



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 2020

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.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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 2020, together with the unaudited comparative figures for the corresponding period in 2019 were as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	<i>Notes</i>	Three months ended	
		30 June	
		2020	2019
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Turnover	2	–	7,232
Cost of sales and services		–	(2,993)
		<hr/>	<hr/>
Gross profit		–	4,239
Other revenue and other net income	3	519	288
Selling and marketing expenses		–	(482)
Administrative expenses		(5,742)	(7,809)
Share-based payments		(840)	–
Finance costs	5	(861)	(1,554)
		<hr/>	<hr/>
Loss before taxation	6	(6,924)	(5,318)
Taxation	7	(15)	(54)
		<hr/>	<hr/>
Loss for the period		(6,939)	(5,372)
		<hr/>	<hr/>
Loss attributable to:			
Owners of the Company		(6,401)	(4,968)
Non-controlling interests		(538)	(404)
		<hr/>	<hr/>
		(6,939)	(5,372)
		<hr/>	<hr/>
		<i>HK cents</i>	<i>HK cents</i>
			(Restated)
Loss per share	9		
Basic and diluted		(0.75)	(0.58)
		<hr/>	<hr/>

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Three months ended	
	30 June	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Loss for the period	(6,939)	(5,372)
Other comprehensive loss		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign operations		
— Exchange differences arising during the period	<u>(42)</u>	<u>(819)</u>
Other comprehensive loss for the period, net of tax	<u>(42)</u>	<u>(819)</u>
Total comprehensive loss for the period	<u>(6,981)</u>	<u>(6,191)</u>
Other comprehensive loss attributable to:		
Owners of the Company	(69)	(857)
Non-controlling interests	<u>27</u>	<u>38</u>
	<u>(42)</u>	<u>(819)</u>
Total comprehensive loss attributable to:		
Owners of the Company	(6,470)	(5,825)
Non-controlling interests	<u>(511)</u>	<u>(366)</u>
	<u>(6,981)</u>	<u>(6,191)</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 (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) 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 accounting policies and methods of computation used in preparing the unaudited condensed consolidated financial statements for the three months ended 30 June 2020 are consistent with those used in the Group’s annual financial statements for the year ended 31 March 2020.

The application of the other new and amendments to HKASs and HKFRSs in the current period has had no material effect on the amounts reported in these unaudited condensed consolidated financial statements and/or disclosures set out in these unaudited condensed consolidated financial statements.

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:

	Three months ended 30 June	
	2020	2019
	HK\$’000	HK\$’000
	(Unaudited)	(Unaudited)
Revenue from cinema business	–	7,232

3. OTHER REVENUE AND OTHER NET INCOME

	Three months ended 30 June	
	2020	2019
	HK\$’000	HK\$’000
	(Unaudited)	(Unaudited)
Interest income	106	276
Government grants	351	–
Rent concession	36	–
Others	26	12
	519	288

4. SHARE-BASED PAYMENTS

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

Convertible bonds

Issuer:	The Company					
Issue date:	1 June 2010	1 June 2011	1 June 2012	1 June 2013	1 June 2014	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Principal amount:	25,000	5,000	5,000	5,000	5,000	45,000
Outstanding amount as at 30 June 2020:	–	5,000	5,000	5,000	5,000	20,000
Conversion period:	From 1 June 2010 to 31 May 2020	From 1 June 2011 to 31 May 2021	From 1 June 2012 to 31 May 2022	From 1 June 2013 to 31 May 2023	From 1 June 2014 to 31 May 2024	
Conversion price (<i>note a</i>):	HK\$0.544	HK\$0.544	HK\$0.544	HK\$0.544	HK\$0.544	
Maturity date:	31 May 2020	31 May 2022 (<i>note b</i>)	31 May 2023 (<i>note b</i>)	31 May 2024 (<i>note b</i>)	31 May 2025 (<i>note b</i>)	

note a: Conversion price was adjusted due to (i) the issue and allotment of the subscription shares, which are detailed in the Company's circular dated 24 February 2012, (ii) the share consolidation effective on 18 September 2012, and (iii) the share consolidation effective on 2 May 2019.

note b: Mr. Chiau Sing Chi, the holder of convertible bonds, undertook to delay the maturity dates of these outstanding convertible bonds as at 31 March 2020 for repayment by one year, but the conversion periods of the convertible bonds remain unchanged.

Share Option Scheme

Details of specific categories of share options outstanding during the three months ended 30 June 2020 and 2019 are as follow:

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

Option type:	2015A	2016A	2017A	2018A
Grant date:	13-7-2015	7-7-2016	3-3-2017	17-9-2018
Adjusted number of options granted (<i>note c</i>):	40,250,000	85,500,000	39,750,000	45,000,000
Exercise period:	13-7-2015– 12-7-2020	7-7-2016– 6-7-2021	3-3-2017– 2-3-2022	17-9-2018– 16-9-2023
Adjusted exercise price: (<i>note c</i>)	HK\$0.940	HK\$0.720	HK\$0.540	HK\$0.168
Fair value when share options granted:	HK\$16,800,000	HK\$26,600,000	HK\$8,640,000	HK\$2,181,000

note c: The exercise prices and numbers of share options above are adjusted due to the share consolidation effective on 2 May 2019.

5. FINANCE COSTS

	Three months ended	
	30 June	
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Imputed interest on convertible bonds	700	1,065
Interest expenses on lease liabilities	161	489
	<u>861</u>	<u>1,554</u>

6. LOSS BEFORE TAXATION

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

	Three months ended	
	30 June	
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Direct expenses of cinema business (<i>note a</i>)	–	2,993
Depreciation of property, plant and equipment	643	627
Depreciation of right-of-use assets	761	765
Exchange loss	109	205
Operating lease rental in respect of rented premises	–	363
Staff costs (including directors' remuneration)		
— Salaries and allowances	1,891	3,094
— Equity settled share-based payments	552	–
— Retirement scheme contributions	159	449
— Equity settled share-based payments paid to advisors	288	–
	<u>2,891</u>	<u>7,911</u>

note a: The direct expenses mainly represent the profit sharing paid to film providers.

7. TAXATION

	Three months ended	
	30 June	
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
The taxation charge recognised in profit or loss comprises:		
Current tax		
— The PRC	15	54
	<u>15</u>	<u>54</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%.

The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. 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 three months ended 30 June 2020 and 2019.

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% for the three months ended 30 June 2020 and 2019.

8. DIVIDEND

The Directors do not recommend the payment of any dividend for the three months ended 30 June 2020 (three months ended 30 June 2019: Nil).

9. LOSS PER SHARE

Basic and diluted loss per share

	Three months ended 30 June	
	2020	2019
	<i>HK cent</i>	<i>HK cent</i>
	(Unaudited)	(Unaudited)
Total basic and diluted loss per share	<u>(0.75)</u>	<u>(0.58)</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:

	Three months ended 30 June	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Loss for the period attributable to owners of the Company	<u>(6,401)</u>	<u>(4,968)</u>
	2020	2019
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>855,384,669</u>	<u>855,384,669</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 2020 and 2019 because they are antidilutive in calculating the diluted loss per share.

10. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Contributed surplus	Equity component of convertible bonds	Share options reserve	Share award scheme reserve	Exchange reserve	Accumulated losses	Attributable to owners of the Company	Non-controlling interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2019 (Audited)	136,861	420,810	3,930	76,520	53,022	-	(1,228)	(621,836)	68,079	9,856	77,935
Loss for the period	-	-	-	-	-	-	-	(4,968)	(4,968)	(404)	(5,372)
Other comprehensive (loss)/income for the period											
— Exchange differences arising on translation	-	-	-	-	-	-	(857)	-	(857)	38	(819)
Total comprehensive loss for the period	-	-	-	-	-	-	(857)	(4,968)	(5,825)	(366)	(6,191)
Capital reduction*	(128,307)	-	128,307	-	-	-	-	-	-	-	-
At 30 June 2019 (Unaudited)	8,554	420,810	132,237	76,520	53,022	-	(2,085)	(626,804)	62,254	9,490	71,744
At 1 April 2020 (Audited)	8,554	420,810	132,237	25,548	10,266	1,720	(1,646)	(561,958)	35,531	(3,937)	31,594
Loss for the period	-	-	-	-	-	-	-	(6,401)	(6,401)	(538)	(6,939)
Other comprehensive (loss)/income for the period											
— Exchange differences arising on translation	-	-	-	-	-	-	(69)	-	(69)	27	(42)
Total comprehensive loss for the period	-	-	-	-	-	-	(69)	(6,401)	(6,470)	(511)	(6,981)
Redemption of convertible bonds	-	-	-	(25,507)	-	-	-	25,507	-	-	-
Lapse of share options	-	-	-	-	(233)	-	-	233	-	-	-
Acquisition of non-controlling interests	-	-	-	-	-	-	-	(6,259)	(6,259)	5,532	(727)
Equity settled share award arrangement	-	-	-	-	-	840	-	-	840	-	840
At 30 June 2020 (Unaudited)	8,554	420,810	132,237	41	10,033	2,560	(1,715)	(548,878)	23,642	1,084	24,726

11. EVENTS AFTER THE REPORTING PERIOD

- (a) The outbreak of the COVID-19 in PRC and the subsequent quarantine measures imposed by the Chinese government in early 2020 have had a severe negative impact on the operations of the Group since January 2020, as all of the Group's cinemas are located in PRC. The Group had closed its cinemas since January 2020 due to mandatory government quarantine measures in an effort to contain the spread of the epidemic. In addition, as substantially all of the Group's subsidiaries and operations are located in PRC, the outbreak of the COVID-19 is expected to have a negative impact on these entities. This may in turn negatively affect the recoverability of Group's assets recorded in these subsidiaries, which are subject to impairment assessments as appropriate, even though certain cinemas of the Group have been re-opened in August 2020.

As the situation remains fluid as at the date these financial statements are authorised for issue, the directors of the Company considered that the financial effects of the COVID-19 on the Group's consolidated financial statements cannot be reasonably estimated. Nevertheless, the COVID-19 outbreak is expected to materially affect the consolidated results of the Group for the remaining period of year ending 31 March 2021, e.g. impairment of goodwill, property, plant and equipment, and right-of-use assets.

- (b) Subsequent to the period-end date on 14 July 2020, 25.5 million share options were granted to certain advisors of the Company. For further details, please refer to the Company's announcement dated 14 July 2020.

MANAGEMENT DISCUSSION AND ANALYSIS

GENERAL

During the three months ended 30 June 2020 (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 since a few years ago. Approximately revenue of HK\$7.2 million and gross profit of HK\$4.2 million were generated during the three months ended 30 June 2019. 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. No turnover is generated during the Period. In July 2020, cinemas in certain low-risk areas of the PRC are allowed to re-commence their businesses. The Group’s cinemas in Shanghai and Hangzhou have re-opened in August this year, and we are in negotiation with the business plan with the owner of the shopping mall, where our Linan cinema is located, but the re-opening date of this cinema is yet to be confirmed as of the date of this announcement.

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.

In February 2018, Bingo Movie Development Limited (“Bingo Movie”), a wholly owned subsidiary of the Company and Lechuang Holdings (HK) Limited (“Lechuang”), an independent third party, entered into an agreement (the “JV Agreement”) in relation to the formation of the joint venture company (“JV Company”). The issued share capital of the JV Company will be owned as to 49% by Bingo Movie and as to 51% by Lechuang. The JV Company will be principally engaged in investment and development of VR (Virtual Reality) and MR (Mixed Reality) projects. Pursuant to the JV Agreement, Bingo Movie will enter into of a loan agreement with the JV Company, pursuant to which Bingo Movie will advance the loan of not less than HK\$25 million and not more than HK\$35 million to the JV Company for investment and development of relevant VR and MR projects. In September 2018, the loan agreement has been signed and RMB29 million (equivalent to HK\$33.8 million) was lent to the JV Company. Another loan of RMB16 million (equivalent to HK\$17.5 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 on 30 September 2019. No appropriate VR or MR projects were located as at the date of this announcement. For further details, please refer to the Company’s announcement dated 30 September 2019 and 7 November 2019.

FINANCIAL REVIEW

During the three months ended 30 June 2019, the Group recorded a total turnover of approximately HK\$7.2 million, which principally represented revenue from Cinema Business. No turnover was generated during the Period, due to suspension of the Group's cinema businesses, which is resulted from the outbreak of COVID-19. Loss for the Period of approximately HK\$6.9 million was recorded. As compared with the loss of HK\$5.4 million for the Corresponding Period, there was increase in loss of approximately HK\$1.5 million. The increase in loss for the Period was mainly attributable to the suspension of cinema businesses mentioned above.

OUTLOOK

As of the date of this announcement, the coronavirus outbreak has killed more than half million people and infected nearly 20 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. 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.

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 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. 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 of RMB16.0 million (equivalent to approximately HK\$17.5 million) in September 2019.

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 2020, 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. Chiau Sing Chi	Beneficial owner	27,573,529	3.22%
	Held by trust (<i>Note 1</i>)	402,121,240	47.01%
Ms. Chow Man Ki Kelly	Held by trust (<i>Note 1</i>)	402,121,240	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 2020 was 855,384,669.

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 (Note 1)	Number of options held as at 1 April 2020 (Note 2) '000	Number of options granted '000	Number of option exercised '000	Number of options cancelled/ lapsed (Note 2) '000	Number of options held as at 30 June 2020 (Note 2) '000
Mr. Chiau Sing Chi	2015A	2,000	–	–	–	2,000
	2017A	8,500	–	–	–	8,500
Ms. Chow Man Ki Kelly	2015A	750	–	–	–	750
	2016A	7,500	–	–	–	7,500
	2018A	7,500	–	–	–	7,500
Mr. Lau Man Kit	2015A	750	–	–	–	750
	2016A	750	–	–	–	750
Mrs. Chin Chow	2015A	750	–	–	–	750
Chung Hang Roberta	2016A	750	–	–	–	750
Ms. Choi Mei Ping	2015A	750	–	–	–	750
	2016A	750	–	–	–	750
Mr. Tsoi Chiu Yuk (Note 3)	2016A	750	–	–	(750)	–
		<u>31,500</u>	<u>–</u>	<u>–</u>	<u>(750)</u>	<u>30,750</u>

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

Note 2: The number of share options mentioned are adjusted to reflect the share consolidation effective on 2 May 2019.

Note 3: Resigned on 6 May 2020

In addition to 10,500,000 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, 36,764,704 number of Shares which would be allotted and issued upon the exercise in full of the convertible bonds held by Mr. Chiau Sing Chi (“Mr. Chiau”).

On 16 August 2019, based on the recommendation of the remuneration committee of the Board, the Board (including all independent non-executive Directors) has resolved to grant 8,550,000 awarded Shares (the ‘‘Awarded Shares’’) to Mr. Chiau, under the share award scheme of the Company as recognition of Mr. Chiau’s contribution to the Group and incentive for Mr. Chiau for his continuing future contribution to the Group. The Awarded Shares are to be purchased by the trustee of the Company’s share award scheme on the Stock Exchange and to be held on trust for Mr. Chiau pursuant to the terms of the share award scheme of the Company. The Awarded Shares shall be vested to Mr. Chiau on the first anniversary of the date of grant, i.e. 16 August 2020, and subsequently delayed to 16 August 2021, which is mutually agreed between the Company and Mr. Chiau.

Save as disclosed above, as at 30 June 2020, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which were taken or deemed to have under such provisions of the SFO); (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were, pursuant to rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS’ AND OTHER PERSONS’ INTERESTS IN SHARES AND UNDERLYING SHARES

So far as known to the Directors, as at 30 June 2020, 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
Sinostar FE (PTC) Limited (<i>Note 1</i>)	402,121,240	47.01%
Treasure Offshore Holdings Limited (<i>Note 1</i>)	402,121,240	47.01%
Beglobal Investments Limited (<i>Note 2</i>)	402,121,240	47.01%
Golden Treasure Global Investment Limited (<i>Note 2</i>)	72,500,000	8.48%

Notes:

1. Mr. Chiau Sing Chi, Ms. Chow Man Ki, Kelly and their family are the beneficiaries of a discretionary trust of which Sinostar FE (PTC) Limited (“Sinostar”) is the trustee. Sinostar as the trustee of the discretionary trust is the sole shareholder of Treasure Offshore Holdings Limited, which is the sole shareholder of Beglobal Investments Limited.
2. Beglobal Investments Limited directly holds 329,621,240 shares of the Company (representing approximately 38.53% of the issued share capital of the Company) and indirectly holds 72,500,000 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 2020.

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 (Note 1)	Number of options held as at 1 April 2020 (Note 2) '000	Number of options granted '000	Number of options exercised '000	Number of options cancelled/ lapsed (Note 2) '000	Number of options held as at 30 June 2020 (Note 2) '000
Directors	2015A	5,000	-	-	-	5,000
	2016A	10,500	-	-	(750)	9,750
	2017A	8,500	-	-	-	8,500
	2018A	7,500	-	-	-	7,500
Employees	2018A	15,000	-	-	-	15,000
Advisors	2015A	1,000	-	-	-	1,000
	2016A	1,500	-	-	-	1,500
	2018A	22,500	-	-	-	22,500
		<u>71,500</u>	<u>-</u>	<u>-</u>	<u>(750)</u>	<u>70,750</u>

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

Note 2: The number of share options mentioned are adjusted to reflect the share consolidation effective on 2 May 2019.

THE SHARE AWARD SCHEME

On 14 August 2019 (the “Adoption Date”), the Board adopted the Share Award Scheme which has taken effect immediately. The following is a summary of the principal terms and conditions of the Share Award Scheme:

Purposes and objectives

The purposes of the Share Award Scheme are to recognise and reward the contribution of Eligible Persons, which are defined below, to the growth and development of the Group, to give incentives to Eligible Persons in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group.

Duration

Subject to any early termination as may be determined by the Board, the Share Award Scheme shall be valid and effective for a term of ten (10) years commencing on the Adoption Date.

Eligible Persons

Pursuant to the terms of the Share Award Scheme, the following classes of participants (each an “Eligible Person”) are eligible for participation in the Share Award Scheme:

- (a) any employee (an “Employee”) (whether full time or part time, including any executive director but excluding any non-executive director) of any member of the Group or any entity (the “Invested Entity”) in which the Group holds any equity interest;
- (b) any non-executive directors (including independent non-executive directors) of the Company, any of its subsidiaries or any Invested Entity;
- (c) any adviser (professional or otherwise), consultant to or expert in any area of business or business development of any member of the Group or any Invested Entity; and
- (d) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group,

and, for the purposes of the Share Award Scheme, the awarded shares may be made to any company wholly owned by one or more of the above participant(s). The eligibility of any of the Eligible Persons to an awarded shares shall be determined by the Board from time to time on the basis of the Board’s opinion as to his contribution and/or future contribution to the development and growth of the Group.

The grant of the awarded shares to the Eligible Person(s) is through (i) the purchase of awarded shares by the Company’s administration committee or the trustee of the Share Award Scheme; and/or (ii) issue of new awarded shares under the general mandate approved at the Company’s general meetings.

The Company has not granted any awarded shares for the three months ended 30 June 2020 and 2019.

For further details of the Share Award Scheme, please refer to the Company’s announcement dated 14 August 2019.

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 2020.

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 2020, 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. Tsui Wing Tak. The Group’s unaudited results for the three months ended 30 June 2020 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 2020.

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

Hong Kong, 14 August 2020

As at the date of this announcement, the Board comprises Mr. Chiau Sing Chi, Ms. Chow Man Ki Kelly and Mr. Lau Man Kit as executive Directors; Mrs. Chin Chow Chung Hang Roberta and Mr. Yip Yiu Bong as non-executive Directors; and Ms. Choi Mei Ping, Mr. Ong King Keung and Mr. Tsui Wing Tak as independent non-executive Directors.

This announcement will remain on the ‘Latest Company Announcements’ page of the GEM website (www.hkgem.com) for at least 7 days from its date of publication and on the website of the Company (www.bingogroup.com.hk).