



## **BINGO GROUP HOLDINGS LIMITED**

**比高集團控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8220)**

### **THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 DECEMBER 2018**

#### **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

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*This announcement, for which the directors (the “Directors”) of Bingo Group Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief. The information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

The board of Directors (the “Board”) of the Company presents the unaudited consolidated results of the Group for the three months and nine months ended 31 December 2018, together with the unaudited comparative figures for the corresponding period in 2017 were as follows:

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	<i>Notes</i>	Three months ended 31 December		Nine months ended 31 December	
		2018 <i>HK\$'000</i> (Unaudited)	2017 <i>HK\$'000</i> (Unaudited)	2018 <i>HK\$'000</i> (Unaudited)	2017 <i>HK\$'000</i> (Unaudited)
Turnover	2	<b>7,070</b>	9,183	<b>27,354</b>	33,694
Cost of sales		<u>(2,792)</u>	<u>(3,854)</u>	<u>(11,209)</u>	<u>(13,552)</u>
Gross profit		<b>4,278</b>	5,329	<b>16,145</b>	20,142
Other revenue and other net income	3	<b>119</b>	5,361	<b>599</b>	7,793
Selling and marketing expenses		<b>(2,402)</b>	(992)	<b>(3,462)</b>	(7,469)
Administrative expenses		<b>(7,822)</b>	(7,345)	<b>(28,581)</b>	(29,780)
Share-based payments	4	–	–	<b>(2,181)</b>	–
Finance costs	5	<b>(978)</b>	(825)	<b>(2,814)</b>	(2,305)
Profit/(Loss) before taxation	6	<b>(6,805)</b>	1,528	<b>(20,294)</b>	(11,619)
Taxation	7	<b>(84)</b>	(234)	<b>(665)</b>	(1,081)
<b>Profit/(Loss) for the period</b>		<u><b>(6,889)</b></u>	<u>1,294</u>	<u><b>(20,959)</b></u>	<u>(12,700)</u>
<b>Profit/(Loss) attributable to:</b>					
Owners of the Company		<b>(6,466)</b>	960	<b>(20,053)</b>	(13,395)
Non-controlling interests		<b>(423)</b>	334	<b>(906)</b>	695
		<u><b>(6,889)</b></u>	<u>1,294</u>	<u><b>(20,959)</b></u>	<u>(12,700)</u>
Dividend	8	–	–	–	–
<b>Profit/(Loss) per share (cents per share)</b>					
Basic and diluted	9	<u><b>(0.19)</b></u>	<u>0.03</u>	<u><b>(0.59)</b></u>	<u>(0.39)</u>

**CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**

	Three months ended		Nine months ended	
	31 December		31 December	
	2018	2017	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Profit/(Loss) for the period</b>	<b>(6,889)</b>	1,294	<b>(20,959)</b>	(12,700)
<b>Other comprehensive income/(loss)</b>				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations				
— Exchange differences arising during the period	<u>162</u>	<u>362</u>	<u>(3,245)</u>	<u>1,951</u>
Other comprehensive income/(loss) for the period, net of tax	<u>162</u>	<u>362</u>	<u>(3,245)</u>	<u>1,951</u>
<b>Total comprehensive income/(loss) for the period</b>	<u><b>(6,727)</b></u>	<u>1,656</u>	<u><b>(24,204)</b></u>	<u>(10,749)</u>
<b>Total comprehensive income/(loss) attributable to:</b>				
Owners of the Company	<u>(6,301)</u>	1,399	<u>(23,409)</u>	(11,332)
Non-controlling interests	<u>(426)</u>	<u>257</u>	<u>(795)</u>	<u>583</u>
	<u><b>(6,727)</b></u>	<u>1,656</u>	<u><b>(24,204)</b></u>	<u>(10,749)</u>

## NOTES TO THE CONDENSED QUARTERLY FINANCIAL INFORMATION

### 1. BASIS OF PREPARATION

These unaudited consolidated results have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants and accounting principles generally accepted in Hong Kong. These unaudited consolidated results also comply with the applicable disclosure provisions of the GEM Listing Rules and the disclosure requirements of the Hong Kong Companies Ordinance. These unaudited consolidated results have been prepared under historical cost convention except for certain financial instruments which are measured at fair value. The unaudited consolidated results are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

The principal accounting policies applied in the preparation of the unaudited consolidated results are consistent with those adopted in the preparation of the annual consolidated financial statements of the Group for the year ended 31 March 2018.

The application of the new or revised HKFRSs in the current period has had no material effect on the amounts reported in the unaudited condensed quarterly financial information and/or disclosures set out in the unaudited condensed quarterly financial information.

The Group has not early adopted the new and amendments to HKFRSs that have been issued but are not yet effective.

The quarterly results are unaudited but have been reviewed by the audit committee of the Company.

### 2. TURNOVER

An analysis of Group’s turnover for the period from operations, is as follows:

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>31 December</b>		<b>31 December</b>	
	<b>2018</b>	2017	<b>2018</b>	2017
	<b>HK\$’000</b>	HK\$’000	<b>HK\$’000</b>	HK\$’000
	<b>(Unaudited)</b>	(Unaudited)	<b>(Unaudited)</b>	(Unaudited)
Revenue from cinema business	<b>7,070</b>	9,173	<b>27,354</b>	32,775
Production and distribution of film right	–	–	–	858
Royalties and licensing income	–	10	–	61
	<b>7,070</b>	9,183	<b>27,354</b>	33,694

### 3. OTHER REVENUE AND OTHER NET INCOME

	Three months ended		Nine months ended	
	31 December		31 December	
	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest income	79	77	431	327
Government grants ( <i>Note 1</i> )	–	13	–	1,873
Gain on disposal of subsidiaries ( <i>Note 2</i> )	–	2,676	–	2,676
Others	40	2,595	168	2,917
	<u>119</u>	<u>5,361</u>	<u>599</u>	<u>7,793</u>

*Note 1:* The government grants represent the subsidies received by the Group from the government of the PRC for the operation of cinemas in the PRC. There are no unfulfilled conditions or contingencies relating to these grants.

*Note 2:* The Group entered into an agreement to dispose of its 100% equity interests in High Amuse Limited to The Star Overseas Limited, a connected party to the Company, on 6 December 2017. This transaction was completed in December 2017 and gain on disposal of subsidiaries of approximately HK\$2,676,000 was recorded. For further details of this transaction, please refer to the Company's announcement dated 6 December 2017.

### 4. SHARE-BASED PAYMENTS

The Company has the convertible bonds and share option scheme for the directors, employees and advisers of the Group. Details of the convertible bonds and share options are as follows:

#### Convertible bonds

Issuer:	The Company
Principal amount:	HK\$45 million in aggregate. The convertible bonds in the amount of HK\$25 million issued on 1 June 2010 (“commencement date”) and the remaining four tranches (each worth HK\$5 million, and HK\$20 million in aggregate) of the convertible bonds issued on the date being the first, second, third and fourth anniversary of the date of commencement date.
Issue date:	1 June 2010
Maturity date:	Ten years from the date of issue
Interest:	Zero coupon
Conversion price:	HK\$0.136 per share

The fair values of the HK\$45 million convertible bonds determined on 1 June 2010 using binomial option pricing model was HK\$124,360,000. The following assumptions were used to calculate the fair value of HK\$45 million convertible bonds:

Principle amount:	HK\$45 million
Expected life:	10 years
Interest:	Nil
Redemption price:	100% of the principal amount
Conversion price:	HK\$0.136 ( <i>Note 1</i> )
Risk-free rate:	2.47%
Effective interest rate:	16.73%
Share price:	HK\$0.27
Expected dividend yield:	0%
Expected volatility:	84.09%

## Share Option Scheme

Details of specific categories of options are as follow:

Option type:	2012A	2014A	2015A	2015B	2016A	2017A	2018A
Grant date:	23-8-2012	17-4-2014	13-7-2015	11-9-2015	7-7-2016	3-3-2017	17-9-2018
Number of options granted:	294,840,000	304,140,000	161,000,000	50,000,000	342,000,000	159,000,000	180,000,000
Exercise period:	23-8-2012 – 22-8-2017	17-4-2014 – 16-4-2019	13-7-2015 – 12-7-2020	11-9-2015 – 10-9-2020	7-7-2016 – 6-7-2021	3-3-2017 – 2-3-2022	17-9-2018 – 16-9-2023
Exercise price:	HK\$0.156	HK\$0.364	HK\$0.235	HK\$0.200	HK\$0.180	HK\$0.135	HK\$0.042
	<i>(Note 1)</i>						
Fair value:	HK\$22,921,000	HK\$45,500,000	HK\$16,800,000	HK\$4,800,000	HK\$26,600,000	HK\$8,640,000	HK\$2,181,000

The fair value of share options which were calculated by binomial option pricing model with the following assumptions:

Option type:	2012A	2014A	2015A	2015B	2016A	2017A	2018A
Share price as at grant date:	HK\$0.076	HK\$0.355	HK\$0.23	HK\$0.2	HK\$0.18	HK\$0.126	HK\$0.042
Nature of the options:	Call	Call	Call	Call	Call	Call	Call
Risk-free rate:	0.284%	1.38%	1.15%	1.02%	0.59%	1.49%	2.28%
Expected life of the options:	5 years	5 years	5 years	5 years	5 years	5 years	5 years
Expected volatility:	81.86%	62%	65%	66%	65%	61%	63%
Expected dividend yield:	0%	0%	0%	0%	0%	0%	0%
Exercise multiple:	2.2	2.4	2.45	2.49	2.4	2.4	1–2.91

During the Period, 180,000,000 share options were granted and the Company recognized the total expenses of HK\$2,181,000 as share-based payments for the nine months ended 31 December 2018 (nine months ended 31 December 2017: Nil).

The expected volatility was based on the historical volatility of the Company's share prices. Expected dividends were based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

*Note 1:* Adjusted for share consolidation effective from 18 September 2012.

## 5. FINANCE COSTS

	Three months ended 31 December		Nine months ended 31 December	
	2018 <i>HK\$'000</i> (Unaudited)	2017 <i>HK\$'000</i> (Unaudited)	2018 <i>HK\$'000</i> (Unaudited)	2017 <i>HK\$'000</i> (Unaudited)
Imputed interest on convertible bonds	<u>978</u>	<u>825</u>	<u>2,814</u>	<u>2,305</u>

## 6. PROFIT/(LOSS) BEFORE TAXATION

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

	Three months ended		Nine months ended	
	31 December		31 December	
	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Direct expenses of cinema business	2,792	3,854	11,209	13,552
Depreciation	1,320	974	2,538	5,872
Exchange (gain)/loss	(782)	(1,599)	2,993	616
Fixed assets written off	12	–	12	–
Operating lease rental in respect of rented premises	1,169	1,318	3,939	4,140
Staff costs (including directors' remuneration)				
Salaries and allowance	3,536	3,841	9,857	10,402
– Equity settled share-based payments	–	–	1,848	–
– Retirement scheme contributions	393	371	1,222	1,155
Equity settled share-based payments paid to advisors	–	–	333	–
	<u>–</u>	<u>–</u>	<u>333</u>	<u>–</u>

## 7. TAXATION

	Three months ended		Nine months ended	
	31 December		31 December	
	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)

The taxation charge comprises:

Current tax				
– The PRC	84	234	665	1,081
	<u>84</u>	<u>234</u>	<u>665</u>	<u>1,081</u>

No provision for Hong Kong profits tax was made by the Group as the Group did not derive any assessable profits in Hong Kong for the nine months ended 31 December 2018 and 2017.

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% for the nine months ended 31 December 2018 and 2017.

## 8. DIVIDEND

The Directors do not recommend the payment of any dividend for the nine months ended 31 December 2018 (nine months ended 31 December 2017: Nil).

## 9. PROFIT/(LOSS) PER SHARE

### Basic and diluted profit/(loss) per share

	Three months ended		Nine months ended	
	31 December		31 December	
	2018	2017	2018	2017
	<i>HK Cent</i>	<i>HK Cent</i>	<i>HK Cent</i>	<i>HK Cent</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Basic and diluted profit/(loss) per share	<u>(0.19)</u>	<u>0.03</u>	<u>(0.59)</u>	<u>(0.39)</u>

The profit/(loss) for the period and weighted average number of ordinary shares used in the calculation of basic profit/(loss) per share are as follows:

	Three months ended		Nine months ended	
	31 December		31 December	
	2018	2017	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit/(Loss) for the period attributable to owners of the Company	<u>(6,466)</u>	<u>960</u>	<u>(20,053)</u>	<u>(13,395)</u>
Weighted average number of ordinary shares for the purpose of basis profit/(loss) per share	<u>3,421,538,679</u>	<u>3,421,538,679</u>	<u>3,421,538,679</u>	<u>3,421,538,679</u>

The incremental shares from assumed exercise of share options granted by the Company and conversion of the Company's outstanding convertible bonds are excluded in calculating the diluted profit/(loss) per share during the nine months ended 31 December 2018 and 2017 because they are antidilutive in calculating the diluted profit/(loss) per share.



## 10. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Equity component of convertible bonds HK\$'000	Share option reserve HK\$'000	Exchange reserve HK\$'000	Accumulated losses HK\$'000	Attributable to owners of the Company HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1 April 2017 (Audited)	136,861	420,810	3,930	76,520	102,095	(4,025)	(636,138)	100,053	12,195	112,248
Profit/(Loss) for the period	-	-	-	-	-	-	(13,395)	(13,395)	695	(12,700)
Other comprehensive income/(loss) for the period	-	-	-	-	-	2,063	-	2,063	(112)	1,951
Total comprehensive income/(loss) for the period	-	-	-	-	-	2,063	-	(11,332)	583	(10,749)
Lapse of share options	-	-	-	-	(2,410)	-	2,410	-	-	-
At 31 December 2017 (Unaudited)	136,861	420,810	3,930	76,520	99,685	(1,962)	(647,123)	88,721	12,778	101,499
At 1 April 2018 (Audited)	136,861	420,810	3,930	76,520	99,685	62	(644,270)	93,598	11,230	104,828
Profit/(Loss) for the period	-	-	-	-	-	-	(20,053)	(20,053)	(906)	(20,959)
Other comprehensive income/(loss) for the period	-	-	-	-	-	(3,356)	-	(3,356)	111	(3,245)
Total comprehensive income/(loss) for the period	-	-	-	-	-	(3,356)	(20,053)	(23,409)	(795)	(24,204)
Equity settled share option arrangement	-	-	-	-	2,181	-	-	2,181	-	2,181
Cancellation of share options	-	-	-	-	(48,844)	-	48,844	-	-	-
At 31 December 2018 (Unaudited)	136,861	420,810	3,930	76,520	53,022	(3,294)	(615,479)	72,370	10,435	82,805

## 11. EVENT AFTER THE REPORTING PERIOD

On 3 January 2019, the Company proposed to effect a capital reorganisation which involves: (i) the share consolidation of every four (4) existing shares of the Company of HK\$0.04 each into one (1) consolidated share of HK\$0.16; (ii) the reduction of the issued share capital of the Company through (a) elimination of any fraction of a consolidated share in the issued share capital of the Company arising from the share consolidation in order to round down the total number of consolidated shares to a whole number; and (b) a cancellation of the paid-up capital of the Company to the extent of HK\$0.15 on each issued consolidated share so that the nominal value of each issued consolidated share will be reduced from HK\$0.16 to HK\$0.01; (iii) the subdivision of each authorised but unissued consolidated share of HK\$0.16 each (which shall include the authorised but unissued share capital resulting from the Capital Reduction) into sixteen (16) new shares of HK\$0.01 each; and (iv) a transfer of the credit arising from the capital reduction to a distributable reserve account of the Company. The extraordinary general meeting to approve the capital reorganisation as mentioned above, is to be held on 12 February 2019. For further details, please refer to the Company's circular dated 16 January 2019.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **GENERAL**

During the nine months ended 31 December 2018 (the “Period”), Bingo Group Holdings Limited (the “Company”) and its subsidiaries (collectively, the “Group”) was principally engaged in movie production, licensing and derivatives, crossover marketing and provision of interactive contents (“Filmed Entertainment, New Media Exploitations and Licensing Businesses”) and cinema investment and management (“Cinema Business”).

### **OPERATION REVIEW**

During the Period, the Group continues to focus on Filmed Entertainment, New Media Exploitations and Licensing Businesses and Cinema Business.

In view of the on-going development of the Cinema Business, this segment has become the prime revenue generator of the Group in the Period. Approximately revenue of HK\$27.4 million and gross profit of HK\$16.1 million were generated during the Period. The Group’s revenue and gross profit from the Cinema Business for the Period declined as compared to revenue of HK\$32.8 million and gross profit of HK\$19.2 million generated in the nine months ended 31 December 2017 (the “Corresponding Period”). The Group will continue to focus on expanding the audience headcount and improve the financial performance of the Cinema Business accordingly.

In the segment of Filmed Entertainment Business, the Group continued to locate suitable business opportunities. However, no appropriate target was spotted in the Period. Accordingly, no revenue was generated in this sector during the Period.

On 9 February 2018, Bingo Movie Development Limited (“Bingo Movie”), a wholly owned subsidiary of the Company and Lechuang Holdings (HK) Limited (“Lechuang”), an independent third party, entered into an agreement (the “JV Agreement”) in relation to the formation of the joint venture company (“JV Company”). The issued share capital of the JV Company will be owned as to 49% by Bingo Movie and as to 51% by Lechuang. The JV Company will be principally engaged in investment and development of VR (Virtual Reality) and MR (Mixed Reality) projects. Pursuant to the JV Agreement, Bingo Movie will enter into of a loan agreement with the JV Company, pursuant to which Bingo Movie will advance the loan of not less than HK\$25 million and not more than HK\$35 million to the JV Company for investment and development of relevant VR and MR projects. In September 2018, the loan agreement has been signed and RMB29 million (equivalent to approximately HK\$33.1 million) was lent to the JV Company. For further details of the loan, please refer to the corresponding announcement of the Company dated 9 February 2018.

## **FINANCIAL REVIEW**

During the Period, the Group recorded a total turnover of approximately HK\$27.4 million, representing a decrease of approximately HK\$6.3 million compared with the Corresponding Period. The turnover of the Group for the Period and the Corresponding Period principally represented revenue from Cinema Business. Loss for the Period of approximately HK\$21.0 million was recorded. As compared with the loss of approximately HK\$12.7 million for the Corresponding Period, there was increase in loss of approximately HK\$8.3 million.

The increase in loss for the Period as compared with the Corresponding Period was mainly attributable to the decline in the revenue from Cinema Business, no government grants obtained (2017: approximately HK\$1.9 million), no gain on disposal of subsidiaries (2017: approximately HK\$2.7 million) and recognition of the non-cash share-based payments of approximately HK\$2.2 million, as a result of share options granted by the Company in September 2018. Disposal of subsidiaries, which brought the Company gain of approximately HK\$2.7 million, and no share options granted in the Corresponding Period also led to the increase in loss for the Period as compared to that for the Corresponding Period.

## **OUTLOOK**

Owing to the continuing development of the film industry in the PRC, the Group will continue to grasp other business opportunities in investments in cinemas in the PRC and attractive movies. While the Group continued its existing businesses, the Group will put more focus onto locating other business opportunities with enormous potentials, including provision of consultancy services, online games developing and operating businesses, and investments in China cultural industry.

The VR (Virtual Reality) and MR (Mixed Reality) industry is undergoing rapid development and the Company considers that there will be growth potential in investment of VR and MR projects. On 9 February 2018, the Group entered into an agreement with Lechuang Holdings (HK) Limited (“Lechuang”) in relation to the formation of the joint venture company (“JV Company”). The formation of the JV Company will allow the Group to utilise its experience in provision of interactive contents with the expertise of Lechuang in developing VR and MR projects. The Company is optimistic as to the prospect of the JV Company, and has granted a loan to the JV Company of RMB29 million (equivalent to approximately HK\$33.1 million) in December 2018.

The Board believes that the Group’s existing businesses can create a synergistic effect with the above-mentioned new businesses and will benefit the Group in the future.

## OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2018, the following Directors of the Company had or were deemed to have interests or short positions in the shares (the "Shares"), underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to herein; or (iii) which were, pursuant to rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors to be notified to the Company and the Stock Exchange:

#### Long positions in the shares of the Company

Name of Directors	Nature of interest	Number of Shares held	Approximate percentage of issued share capital of the company
Mr. Chiau Sing Chi	Beneficial owner	110,294,117	3.22%
	Held by trust ( <i>Note 1</i> )	1,608,484,963	47.01%
Ms. Chow Man Ki Kelly	Held by trust ( <i>Note 1</i> )	1,608,484,963	47.01%

#### Notes:

1. These shares are registered in the name of Beglobal Investments Limited and Golden Treasure Global Investment Limited. Beglobal Investments Limited and Golden Treasure Global Investment Limited are companies indirectly owned by the trust, the discretionary objects of which are Mr. Chiau Sing Chi, Ms. Chow Man Ki Kelly and their family.
2. The total number of the issued share capital of the Company as at 31 December 2018 was 3,421,538,679.

## Long positions in the underlying Shares

The Company adopted a share options scheme on 15 August 2012 which the Board may, at their discretion, offer employees, non-executive Directors, independent non-executive Directors or any other persons who have contributed to the Group to take up share options to subscribe for Shares subject to the terms and conditions stipulated in the share option scheme.

Details of share options granted to the Directors as at 31 December 2018 were as follows:

Name of Directors	Option type (Note 1)	Number of options held as at 1 April 2018 '000	Number of options granted during the Period '000	Number of options exercised during the Period '000	Number of options cancelled/lapsed during the Period '000	Number of options held as at 31 December 2018 '000
Mr. Chiau Sing Chi	2014A	3,000	–	–	–	3,000
	2015A	8,000	–	–	–	8,000
	2017A	34,000	–	–	–	34,000
Ms. Chow Man Ki Kelly	2014A	3,000	–	–	–	3,000
	2015A	3,000	–	–	–	3,000
	2016A	30,000	–	–	–	30,000
	2018A	–	30,000	–	–	30,000
Mr. Chan Cheong Yee (Note 2)	2014A	3,000	–	–	(3,000)	–
	2015A	3,000	–	–	(3,000)	–
	2016A	3,000	–	–	(3,000)	–
Mr. Lau Man Kit	2014A	3,000	–	–	–	3,000
	2015A	3,000	–	–	–	3,000
	2016A	3,000	–	–	–	3,000
Mrs. Chin Chow Chung Hang Roberta	2014A	3,000	–	–	–	3,000
	2015A	3,000	–	–	–	3,000
	2016A	3,000	–	–	–	3,000
Ms. Choi Mei Ping	2015A	3,000	–	–	–	3,000
	2016A	3,000	–	–	–	3,000
Mr. Tsoi Chiu Yuk	2016A	3,000	–	–	–	3,000
Total		<u>117,000</u>	<u>30,000</u>	<u>–</u>	<u>(9,000)</u>	<u>138,000</u>

Note 1: Details of specific categories of share options are disclosed in note 4 to the condensed quarterly financial information.

Note 2: Resigned on 24 September 2018.

In addition to 45,000,000 Shares which would be allotted and issued upon the exercise in full of the options offered to Mr. Chiau Sing Chi under the share option scheme of the Company above, 220,588,235 Shares would be allotted and issued upon the exercise in full of the convertible bonds held by Mr. Chiau Sing Chi.

Save as disclosed above, as at 31 December 2018, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which were taken or deemed to have under such provisions of the SFO); (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were, pursuant to rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange.

## **SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES**

So far as known to the Directors, as at 31 December 2018, the following person (not being Directors or chief executive of the Company) had, or was deemed to have, interests or short in the Shares or underlying Shares (i) which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO; or (ii) who is expected, directly and indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group or (iii) which were required, pursuant to section 336 of the SFO, to be entered in the register referred to therein:

### **Long positions in the Shares and underlying Shares**

<b>Name of Shareholders</b>	<b>Number of Shares held</b>	<b>Approximate percentage of issued share capital of the Company</b>	<b>Number of underlying Shares held</b>
Sinostar FE (PTC) Limited (Note 1)	1,608,484,963	47.01%	–
Treasure Offshore Holdings Limited (Note 1)	1,608,484,963	47.01%	–
Beglobal Investments Limited (Note 2)	1,608,484,963	47.01%	–
Golden Treasure Global Investment Limited (Note 2)	290,000,000	8.48%	–

#### *Notes:*

1. Mr. Chiau Sing Chi, Ms. Chow Man Ki, Kelly and their family are the beneficiaries of a discretionary trust of which Sinostar FE (PTC) Limited (“Sinostar”) is the trustee. Sinostar as the trustee of the discretionary trust is the sole shareholder of Treasure Offshore Holdings Limited, which is the sole shareholder of Beglobal Investments Limited.
2. Beglobal Investments Limited directly holds 1,318,484,963 shares of the Company (representing approximately 38.53% of the issued share capital of the Company) and indirectly holds 290,000,000 shares of the Company (representing approximately 8.48% of the issued share capital of the Company) through Golden Treasure Global Investment Limited as at 31 December 2018.

Save as disclosed above, as at 31 December 2018, the Directors are not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying Shares (including any interests in options in respect of such capital), which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

## SHARE OPTIONS SCHEME

The Company's share option scheme was adopted pursuant to resolution passed on 15 August 2012 (the "Scheme") for the primary purpose of providing incentives to directors, eligible employees and participants who have contributed to the Group, and will expire in 14 August 2022. Under the Scheme, the board of directors of the Company may grant options to full-time or part-time employees including directors (executive and non-executive) and any advisor, consultant, supplier, distributor, contractor, agent, business partner, promoter, service provider or customer of the Company or any of its subsidiaries, to subscribe for shares in the Company.

Details of the share options granted under the Scheme and any other schemes and movements in such holdings during the Period were as follows:

Category	Option type (Note)	Number of options held as at 1 April 2018 '000	Number of options granted during the Period '000	Number of options exercised during the Period '000	Number of options cancelled/ lapsed during the Period '000	Number of options held as at 31 December 2018 '000
Directors	2014A	15,000	–	–	(3,000)	12,000
	2015A	23,000	–	–	(3,000)	20,000
	2016A	45,000	–	–	(3,000)	42,000
	2017A	34,000	–	–	–	34,000
	2018A	–	30,000	–	–	30,000
Employees	2018A	–	60,000	–	–	60,000
Advisors	2014A	277,140	–	–	(3,340)	273,800
	2015A	132,000	–	–	(128,000)	4,000
	2015B	50,000	–	–	(50,000)	–
	2016A	294,000	–	–	(288,000)	6,000
	2017A	125,000	–	–	(125,000)	–
	2018A	–	90,000	–	–	90,000
Total		<u>995,140</u>	<u>180,000</u>	<u>–</u>	<u>(603,340)</u>	<u>571,800</u>

*Note:* Details of specific categories of share options are disclosed in note 4 to the condensed quarterly financial information.

## **DIRECTORS' AND EMPLOYEES' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

Save as disclosed under the sections headed "DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES" and "SHARE OPTIONS SCHEME" above, none of the Directors or employees of the Group or their associates were granted by the Company or its subsidiaries the rights to acquire shares or debentures of the Company or any other body corporate, or had exercised any such rights as at 31 December 2018.

## **PURCHASE, SALE OR REDEMPTION OF SHARES**

For the nine months ended 31 December 2018, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

## **AUDIT COMMITTEE**

The Company has established its audit committee (the "Committee") with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules. The primary duties of the Committee are to review the Company's annual report and accounts, interim report and quarterly reports and to provide advices and comments thereon to the Board. The Committee will also be responsible for reviewing and supervising the Company's financial reporting, risk management and internal control systems. The Committee comprises three independent non-executive Directors, namely Mr. Ong King Keung (Chairman), Ms. Choi Mei Ping and Mr. Tsoi Chiu Yuk. The Group's unaudited results for the nine months ended 31 December 2018 have been reviewed by the Committee who was of the opinion that the preparation of such results complied with the applicable accounting standards, the GEM Listing Rules and legal requirements and that adequate disclosures have been made.

## **COMPLIANCE OF CODE FOR DIRECTORS' SECURITIES TRANSACTION**

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no exacting than the required standard of dealings set out in Rule 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors have complied with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company throughout the nine months ended 31 December 2018.

By order of the Board  
**Bingo Group Holdings Limited**  
**Lau Man Kit**  
*Executive Director*

Hong Kong, 1 February 2019



*As at the date of this announcement, the Board comprises Mr. Chiau Sing Chi, Ms. Chow Man Ki Kelly and Mr. Lau Man Kit as executive Directors; Mrs. Chin Chow Chung Hang Roberta as non-executive Director; and Ms. Choi Mei Ping, Mr. Tsoi Chiu Yuk and Mr. Ong King Keung as independent non-executive Directors.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website ([www.hkgem.com](http://www.hkgem.com)) for at least 7 days from its date of publication and on the website of the Company ([www.bingogroup.com.hk](http://www.bingogroup.com.hk)).*