



BINGO GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8220)

UNAUDITED ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2022

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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 is pleased present the unaudited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 March 2022, together with the audited comparative figures for the corresponding year in 2021, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the Year ended 31 March 2022

	<i>Notes</i>	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Audited)
Revenue	3,4	8,494	6,860
Cost of sales and services		<u>(3,643)</u>	<u>(2,994)</u>
Gross profit		4,851	3,866
Other revenue and other net income	5	2,108	4,911
Selling and marketing expenses		(98)	(217)
Administrative expenses		(15,797)	(22,245)
Impairment of property, plant and equipment		(209)	(2,753)
Impairment of right-of-use assets		(1,714)	(2,814)
Impairment of goodwill		–	(950)
Share-based payments		(1,219)	(2,013)
Share of result of an associate		8	57
Finance costs		<u>(2,601)</u>	<u>(2,736)</u>
Loss before taxation	6	(14,671)	(24,894)
Taxation	7	–	(16)
Loss for the year		<u>(14,671)</u>	<u>(24,910)</u>
Loss attributable to:			
Owners of the Company		(13,779)	(21,488)
Non-controlling interests		<u>(892)</u>	<u>(3,422)</u>
		<u>(14,671)</u>	<u>(24,910)</u>
		<i>HK cents</i>	<i>HK cents</i> (Restated)
Loss per share	9		
Basic and diluted		<u>(14.77)</u>	<u>(25.12)</u>

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the Year ended 31 March 2022

	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Audited)
Loss for the year	<u>(14,671)</u>	<u>(24,910)</u>
Other comprehensive loss		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translating foreign operations		
— Exchange differences arising during the year	(335)	(332)
— Release of translation reserve upon disposal of subsidiaries	<u>37</u>	<u>—</u>
Other comprehensive loss for the year, net of tax	<u>(298)</u>	<u>(332)</u>
Total comprehensive loss for the year	<u><u>(14,969)</u></u>	<u><u>(25,242)</u></u>
Other comprehensive loss attributable to:		
Owners of the Company	(279)	(435)
Non-controlling interests	<u>(19)</u>	<u>103</u>
	<u><u>(298)</u></u>	<u><u>(332)</u></u>
Total comprehensive loss attributable to:		
Owners of the Company	(14,058)	(21,923)
Non-controlling interests	<u>(911)</u>	<u>(3,319)</u>
	<u><u>(14,969)</u></u>	<u><u>(25,242)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2022

	<i>Notes</i>	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		5	572
Right-of-use assets		–	921
Goodwill		–	–
Interests in an associate		570	376
Loan to an associate		–	18,931
Rental deposits		547	355
		<u>1,122</u>	<u>21,155</u>
CURRENT ASSETS			
Inventories		–	945
Trade receivables	10	67	206
Other receivables, deposits and prepayments		6,365	6,339
Loan to an associate		16,029	–
Cash and cash equivalents		11,824	15,303
		<u>34,285</u>	<u>22,793</u>
CURRENT LIABILITIES			
Trade payables	11	72	203
Other payables and accruals	12	3,717	3,877
Contract liabilities		8,266	7,994
Lease liabilities		2,689	3,070
		<u>14,744</u>	<u>15,144</u>
NET CURRENT ASSETS		<u>19,541</u>	<u>7,649</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>20,663</u>	<u>28,804</u>

	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Audited)
NON-CURRENT LIABILITIES		
Convertible bonds	11,501	13,752
Lease liabilities	4,515	6,231
	<u>16,016</u>	<u>19,983</u>
NET ASSETS	<u>4,647</u>	<u>8,821</u>
CAPITAL AND RESERVES		
Share capital	10,265	8,554
Reserves	(4,464)	845
	5,801	9,399
Non-controlling interests	<u>(1,154)</u>	<u>(578)</u>
TOTAL EQUITY	<u>4,647</u>	<u>8,821</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

1. BASIS OF PREPARATION

These consolidated financial statements 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 (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and accounting principles generally accepted in Hong Kong. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) and the disclosure requirements of the Hong Kong Companies Ordinance (“CO”). A summary of new and amendments to HKFRSs adopted by the Group and its corresponding effects are disclosed below.

2. APPLICATION OF AMENDMENTS TO HKFRSs

a) Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2021 for the preparation of the consolidated financial statements:

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2
Amendment to HKFRS 16	Covid-19 Related Rent Concessions beyond 30 June 2021

The amendments to HKFRSs in the current year had no material impact on the Group’s financial position and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

b) New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts and the related Amendments ¹
Amendments to HKFRS 3	Reference to the Conceptual Framework ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ¹
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ¹
Amendments to HKAS 8	Definition of Accounting Estimates ¹
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ¹
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use ²
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract ²
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020 ²

¹ Effective for annual periods beginning on or after 1 January 2023.

² Effective for annual periods beginning on or after 1 January 2022.

³ Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the executive directors that are used to make strategic decisions. The Group's operating businesses are structured and managed separately according to the nature of their operations.

For management purposes, the Group is organised into two operating segments for the year:

Cinema investment and management business — cinema investment and provision of cinema management service.

Filmed entertainment, new media exploitations and licensing businesses — movie production, licensing and derivatives, crossover marketing, provision of interactive contents, artist development and last miles engagement.

The revenue from external customers reported to the management is measured in a manner consistent with that in the consolidated statement of profit or loss. Revenue between segments are carried out on terms equivalent to those that prevail in arm's length transactions.

Segment result represents the profit or loss by each segment without allocation of central administration costs including directors' salaries, investment and other income, finance costs, share of result of an associate, share-based payments and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

The following is an analysis of the Group's revenue, results, assets and liabilities by reportable and operating segment.

	Year ended 31 March 2022			Year ended 31 March 2021		
	Cinema investment and management business HK\$'000 (Unaudited)	Filmed entertainment, new media and exploitations and licensing businesses HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)	Cinema investment and management business HK\$'000 (Audited)	Filmed entertainment, new media and exploitations and licensing businesses HK\$'000 (Audited)	Total HK\$'000 (Audited)
Segment Revenue	<u>8,494</u>	<u>–</u>	<u>8,494</u>	<u>6,860</u>	<u>–</u>	<u>6,860</u>
Segment Results						
Reportable segment result	(2,410)	(15)	(2,425)	(10,036)	436	(9,600)
Unallocated corporate income			1,702			2,423
Unallocated corporate expenses			(10,136)			(13,025)
Share of result of an associate			8			57
Share-based payments			(1,219)			(2,013)
Finance costs			(2,601)			(2,736)
Loss before taxation			<u>(14,671)</u>			<u>(24,894)</u>
Segment Assets						
Reportable segment assets	2,817	370	3,187	5,598	3,110	8,708
Interests in an associate			570			376
Loan to an associate			16,029			18,931
Unallocated corporate assets			<u>15,621</u>			<u>15,933</u>
Consolidated total assets			<u>35,407</u>			<u>43,948</u>
Segment Liabilities						
Reportable segment liabilities	16,202	–	16,202	17,898	–	17,898
Convertible bonds			11,501			13,752
Unallocated corporate liabilities			<u>3,057</u>			<u>3,477</u>
Consolidated total liabilities			<u>30,760</u>			<u>35,127</u>

Revenue from major products and services:

The Group's revenue from its major products and services were as follows:

	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Audited)
Cinema business	<u>8,494</u>	<u>6,860</u>

Geographical information:

The Group mainly operates in Hong Kong and the People's Republic of China (the "PRC"). The geographical location of customers is based on the location of the customers, irrespective of the origin of the goods or services. The geographical location of the non-current assets is based on the physical location of assets in the case of property, plant and equipment and right-of-use assets, and the location of the operation to which they are allocated in the case of goodwill and interests in an associate. Revenue from external customers and information about non-current assets by geographical location are detailed below:

	Revenue from external customers		Specified non-current assets	
	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Audited)	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Audited)
Hong Kong	–	–	570	376
PRC	<u>8,494</u>	<u>6,860</u>	<u>5</u>	<u>1,493</u>
	<u>8,494</u>	<u>6,860</u>	<u>575</u>	<u>1,869</u>

Revenue from major customers:

There are no major customers contributing over 10% of the Group's revenue for the year ended 31 March 2022 (2021: Nil).

4. REVENUE

An analysis of Group's revenue for the year from operations, is as follows:

	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Audited)
Revenue from cinema business	<u>8,494</u>	<u>6,860</u>

Disaggregation of revenue from contracts with customers

	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Audited)
Revenue from cinema business		
— Sales of movie tickets – at a point in time	7,478	6,172
— Sales of snacks – at a point in time	690	480
— Advertising income – over time	9	27
— Management services income – over time	109	83
— Others (<i>note</i>)	208	98
	<u>8,494</u>	<u>6,860</u>
Total	<u>8,494</u>	<u>6,860</u>

note: It mainly represents the rental income for claw machines placed in cinemas, service income for registration of membership and the income for the re-issuance of membership cards for lost cards.

Contracts for advertising services typically have a 1 year to 3 years non-cancellable term in which the Group bills a fixed percentage on the box office takings. The Group elected to apply the practical expedient by recognising revenue in the amount to which the Group has right to invoice. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

The prepaid amounts in membership cards have no expiration and can be redeemed anytime at customers' discretion. The management of the Group expected that the remaining performance obligation as at 31 March 2022 will be materially recognised as income within one to two years after the year end.

5. OTHER REVENUE AND OTHER NET INCOME

	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Audited)
Exchange gain	609	1,865
Interest income	199	188
Gain on disposal of property, plant and equipment	16	–
Gain on disposal of subsidiaries	822	–
Gain on lease termination	170	218
Government grants (<i>note 1</i>)	43	1,007
Rent concession (<i>note 2</i>)	123	814
Others	126	819
	<u>2,108</u>	<u>4,911</u>
	<u>2,108</u>	<u>4,911</u>

notes:

1. The government grants represent the subsidies received by the Group from the government for the operation of cinemas in the PRC of HK\$43,000 (2021: HK\$312,000) and related to Employment Support Scheme provided by Hong Kong Government of HK\$Nil (2021: HK\$695,000). There are no unfulfilled conditions or contingencies relating to these grants.
2. It mainly represents rent concession provided to cinemas in PRC for the closure of business due to 2019 Novel Coronavirus (“COVID-19”).

6. LOSS BEFORE TAXATION

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

	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Audited)
Auditor’s remuneration		
— audit services	850	850
— other services	50	500
Direct expenses of cinema business (<i>note 1</i>)	3,643	2,994
Depreciation of property, plant and equipment	362	889
Depreciation of right-of-use assets	784	1,360
Property, plant and equipment written off	–	1,633
Gain on disposal of property, plant and equipment	(16)	–
Impairment of property, plant and equipment	209	2,753
Impairment of right-of-use assets	1,714	2,814
Impairment of goodwill	–	950
Gain on lease termination	(170)	(218)
Short-term lease expenses	45	–
Variable lease payments not included in the measurement of lease liabilities	–	81
Staff costs (including directors’ remuneration)		
— Salaries and allowances	6,916	8,893
— Equity settled share-based payments	828	885
— Retirement scheme contributions	861	888
Equity settled share-based payments paid to advisors	391	1,128

note:

1. The direct expenses mainly represent the profit sharing paid to film providers.

7. TAXATION

	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)

The taxation charge recognised in profit or loss comprises:

Current tax

Under-provision in prior years	—	16
	<u>—</u>	<u>16</u>
	<u>—</u>	<u>16</u>

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “Bill”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

No provision of Hong Kong Profits Tax has been made as there is no assessable profits for the current year (2021: Nil).

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% for the years ended 31 March 2022 and 2021.

During the years ended 31 March 2022 and 2021, the tax authority in the PRC has grant concessionary tax rate at 20% to some of the PRC subsidiaries of the Company because the size and assessable profits of those subsidiaries have fulfilled the condition as small and micro corporations defined by the relevant tax authority.

8. DIVIDEND

The Directors do not recommend the payment of a dividend for the year ended 31 March 2022 (2021: Nil).

9. LOSS PER SHARE

Basic and diluted loss per share

	2022 <i>HK cents</i> (Unaudited)	2021 <i>HK cents</i> (Restated)
Total basic and diluted loss per share	<u>(14.77)</u>	<u>(25.12)</u>

The loss and weighted average number of ordinary shares used in the calculation of basic and diluted loss per share are as follows

	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Audited)
Loss for the year attributable to owners of the Company	<u>(13,779)</u>	<u>(21,488)</u>

	2022 (Unaudited)	2021 (Restated)
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>93,271,316</u>	<u>85,538,467</u>

The weighted average numbers of ordinary shares for the purpose of calculating basic earnings per share have been retrospectively adjusted to reflect the share consolidation with effect from 16 March 2022.

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 loss per share during the years ended 31 March 2022 and 2021 because they are antidilutive in calculating the diluted loss per share.

10. TRADE RECEIVABLES

The aging of the Group's trade receivables based on the invoice date is analysed as follows:

	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Audited)
Within 30 days	14	115
31–60 days	–	27
61–90 days	–	3
Over 90 days	53	61
	<u>67</u>	<u>206</u>
Less: Allowance for expected credit losses	<u>–</u>	<u>–</u>
	<u>67</u>	<u>206</u>

As at 31 March 2022, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$53,000 (2021: HK\$91,000) which are past due as at the reporting date, of which HK\$Nil (2021: HK\$16,000) has been past due more than 30 days but less than 90 days and HK\$53,000 (2021: HK\$48,000) has been past due over 90 days.

For cinema business and filmed entertainment, new media exploitations and licensing business segment, the credit terms granted by the Group to its customers normally ranged from COD (cash-on-delivery) to 120 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. All trade receivables are expected to be recovered within one year.

11. TRADE PAYABLES

The aging of the Group's trade payables based on the invoice date is analysed as follows:

	2022 HK\$'000 (Unaudited)	2021 <i>HK\$'000</i> (Audited)
Within 30 days	48	187
31–60 days	–	–
61–90 days	–	4
Over 90 days	24	12
	72	203

Payment terms with suppliers are generally within 30 days.

All amounts are short term and hence the carrying values of trade payables are considered to be a reasonable approximation of fair value.

12. OTHER PAYABLES AND ACCRUALS

	2022 HK\$'000 (Unaudited)	2021 <i>HK\$'000</i> (Audited)
Other payables and accruals (<i>note 1</i>)	3,717	3,877

notes:

1. Included in the amount mainly represents an auditor's remuneration of approximately HK\$850,000 (2021: HK\$850,000).
2. All of the other payables and accruals are expected to be settled within one year or are repayable on demand.

BUSINESS REVIEW

During the Year, the Group continues to focus on 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”).

In view of the on-going development of the Cinema Business, this segment has become the prime revenue generator of the Group in the Year. Approximately revenue of HK\$8.5 million and gross profit of HK\$4.9 million were generated during the Year. The revenue and gross profit for the Year improved, as compared to revenue of HK\$6.9 million and gross profit of HK\$3.9 million generated in last year. Due to outbreak of COVID-19 in the very beginning of Year 2020, all cinemas in Hangzhou and Shanghai could not open since late January 2020. In July 2020, cinemas in certain low-risk areas of the People’s Republic of China (the “PRC”) were allowed to re-commence their businesses. The Group’s cinemas in Shanghai and Hangzhou were just re-opened in August 2020. However, the COVID-19 spread in Shanghai again and our cinema in Shanghai has ceased to operate again from early March 2022 onwards. Since the lockdown period in the Year is less than that of last year, and only Shanghai was locked down in the Year, the turnover for the Year increased as compared to that for the last year.

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 would enter into of a loan agreement with the JV Company, pursuant to which Bingo Movie would 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 was lent to the JV Company. Another loan of RMB16 million with a term of three years was granted to the JV Company on 30 September 2019. The difference between the new loan and old loan of RMB13 million with the accrued interest has been repaid to the Bingo Movie during the year ended 31 March 2020. No appropriate VR or MR projects were located as at the date of this results announcement. In September 2021, the Group has confirmed with the JV Company that the JV Company allowed the Group to withdraw the loan partially up to RMB5 million (equivalent to approximately HK\$6.2 million as at 31 March 2022) on demand and the remaining RMB11 million (equivalent to approximately HK\$13.5 million as at 31 March 2022) remained to be repayable

in September 2022. Bingo Movie has withdrawn the loan partially of RMB3 million (equivalent to approximately HK\$3.7 million as at 31 March 2022) in October 2021. The amount of outstanding loan to the JV Company as at 31 March 2022 was approximately RMB13.0 million (equivalent to approximately HK\$16.0 million).

On 23 December 2021 (after trading hours), the Company and 廣州玖的文化科技有限公司 (Guangzhou Jiu De Cultural and Technology Company Limited[#]) (“Business Partner” or “Jiu De”) entered into a framework agreement (the “Framework Agreement”) whereby the parties agreed to negotiate in good faith to enter into a legally binding formal agreement (the “Formal Agreement”) on the formation of a joint venture for carrying out business cooperation on the development of augmented reality digital live action role-playing game (“LARP”) projects.

Pursuant to the Framework Agreement, it was agreed that the Company and the Business Partner shall form a joint venture in Guangzhou, China, which shall be owned as to 51% and 49% by the Company and the Business Partner, and the board of the joint venture shall have 3 directors, 2 of which shall be nominated by the Company and 1 of which shall be nominated by the Business Partner.

The Company has been exploring business opportunities leveraging on its movie production, licensing and derivatives, crossover marketing and provision of interactive contents business experience and knowledge in the past year and considered that such business experience and the IPs of the films would be valuable resources in developing various new forms of entertainments to capture the ever-changing consumer markets for entertainment and games in China. On the other hand, LARP games have been developing rapidly in the recent years and have become one of the most popular entertainments for the consumers in China, particularly the younger generations. The Business Partner is an experienced LARP projects developer and/or its associate run the famous LARP platform “玖號房” (Room No. 9[#]) which is a well-established LARP game system in China. The Company considers the potential cooperation with the Business Partner would bring a synergy of the strengths of the parties and would be an opportunity for the Company to tap into the growing LARP markets as well as the heated augmented reality and virtual reality application business.

Subsequent to 31 March 2022, the joint venture with Jiu De has been established in the PRC in May 2022.

[#] The English names used in the section of “BUSINESS REVIEW” are transliteration of their Chinese names for illustrative purpose only.

FINANCIAL REVIEW

During the Year, the Group recorded a total turnover of approximately HK\$8.5 million, representing an increase of approximately HK\$1.6 million compared with that of approximately HK\$6.9 million in the last Year. The turnover of the Group for the Year and the last Year principally represented revenue from Cinema Business. Loss for the Year of approximately HK\$14.7 million was recorded. As compared with the loss of HK\$24.9 million for the last year, the loss decreased by approximately HK\$10.2 million. The decrease in loss for the year was mainly attributable to the tightened cost control measures implemented during the Year to react the severe business environment. Administrative expenses decreased from approximately HK\$22.2 million for the last year to approximately HK\$15.8 million for the Year.

In October 2021, the Company completed the placing and raised net proceeds of approximately HK\$5.5 million. The number of shares of the Company increased from 855,384,669 shares as at 1 October 2021 to 1,026,444,669 as at 18 October 2021.

In December 2021, the Company proposed (i) to issue convertible bonds to Mr. CHIAU Sing Chi, executive Director, and (ii) to adopt share consolidation pursuant to which every ten (10) issued and unissued existing shares of HK\$0.01 each in the share capital of the Company into one (1) new share of HK\$0.10 each, and change in the board lot size of the Company's shares from 20,000 existing shares to 10,000 new shares. Please refer to the Company's circular dated 21 January 2022 for details. The above proposals were approved by the eligible shareholders of the Company on 14 March 2022. The number of the Company issued shares changed from 1,026,444,669 to 102,644,466 since 16 March 2022. There is no change of the Company's issued share capital during the period from 16 March 2022 to 31 March 2022.

LIQUIDITY, DEBT RATIO, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 March 2022, the Group had total assets of approximately HK\$35.4 million (2021: HK\$43.9 million), including cash and cash equivalents of approximately HK\$11.8 million (2021: HK\$15.3 million). There was no pledged bank deposit as at 31 March 2022 (2021: Nil). As at 31 March 2022, the debt ratio (defined as total liabilities/total assets) was approximately 0.87 (2021: 0.80).

The Group held cash and cash equivalents of approximately HK\$11.8 million as at 31 March 2022. Together with the loan to the JV Company of RMB13.0 million (equivalent to approximately HK\$16.0 million), RMB2.0 million (equivalent to approximately HK\$2.5 million) of which is repayable on demand and the remaining RMB11.0 million (equivalent to approximately HK\$13.5 million) will be matured in September 2022, the Company believes that it can cover the full amount of its current liabilities of approximately HK\$14.7 million as at 31 March 2022. Accordingly, the Board considers that the Group has sufficient resources to satisfy its working capital requirements. During the Year, the Group financed its operations principally with its own working capital. As at 31 March 2022, the Group did not have any bank overdraft (2021: Nil).

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

In August 2021, the Group disposed of its 51% equity stake in Zhejiang Bingo Family Brand Management Company Limited at a consideration of RMB1 (equivalent to HK\$1). Gain on disposal of the aforesaid subsidiary of approximately HK\$0.2 million was recognised during the Year.

In January 2022, the Group disposed of its 100% equity stake in Easybuild Assets Management Limited at a consideration of HK\$0.3 million. Gain on disposal of the aforesaid subsidiary of approximately HK\$0.6 million was recognised during the Year.

Save as disclosed above, the Group had no material acquisition or disposal of subsidiaries and affiliated companies during the year ended 31 March 2022.

EMPLOYEES

As at 31 March 2022, the Group had 44 (2021: 65) staff in the PRC and Hong Kong. Total staff costs including directors' remuneration were approximately HK\$8.6 million during the Year (2021: HK\$10.7 million).

Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. Year-end bonus based on individual performance will be paid to employees as recognition of and reward for their contributions. Other benefits include contributions to statutory mandatory provident fund scheme to its employees. During the Year, the Company has not granted any awarded shares or share options to the Group's directors or employees.

FOREIGN EXCHANGE EXPOSURE

The Group's exposures to foreign currencies mainly arises from receivables from PRC customers and its investment in foreign subsidiaries which are financed internally in RMB, and payables to PRC suppliers. In order to mitigate the potential impact of currency fluctuations, the Group closely monitors its foreign currency exposures and will use suitable hedging instruments against significant foreign currency exposures, where necessary. No foreign currency hedge contract was entered into by the Group during the Year. As at 31 March 2022, the Group had no outstanding foreign currency hedge contracts (2021: Nil).

CONTINGENT LIABILITIES

As at 31 March 2022, the Group had no significant contingent liabilities (2021: Nil).

OUTLOOK

As of the date of this announcement, the coronavirus outbreak has killed over 6 million people and infected more than 500 million people globally. Although the situation in China is better than many countries in the West, the economy in China is still shocked to a certain extent. Especially COVID-19 Delta Variant and Omicron Variant have appeared in China in the first half of Year 2021 and late Year 2021 respectively. The cinemas have been ordered to be closed since early Year 2020 and certain cinemas in the PRC are just allowed to be re-opened in late July 2020. The cinema businesses in China was affected again. Our cinema in Shanghai has ceased to operate again from early March 2022 onwards, and our cinema in Hangzhou had a shorter lockdown period. It was closed for approximately one week since late April 2022 and had re-opened on 1 May 2022 already.

In spite of the wide-spreading of coronavirus mentioned above, the Group may continue to grasp other business opportunities in investments in cinemas in the PRC and attractive movies, when appropriate. While the Group continued its existing businesses, the Group will put more focus onto locating other business opportunities with enormous potentials, including 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. In 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 in September 2019. However, entertainment business, including VR and MR businesses, is one of the commercial sectors suffered by COVID-19 seriously in the PRC. No appropriated VR and MR investment target was located during the Year. The outstanding loan amount as at 31 March 2022 was approximately RMB13.0 million (equivalent to approximately HK\$16.0 million).

As mentioned in the section of “BUSINESS REVIEW“ above, the Company has entered into the Framework Agreement with Jiu De about the business cooperation on the development of LARP projects. The Board is optimistic on this project but will finalise the terms of the Formal Agreement carefully in view of difficult time of running entertainment business in the PRC currently.

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.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company endeavors to maintain a high standard of corporate governance for the enhancement of shareholders' value. The Company has complied with the required code provisions set out in the Corporate Governance Code (the "Code") contained in Appendix 15 to the GEM Listing Rules for the year ended 31 March 2022, except for the following deviation:

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Company does not have the Chairman of the Board and the Chief Executive Officer during the year ended 31 March 2022. The Board is in the process of locating appropriate persons to fill the vacancies of the Chairman and Chief Executive Officer. Even so, the Board considers that the existing Board members are able to share the power and responsibilities of Chairman and Chief Executive Officer among themselves, as detailed below.

Based on Code A.2.1, (which has been re-numbered as CG Code provision C.2.1 under the new Corporate Governance Code that came to effect on 1 January 2022) the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. The Board's current significant decisions are made in Board meetings. Every Board member has the rights and responsibility to propose Board meetings to discuss significant issues he/she concerns, and has the power to make the decisions among other Board members.

With reference to Code A.2.2, (which has been re-numbered as CG Code provision C.2.2 under the new Corporate Governance Code that came to effect on 1 January 2022) in each Board meeting, the director who proposes that meeting (the "Convenor") would generally be appointed as the chairman of the meeting in accordance with the articles of association of the Company, and he/she has to ensure all directors briefed on issues arising at board meeting.

With reference to Code A.2.3, (which has been re-numbered as CG Code provision C.2.3 under the new Corporate Governance Code that came to effect on 1 January 2022) the Convenor has to provide the meeting agenda and materials (the "Board Papers") to the company secretary, and the company secretary will then pass the Board Papers to other Board members for their review. Unless urgent matters to be discussed, it is the Board's practice that the Board Papers have to be given to the Board at least 3 days in advance of the Board meetings. Other Board members should have enough time to read the Board Papers and raise questions and/or request more information before holding the Board meetings. For the urgent Board meetings, the Convenor and/or company secretary have to contact individual Director about the details of the agenda meeting and the reasons of urgency. Every Board member has the right to request additional time to understand the agenda details and delay the Board meeting.

With reference to Code A.2.4, (which has been re-numbered as CG Code provision C.2.4 under the new Corporate Governance Code that came to effect on 1 January 2022) the executive Directors jointly provide leadership of the Board, and ensure the Board works effectively and perform its responsibilities, and that all key and appropriate issues are discussed by it in a timely manner. As mentioned above, all Directors have the rights to propose Board meetings. The company secretary has to summarise all agenda items and circulate the agenda to all Board members.

With reference to Code A.2.5, (which has been re-numbered as CG Code provision C.2.5 under the new Corporate Governance Code that came to effect on 1 January 2022) the Board members share the responsibility to ensure good corporate governance practices and procedures are established. It is the practice of the Board to discuss corporate governance issues in the meetings to approve the interim and annual results.

With reference to Code A.2.6, (which has been re-numbered as CG Code provision C.2.6 under the new Corporate Governance Code that came to effect on 1 January 2022) the executive Directors share the responsibility of encouraging all directors to make a full and active contribution to the Board's affairs and take the lead to ensure that it acts in the best interest of the Company. The Convenor has the responsibility to encourage other Directors with different views to voice their concerns, allow sufficient time for discussion of issues and ensure the Board decisions fairly reflected Board consensus.

With reference to Code A.2.7, (which has been re-numbered as CG Code provision C.2.7 under the new Corporate Governance Code that came to effect on 1 January 2022) the independent non-executive Directors hold at least a meeting among themselves annually, to consider and discuss any significant issues of the Company and the Board, without influence from the executive Directors.

With reference to Code A.2.8, (which has been re-numbered as CG Code provision C.2.8 under the new Corporate Governance Code that came to effect on 1 January 2022) the executive Directors share the responsibility of ensuring that appropriate steps are taken to provide effective communication with shareholders and that their views are communicated to the Board as a whole. It is a general practice that the executive Directors will discuss the shareholder's viewpoints with non-executive Directors in the Board meeting following a shareholders' meeting.

With reference to Code A.2.9, (which has been re-numbered as CG Code provision C.2.9 under the new Corporate Governance Code that came to effect on 1 January 2022) the executive Directors share the responsibility of promoting a culture of openness and debate by facilitating the effective contribution of non-executive Directors in particular and ensuring constructive relations between executive and non-executive Directors. As mentioned above, all directors, including non-executive Directors, have the right to propose a board meeting to discuss the issues they consider important, and enough time is reserved for all Directors to read the Board Papers and raise questions. It is the Board's practice to encourage the non-executive Directors to raise their viewpoints in Board meetings.

Code A.5.1 states that an issuer should establish a nomination committee which is chaired by the chairman of the board or an independent non-executive director and comprises a majority of independent non-executive directors. It is the Board's practice to appoint an executive Director as the chairman of the nomination committee of the Board, as the Board considers that executive Directors have to lead the business development of the Company and need to have appropriate Board members and senior management to assist them. In addition, the nomination committee of the Board consists of majority of independent non-executive Directors, who have the veto power jointly if they consider the nomination is inappropriate. Subsequent to the year end date of 31 March 2022, the Board appointed Ms. CHOI Mei Ping, an independent non-executive Director, as the chairman of Nomination Committee on 8 April 2022.

With reference to Code B.1.1, (which has been re-numbered as CG Code provision E.1.1 under the new Corporate Governance Code that came to effect on 1 January 2022) the remuneration committee of the Board would consult Ms. CHOW Man Ki Kelly, an executive Director and the major shareholder of the Company about their remuneration proposals for other executive Directors.

With reference to Code E.1.2, (which has been re-numbered as CG Code provision F.2.2 under the new Corporate Governance Code that came to effect on 1 January 2022) the Board appoints as least one executive Director to attend the annual general meeting, due to the chairmanship vacancy. The executive Directors have to invite the chairman of the audit, remuneration and nomination committees of the Board to attend the annual general meeting.

With reference to Code F.1.3, (which has been re-numbered as CG Code provision C.6.3 under the new Corporate Governance Code that came to effect on 1 January 2022) it is the Company's practice that the company secretary report to the executive Directors.

APPOINTMENT AND RE-ELECTION OF THE DIRECTORS

Pursuant to the Provision A.4.1 of the Code, the non-executive directors should be appointed for a specific term, subject to re-election.

The non-executive Director and all independent non-executive Directors are not appointed for a specific term, but they are subject to re-election at the annual general meeting of the Company in accordance with the Articles.

In accordance with the Articles of the Association of the Company, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 March 2022.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The audit committee ("Audit Committee") of the Company has reviewed with the management about the Group's annual results for the year ended 31 March 2022, the accounting principles and practices adopted by the Group and discussed auditing, risk management and internal controls, and financial reporting matters in connection with the preparation of the consolidated financial statements of the Company and its subsidiaries for the year ended 31 March 2022. As at the date of this announcement, the Audit Committee comprises two independent non-executive Directors, namely Mr. TSUI Wing Tak (chairman) and Ms. CHOI Mei Ping.

PUBLICATION OF 2021/22 UNAUDITED AND AUDITED ANNUAL RESULTS AND 2021/22 ANNUAL REPORT

The auditing process for the annual results for the year ended 31 March 2022 has not been completed due to restrictions in force in parts of China to combat the COVID-19 coronavirus outbreak and the auditor of the Company is unable to obtain certain necessary documents and information to complete the audit verification procedures. The unaudited results contained herein have not been agreed by the Company's auditor. An announcement relating to the Group's audited results, including the consolidated financial statements and its audit opinions thereon, would be finalised upon the completion of the auditing process in accordance with Hong Kong Standards on Auditing issued by Hong Kong Institute of Certified Public Accountants. The Company expects the auditing process will be completed on or before 31 July 2022.

The Audit Committee has reviewed the unaudited consolidated financial statements of the Company for the year ended 31 March 2022 and also reviewed the accounting principles and practices adopted by the Group and discussed financial reporting matters. Other members of the Board who are not in the Audit Committee have also reviewed the unaudited consolidated financial statements of the Company for the year ended 31 March 2022 and are satisfied with the contents thereof.

The annual report of the Company for the year ended 31 March 2022 will be dispatched to the shareholders of the Company and published on the respective websites of the Stock Exchange and the Company in due course.

FURTHER ANNOUNCEMENT(S)

Following the completion of the auditing process, the Company will issue further announcement(s) in relation to the audited results for the year ended 31 March 2022 as agreed by the Company's auditors and the material differences (if any) as compared with the unaudited annual results contained herein. In addition, the Company will issue further announcement as and when necessary if there are other material development in the completion of the auditing process.

By order of the Board
Bingo Group Holdings Limited
CHOW Nga Chee Alice
Executive Director

Hong Kong, 29 June 2022

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 and Mr. YIP Yiu Bong as executive Directors; and Ms. CHOI Mei Ping and Mr. TSUI Wing Tak as independent non-executive Directors.

This announcement, for which the Directors of the Company 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 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.