



## **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)**

### **FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30 JUNE 2018**

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

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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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 ended 30 June 2018, together with the unaudited comparative figures for the corresponding period in 2017 were as follows:

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

|                                    | Notes | Three months ended<br>30 June   |                                 |
|------------------------------------|-------|---------------------------------|---------------------------------|
|                                    |       | 2018<br>HK\$'000<br>(Unaudited) | 2017<br>HK\$'000<br>(Unaudited) |
| Turnover                           | 2     | 8,525                           | 10,955                          |
| Cost of sales                      |       | <u>(3,331)</u>                  | <u>(4,456)</u>                  |
| Gross profit                       |       | 5,194                           | 6,499                           |
| Other revenue and other net income | 3     | 248                             | 2,105                           |
| Selling and marketing expenses     |       | (220)                           | (3,947)                         |
| Administrative expenses            |       | (10,694)                        | (9,367)                         |
| Finance costs                      | 5     | <u>(898)</u>                    | <u>(689)</u>                    |
| Loss before taxation               | 6     | (6,370)                         | (5,399)                         |
| Taxation                           | 7     | <u>(379)</u>                    | <u>(534)</u>                    |
| <b>Loss for the period</b>         |       | <b><u>(6,749)</u></b>           | <b><u>(5,933)</u></b>           |
| <b>Loss attributable to:</b>       |       |                                 |                                 |
| Owners of the Company              |       | (6,057)                         | (6,836)                         |
| Non-controlling interests          |       | <u>(692)</u>                    | <u>903</u>                      |
|                                    |       | <b><u>(6,749)</u></b>           | <b><u>(5,933)</u></b>           |
|                                    |       | <b>HK cents</b>                 | <b>HK cents</b>                 |
| <b>Loss per share</b>              | 9     |                                 |                                 |
| Basic and diluted                  |       | <b><u>(0.18)</u></b>            | <b><u>(0.20)</u></b>            |

**CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**

|   | <b>Three months ended</b> |                |
|---|---------------------------|----------------|
|   | <b>30 June</b>            |                |
|   | <b>2018</b>               | 2017           |
|   | <b>HK\$'000</b>           | HK\$'000       |
|   | <b>(Unaudited)</b>        | (Unaudited)    |
| Loss for the period   | <b>(6,749)</b>            | (5,933)        |
| Other comprehensive income/(loss)                             |                           |                |
| Item that may be reclassified subsequently to profit or loss: |                           |                |
| Exchange differences on translating foreign operations        |                           |                |
| — Exchange differences arising during the period              | <u><b>(1,868)</b></u>     | <u>689</u>     |
| Other comprehensive income/(loss) for the period, net of tax  | <u><b>(1,868)</b></u>     | <u>689</u>     |
| Total comprehensive loss for the period                       | <u><b>(8,617)</b></u>     | <u>(5,244)</u> |
| <b>Total comprehensive loss attributable to:</b>              |                           |                |
| Owners of the Company   | <b>(7,988)</b>            | (6,130)        |
| Non-controlling interests                                     | <u><b>(629)</b></u>       | <u>886</u>     |
|   | <u><b>(8,617)</b></u>     | <u>(5,244)</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 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 first 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 30 June</b> |                      |
|------------------------------|-----------------------------------|----------------------|
|                              | <b>2018</b>                       | <b>2017</b>          |
|                              | <b>HK\$’000</b>                   | <b>HK\$’000</b>      |
|                              | <b>(Unaudited)</b>                | <b>(Unaudited)</b>   |
| Revenue from cinema business | <b>8,525</b>                      | 10,931               |
| Royalty and licensing income | <b>–</b>                          | 24                   |
|                              | <b><u>8,525</u></b>               | <b><u>10,955</u></b> |

### 3. OTHER REVENUE AND OTHER NET INCOME

|                    | Three months ended 30 June      |                                 |
|--------------------|---------------------------------|---------------------------------|
|                    | 2018<br>HK\$'000<br>(Unaudited) | 2017<br>HK\$'000<br>(Unaudited) |
| Interest income    | 247                             | 142                             |
| Government grants* | –                               | 1,829                           |
| Others             | 1                               | 134                             |
|                    | <u>248</u>                      | <u>2,105</u>                    |

\* 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.

### 4. SHARE-BASED PAYMENTS

The Company has the convertible bonds and share option scheme for the directors, employees and advisors 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 ( <i>Note 1</i> )  |

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 followings 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                 |
| Grant date:                | 23-8-2012               | 17-4-2014               | 13-7-2015               | 11-9-2015               | 7-7-2016              | 3-3-2017              |
| Number of options granted: | 294,840,000             | 304,140,000             | 161,000,000             | 50,000,000              | 342,000,000           | 159,000,000           |
| Exercise period:           | 23-8-2012–<br>22-8-2017 | 17-4-2014–<br>16-4-2019 | 13-7-2015–<br>12-7-2020 | 11-9-2015–<br>10-9-2020 | 7-7-2016–<br>6-7-2021 | 3-3-2017–<br>2-3-2022 |
| Exercise price:            | HK\$0.156               | HK\$0.364               | HK\$0.235               | HK\$0.200               | HK\$0.18              | HK\$0.135             |
|                            | <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         |

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     |
| Share price as at grant date: | HK\$0.076 | HK\$0.355 | HK\$0.23 | HK\$0.2 | HK\$0.18 | HK\$0.126 |
| Nature of the options:        | Call      | Call      | Call     | Call    | Call     | Call      |
| Risk-free rate:               | 0.284%    | 1.38%     | 1.15%    | 1.02%   | 0.59%    | 1.49%     |
| Expected life of the options: | 5 years   | 5 years   | 5 years  | 5 years | 5 years  | 5 years   |
| Expected volatility:          | 81.86%    | 62%       | 65%      | 66%     | 65%      | 61%       |
| Expected dividend yield:      | 0%        | 0%        | 0%       | 0%      | 0%       | 0%        |
| Exercise multiple:            | 2.2       | 2.4       | 2.45     | 2.49    | 2.4      | 2.4       |

The Company has not issued/granted any convertible bonds or share options and the Company did not recognize any expense as share-based payments for the three months ended 30 June 2018 and 2017.

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

|                                       |                                   |                    |
|---------------------------------------|-----------------------------------|--------------------|
|                                       | <b>Three months ended 30 June</b> |                    |
|                                       | <b>2018</b>                       | <b>2017</b>        |
|                                       | <b>HK\$'000</b>                   | <b>HK\$'000</b>    |
|                                       | <b>(Unaudited)</b>                | <b>(Unaudited)</b> |
| Imputed interest on convertible bonds | <b>898</b>                        | <b>689</b>         |

## 6. LOSS BEFORE TAXATION

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

|  | Three months ended 30 June      |                                 |
|--|---------------------------------|---------------------------------|
|  | 2018<br>HK\$'000<br>(Unaudited) | 2017<br>HK\$'000<br>(Unaudited) |
| Direct expenses of cinema business                   | 3,331                           | 4,456                           |
| Depreciation   | 627                             | 2,403                           |
| Exchange loss/(gain)                                 | 2,290                           | (579)                           |
| Operating lease rental in respect of rented premises | 1,258                           | 1,390                           |
| Staff costs (including directors' remuneration)      |                                 |                                 |
| — Salaries and allowances                            | 3,246                           | 3,326                           |
| — Retirement scheme contributions                    | 416                             | 383                             |
|  | <u>3,331</u>                    | <u>4,456</u>                    |

## 7. TAXATION

|  | Three months ended 30 June      |                                 |
|--|---------------------------------|---------------------------------|
|  | 2018<br>HK\$'000<br>(unaudited) | 2017<br>HK\$'000<br>(unaudited) |

The taxation charge recognised in profit or loss comprises:

Current tax

|           |            |            |
|-----------|------------|------------|
| — The PRC | <u>379</u> | <u>534</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 three months ended 30 June 2018 and 2017.

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% for the three months ended 30 June 2018 and 2017.

## 8. DIVIDEND

The Directors do not recommend the payment of any dividend for the three months ended 30 June 2018 (three months ended 30 June 2017: Nil).

## 9. LOSS PER SHARE

Basic and diluted loss per share

|  | <b>Three months ended 30 June</b> |                |
|--|-----------------------------------|----------------|
|  | <b>2018</b>                       | 2017           |
|  | <i>HK Cent</i>                    | <i>HK Cent</i> |
|  | <b>(Unaudited)</b>                | (Unaudited)    |
| Total basic and diluted loss per share | <u><b>(0.18)</b></u>              | <u>(0.20)</u>  |

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

|  | <b>Three months ended 30 June</b> |                      |
|--|-----------------------------------|----------------------|
|  | <b>2018</b>                       | 2017                 |
|  | <i>HK\$'000</i>                   | <i>HK\$'000</i>      |
|  | <b>(Unaudited)</b>                | (Unaudited)          |
| Loss for the period attributable to owners of the Company                                      | <u><b>(6,057)</b></u>             | <u>(6,836)</u>       |
|  | <b>2018</b>                       | 2017                 |
| Weighted average number of ordinary shares for the purpose of basic and diluted loss per share | <u><b>3,421,538,679</b></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 loss per share during the three month ended 30 June 2018 and 2017 because they are antidilutive in calculating the diluted loss per share.



## 10. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

|  | Share<br>capital<br><i>HK\$'000</i> | Share<br>premium<br><i>HK\$'000</i> | Contributed<br>surplus<br><i>HK\$'000</i> | Equity<br>component of<br>convertible<br>bonds<br><i>HK\$'000</i> | Share<br>options<br>reserve<br><i>HK\$'000</i> | Exchange<br>reserve<br><i>HK\$'000</i> | Accumulated<br>losses<br><i>HK\$'000</i> | Attributable<br>to owners<br>of the<br>Company<br><i>HK\$'000</i> | Non-<br>controlling<br>interests<br><i>HK\$'000</i> | Total<br><i>HK\$'000</i> |
|--|-------------------------------------|-------------------------------------|---|---|--|--|--|---|---|--------------------------|
| 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                  |
| (Loss)/Profit for the period                         | -                                   | -                                   | -   | -   | -  | -                                      | (6,836)                                  | (6,836)   | 903   | (5,933)                  |
| Other comprehensive (loss)<br>/income for the period | -                                   | -                                   | -   | -   | -  | 706                                    | -  | 706   | (17)  | 689                      |
| Total comprehensive (loss)<br>/income for the period | -                                   | -                                   | -   | -   | -  | 706                                    | (6,836)                                  | (6,130)   | 886   | (5,244)                  |
| At 30 June 2017 (Unaudited)                          | 136,861                             | 420,810                             | 3,930                                     | 76,520  | 102,095  | (3,319)                                | (642,974)                                | 93,923  | 13,081  | 107,004                  |
| At 1 April 2018 (Audited)                            | 136,861                             | 420,810                             | 3,930                                     | 76,520  | 99,685   | 62                                     | (644,270)                                | 93,598  | 11,230  | 104,828                  |
| Loss for the period                                  | -                                   | -                                   | -   | -   | -  | -                                      | (6,057)                                  | (6,057)   | (692)   | (6,749)                  |
| Other comprehensive (loss)<br>/income for the period | -                                   | -                                   | -   | -   | -  | (1,931)                                | -  | (1,931)   | 63  | (1,868)                  |
| Total comprehensive loss<br>for the period           | -                                   | -                                   | -   | -   | -  | (1,931)                                | (6,057)                                  | (7,988)   | (629)   | (8,617)                  |
| Cancellation of share options                        | -                                   | -                                   | -   | -   | (47,848)                                       | -                                      | 47,848                                   | -   | -   | -                        |
| At 30 June 2018 (Unaudited)                          | 136,861                             | 420,810                             | 3,930                                     | 76,520  | 51,837   | (1,869)                                | (602,479)                                | 85,610  | 10,601  | 96,211                   |

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **GENERAL**

During the three months ended 30 June 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\$8.5 million and gross profit of HK\$5.2 million were generated during the Period. The Group’s revenue and gross profit from the Cinema Business for the Period declined slightly as compared to revenue of HK\$11.0 million and gross profit of HK\$6.5 million generated in the corresponding period of last year (the “Corresponding Period”), due to keen competition in the market. 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. As of the date of this announcement, the loan agreement is yet to be signed. For further details, 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\$8.5 million, representing a decrease of approximately HK\$2.5 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\$6.7 million was recorded. As compared with the loss of HK\$5.9 million for the Corresponding Period, there was increase in loss of approximately HK\$0.8 million. The increase in loss for the Period was mainly attributable to the net effect of decline in the revenue from Cinema Business, decrease in government grants obtained and decrease in selling and marketing expenses.

## **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 in relation to the formation of the 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 will grant a loan to the JV Company of not less than HK\$25 million and not more than HK\$35 million.

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 30 June 2018, the following directors (the “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. Chan Cheong Yee   | Beneficial owner                | 5,000                 | 0.00%   |
| 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 30 June 2018 was 3,421,538,679.

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

The Company adopted a share option scheme on 15 August 2012 which the Board may, at their discretion, offer employees, 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 the share options granted to the Directors under the Schemes and any other schemes and movements in such holdings during the Period were as follows:

| Name of Directors                    | Option type<br>(Note) | Number of<br>options held<br>as at<br>1 April 2018<br>'000 | Number of<br>options<br>granted during<br>the Period<br>'000 | Number of<br>options<br>exercised<br>during the<br>Period<br>'000 | Number of<br>options<br>cancelled/<br>lapsed during<br>the Period<br>'000 | Number of<br>options held<br>as at<br>30 June 2018<br>'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   |
| Mr. Chan Cheong Yee                  | 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<br>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>-</u>   | <u>-</u>  | <u>-</u>  | <u>117,000</u>   |

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

In addition to 45,000,000 number of 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 number of Shares which 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 30 June 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 of 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 30 June 2018, the following persons (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 position in the Shares and underlying Shares

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

#### Notes:

- 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.
- 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 30 June 2018.

## SHARE OPTION SCHEME

The Company's share option scheme was adopted pursuant to written resolutions 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 Schemes and any other schemes and movements in such holdings during the Period were as follows:

| Category  | Option type | 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 30 June 2018 '000 |
|-----------|-------------|--|--|--|---|--|
| Directors | 2014A       | 15,000   | –  | –  | –   | 15,000   |
|           | 2015A       | 23,000   | –  | –  | –   | 23,000   |
|           | 2016A       | 45,000   | –  | –  | –   | 45,000   |
|           | 2017A       | 34,000   | –  | –  | –   | 34,000   |
| 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)   | –  |
| Total     |             | 995,140  | –  | –  | (594,340)   | 400,800  |

*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 OPTION 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 30 June 2018.

## **COMPETING INTEREST**

None of the Directors, the management shareholders or the substantial shareholders of the Company, or any of their respective associates, has engaged in any business that competes or may compete with the business of the Group or has any other conflict of interest with the Group.

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

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

## **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 three months ended 30 June 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 three months ended 30 June 2018.

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

Hong Kong, 8 August 2018



*As at the date of this announcement, the Board comprises Mr. Chiau Sing Chi, Ms. Chow Man Ki Kelly, Mr. Chan Cheong Yee 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)).*