貝森金融集團
Bison Finance Group

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

(formerly known as RoadShow Holdings Limited 前稱路訊通控股有限公司)

Stock code 股份代號：888

INTERIM REPORT 2018
中期報告

Interim Results for the six months ended 30 June 2018

The directors of Bison Finance Group Limited (the “Company”) (the “Directors”) submit herewith the unaudited consolidated statement of profit or loss, unaudited consolidated statement of profit or loss and other comprehensive income, unaudited consolidated statement of changes in equity and unaudited condensed consolidated cash flow statement of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2018 and the unaudited consolidated statement of financial position of the Group at 30 June 2018, together with the comparative figures for the six months ended 30 June 2017 and at 31 December 2017 respectively.

Financial Review

Loss attributable to equity shareholders of the Company was approximately HK$22.2 million for the six months ended 30 June 2018 (six months ended 30 June 2017: approximately HK$11.0 million), whilst loss from operations was approximately HK$20.2 million for the six months ended 30 June 2018 (six months ended 30 June 2017: approximately HK$10.1 million). The increase in loss for the current period was mainly attributable to the decrease in net reversal of provision for onerous contracts of approximately HK$9.6 million, the increase in staff expenditure of approximately HK$6.7 million, the exchange loss of approximately HK$1.2 million (six months ended 30 June 2017: exchange gain of approximately HK$5.2 million), net off by the decrease in royalty, licence and management fees of approximately HK$13.3 million due to the cessation of the BUS-TV business resulting from the expiry of the related licence agreement with The Kowloon Motor Bus Company (1933) Limited (“KMB”) on 30 June 2017.

Operating Revenue

For the six months ended 30 June 2018, the Group reported total operating revenue of approximately HK$169.2 million (six months ended 30 June 2017: approximately HK$174.0 million) of which approximately HK$160.4 million was from the media and advertising business (the “Media Business”) (six months ended 30 June 2017: approximately HK$163.4 million), approximately HK$6.3 million was from the insurance brokerage business (the “Insurance Business”) (six months ended 30 June 2017: HK$Nil) and approximately HK$2.5 million was from other revenue and other net income (six months ended 30 June 2017: approximately HK$10.6 million). The overall decrease in operating revenue was mainly due to the cessation of BUS-TV business on 30 June 2017, the exchange loss of approximately HK$1.2 million (six months ended 30 June 2017: exchange gain of approximately HK$5.2 million), net off by revenue contributed from the Insurance Business.

Operating Expenses

The Group’s operating expenses increased by approximately HK$5.3 million, from approximately HK$184.1 million for the six months ended 30 June 2017 to approximately HK$189.4 million for the six months ended 30 June 2018, mainly due to the decrease in the net reversal of provision for onerous contracts of approximately HK$9.6 million, the increase in staff expenditure of approximately HK$6.7 million, net off by the decrease in royalty, licence and management fees of approximately HK$13.3 million.

Future Plans for Material Investments or Capital Assets

There was no specific plan for material investments or capital assets as at 30 June 2018. In the event that the Group engages in any plan for material investments or capital assets, the Company will make announcement(s) and comply with relevant rules under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) as and when appropriate.

Interim Dividend

The Directors do not propose to declare an interim dividend for the six months ended 30 June 2018 (six months ended 30 June 2017: HK$Nil).

Liquidity, Financial Resources and Capital Structure

Liquidity and Financial Resources

On 13 April 2018, the Company entered into a placing agreement (the "Placing Agreement") with a placing agent (the "Placing Agent") pursuant to which the Placing Agent conditionally agreed to place as the Company's placing agent on a best effort basis of up to 187,500,000 new shares (the "Placing Shares") to not less than six placees who are professional, institutional and other investors selected and procured by or on behalf of the Placing Agent at the placing price of HK$1.44 per share (the "Placing"). As all the conditions of the Placing have been fulfilled, completion of the Placing Agreement took place on 24 April 2018, and 187,500,000 Placing Shares were allotted and issued to not less than six placees at the placing price of HK$1.44 per Placing Share pursuant to the terms and conditions of the Placing Agreement. The aggregate nominal value of all Placing Shares amounts to HK$18,750,000. The market price of the Placing Shares was HK$1.65 at the date of the Placing Agreement and the net issue price per Placing Share (after deduction of the Placing commission and other related expenses) was approximately HK$1.43.

The gross proceeds from the Placing were HK$270.0 million, and the net proceeds, after deducting the placing commission, professional fees and all related expenses which were borne by the Company, from the Placing was approximately HK$269.6 million.

The net proceeds from the Placing of approximately HK$269.6 million are intended to be used and the actual use of the net proceeds as at 30 June 2018 are respectively as follows:

Intended use of the net proceeds	**Actual use of the net proceeds**
(i) approximately HK$220.0 million for redemption of the promissory notes in the principal amount of HK$220.0 million to be issued by the Group for the acquisition of Target Capital Management Limited ("TCM"), BTS Investment Limited, BTY Investment Limited, NanTai Investment Limited and Shangtai Asset Management Limited (collectively, the "Subject Companies");	has not yet been utilised as at 30 June 2018 and is intended to be used after the completion of the acquisition
(ii) approximately HK$10.0 million for investment in digital panels as 4-dimension interactive advertising platform at bus shelters in Hong Kong; and	approximately HK$4.6 million has been utilised as at 30 June 2018 and the remaining balance of approximately HK$5.4 million is intended to be used on or before 30 June 2019
(iii) approximately HK$39.6 million for general working capital purposes including the payment of the staff costs, the royalty, licence and management fees and other administrative expenses.	has fully been utilised as intended as at 30 June 2018

In view of the current market condition, the Directors consider that the Placing represents an opportunity to broaden the shareholder base and satisfy the following genuine business needs:

1. *Redemption of promissory notes*

   As stated in the announcement and circular of the Company dated 23 January 2018 and 28 February 2018 respectively, the Group is in the process of acquiring TCM and the Subject Companies which are engaged in the asset management and investment advisory businesses. The proposed acquisition was approved by the then independent shareholders at the special general meeting of the Company held on 16 March 2018. The consideration of the proposed acquisition is HK$270.0 million of which HK$50.0 million has already been settled in cash. It was originally contemplated that the balance of the consideration of the acquisition in the sum of HK$220.0 million will be settled by way of issue of promissory notes bearing interest of 3% per annum repayable on the date falling two years after the date of issue.

   The Directors consider that an increase in the debt level of the Company by HK$220.0 million following the issue of the promissory notes to be substantial and undesirable. The Company intends to redeem the promissory notes prior to their maturity date, as it strives to keep its debts to a minimal level at present so that it would be able to arrange debt financing at a more favourable rate later on in view of the upcoming interest rate hikes.

2. *Media investment*

   Whilst the Group is looking for opportunities to diversify its scope of business to the financial services sector, the Group intends to continue to carry on its existing Media Business. As stated in the circular of the Company dated 28 February 2018, the Group is making an initial investment of approximately HK$10.0 million in digital panels as 4-dimension interactive advertising platform at bus shelters in Hong Kong which are expected to launch by stages in 2018 with target customers including commercial, government and non-governmental organisations to drive the growth of the existing Media Business.

At 30 June 2018, the Group's bank deposits and cash amounted to approximately HK$393.4 million (31 December 2017: approximately HK$250.3 million), which are denominated in Hong Kong dollars, United States ("US") dollars and Renminbi. Apart from providing working capital to support its existing business, the Group maintains a strong cash position to meet potential needs for business expansion and development.

At 30 June 2018 and 31 December 2017, the Group did not have any bank borrowings. The gearing ratio, representing the ratio of bank borrowings to the total share capital and reserves of the Group was zero at 30 June 2018 and 31 December 2017. At 30 June 2018 and 31 December 2017, the Group had stand-by banking facilities totalling HK$30.0 million, respectively.

At 30 June 2018, the Group had net current assets of approximately HK$606.0 million (31 December 2017: approximately HK$429.0 million) and total assets of approximately HK$822.9 million (31 December 2017: approximately HK$592.3 million).

Charge on Assets

At 30 June 2018, bank deposits of approximately HK$97.6 million (31 December 2017: approximately HK$98.2 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 the subsidiaries of the Company and the 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 2018, the Company recognised an exchange loss of approximately HK$1.2 million (six months ended 30 June 2017: exchange gain of approximately HK$5.2 million) mainly due to the depreciation of the Euro against Hong Kong dollars. During the period, there was no material fluctuation in the exchange rates of 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 2018.

Contingent Liabilities

The Group did not have any significant contingent liabilities at 30 June 2018 and 31 December 2017.

Employees and Remuneration Policies

At 30 June 2018, the Group had 153 full-time employees. The Group offers a comprehensive and competitive remuneration and benefits package to all of its employees. In addition, it offers a performance bonus scheme to its senior staff based on achievement of business objectives and a sales commission scheme to its sales team based on achievement of advertising revenue targets. The Group has adopted a provident fund scheme for its employees in Hong Kong as required under the Mandatory Provident Fund Schemes Ordinance. The Company adopted a share option scheme on 8 June 2018, under which the Company may grant options to, among others, employees of the Group to subscribe for 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.

Business Review and Prospects

The Group is principally engaged in the Media Business and the Insurance Business during the reporting period. The Group will continue to develop our Media Business and Insurance Business, and will also cautiously formulate plans in developing the financial services business in the future.

(1) Media Business

The Group continued to be engaged in BUS-BODY advertising, BUS-INTERIOR advertising, BUS-SHELTER advertising, BILLBOARDS advertising, and provision of integrated marketing solutions services in Hong Kong. The Group has been making new investments in digital panels as 4-dimension interactive advertising platform at bus shelters in Hong Kong which was launched during the reporting period with target advertisers including, but not limited to, commercial, government and non-governmental organisations to drive the growth of the Media Business.

During the six months ended 30 June 2018, the Media Business recorded revenue of approximately HK$160.4 million (six months ended 30 June 2017: approximately HK$163.4 million). The decline of revenue for the reporting period was mainly due to the cessation of the BUS-TV business resulting from the expiry of the related licence agreement with KMB on 30 June 2017.

(2) Insurance Business

Driven by the increase in overall awareness of health and wealth management, insurance industry maintained a fast growing momentum in the People's Republic of China (the "PRC"). In the current period, the Group started to engage in insurance businesses relating to sports in the PRC, which included provision of insurance brokerage service, risk assessment and advisory services in relation to sports events. During the six months ended 30 June 2018, the Insurance Business recorded revenue of approximately HK$6.3 million (six months ended 30 June 2017: HK$Nil).

The Group is optimistic about the growth of insurance brokerage business. In the upcoming second half of the year, the Group is planning to commence new insurance brokerage business in relation to life insurance products (the "Life Insurance Brokerage Business"). The Group expected that the Life Insurance Brokerage Business will provide stable source of income to the Group in the long term.

In addition to the Media Business and the Insurance Business, the Group has entered into the sale and purchase agreement in relation to the acquisition of the entire issued share capital of TCM and the Subject Companies in January 2018. TCM is principally engaged in (i) external asset management and (ii) provision of investment advisory services to fund managers and/or general partners of offshore private equity funds. The Subject Companies are the fund managers or general partners of several offshore private equity funds. Upon completion of the transaction, the Group shall engage in the financial services business carried out by TCM and the Subject Companies and it is expected to form a new business segment of the Group. The Group is being in the progress of obtaining all the requisite approval of the Securities and Futures Commission of Hong Kong (the "SFC") relating to the application for the Group becoming the substantial shareholder of TCM. As at the date of this report, the acquisition has not yet been completed. Save as disclosed, there is no other material acquisitions and disposals of subsidiaries, associates and joint ventures by the Group during the reporting period.

With a view to strengthen its business portfolio, the Group will continue to identify other investment opportunities when they may arise with an attempt to maximise returns for the shareholders.

Consolidated Statement of Profit or Loss – Unaudited

For the six months ended 30 June 2018

	Note	Six months ended 30 June 2018 HK$'000	2017 HK$'000 (Note)
Revenue	3	**166,666**	163,389
Other revenue and other net income/(loss)	4	**2,530**	10,577
Total operating revenue		**169,196**	173,966
Operating expenses			
Royalty, licence and management fees		**(88,192)**	(101,489)
Cost of production		**(33,531)**	(32,708)
Cost of services		**(533)**	–
Staff expenditure		**(38,708)**	(31,959)
Depreciation and amortisation		**(3,498)**	(2,321)
Repairs and maintenance		**(337)**	(3,111)
Reversal of provision/(provision) for impairment loss on accounts receivable		**454**	(1,812)
Reversal of provision for onerous contracts, net	15	**545**	10,095
Other operating expenses		**(25,561)**	(20,804)
Total operating expenses		**(189,361)**	(184,109)
Loss from operations		**(20,165)**	(10,143)
Finance costs	5	**(36)**	–
Loss before taxation	5	**(20,201)**	(10,143)
Income tax	6	**(1,970)**	(1,834)
Loss for the period		**(22,171)**	(11,977)
Attributable to:			
Equity shareholders of the Company		**(22,171)**	(10,972)
Non-controlling interests		**–**	(1,005)
Loss for the period		**(22,171)**	(11,977)
Loss per share (in Hong Kong cents)	8		
Basic and diluted		**(2.08)**	(1.10)

Note: The Group has initially applied HKFRS 9 and HKFRS 15 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. See note 2.

The notes on pages 11 to 26 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in note 7.

Consolidated Statement of Profit or Loss and Other Comprehensive Income – Unaudited

For the six months ended 30 June 2018

	Six months ended 30 June	
	2018	2017
	HK$'000	HK$'000
		(Note)
Loss for the period	**(22,171)**	(11,977)
Other comprehensive income for the period (after tax and reclassification adjustments):		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of the financial statements of operations outside Hong Kong, net of tax	–	587
Total comprehensive income for the period	**(22,171)**	(11,390)
Attributable to:		
Equity shareholders of the Company	**(22,171)**	(10,385)
Non-controlling interests	–	(1,005)
Total comprehensive income for the period	**(22,171)**	(11,390)

Note: The Group has initially applied HKFRS 9 and HKFRS 15 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. See note 2.

The notes on pages 11 to 26 form part of this interim financial report.

Consolidated Statement of Financial Position – Unaudited

At 30 June 2018

	Note	At 30 June 2018 HK$'000	At 31 December 2017 HK$'000 (Note)
Non-current assets			
Property, plant and equipment		**21,657**	15,491
Intangible assets		**460**	–
Goodwill		**40,770**	40,770
Non-current prepayments and deposits	9	**60,978**	3,218
Deferred tax assets		**6,004**	7,042
		129,869	66,521
Current assets			
Accounts receivable	10	**95,488**	91,737
Loans receivable	11	**52,081**	26,400
Other receivables and deposits		**52,816**	57,305
Current tax recoverable		**1,606**	1,756
Pledged bank deposits	12	**97,622**	98,248
Bank deposits and cash	13	**393,405**	250,305
		693,018	525,751
Current liabilities			
Accounts payable	14	**29**	29
Other payables and accruals		**44,360**	95,227
Deferred income		**41,128**	–
Finance lease liabilities		**154**	151
Provision for onerous contracts	15	**–**	545
Current tax payable		**1,300**	835
		86,971	96,787
Net current assets		**606,047**	428,964
Total assets less current liabilities		**735,916**	495,485
Non-current liabilities			
Finance lease liabilities		**512**	590
Deferred tax liabilities		**77**	194
		589	784
NET ASSETS		**735,327**	494,701
CAPITAL AND RESERVES			
Share capital	16	**118,487**	99,737
Reserves		**616,840**	386,694
Total equity attributable to equity shareholders of the Company		**735,327**	486,431
Non-controlling interests		**–**	8,270
TOTAL EQUITY		**735,327**	494,701

Note: The Group has initially applied HKFRS 9 and HKFRS 15 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. See note 2.

The notes on pages 11 to 26 form part of this interim financial report.

Consolidated Statement of Changes in Equity – Unaudited

For the six months ended 30 June 2018

	Attributable to equity shareholders of the Company									
	Share capital HK$'000	Share premium HK$'000	General reserve HK$'000	Contributed surplus HK$'000	Other reserve HK$'000	Exchange reserve HK$'000	Accumulated losses HK$'000	Subtotal HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
Balance at 1 January 2017	99,737	–	602	531,569	(605)	12,331	(152,020)	491,614	9,220	500,834
Changes in equity for the six months ended 30 June 2017:										
Loss for the period	–	–	–	–	–	–	(10,972)	(10,972)	(1,005)	(11,977)
Other comprehensive income	–	–	–	–	–	587	–	587	–	587
Total comprehensive income for the period	–	–	–	–	–	587	(10,972)	(10,385)	(1,005)	(11,390)
Balance at 30 June 2017 and 1 July 2017	99,737	–	602	531,569	(605)	12,918	(162,992)	481,229	8,215	489,444
Changes in equity for the six months ended 31 December 2017:										
Profit for the period	–	–	–	–	–	–	4,395	4,395	55	4,450
Other comprehensive income	–	–	–	–	–	807	–	807	–	807
Total comprehensive income for the period	–	–	–	–	–	807	4,395	5,202	55	5,257
Balance at 31 December 2017 (Note)	**99,737**	**–**	**602**	**531,569**	**(605)**	**13,725**	**(158,597)**	**486,431**	**8,270**	**494,701**
Impact on initial application of HKFRS 9	**–**	**–**	**–**	**–**	**–**	**–**	**1,493**	**1,493**	**–**	**1,493**
Adjusted balance at 1 January 2018	**99,737**	**–**	**602**	**531,569**	**(605)**	**13,725**	**(157,104)**	**487,924**	**8,270**	**496,194**
Changes in equity for the six months ended 30 June 2018:										
Loss and total comprehensive income for the period	**–**	**–**	**–**	**–**	**–**	**–**	**(22,171)**	**(22,171)**	**–**	**(22,171)**
Placing of new shares (Note 16)	**18,750**	**250,824**	**–**	**–**	**–**	**–**	**–**	**269,574**	**–**	**269,574**
Dividend paid to a non-controlling shareholder	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(8,269)**	**(8,269)**
Acquisition of non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(1)**	**(1)**
Balance at 30 June 2018	**118,487**	**250,824**	**602**	**531,569**	**(605)**	**13,725**	**(179,275)**	**735,327**	**–**	**735,327**

Note: The Group has initially applied HKFRS 9 and HKFRS 15 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. See note 2.

The notes on pages 11 to 26 form part of this interim financial report.

Condensed Consolidated Cash Flow Statement – Unaudited

For the six months ended 30 June 2018

	Note	Six months ended 30 June 2018 HK$'000	2017 HK$'000 (Note)
Operating activities			
Cash used in operations		**(24,384)**	(25,002)
The People's Republic of China ("PRC") income tax paid		**(434)**	(324)
Net cash used in operating activities		**(24,818)**	(25,326)
Investing activities			
Decrease/(increase) in bank deposits with original maturities over three months		**5,598**	(75,736)
Deposit paid for acquisition of subsidiaries		**(50,000)**	–
Deposit paid for the purchase of property, plant and equipment		**(9,600)**	–
Increase in loans receivable		**(26,776)**	–
Payment for the purchase of property, plant and equipment		**(7,835)**	(1,705)
Other cash flows arising from investing activities		**936**	3,911
Net cash used in investing activities		**(87,677)**	(73,530)
Financing activities			
Placing of new shares	16	**269,574**	–
Dividend paid to a non-controlling shareholder		**(8,269)**	–
Other cash flows arising from financing activities		**(112)**	–
Net cash generated from financing activities		**261,193**	–
Net increase/(decrease) in cash and cash equivalents		**148,698**	(98,856)
Effect of foreign exchange rate changes		**–**	835
Cash and cash equivalents at 1 January		**238,707**	204,621
Cash and cash equivalents at 30 June	13	**387,405**	106,600

Note: The Group has initially applied HKFRS 9 and HKFRS 15 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. See note 2.

The notes on pages 11 to 26 form part of this interim financial report.

1. Basis of preparation

This interim financial report 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"). It was authorised for issue on 24 August 2018.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2017 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2018 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2017 annual financial statements. The condensed consolidated interim financial statements and notes thereto do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA.

This interim financial report is unaudited, but has been reviewed by KPMG 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. KPMG's independent review report to the Board of Directors is included on page 27.

The financial information relating to the financial year ended 31 December 2017 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2017 are available from the Company's principal place of business. The auditors have expressed an unqualified opinion on those financial statements in their report dated 15 March 2018.

2. Changes in accounting policies

(a) Overview

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements:

- HKFRS 9, *Financial instruments*
- HKFRS 15, *Revenue from contracts with customers*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

The Group has been impacted by HKFRS 9 in relation to measurement of credit losses, and impacted by HKFRS 15 in relation to recognition of receivables and contract liabilities. Details of the changes in accounting policies are discussed in note 2(b) for HKFRS 9 and note 2(c) for HKFRS 15.

Under the transition methods chosen, the Group recognises cumulative effect of the initial application of HKFRS 9 and HKFRS 15 as an adjustment to the opening balance of equity at 1 January 2018. Comparative information is not restated. The following table gives a summary of the opening balance adjustments recognised for each line item in the consolidated statement of financial position that has been impacted by HKFRS 9. Initial application of HKFRS 15 does not have any impact on the opening balance of equity at 1 January 2018.

	At 31 December 2017 HK$'000	**Impact on initial application of HKFRS 9** HK$'000 (Note 2(b))	**At 1 January 2018** HK$'000
Accounts receivable	91,737	1,493	93,230
Total current assets	**525,751**	**1,493**	**527,244**
Net current assets	**428,964**	**1,493**	**430,457**
Total assets less current liabilities	**495,485**	**1,493**	**496,978**
Net assets	**494,701**	**1,493**	**496,194**
Reserves	(386,694)	(1,493)	(388,187)
Total equity attributable to equity shareholders of the Company	(486,431)	(1,493)	(487,924)
Total equity	**(494,701)**	**(1,493)**	**(496,194)**

Further details of these changes are set out in sub-section (b) of this note.

2. Changes in accounting policies (continued)

(b) HKFRS 9, *Financial instruments*

HKFRS 9 replaces HKAS 39, *Financial instruments: recognition and measurement*. It sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

The Group has applied HKFRS 9 retrospectively to items that existed at 1 January 2018 in accordance with the transition requirements. The Group has recognised the cumulative effect of initial application as an adjustment to the opening equity at 1 January 2018. Therefore, comparative information continues to be reported under HKAS 39.

The following table summarises the impact of transition to HKFRS 9 on accumulated losses at 1 January 2018.

	HK$'000
Accumulated losses	
Reversal of excess expected credit losses on accounts receivable	1,493
Net decrease in accumulated losses at 1 January 2018	1,493

Further details of the nature and effect of the changes to previous accounting policies and the transition approach are set out below:

(i) Credit losses

HKFRS 9 replaces the "incurred loss" model in HKAS 39 with the expected credit loss ("ECL") model. The ECL model requires an ongoing measurement of credit risk associated with a financial asset and therefore recognises ECLs earlier than under the "incurred loss" accounting model in HKAS 39.

The Group applies the new ECL model to financial assets measured at amortised cost (including accounts receivable, loans receivable, other receivables and deposits, pledged bank deposits, bank deposits and cash) and contract assets as defined in HKFRS15 (see note 2(c)).

2. Changes in accounting policies (continued)

(b) HKFRS 9, *Financial instruments* (continued)

(i) Credit losses (continued)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted if the effect of discounting is material.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

– 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and

– lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for accounts receivable and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

2. Changes in accounting policies (continued)

(b) HKFRS 9, *Financial instruments* (continued)

(i) ***Credit losses*** (continued)

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held). The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

2. Changes in accounting policies (continued)

(b) HKFRS 9, *Financial instruments* (continued)

(i) ***Credit losses*** (continued)

Basis of calculation of interest income on credit-impaired financial assets

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost of the financial asset.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Write-off policy

The gross carrying amount of a financial asset, or contract asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Opening balance adjustment

As a result of this change in accounting policy, the Group has reversed excess ECLs amounting to approximately HK$1,493,000, which decreased accumulated losses by approximately HK$1,493,000 at 1 January 2018.

The following table reconciles the closing loss allowance determined in accordance with HKAS 39 as at 31 December 2017 with the opening loss allowance determined in accordance with HKFRS 9 as at 1 January 2018.

	HK$'000
Loss allowance at 31 December 2017 under HKAS 39	9,192
Reversal of excess expected credit loss on accounts receivable recognised at 1 January 2018	(1,493)
Loss allowance at 1 January 2018 under HKFRS 9	7,699

2. Changes in accounting policies (continued)

(b) HKFRS 9, *Financial instruments* (continued)

(ii) Transition

Changes in accounting policies resulting from the adoption of HKFRS 9 have been applied retrospectively, except as described below:

– Information relating to comparative periods has not been restated. Differences in the carrying amounts of financial assets resulting from the adoption of HKFRS 9 are recognised in accumulated losses and reserves as at 1 January 2018. Accordingly, the information presented for 2017 continues to be reported under HKAS 39 and thus may not be comparable with the current period.

(c) HKFRS 15, *Revenue from contracts with customers*

HKFRS 15 establishes a comprehensive framework for recognising revenue and some costs from contracts with customers. HKFRS 15 replaces HKAS 18, *Revenue*, which covered revenue arising from sale of goods and rendering of services.

The Group has elected to use the cumulative effect transition method. Therefore, comparative information has not been restated and continues to be reported under HKAS 18. As allowed by HKFRS 15, the Group has applied the new requirements only to contracts that were not completed before 1 January 2018. The Group assessed that initial application of HKFRS 15 would have no impact on the opening balance of equity at 1 January 2018.

HKFRS 15 does not have material impact to the Group's consolidated financial statements except the recognition of receivables and contract liabilities in the consolidated statement of financial position. Further details are set out below:

(i) Recognition of receivables and contract liabilities

Under HKFRS 15, a receivable is recognised only if the Group has an unconditional right to consideration. If the Group recognises the related revenue before receiving the consideration or being unconditionally entitled to the consideration for the promised goods and services in the contract, then the entitlement to consideration is classified as a contract asset. Similarly, a contract liability, rather than a payable, is recognised when a customer pays consideration, or is contractually required to pay consideration and the amount is already due, before the Group recognises the related revenue.

Previously, contract balances were presented in the consolidated statement of financial position under "accounts receivable" or "other payables and accruals" respectively.

2. Changes in accounting policies (continued)

(c) HKFRS 15, *Revenue from contracts with customers* (continued)

(i) Recognition of receivables and contract liabilities (continued)

To reflect these changes the Group has made the following adjustments at 1 January 2018, as a result of the adoption of HKFRS15:

(a) "accounts receivable" amounting to approximately HK$954,000 and "deferred income" amounting to approximately HK$954,000, which was previously included in "other payables and accruals" are no longer recognised.

(b) "deferred income" amounting to approximately HK$49,967,000 which was previously included in "other payables and accruals" is now included under "deferred income" as a separate line item in the consolidated statement of financial position.

3. Revenue and segment reporting

The Group is principally engaged in the provision of media sales and design services and production of advertisements for transit vehicle exteriors and interiors, online portal, mobile apps, shelters, outdoor signages advertising businesses and the provision of integrated marketing services covering these advertising platforms. During the six months ended 30 June 2018, the Group begins to engage in insurance brokerage services in the PRC. During the six months ended 30 June 2017, the Group also engaged in the provision of media sales and design services and production of advertisements for Multi-media On-Board ("MMOB" or "BUS TV").

Revenue represents income from media sales, design and management services, production of advertisements and insurance brokerage services.

The Group manages its business by geographical areas for the six months ended 30 June 2017. During the six months ended 30 June 2018, management has revisited the reportable segments and the Group's internal reporting. Given the diminishing operation of the Group's Media Business and relatively insignificant Insurance Business in the PRC to the Group, management regards the Group's business is being carried on in Hong Kong as a single operating segment and reviews the overall results of the Group as a whole to make decision about resources allocation. Accordingly, segment analysis information is no longer presented.

4. Other revenue and other net income/(loss)

	Six months ended 30 June	
	2018	2017
	HK$'000	HK$'000
Other revenue		
Interest income from bank	**1,120**	2,970
Other interest income	**2,615**	–
Sundry revenue	**61**	394
	3,796	3,364
Other net (loss)/income		
Exchange (loss)/gain	**(1,247)**	5,216
(Loss)/gain on disposal of property, plant and equipment	**(19)**	1,997
	2,530	10,577

5. Loss before taxation

Loss before taxation is arrived at after charging:

	Six months ended 30 June	
	2018	2017
	HK$'000	HK$'000
Finance lease charges	**36**	–
Operating lease charges		
– land and buildings	**3,270**	1,666

6. Income tax

	Six months ended 30 June	
	2018	2017
	HK$'000	HK$'000
Current tax		
Provision for Hong Kong Profits Tax for the period	**150**	–
Under-provision in respect of prior years	**–**	193
	150	193
Provision for the PRC income tax for the period	**899**	282
	1,049	475
Deferred tax		
Reversal and origination of temporary differences	**921**	1,359
Income tax expense	**1,970**	1,834

The provision for Hong Kong Profits Tax for the period is calculated at 16.5% (2017: 16.5%) of the estimated assessable profits for the period. Taxation for subsidiaries in the PRC is charged at the appropriate current rates of taxation ruling in the PRC.

7. Dividends

(a) No interim dividend is payable for the six months ended 30 June 2018 (six months ended 30 June 2017: HK$Nil). Final dividends, if any, will be proposed at the full financial year end.

(b) No final dividend in respect of the financial year ended 31 December 2017 approved and paid during the interim period (2017: HK$Nil).

8. Loss per share

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of approximately HK$22,171,000 for the six months ended 30 June 2018 (six months ended 30 June 2017: approximately HK$10,972,000) and the weighted average of 1,067,807,321 ordinary shares (six months ended 30 June 2017: 997,365,332 ordinary shares) in issue during the period.

(b) Diluted loss per share

There were no dilutive potential ordinary shares outstanding during the six months ended 30 June 2018 and 2017 and diluted loss per share is the same as basic loss per share.

9. Non-current prepayments and deposits

Non-current prepayments and deposits comprise of the followings:

	At 30 June 2018 HK$'000	At 31 December 2017 HK$'000
Deposits paid for acquisition	**50,000**	–
Purchase of property, plant and equipment	**9,720**	1,960
Security deposits	**1,258**	1,258
	60,978	3,218

10. Accounts receivable

As of the end of the reporting period, the ageing analysis of accounts receivable, based on the due date and net of allowance of doubtful debts, is as follows:

	At 30 June 2018 HK$'000	At 31 December 2017 HK$'000
Neither past due nor impaired	**60,475**	60,561
Within one month past due	**18,017**	12,858
Over one month but within two months past due	**4,410**	7,513
Over two months but within three months past due	**2,774**	4,547
Over three months but within one year past due	**8,028**	6,033
Over one year past due	**1,784**	225
	95,488	91,737

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

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

11. Loans receivable

The loans were made to third parties. The secured and unsecured portions of these loans receivable are approximately HK$26,400,000 and approximately HK$25,681,000 respectively. The balances are interest bearing and repayable within one year.

12. Pledged bank deposits

Pursuant to certain licence agreements between subsidiaries of the Company and independent third parties, bank guarantees have been provided to the independent third parties in respect of the subsidiaries' due performance and payment under the respective licence agreements. The Company has pledged bank deposits of HK$97,247,000 (31 December 2017: HK$97,248,000) to banks for the bank guarantees issued.

The remaining deposit amounting to HK$375,000 (31 December 2017: HK$1,000,000) has been pledged to secure banking facilities granted to the Group.

13. Bank deposits and cash

	At 30 June 2018 HK$'000	At 31 December 2017 HK$'000
Cash at bank and in hand	**135,163**	130,074
Bank deposits with original maturities within three months	**252,242**	108,633
Cash and cash equivalents for the purpose of the condensed consolidated cash flow statement	**387,405**	238,707
Bank deposits with original maturities over three months	**6,000**	11,598
	393,405	250,305

14. Accounts payable

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

	At 30 June 2018 HK$'000	At 31 December 2017 HK$'000
Due within one month	**29**	29

Credit period granted to the Group by suppliers is generally within 90 days. All balances are all within three months from the invoice date.

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

15. Provision for onerous contracts

Given the increasingly keen price and market competition, a provision was made for onerous contracts relating to the Group's outdoor signages advertising business. The Group assessed that the unavoidable costs of meeting the obligation under related licence, which is non-cancellable, may exceed the economic benefits expected to be received therefrom and, therefore, considered the licence to be onerous contract. Consequently, a provision for onerous contract of approximately HK$545,000 was recognised for the year ended 31 December 2017.

The Group remeasured the provision for onerous contract and considered that following the expiry of the licence during the period, it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation as at 30 June 2018. A reversal of provision for onerous contracts of approximately HK$545,000 therefore recognised for the six months ended 30 June 2018.

16. Share capital and share premium

	At 30 June 2018		**At 31 December 2017**	
	Number of shares		**Number of shares**	
	'000	**HK$'000**	**'000**	HK$'000
Authorised:				
Ordinary shares of HK$0.1 each	**10,000,000**	**1,000,000**	10,000,000	1,000,000
Issued and fully paid:				
Ordinary shares of HK$0.1 each	**1,184,865**	**118,487**	997,365	99,737

A summary of movements in the Company's share capital is as follows:

	Number of issued shares '000	**Ordinary shares HK$'000**	**Share premium HK$'000**	**Total HK$'000**
At 1 January 2018	**997,365**	**99,737**	**–**	**99,737**
Placing of new shares (i)	**187,500**	**18,750**	**250,824**	**269,574**
At 30 June 2018	**1,184,865**	**118,487**	**250,824**	**369,311**

(i) On 24 April 2018, the Company issued 187,500,000 new shares at a price of HK$1.44 per share by way of placement to not less than six individuals, who and whose ultimate beneficial owner are independent third parties. The net proceeds from the subscription amounted to approximately HK$269,574,000.

17. Fair value measurement of financial instruments

Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at amortised cost are not materially different from their fair values as at 30 June 2018 and 31 December 2017.

18. Commitments

(a) Capital commitments

At 30 June 2018, the Group had the following capital commitments in relation to the purchase of property, plant and equipment and investment in subsidiaries not provided for in the interim financial report:

	At 30 June 2018 HK$'000	At 31 December 2017 HK$'000
Contracted for		
Property, plant and equipment	**1,380**	1,960
Investment in subsidiaries	**11,524**	11,524
	12,904	13,484

(b) Operating lease commitments

At 30 June 2018, the Group's total future minimum lease payments under non-cancellable operating leases in respect of property and equipment are payable as follows:

	At 30 June 2018 HK$'000	At 31 December 2017 HK$'000
Within 1 year	**4,762**	5,028
After 1 year but within 5 years	**2,687**	1,829
	7,449	6,857

The Group leases property and equipment under operating leases. The leases run for an initial period of 1 to 5 years, with an option to renew the leases when all terms are renegotiated. The leases do not include any contingent rentals.

18. Commitments (continued)

(c) Other commitments

Under certain exclusive licences to (i) conduct media sales agency and management business on selected bus shelters, (ii) solicit advertising business in respect of the interior and exterior panels of buses operated by The Kowloon Motor Bus Company (1933) Limited ("KMB") and Long Win Bus Company Limited ("Long Win"), (iii) solicit advertising business on billboards and other advertising spaces owned by independent third parties, the Group has committed to pay licence fees or royalty fees at a pre-determined percentage of the net advertising rental received, subject to a guaranteed minimum amount, as at 30 June 2018 and 31 December 2017. Such licences will expire in periods ranging from 2019 to 2022. The future minimum guaranteed licence fees and royalty fees are payable as follows:

	At 30 June 2018 HK$'000	At 31 December 2017 HK$'000
Within 1 year	**185,154**	180,432
After 1 year but within 5 years	**308,148**	400,767
	493,302	581,199

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

19. Material related party transactions

The Group had the following related party transactions during the six months ended 30 June 2018:

		Expenses/(income) Six months ended 30 June	
	Note	**2018 HK$'000**	2017 HK$'000
Licence fee and service fees for conducting BUS-TV business	(a)	–	10,942
Licence and royalty fees paid for the right to sell advertising space on bus shelters	(b)	–	8,982
Licence fee for the right to solicit advertising business at advertising space on bus interiors	(c)	–	11,250
Licence fee for the right to solicit advertising business at advertising space on bus exteriors	(d)	–	51,000
Management fee and sales rebate	(e)	–	9,717
Service fee paid for logistic function	(f)	–	245
Key management personnel remuneration	(g)	**2,558**	4,256
Mobile data subscription fees	(h)	–	682
Consideration received from disposal of audio and visual equipment	(i)	–	(2,000)

19. Material related party transactions (continued)

Notes:

(a) Licence fee and service fees were paid to a subsidiary of Transport International Holdings Limited ("TIH"), for conducting BUS-TV advertising business on buses operated by KMB and fitted with the BUS-TV broadcasting system. TIH was the ultimate controlling party of the Group until 27 October 2017 when TIH disposed of approximately 73.01% of the entire issued share capital of the Group to Bliss Chance Global Limited.

(b) Licence and royalty fees were paid for selling advertising spaces on certain bus shelters owned by a subsidiary of TIH.

(c) Licence fee was paid to a subsidiary of TIH for soliciting advertising business in respect of the interior panels and other interior spaces inside the compartments of buses operated by KMB.

(d) Licence fee was paid to a subsidiary of TIH for marketing, displaying and maintaining advertisements at the exterior panels of the bodies of buses operated by KMB.

(e) Management fee amounting to approximately HK$10,207,000 and write back of over-provision of sales rebate amounting to approximately HK$490,000 were paid to JCDecaux Cityscape Limited ("JCDecaux Cityscape"), a fellow subsidiary of a non-controlling shareholder of a subsidiary of the Company, for the provision of management and agency services in relation to bus shelters during the period ended 30 June 2017. JCDecaux Cityscape ceased to be related party of the Group since 27 June 2018, after the Group has acquired all the non-controlling interest from the previous shareholder.

(f) The Group paid a service fee to JCDecaux Cityscape for the logistic function provided to the Group in relation to the bus shelters under the media sales business.

(g) Remuneration for key management personnel, including amounts paid to the Company's Directors and certain of the highest paid employees, is as follows:

	Six months ended 30 June	
	2018	2017
	HK$'000	HK$'000
Short-term employee benefits	**2,507**	4,212
Post-employment benefits	**51**	44
	2,558	4,256

(h) Mobile data subscription fees were paid to a subsidiary of a substantial shareholder of TIH for mobile data transmission services.

(i) Consideration was received from disposal of audio and visual equipment from a subsidiary of TIH.

KPMG

Review Report to the Board of Directors of Bison Finance Group Limited (formerly known as RoadShow Holdings Limited)

(Incorporated in Bermuda with limited liability)

Introduction

We have reviewed the interim financial report set out on pages 6 to 26 which comprises the consolidated statement of financial position of Bison Finance Group Limited (formerly known as RoadShow Holdings Limited) as of 30 June 2018 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2018 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

24 August 2018

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures

The Directors who held office as at 30 June 2018 and have interests in the shares, underlying shares and debentures of the Company, and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) at that date as recorded in the register of directors' and chief executives' interests and short positions required to be kept under section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers under the Appendix 10 to the Listing Rules are set out as follows:

Interests in issued shares of the Company and associated corporations of the Company

	Personal interests	Family interests	Corporate interests	Other interests	Total number of shares held	% of total issued shares
The Company: Ordinary shares of HK$0.1 each						
Mr. XU Peixin ("Mr. Xu") (Note 1)	–	–	680,508,005	–	680,508,005	57.43%
Mr. BIAN Fang	7,650,000	–	–	–	7,650,000	0.65%
Mr. ZHU Dong	1,000,000	–	–	–	1,000,000	0.08%
Bliss Chance Global Limited ("Bliss Chance") (Note 2): Ordinary shares of no par value						
Mr. Xu (Note 3)	–	–	209,000,000	–	209,000,000	100.00%
Bison Capital Financial Holdings Limited ("Bison Capital") (Note 2): Ordinary shares of US$1.00 each						
Mr. Xu (Note 3)	1	–	–	–	1	100.00%

Notes:

1. These 680,508,005 shares of the Company are held by Bliss Chance, all the ordinary shares of which are wholly and beneficially owned by Bison Capital. Bison Capital is in turn wholly and beneficially owned by Mr. Xu. Mr. Xu is deemed to be interested in the shares of the Company held by Bliss Chance for the purpose of Part XV of the SFO.

2. Bliss Chance and Bison Capital are the holding companies of the Company.

3. All the ordinary shares of Bliss Chance are wholly and beneficially owned by Bison Capital. Bison Capital is in turn wholly and beneficially owned by Mr. Xu. By virtue of the SFO, Mr. Xu is deemed to be interested in the shares of Bliss Chance held by Bison Capital. Mr. Xu is a director of Bliss Chance and Bison Capital.

Short positions in issued shares of the Company and associated corporations of the Company

	Personal interests	Family interests	Corporate interests	Other interests	Total number of shares held that are subject to short position	% of total issued shares
The Company: Ordinary shares of HK$0.1 each						
Mr. Xu (Note 1)	–	–	678,259,144	–	678,259,144	57.24%
Bliss Chance (Note 2): Ordinary shares of no par value						
Mr. Xu (Note 2)	–	–	209,000,000	–	209,000,000	100.00%

Notes:

1. 678,259,144 shares of the Company held by Bliss Chance have been charged in favour of Fruitful Worldwide Limited ("Fruitful Worldwide"). Fruitful Worldwide is wholly-owned by China Huarong International Holdings Ltd., which in turn is wholly-owned by China Huarong Asset Management Co., Ltd. All the ordinary shares of Bliss Chance are wholly and beneficially owned by Bison Capital. Bison Capital is in turn wholly and beneficially owned by Mr. Xu. By virtue of the SFO, Mr. Xu is deemed to be interested in the short positions in the shares of the Company held by Bliss Chance.

2. Bliss Chance is the holding company of the Company. All ordinary shares of Bliss Chance held by Bison Capital have been charged in favour of Fruitful Worldwide. By virtue of the SFO, Mr. Xu is deemed to be interested in the short positions in the shares of Bliss Chance held by Bison Capital.

Apart from the foregoing, none of the Directors and chief executive of the Company had any interest or short position in the shares, underlying shares and/or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

Share Option Scheme

A share option scheme of the Company (the "Share Option Scheme") was approved and adopted by the then shareholders of the Company at the annual general meeting of the Company held on 8 June 2018. A summary of the principal terms of the Share Option Scheme is set out in the circular of the Company dated 30 April 2018.

There is no outstanding option at the beginning and the end of the reporting period and no option has been granted, exercised, cancelled or lapsed pursuant to the Share Option Scheme since its adoption.

Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares

As at 30 June 2018, the interests or short positions of the persons (not being Directors and chief executives of the Company) in the shares and underlying shares of the Company (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and required to be entered into the register maintained by the Company pursuant to section 336 of the SFO were as follows:

Interests in the issued shares of the Company

Name	Capacity	Total number of shares held	% of total issued shares
Bliss Chance (Note 1)	Beneficial owner	680,508,005	57.43%
Bison Capital (Note 2)	Interest of controlled corporation	680,508,005	57.43%
Ms. JIANG Feng Yun (Note 3)	Interest of spouse	680,508,005	57.43%
Fruitful Worldwide (Note 4)	Person having a security interest in shares	678,259,144	57.24%
China Huarong International Holdings Limited (Note 4)	Person having a security interest in shares	678,259,144	57.24%
China Huarong Asset Management Co., Ltd. (Note 4)	Person having a security interest in shares	678,259,144	57.24%
Dongxing Securities (Hong Kong) Financial Holdings Limited	Beneficial owner (Note 5)	30,000,000	2.53%
	Person having a security interest in shares (Note 6)	103,624,000	8.75%
Cruiser Determined Limited (Note 7)	Beneficial owner	103,624,000	8.75%
Mr. TAN Bin (Note 7)	Interest of controlled corporation	103,624,000	8.75%
Ms. DENG Xianzi (Note 8)	Interest of spouse	103,624,000	8.75%

Notes:

1. Bliss Chance owns 680,508,005 shares of the Company.

2. As Bliss Chance is a wholly-owned subsidiary of Bison Capital, Bison Capital is deemed to be interested in the same number of shares of the Company held by Bliss Chance under the SFO.

3. Ms. JIANG Feng Yun is the spouse of Mr. Xu. She is deemed to be interested in 680,508,005 shares of the Company which represents the same interest of Mr. Xu for the purpose of Part XV of the SFO.

4. 678,259,144 shares of the Company held by Bliss Chance have been charged in favour of Fruitful Worldwide. As Fruitful Worldwide is wholly-owned by China Huarong International Holdings Limited, which in turn is wholly-owned by China Huarong Asset Management Co., Ltd., China Huarong International Holdings Limited and China Huarong Asset Management Co., Ltd. are deemed to be interested in the security interest in the 678,259,144 shares of the Company charged in favour of Fruitful Worldwide for the purpose of Part XV of the SFO.

5. Dongxing Securities (Hong Kong) Financial Holdings Limited owns 30,000,000 shares of the Company.

6. Dongxing Securities (Hong Kong) Financial Holdings Limited is interested in the security interest in 103,624,000 shares of the Company.

7. Cruiser Determined Limited owns 103,624,000 shares of the Company. As Cruiser Determined Limited is wholly and beneficially owned by Mr. TAN Bin, Mr. TAN Bin is deemed to be interested in the same number of shares of the Company held by Cruiser Determined Limited under the SFO.

8. Ms. DENG Xianzi is the spouse of Mr. TAN Bin. She is deemed to be interested in 103,624,000 shares of the Company which represents the same interest of Mr. TAN Bin for the purpose of Part XV of the SFO.

Short positions in the issued shares of the Company

Name	Capacity	Total number of shares held that are subject to short position	% of total issued shares
Bliss Chance (Note 1)	Beneficial owner	678,259,144	57.24%
Bison Capital (Note 1)	Interest of controlled corporation	678,259,144	57.24%
Ms. JIANG Feng Yun (Note 2)	Interest of spouse	678,259,144	57.24%

Notes:

1. 678,259,144 shares of the Company held by Bliss Chance have been charged in favour of Fruitful Worldwide. Fruitful Worldwide is wholly-owned by China Huarong International Holdings Limited, which in turn is wholly-owned by China Huarong Asset Management Co., Ltd. All the ordinary shares of Bliss Chance are wholly and beneficially owned by Bison Capital. Bison Capital is in turn wholly and beneficially owned by Mr. Xu. Bison Capital is deemed to be interested in the short position of shares of the Company of Bliss Chance for the purpose of Part XV of the SFO.

2. Ms. JIANG Feng Yun is the spouse of Mr. Xu. She is deemed to be interested in the short position of the shares of the Company of Mr. Xu for the purpose of Part XV of the SFO.

Apart from the foregoing, no other interests or short positions required to be recorded in the register kept under section 336 of the SFO have been notified to the Company.

Changes in Information of Directors

The changes in information of the Directors since the date of the 2017 Annual Report of the Company which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

Name of Director	Details of the changes
Dr. MA Weihua	• He was appointed as the Chairman of the Company with effect from 29 May 2018.
Mr. CHEN Yigong	• Ambow Education Holding Ltd., of which he is an independent director, has been listed on New York Stock Exchange (American depositary shares) (Symbol: AMBO) in June 2018.

Save as disclosed above, there is no other information of the Directors that is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

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 2018, except that the Chairman of the Company was unable to attend the annual general meeting of the Company held on 8 June 2018 as required under code provision E.1.2 due to other business engagement.

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 2018.

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 2018. The review of the unaudited interim financial report was conducted with the Group's external auditors, KPMG. The review report of the external auditors is set out on page 27 of this interim report.

Purchase, Sale or Redemption of the Company's Listed Securities

During the six months ended 30 June 2018, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

By Order of the Board
XU Peixin
Executive Director

Hong Kong, 24 August 2018

Corporate Directory

Board of Directors

Dr. MA Weihua# – Chairman
Mr. XU Peixin+
Mr. BIAN Fang+ – Chief Executive Officer
Mr. ZHU Dong+ – Chief Financial Officer
Dr. QI Daqing^
Mr. CHEN Yigong^
Mr. FENG Zhonghua^

+ *Executive Director*
# *Non-Executive Director*
^ *Independent Non-Executive Director*

Company Secretary

Ms. Christine MAK Lai Hung

Registrars

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