$648,000 became uncollectible and written off. A reversal of impairment losses of HK\$283,000 (2023: HK\$2,905,000) (note 7) was recognised in the consolidated statement of profit or loss and other comprehensive income.

## 18. ACCOUNTS PAYABLE

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 1 month	<u>3,904</u>	<u>4,765</u>

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

## BUSINESS RESULTS

The Group was principally engaged in the provision of financial services with the licenses to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (“SFO”) (collectively, the “**Financial Services Business**”) for the year ended 31 December 2024.

For the year ended 31 December 2024, the Group reported revenue of approximately HK\$44.2 million, representing an increase of approximately 24.2% from the revenue of approximately HK\$35.6 million of the previous year.

For the year ended 31 December 2024, the Group reported a loss attributable to owners of the parent of approximately HK\$27.2 million (2023: approximately HK\$20.6 million), representing an increase in loss of approximately 31.7% as compared to previous year. Such increase in loss was mainly attributable to (i) provision for impairment losses on financial assets, net of approximately HK\$3.3 million was recognised for the year ended 31 December 2024, whereas a reversal of provision for impairment losses on financial assets, net of approximately HK\$20.6 million was recognised for the year ended 31 December 2023, and (ii) the increase in research and development costs of approximately HK\$11.0 million, and set off by an effect of net unrealised gain on investment in a private equity fund of approximately HK\$23.0 million was recognised for the year ended 31 December 2024, whereas net unrealised loss on that investment of approximately HK\$5.6 million was recognised for the year ended 31 December 2023.

## BUSINESS OVERVIEW

### (1) Financial Services Business

The Group has been engaging in the Financial Services Business with the licences to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO since December 2018 and throughout the reporting period. On 16 December 2020, Bison Corporate Finance Limited, a wholly-owned subsidiary of the Company, was granted a licence to carry out Type 6 (advising on corporate finance) regulated activity under the SFO by the Securities and Future Commission (the “SFC”). Since then, the Group commenced the provision of corporate finance advisory services. Having reviewed and considered the cost-performance of the resources allocated within the Financial Services Business, on 31 October 2024, the Group ceased the business in provision for corporate finance advisory services.

During the year ended 31 December 2024, the Group reported revenue of approximately HK\$44.2 million (2023: approximately HK\$35.6 million), representing an increase of approximately 24.2% as compared to that of the previous year, which was mainly attributable to the overall increase in revenue after consolidating the revenue attributable from external asset management (the “EAM”) services, fund management services and corporate finance advisory services discussed in the sections below.

**(i) EAM services**

The Group provides EAM services to clients, most of whom are high net worth individuals, with aggregate asset sizes under EAM business amounted to approximately HK\$3.6 billion as at 31 December 2024 (2023: approximately HK\$4.1 billion). Revenue generated from EAM services for the year ended 31 December 2024 amounted to approximately HK\$38.2 million (2023: approximately HK\$27.0 million) representing an increase of approximately 41.3% from the revenue for the year ended 31 December 2023. Such increase is mainly attributable to the increase in transactions of US stock and its related financial products in the outperformed US stock market by EAM clients throughout the year 2024, which resulted in an increase in income derived from such transactions.

The Group will continue to leverage on (i) the stable relationship between the Group and the financial institutions which are able to provide investment products which suit the needs of the EAM clients; and (ii) the management team with extensive asset management experience and strong network with high net worth clients, to broaden the customer base and support continuous development of the EAM business.

**(ii) Fund management services**

The Group acts as the investment managers or general partners of certain offshore private equity funds and manages the assets and investments of the funds on a discretionary basis in pursuit of the investment objectives and strategies of the funds, which include achievement of long term compounded net asset value gain for investors. Revenue generated from fund management services during the year ended 31 December 2024 amounted to approximately HK\$5.0 million (2023: approximately HK\$5.4 million), representing a slight decrease of approximately 8.4% as compared to the previous year.

**(iii) Corporate finance advisory services**

Revenue generated from corporate finance advisory services during the year ended 31 December 2024 amounted to approximately HK\$0.5 million (2023: approximately HK\$1.9 million), representing a decrease of approximately 73.0% as compared to previous year. Such decrease was mainly attributable to the Group minimising the operating scale of this business with the view to minimise operating losses from this business. Having reviewed and considered the cost-performance of the resources allocated within the Financial Services Business, on 31 October 2024, the Group ceased the business in provision for corporate finance advisory services.



*(iv) Securities services*

The Group, through Target Capital Management Limited (“TCM”), a wholly-owned subsidiary of the Company, provides a full range of securities brokerage services, including securities margin financing, underwriting, placing services, as well as securities dealing which was commenced since TCM’s admission as a CCASS participant of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in 2019. The securities margin financing services of TCM are mainly provided to its institutional and retail clients for the security trading in their securities accounts maintained in TCM, which form part of the securities brokerage services provided by TCM. The business remains minimal at this stage with the view to minimise the operating cost during such uncertain economic condition.

*(v) 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.

Although the Group’s Financial Services Business continued to face challenges and uncertainties due to the uncertainties in the geopolitical tensions and market prospect in Hong Kong, the management of the Group is optimistic that the Group will be benefited from the recovery of economy in Hong Kong in the foreseeable future. The Group will continue to develop and enhance the income stream from its Financial Services Business, while cautiously allocate its resources within the Financial Services Business.

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

## (2) Other Investments

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

As at 31 December 2024, the total investment made by the Group amounted to HK\$43.9 million (2023: HK\$72.0 million) in the Investment Fund as a limited partner, which represent approximately 59.0% (2023: approximately 71.0%) of the total capital contribution of the Investment Fund. As at 31 December 2024, the underlying investments of the Investment Fund mainly represented a bond issued by a company listed in Hong Kong and a bond issued by a private limited company. The investment in the Investment Fund is stated at fair value and is recorded as “financial assets at fair value through profit or loss” in the consolidated statement of financial position. As at 31 December 2024, the fair value of Investment Fund amounted to approximately HK\$18.7 million (2023: approximately HK\$23.9 million), which represents approximately 12.2% (2023: approximately 12.8%) of the total assets of the Group as at 31 December 2024. During the year ended 31 December 2024, as a result of an overall increase in fair value of the underlying assets of the Investment Fund, the Group recorded a net unrealised gain on financial assets at fair value through profit or loss of approximately HK\$23.0 million (2023: net unrealised loss of approximately HK\$5.6 million). No dividend was received from the Investment Fund for the years ended 31 December 2024 and 2023.

As agreed between the parties, on 1 January 2025, one of the underlying investments of the Investment Fund, an unsecured redeemable bond (the “**EV Bond**”) issued by Emerge Ventures Limited (“**EV**”, a private company) was transferred to Fullbest Star Limited (“**Fullbest**”, one of the limited partner of the Investment Fund), at the amount of approximately HK\$10.8 million in lieu of the distribution/withdrawal by Fullbest to withdraw all its capital contributions from the Investment Fund (the “**EV Bond Distribution**”). Following the completion of EV Bond Distribution, all outstanding bond balance of the EV Bond owed to the Investment Fund was settled, Fullbest ceased to be a limited partner of the Investment Fund and the Investment Fund ceased to be the bond holder of the EV Bond. For details, please refer to the section headed “AUDIT QUALIFICATION” in this announcement.

## **PROSPECTS**

It is expected that the overall business environment in which the Group operates will remain challenging, especially amid the geopolitical tensions and high interest rate and global inflation pressure. The Group will continue to cautiously monitor the development to ensure timely response to changes regarding the market condition. The Group will strategically adjust the allocation of the resources within the Financial Services Business where appropriate and will continue to seize investment opportunities with a view to maximise returns for the shareholders of the Company (the “**Shareholders**”).

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

### **Liquidity and financial resources**

At 31 December 2024, the Group’s cash and cash equivalents amounted to approximately HK\$101.7 million (2023: approximately HK\$112.4 million), denominated in Hong Kong dollars, United States (“US”) dollars, Euro, Singapore dollars and Renminbi.

As at 31 December 2024, the Group’s indebtedness comprised promissory notes and lease liabilities of approximately HK\$92.1 million (2023: approximately HK\$103.2 million). The Group’s indebtedness was denominated in Hong Kong dollar. All the indebtedness carried interests with fixed rates ranging from 2.8% to 10.0% per annum. All of the indebtedness shall be repayable within 1 to 2 years (2023: 1 to 2 years). The gearing ratio, representing the ratio of total indebtedness to the total share capital and reserves of the Group, was 292.6% as at 31 December 2024 (2023: 176.0%). The increase in the gearing ratio was mainly due to the decrease in reserves of the Company by approximately 32.5% mainly resulting from the increase in accumulated losses of the Company due to the loss attributable to owners of the Company of approximately HK\$27.2 million for the year ended 31 December 2024, despite the decrease in indebtedness for the year ended 31 December 2024.

As at 31 December 2024 and 2023, the Group did not have any stand-by banking facilities.

As at 31 December 2024, the Group had net current assets of approximately HK\$29.4 million (2023: approximately HK\$52.0 million) and total assets of approximately HK\$153.6 million (2023: approximately HK\$186.6 million).

### **Capital structure**

During the year ended 31 December 2024, there was no change in the capital structure of the Company.

### **Charge on assets**

As at 31 December 2024, bank deposits of the Company of approximately HK\$0.8 million (2023: approximately HK\$0.8 million) were pledged mainly for the corporate credit cards issued to the Group.

## **Exposure to fluctuations in exchange rates and related hedges**

The Group's monetary assets and transactions are principally denominated in Hong Kong dollars, US dollars, Euro, Singapore dollar and Renminbi. During the year ended 31 December 2024, the Company recognised exchange losses, net of approximately HK\$2.4 million (2023: approximately HK\$2.8 million). During the year ended 31 December 2024, 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 and foreign currency exposure in 2024.

## **Capital expenditures and capital commitments**

Capital expenditures incurred by the Group during the year ended 31 December 2024 amounted to approximately HK\$10,000 (2023: approximately HK\$0.5 million). Capital commitments contracted for but not provided for in the consolidated financial statements of the Group at 31 December 2024 amounted to approximately HK\$49.0 million (2023: approximately HK\$64.6 million).

## **Contingent liabilities**

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

## **Material acquisitions and disposals**

During the year ended 31 December 2024, there was no material acquisition or disposal of subsidiaries, associated companies and joint ventures by the Group.

## **Loans receivable**

As at 31 December 2024, the Group had loans receivable of approximately HK\$7.2 million (2023: approximately HK\$16.1 million) in aggregate. The loans receivable constitute:

- (i) loans receivable in the aggregate amount of approximately HK\$7.2 million (2023: approximately HK\$15.4 million) due from one (2023: two) independent third parties (the **"Third Party Loans"**) with effective interest rates of 3% (2023: 3%) per annum and repayable within one year (2023: one year), all of which were unsecured loans. For details, please refer to note 16 of this announcement; and
- (ii) loans receivable of HK\$nil (2023: approximately HK\$0.7 million) due from a related company (the **"Loan to a Related Company"**) (which is not a connected person under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the **"Listing Rules"**) at an interest rate of 15% (2023: 15%) per annum and was fully repaid during the year ended 31 December 2024 (2023: already past due). Such loan was unsecured. For details, please refer to note 17 of this announcement.

The decrease in loan receivables for the Third Party Loans and the Loan to a Related Company was due to the repayment by the borrowers during the year ended 31 December 2024. The balance due from the top borrower, which is an independent third party, accounted for 100.0% (2023: approximately 71.9%) of the total outstanding loans receivable as at 31 December 2024 due to the full repayment of the other loans which were outstanding as at 31 December 2023. The percentage increase in the balance due from the top borrower is due to the fully repayment by other borrowers of the Third Party Loans and Loan to Related Company, while the Group did not provide any new loans during the year ended 31 December 2024.

The Company has engaged an independent valuer (the “**Loan Valuer**”) to conduct a valuation in relation to impairment assessment over the loans receivable as at 31 December 2024 (the “**Loan Valuation**”).

The Loan Valuer adopted the expected credit loss model under general approach (the “**ECL Model**”) to measure the expected credit losses (“**ECL**”) of the loans receivable. The ECL Model was adopted in accordance with Hong Kong Financial Reporting Standards 9. Major inputs of the ECL Model include (i) probability of default of the borrowers based on internal credit rating guidance which in turn affecting the credit specific factor by, inter alia, assessing the loss stages and checking forward-looking assumptions involved; (ii) loss given default; (iii) exposure at default; and (iv) discount factor reflecting time value of money.

In applying the ECL Model, the Loan Valuer assumed that the financial statements of the borrower in relation to the loans receivable as at 31 December 2024 were able to reasonably reflect its financial status as at the date of the Loan Valuation.

Based on the Loan Valuation, accumulated provision of approximately HK\$10.9 million and HK\$ nil were recognised as at 31 December 2024 in respect of the expected credit losses for the Third Party Loans and Loan to a Related Company respectively (2023: approximately HK\$7.0 million and HK\$0.9 million respectively). For the year ended 31 December 2024, provision for expected credit losses of approximately HK\$3.9 million (2023: reversal of provision for expected credit losses of approximately HK\$14.3 million) for the Third Party Loans and reversal of provision for expected credit losses of approximately HK\$0.3 million (2023: approximately HK\$2.9 million) for Loan to a Related Company were recognised in the consolidated statement of profit or loss and other comprehensive income due to repayment by the relevant borrowers.

## EVENT AFTER REPORTING PERIOD

With the view to maximise the return for the Shareholders, the Group from time to time review the allocation of its resources and costs utilised in respect of its business operations.

In March 2025, the Company, Glory United Development Limited (the “**Landlord**”, the landlord of the premises in which the principal place of business of the Company in Hong Kong is situated at (the “**Premises**”)), and Bison Group Holding Limited (“**BGH**”), a company wholly-owned by Mr. XU Peixin (“**Mr. XU**”, an executive Director and the controlling shareholder of the Company) entered into the following arrangement to early terminate the 2022 Tenancy Agreement (as defined below) in connection with the Premises and sub-lease part of the Premises under the 2025 New Lease (as defined below) by the Company thereafter:

- (1) a surrender agreement entered into between the Company and the Landlord (the “**Surrender Agreement**”), pursuant to which the Landlord conditionally agreed to the early termination of the tenancy agreement of the Premises dated 2 June 2022 entered by the Company as tenant and the Landlord as landlord (the “**2022 Tenancy Agreement**”) and the surrender of the Premises by the Company to the Landlord with effect from 31 December 2024 (which is six (6) months earlier than the expiry date of the 2022 Tenancy Agreement on 30 June 2025) upon and subject to the terms and conditions contained therein;
- (2) the lease between the Landlord and BGH (the “**2025 New Lease**”) to lease the Premises from the Landlord by BGH as tenant for a term commencing from 1 January 2025 to 30 June 2028 (both days inclusive) upon and subject to the terms and conditions contained therein;
- (3) the sublease agreement between the Company as sublessee and BGH as sublessor (the “**Sublease Agreement**”) to sublease certain parts of the Premises for a term of one (1) year commencing from 1 January 2025 to 31 December 2025 (both days inclusive) at monthly rent (free on management fee and air-conditioning charge, Government rates and all other expenses, in any) of HK\$147,915 (i.e. annual rent of HK\$1,774,980.00) payable by the Company to BGH monthly in advance (the “**Sublease Rent**”).

The Sublease Rent was determined by reference to (i) the rent of the 2025 New Lease; (ii) the portion of Premises subleased pursuant to the Sublease Agreement to the Company for the Group’s operations; and (iii) the prevailing market rent of comparable office premises with similar sizes in the vicinity of the Premises based on the analysis conducted by an independent professional property agent engaged by the Company.

As BGH is a wholly-owned subsidiary of Mr. XU, who is an executive Director and a controlling shareholder of the Company holding approximately 47.86% of the issued share capital of the Company. Accordingly, BGH is an associate of Mr. XU and is regarded as a connected person of the Company within the meaning of the Listing Rules and, the transactions contemplated under the Sublease Agreement will constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. As all applicable percentage ratios in respect of the Sublease Rent under the Sublease Agreement are less than 5% and the Sublease Rent payable by the Company to BGH is less than HK\$3,000,000, pursuant to Rule 14A.76(1)(c), the Sublease Agreement and the transactions contemplated thereunder are exempted from the requirements of announcement, reporting, annual review and the independent shareholders’ approval under Chapter 14A of the Listing Rules.



The Board believed that the entering into the Sublease Agreement by the Company and the transactions contemplated thereunder is beneficial for the stability and continuance of the business and operational needs of the Group at the Premises which has been the principal place of business of the Group in Hong Kong since 2019. The rental expenses payable by the Group decreased by leasing less space in the Premises to increase the Group's operational efficiency, while not immediately incurring further costs from any office relocation and renovation which would have been incurred if the Group decides to relocate to another premises for its principal place of business in Hong Kong. In view of the foregoing, the Directors (including the independent non-executives Directors) considered that the Sublease Agreement was entered into in the ordinary and usual course of business of the Company, and on normal commercial terms (or better to the Group) after arm's length negotiations between the parties, and the terms of the Sublease Agreement (together with the Sublease Rent) were fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Upon the effective of the Surrender Agreement and the transactions contemplated thereunder, the Company recorded the gain on such early termination of lease of approximately of HK\$3.3 million for the financial year ended 31 December 2024.

## **EMPLOYEES AND EMOLUMENT POLICIES**

As at 31 December 2024, the Group had 37 full-time employees (2023: 26 full-time employees). The Group offers a comprehensive and competitive remuneration and benefits package to all of its employees. For the year ended 31 December 2024, the Group incurred staff costs of approximately HK\$22.1 million (2023: approximately HK\$22.8 million). The remuneration packages of the Directors and senior management who are also executive Directors, were determined with reference to their background, qualifications, experience, level of responsibilities undertook with the Company and prevailing market conditions, in order to align with the corporate objectives of the Company. The Group has adopted provident fund schemes for its employees in Hong Kong as required under the Mandatory Provident Fund Schemes Ordinance.

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

During the year ended 31 December 2024, no share options of the Company (the “**Share Options**”) (2023: Nil) were granted pursuant to the Share Option Scheme. During the year ended 31 December 2024, Nil (2023: 15,000,000) Share Options were lapsed. As at 31 December 2024, there were 34,220,000 (2023: 34,220,000) outstanding Share Options granted under the Share Option Scheme which were all lapsed on 27 March 2025 pursuant to the term of the relevant grant under the Share Options Scheme on 27 March 2020 (please refer to the Company’s relevant announcement dated 27 March 2020 for details). Accordingly, no outstanding Share Options granted under the Share Option Scheme as at the date of this announcement.

## **FINAL DIVIDEND**

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: Nil).

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

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares).

## **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 Board is of the opinion that saved as disclosed below, the Company has complied with all the applicable code provisions of the Corporate Governance Code (“**CG Code**”) as set out in Part 2 of Appendix C1 to the Listing Rules throughout the year ended 31 December 2024.

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. However, during the reporting period and up to the date of this announcement, Mr. SUN Lei (“**Mr. SUN**”) serves as both the chairman and the chief executive officer of the Company (the “**Dual Capacities of Mr. SUN**”) which deviates the code provision C.2.1 of the CG Code. The Board is of the view that the Dual Capacities of Mr. SUN facilitates the execution of the Group’s business strategies and enhance efficiency of its operation, which the Board considers to be beneficial to the Company and its shareholders as a whole.

In addition, the Board currently comprises three executive Directors (including Mr. SUN), one non-executive Director and three independent non-executive Directors. Accordingly, non-executive Directors represent the majority members of the Board. The Board is therefore structured to ensure the balance of power and authority to provide sufficient checks and balance for good corporate governance and to protect the interests of the Company and its shareholders as a whole.



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

The Company has adopted its own Code for Securities Transactions by Directors (the “**Securities Code**”) on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of the Listed Issuers set out in Appendix C3 to the Listing Rules. In response to specific enquiries made by the Company to all Directors and they confirmed that they have complied with the Securities Code throughout the year ended 31 December 2024.

## **REVIEW OF ANNUAL RESULTS BY AUDIT COMMITTEE**

The audit committee of the Company (the “**Audit Committee**”) has reviewed the annual results of the Group for the year ended 31 December 2024 and the accounting principles and practices adopted by the Group, and has discussed with management of the Company on issues in relation to internal control, risk management and financial reporting. The Audit Committee is of the opinion that the consolidated annual results of the Group for the year ended 31 December 2024 are in compliance with the relevant accounting standards, laws and regulations.

## **SCOPE OF WORK OF THE COMPANY’S AUDITOR**

The 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 thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Company’s auditor, Baker Tilly Hong Kong Limited (“**Baker Tilly**”), to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by Baker Tilly in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Baker Tilly on the preliminary announcement.

### **Auditor Qualified Opinion**

A qualified opinion is included in the independent auditor’s report for the consolidated financial statements of the Group for the year ended 31 December 2024. An extract of the auditor’s report is set out in the section headed “**Extract from the independent auditor’s report**” below.

### **Extract from the independent auditor’s report**

In our opinion, except for the possible effects of the matters described in the “Basis for qualified opinion” section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

## Basis for qualified opinion

As detailed in our auditor's report dated 26 March 2024, we expressed a qualified opinion on the consolidated financial statements of Group as at and for the year ended 31 December 2023 due to the scope limitations on the carrying values of the Group's interest in a private equity fund (the "**Fund**") accounted for as financial assets at fair value through profit or loss and the corresponding net unrealised fair value loss.

As at 31 December 2023, the Fund's carrying value includes the Group's interest in three underlying investments: (1) an unsecured redeemable bond issued by Emerge Ventures Limited ("**EV**"), a private company, (the "**EV Bond**"); and (2) an unsecured redeemable bond issued by A Metaverse Company ("**AMC**"), a company listed on the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**AMC Bond**"); and (3) the listed shares of AMC (the "**AMC Shares**"). As detailed in note 19, AMC Shares were fully disposed of by the Fund during the year ended 31 December 2024, leaving only EV Bond and AMC Bond remaining in the Fund as at 31 December 2024.

In respect of the AMC Bond, as detailed in our auditor's report dated 26 March 2024, there were scope limitations on the unrealised fair value loss recognised in profit or loss for the year ended 31 December 2023 and our opinion on the last year's consolidated financial statements is modified. This matter has been resolved since our audit for the Company's consolidated financial statements for the year ended 31 December 2023 and we have obtained sufficient appropriate audit evidence relating to the carrying values of the Group's interest in the AMC Bond and AMC Shares as at 31 December 2024 and 2023, and the corresponding unrealised fair value gain for the year ended 31 December 2024. Our opinion on the current year's consolidated financial statements is inevitably being modified because of the possible effects of this matter on the comparability of the current year's figures and the corresponding figures.

In respect of the EV Bond, as also detailed in note 19, the EV Bond was matured in January 2022 and extended to September 2024. As at 31 December 2024, the EV bond was still not redeemed by the issuer and no audited financial information of EV for all years since 31 December 2021 have been provided by EV to the Fund or to the Group.

Subsequent to the Group's audited consolidated financial statements for the year ended 31 December 2024, with the consents of General Partner and limited partners of the Fund, and EV, the EV Bond was transferred to Fullbest Star Limited ("**Fullbest**"), a limited partner of the Fund, as the redemption in kind of Fullbest's interests in the Fund and Fullbest ceased to be the limited partner of the Fund. Following the completion of EV Bond distribution, the Fund ceased to be the bond holder of the EV Bond and the Fund's carrying values can be reliably assessed.

Based on subsequent settlement of EV Bond, management determined that the fair value of the Group's interest in the EV Bond amounted to approximately HK\$6,401,000 as at 31 December 2024, resulting an unrealised gain of approximately HK\$10,922,000 recognised for the year ended 31 December 2024. We have obtained sufficient appropriate audit evidence relating to the carrying values of the Group's interests in the EV Bond as at 31 December 2024.

However, since there are scope limitations on the carrying value of the EV Bond as at 31 December 2023 and on the corresponding unrealised fair value loss recognised in profit or loss for the year ended 31 December 2023, our opinion on the current year's consolidated financial statements is inevitably being modified because of the possible effects on the current year's unrealised fair value gain recognised, and the comparability of the current year's figures and the corresponding figures in respect of the Group's consolidated financial performance and consolidated financial position.

## **DIRECTORS AND AUDIT COMMITTEE'S VIEW TO THE AUDIT QUALIFICATION**

As at 31 December 2022 and 2023, the Investment Fund's carrying value includes the Group's interest in three underlying investments: (1) the EV Bond; (2) the AMC Bond; and (3) the AMC Shares. As at 31 December 2024, the Investment Fund's carrying value includes the Group's interest in two underlying investments consisting of the EV Bond and the AMC Bond as the AMC Shares were all disposed by the Investment Fund during the year ended 31 December 2024.

Due to the limitation of the Group's role in the Investment Fund as a limited partner, the management was unable to provide sufficient audit evidence to the external auditor of the Company to support the appropriateness of the key inputs and assumptions adopted by management in their assessments of the determination of the carrying values of (1) the EV Bond as at 31 December 2022 and 2023 and (2) the AMC Bond and AMC Shares as at 31 December 2022 (prior to the resumption of trading of AMC Shares on 6 November 2023 and AMC's publication of its financial results as audited consolidated financial statements for the years ended 31 December 2021 and 2022, and its interim financial information for the periods ended 30 June 2022 and 2023), which ultimately leads to modified opinion by the external auditor in relation to the carrying value of the Investment Fund and the unrealised fair value loss recognised in profit or loss arising from the Investment Fund as reported by the Group for the years ended 31 December 2022 and 2023 (the **"Audit Qualification for FY2022 Financial Statements and FY2023 Financial Statements"**).

With the Group's effort, the General Partner confirmed to the Company that (1) all the AMC Shares held by the Investment Fund have been realised during the year ended 31 December 2024, and (2) the EV Bond was been disposed through the EV Bond Distribution subsequent to the year ended 31 December 2024. The scope limitation for the carrying value of the EV bond as at 31 December 2024 has been resolved. The external auditor's qualified opinion for the Group's consolidated annual financial statements for the year ended 31 December 2024 was limited to scope limitations for (i) the carrying values of the Investment Fund as at 31 December 2022 and 2023, and (ii) the net unrealised fair value gain/loss arising from the Investment Fund attributable to the Group for the years ended 31 December 2022, 2023 and 2024.

In view of the above, the Directors are therefore of the view, and the external auditor of the Company is in agreement with the Directors' view, that save for the modified audit opinion on the corresponding unrealised fair value gain recognised for the year ended 31 December 2024 in relation to the fair value change of EV Bond during the year ending 31 December 2024, the modified audit opinion in respect of the carrying amounts of the Investment Fund as at 31 December 2024 and 2025 will no longer exist for the Company's consolidated financial statements for the year ended 31 December 2025.

In view of the Audit Qualification for FY2022 Financial Statements and FY2023 Financial Statements being addressed, the Group through the General Partner, continued followed-up with the issuer of the AMC Bond on the repayment schedule. The issuer of the AMC Bond settled all accrued coupon interests and redeemed partial of principal of approximately HK\$5.8 million during the year ended 31 December 2024 and up to the date of this announcement. In view of the repayment made by AMC during the year ended 31 December 2024 and up to the date of this announcement, the liquidation of the Investment Fund (with the proceeds to be received pursuant to redemption of the AMC Bond) is expected to be completed before September 2025.

The Company will make further announcement(s) to provide updates in respect of the repayment status in connection with the outstanding amount of the AMC Bond, and liquidation status of the Investment Fund as and when appropriate.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

This results announcement is published on the Company's website ([www.bison.com.hk](http://www.bison.com.hk)) and the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). The 2024 annual report of the Company containing all relevant information required under the Listing Rules will be published on the aforementioned websites and dispatched to the Shareholders in due course.

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

Hong Kong, 27 March 2025

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