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**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)**

**CONTINUING CONNECTED TRANSACTIONS**

**PROJECT MANAGEMENT SERVICES AGREEMENT**

**THE PROJECT MANAGEMENT SERVICES AGREEMENT**

The Board is pleased to announce that, on 4 October 2024 (after trading hours), Huge Art (an indirect wholly-owned subsidiary of the Company), being the Service Provider, and Jumoon Group, being the Service Receiver, entered into the Project Management Services Agreement. Pursuant to the Project Management Services Agreement, the Service Provider shall provide project management services to the Service Receiver for a term commencing from the date when the Project Management Services Agreement becomes effective up to 31 March 2027.

**GEM LISTING RULES IMPLICATIONS**

As at the date of this announcement, the Service Receiver is wholly owned by Ms. Chow, an executive Director and a deemed substantial shareholder of the Company. As such, the Service Receiver is a connected person of the Company and the entering into of the Project Management Services Agreement and the transactions contemplated thereunder constitute continuing connected transactions under Chapter 20 of the GEM Listing Rules.

As the highest applicable percentage ratio as set out in Rule 19.07 of the GEM Listing Rules in respect of the proposed annual cap of the Project Management Services Agreement exceeds 25% and the annual caps are over HK\$10,000,000, the transaction contemplated under the Project Management Services Agreement are subject to the applicable reporting, announcement, circular and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

## **PROJECT MANAGEMENT SERVICES AGREEMENT**

The Board is pleased to announce that, on 4 October 2024 (after trading hours), Huge Art (an indirect wholly-owned subsidiary of the Company), being the Service Provider, and the Service Receiver entered into the Project Management Services Agreement, pursuant to which the Service Provider shall provide project management services to the Service Receiver.

### **Principal Terms of the Project Management Services Agreement**

Principal terms of the Project Management Services Agreement are set out as follows:

- Date** : 4 October 2024 (after trading hours)
- Parties** : (1) Jumoon Group (as Service Receiver); and  
(2) Huge Art (as Service Provider)
- Term** : From the date on which the Project Management Services Agreement becomes effective and ending on 31 March 2027, subject to renewal or a further period of three (3) years subject to compliance with the applicable requirements of the GEM Listing Rules.
- Subject Matter** : The Service Provider shall provide project management services to the Service Receiver.

The Service Provider is entitled to receive a service fee (“**Basic Service Fee**”) which equals to 30% of the net profit (“**Project Net Profit**”) generated by the Service Receiver from the respective project (“**Project**”). In the event that any Project involves Mr. Chiau Sing Chi’s participation in the creative production, the Basic Service Fee will be 20% of the Project Net Profit instead.

**Service Fee**

- : The Service Provider shall issue a quarterly statement in relation to the Basic Service Fee to the Service Receiver. In the event that any Project did not generate any profit, the Service Provider shall be reimbursed all the costs and expenses incurred for the corresponding quarter (the “**Remuneration Mechanism**”).

The reimbursed amount under the Remuneration Mechanism shall be accrued and be used to offset the Basic Service Fee in the following quarters where the Project generates profits until fully deducted.

**Pricing Policy**

- : The Service Fee to be paid by the Service Receiver to the Service Provider shall be at a normal commercial rate equivalent to or no less favourable to the Service Receiver than the service fee paid by or to be paid by the Service Receiver when procuring similar Services from independent third parties.

**Annual Caps** : The Company expects that the annual caps of the Basic Service Fee under the Project Management Services Agreement for the six months ending 31 March 2025, the year ending 31 December 2026 and 2027, respectively are as follows:

	For the six months ending 31 March 2025	For the year ending 31 March 2026      2027	
<i>(HK\$' million)</i>	43	202	216

The Basic Service Fee and the annual caps are determined after arm's length negotiations between the Group and the Service Receiver with reference to, the revenue streams and profit margin of the Projects, and the estimated costs and expenses of the provision of project management services for the six months ending 31 March 2025, the year ending 31 March 2026 and 2027, respectively.

Based on the reasons above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Project Management Services Agreement are on normal commercial terms, the Project Management Services Agreement was entered into in the ordinary and usual course of business of the Group, and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The effectiveness of the Project Management Services Agreement is conditional upon:

- (a) the passing by the Independent Shareholders at the EGM of an ordinary resolution to approve the Project Management Services Agreement and the transactions contemplated thereunder; and
- (b) all necessary consents, authorisations and approvals required to be obtained on the part of the parties hereof in respect of the Project Management Services Agreement having been obtained.

None of the above conditions could be waived. If the conditions set out above have not been satisfied on or before 30 November 2024 (or such other date as the parties thereto may agree), the Project Management Services Agreement shall cease and terminate and thereafter neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

## **INFORMATION OF THE GROUP AND THE SERVICE RECEIVER**

### **The Group**

The Group is principally engaged in movie production, licensing and derivatives, crossover marketing, provision of interactive contents and cinema investment and management.

### **The Service Provider**

The Service Provider is an indirect wholly-owned subsidiary of the Company, which is principally engaged in investment holding.

### **The Service Receiver**

The Service Receiver is principally engaged in licensing and production of intellectual property relating to film works and is ultimately beneficially held by Ms. Chow.

### **Reasons for and Benefits of the Project Management Services Agreement**

The Group is principally engaged in movie production, licensing and derivatives, crossover marketing, provision of interactive contents and cinema investment and management.

The entering into of the Project Management Services Agreement allows the Group to explore business opportunities for provision of project management services in movie production and derivatives, and the crossover marketing field. As the Group has established profound experience and possessed solid network for commercialisation of licensing products, the Group is of the view that such strategic cooperation with the Service Receiver will enable the Group to generate more revenue stream, enhance its financial performance and step towards the business optimization.

The Directors, including the independent non-executive Directors, consider that the transactions contemplated under the Project Management Services Agreement is in the ordinary and usual course of business of the Group and the terms of the Project Management Services Agreement are based on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INTERNAL CONTROL MEASURES**

The Company has adopted the following internal control measures to ensure that the Project Management Services Agreement and the transactions contemplated thereunder are on normal commercial terms and in the interests of the Company and the Shareholders as a whole:

- (i) the Company has adopted and implemented a management system on connected transactions and continuing connected transactions. Under such system, the Audit Committee is responsible for conducting reviews on compliance with relevant laws, regulations, the Company's policies and the Listing Rules in respect of the connected transactions and continuing connected transactions. In addition, the Audit Committee, the Board and various other internal departments of the Company (including but not limited to the finance department and compliance and legal department) are jointly responsible for evaluating the terms under the framework agreements for connected transactions and continuing connected transactions, in particular, with respect to the fairness of the pricing policies and annual cap under the Project Management Services Agreement;
- (ii) the Audit Committee, the Board and various other internal departments of the Company are required to regularly monitor the fulfillment status and the transaction updates under the Project Management Services Agreement. In addition, the management of the Company also regularly reviews the pricing policies of the agreements;
- (iii) the Company's independent non-executive Directors and auditors will conduct annual reviews of the continuing connected transactions under the framework agreements and provide annual confirmations to ensure that, pursuant to Rules 20.53 and 20.54 of the GEM Listing Rules, the transactions are conducted in accordance with the terms of the Project Management Services Agreement, on normal commercial terms and in accordance with the relevant pricing policies;
- (iv) when considering fees for the services to be charged by the Group to the connected persons, the Group will constantly research prevailing market conditions and practices (only where available) and make reference to the pricing and terms between the Group and independent third parties for similar transactions, to ensure that the pricing and terms offered by the connected persons from mutual commercial negotiations (as the case may be) are fair, reasonable and are no less favorable than those to be offered by independent third parties; and

(v) when considering any renewal or revisions to the Project Management Services Agreement, the interested Directors and Shareholders shall abstain from voting on the resolutions to approve such transactions at board meetings or shareholders' general meetings (as the case may be), and the independent non-executive Directors and independent Shareholders have the right to consider if the terms of the non-exempt continuing connected transactions (including the proposed annual cap) are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole. If the independent non-executive Directors' or independent Shareholders' approvals cannot be obtained, the Company will not continue the transactions under the Project Management Services Agreement to the extent that they constitute non-exempt continuing connected transactions under the GEM Listing Rules.

## **EGM**

The Company intends to submit the relevant resolution to the EGM to seek Independent Shareholders' approval on the proposed annual cap for the six months ending 31 March 2025, the year ending 31 March 2026 and 2027, respectively under the Project Management Services Agreement. As Ms. Chow is the sole shareholder of the Service Receiver, an executive Director and a deemed substantial shareholder of the Company, and also the sister of Mr. Chiau Sing Chi, being an executive Director, both Ms. Chow, Mr. Chiau Sing Chi, and their associates will abstain from voting with respect to the relevant resolution at the EGM. As at the date of this announcement, to the best knowledge and belief of the Directors having made all reasonable enquiries, save as disclosed herein, no other Shareholders will be required to abstain from voting in respect of the relevant resolution.

An Independent Board Committee, comprising of all of the independent non-executive Directors, will be established to advise the Independent Shareholders in relation to the Project Management Services Agreement. The Company has appointed Capital 9 Limited as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders regarding the same matters.

A circular containing, among others, (i) details of the Project Management Services Agreement; (ii) the letter from the Independent Board Committee to the Independent Shareholders; (iii) the letter of advice from Capital 9 Limited to the Independent Board Committee and the Independent Shareholders; and (iv) a notice convening the EGM is expected to be despatched to the Shareholders on or before 25 October 2024 in compliance with the GEM Listing Rules.

## **GEM LISTING RULES IMPLICATIONS**

As at the date of this announcement, the Service Receiver is wholly owned by Ms. Chow, an executive Director and a deemed substantial shareholder of the Company. As such, the Service Receiver is a connected person of the Company, and the entering into of the Project Management Services Agreement and the transactions contemplated thereunder constitute a continuing connected transactions under Chapter 20 of the GEM Listing Rules.

As the highest applicable percentage ratio as set out in Rule 19.07 of the GEM Listing Rules in respect of the proposed annual cap of the Project Management Services Agreement exceeds 25% and the annual caps are over HK\$10,000,000, the transaction contemplated under the Project Management Services Agreement are subject to the applicable reporting, announcement, circular and independent shareholders' approval requirements under Chapter 20 of the Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Audit Committee”	the audit committee of the Company
“Board”	the board of directors of the Company
“China” or “PRC”	the People’s Republic of China
“Company”	Bingo Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange



“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huge Art”/“Service Provider”	Huge Art Limited, a company incorporated in Hong Kong with limited liability, an indirect wholly-owned subsidiary of the Company
“Jumoon Group”/“Service Receiver”	Jumoon Group Limited, a company incorporated in British Virgin Island with limited liability and wholly-owned by Ms. Chow
“Project Management Services Agreement”	the project management services agreement dated 4 October 2024 entered into between Huge Art and Jumoon Group with respect to the provision of project management services by Huge Art to Jumoon Group
“Ms. Chow”	Ms. Chow Man Ki Kelly, an executive Director and a beneficiary of a discretionary trust which is indirectly interested in 40,212,124 Shares (representing approximately 39.17% of the entire issued share capital of the Company), rendering Ms. Chow to be a deemed substantial Shareholder
“Shareholder(s)”	holder(s) of share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the GEM Listing Rules
“%”	per cent

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

Hong Kong, 4 October 2024

*As at the date of this announcement, the Board comprises Mr. CHIAU Sing Chi, Ms. CHOW Man Ki Kelly, Mr. LAU Man Kit, Ms. CHOW Nga Chee Alice, Mr. YIP Yiu Bong and Ms. TSANG Fung Chu as executive Directors; and Ms. CHOI Mei Ping, Mr. TSUI Wing Tak and Ms. CHAN Yuet Ching as independent non-executive Directors.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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.*

*This announcement will remain on the “Latest Listed Company Information” page of the Stock Exchange website at [www.hkexnews.hk](http://www.hkexnews.hk) for at least 7 days from the date of its posting and will also be published on the Company’s website at [www.bingogroup.com.hk](http://www.bingogroup.com.hk).*