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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)

**INSIDE INFORMATION
TERMINATION OF AGREEMENT
FOR
THE PROVISION OF BUS BODY ADVERTISING AGENCY SERVICES**

This announcement is made by Bison Finance Group Limited (the “**Company**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities made by The Stock Exchange of Hong Kong Limited and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

THE TERMINATION AGREEMENT

The Company wishes to announce that, on 26 October 2021, the Company, Bus Power Limited (“**Bus Power**”, a wholly-owned subsidiary of the Company), Citybus Limited (“**CTB**”), New World First Bus Services Limited (“**NWFB**”, together with CTB, the “**Bus Companies**”) and Bravo Transport Holdings Limited (“**Bravo**”) entered into a termination agreement in relation to the agreement for the provision of bus body advertising agency services (the “**Termination Agreement**”), pursuant to which the agreement for the provision of bus body advertising agency services entered into among Bus Power and the Bus Companies dated 24 June 2020 (as amended and supplemented) for a term of three years expiring on 30 June 2023 (the “**Advertising Agreement**”) and the ancillary documents relating to the Advertising Agreement (as amended and supplemented) (the “**Ancillary Documents**”) shall be terminated subject to fulfillment of conditions and in consideration of payment of a termination fee of HK\$50,715,775 made by Bus Power to the Bus Companies.

With effect from 1 November 2021 (the “**Termination Date**”), each of the Advertising Agreement and the Ancillary Documents shall be terminated and be of no further force or effect and none of the Bus Companies and Bus Power shall have any further rights or obligations to, or in respect thereof (other than the surviving provisions). In addition, with effect from the Termination Date, without prejudice to the terms of the Termination Agreement, the Bus Companies irrevocably waive, release and discharge any and all claims, demands and causes of action against Bus Power and its affiliates, that they may have under the Advertising Agreement and the Ancillary Documents.

In addition, the Company and Bus Power shall indemnify the Bus Companies and/or Bravo against all and any costs (including reasonably incurred legal costs on a full indemnity basis), expenses, liabilities, damages and losses reasonably and properly incurred and arising out of any claim, action or proceedings resulting from the performance of the services of the advertising contracts on or before the Termination Date or the failure of payments of the amounts due from Bus Power to Bravo and/or the Bus Companies under the Termination Agreement.

REASONS FOR ENTERING INTO THE TERMINATION AGREEMENT

The Company and its subsidiaries (the “**Group**”) principally engaged in the provision of (i) financial services business (the “**Financial Services Business**”) including external asset management services, fund management services, securities services, investment advisory services to fund management and corporate finance advisory services and (ii) media business (the “**Media Business**”) including the provision of BUS-BODY Advertising business, BUS-INTERIOR Advertising business and integrated marketing services covering these advertising platforms in Hong Kong.

As disclosed in the 2021 interim report of the Company, the revenue of the Company for the six months ended 30 June 2021 generated from the Media Business amounted to approximately HK\$64.9 million, which represents a decrease of approximately 48.0% from approximately HK\$124.9 million for the six months ended 30 June 2020. The Media Business also recorded an adjusted loss before finance costs, income tax, depreciation and amortisation (“**LBITDA**”) of approximately HK\$18.4 million for the six months ended 30 June 2021, which represents a decrease of approximately 68.3% from an adjusted LBITDA of approximately HK\$58.0 million for the six months ended 30 June 2020. In addition, the Company incurred royalty, licence and management fees of approximately HK\$37.3 million for the six months ended 30 June 2021, mainly attributable to the Advertising Agreement.

Given the outbreak of COVID-19 pandemic in 2020 has brought enormous impact on Hong Kong economy, including the various travel restrictions and quarantine measures being implemented causing the minimum level of economic activities, the sales performance of the customers from the Media Business were severely hit. Amid the sluggish market and high unemployment rate, the customers from the Media Business reduced their advertising expenses having regard to the short-term economic outlook. In addition, they are shifting their advertising expenses from the traditional offline advertising platforms, which are mainly operated by the Group, to online multimedia advertising platforms causing the further reduction in the revenue of the Media Business. In addition, the COVID-19 pandemic has accelerated the shift to online advertising channels and the change in the preference of customers and audiences on the advertising platforms have brought the challenges and uncertainties to the Media Business which mainly operates the traditional offline advertising platforms in Hong Kong.

Based on the continuing loss recorded in the Media Business segment since 2020 and the unfavourable business outlook for the Media Business as set out above, the board (the “**Board**”) of directors (the “**Directors**”) of the Company considers the termination of the Advertising Agreement and the Ancillary Documents would provide an opportunity for the Group (i) to early release and discharge itself from the obligations of the Advertising Agreement (including the obligation of payment of minimum monthly licence fees) at a cost lower than the full amount of the licence fees up till the expiry of its term in June 2023 and (ii) to realign its resources and focus on the development on the Financial Services Business which can generate higher returns to the shareholders of the Company (the “**Shareholders**”).

The Board will update Shareholders and potential investors on any material information by way of announcement if and when appropriate. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 26 October 2021

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