



BINGO GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8220)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

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

GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

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 and six months ended 30 September 2021, together with the unaudited comparative figures for the corresponding period in 2020 were as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	Three months ended 30 September		Six months ended 30 September	
		2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Revenue	2	1,540	1,264	3,370	1,264
Cost of sales and services		(657)	(584)	(1,452)	(584)
Gross profit		883	680	1,918	680
Other revenue and other net income	3	673	563	809	1,082
Selling and marketing expenses		(26)	(53)	(63)	(53)
Administrative expenses		(4,052)	(7,911)	(8,358)	(13,653)
Share-based payments	5	(1,192)	(1,619)	(1,215)	(2,459)
Share of result of an associate		(132)	62	(12)	62
Finance costs	6	(629)	(621)	(1,232)	(1,482)
Loss before taxation	7	(4,475)	(8,899)	(8,153)	(15,823)
Taxation	8	–	–	–	(15)
Loss for the period		<u>(4,475)</u>	<u>(8,899)</u>	<u>(8,153)</u>	<u>(15,838)</u>
Loss attributable to:					
Owners of the Company		(3,950)	(7,731)	(7,428)	(14,132)
Non-controlling interests		(525)	(1,168)	(725)	(1,706)
		<u>(4,475)</u>	<u>(8,899)</u>	<u>(8,153)</u>	<u>(15,838)</u>
Dividend	9	–	–	–	–
Loss per share (cents per share)	10				
Basic and diluted		<u>(0.46)</u>	<u>(0.90)</u>	<u>(0.87)</u>	<u>(1.65)</u>

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Three months ended		Six months ended	
	30 September		30 September	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Loss for the period	(4,475)	(8,899)	(8,153)	(15,838)
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>32</u>	(116)	<u>(92)</u>	(158)
Other comprehensive income/(loss) for the period, net of tax	<u>32</u>	(116)	<u>(92)</u>	(158)
Total comprehensive loss for the period	<u>(4,443)</u>	<u>(9,015)</u>	<u>(8,245)</u>	<u>(15,996)</u>
Total comprehensive loss attributable to:				
Owners of the Company	(3,937)	(7,834)	(7,518)	(14,304)
Non-controlling interests	<u>(506)</u>	(1,181)	<u>(727)</u>	(1,692)
	<u>(4,443)</u>	<u>(9,015)</u>	<u>(8,245)</u>	<u>(15,996)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30 September 2021	As at 31 March 2021
	<i>Notes</i>	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		157	572
Right-of-use assets		2,035	921
Interests in an associate	12	505	376
Loan to an associate	12	13,204	18,931
Rental deposits		360	355
		16,261	21,155
CURRENT ASSETS			
Inventories		–	945
Loan to an associate	12	6,002	–
Trade receivables	13	158	206
Other receivables, deposits and prepayments		5,469	6,339
Cash and cash equivalents		8,634	15,303
		20,263	22,793
CURRENT LIABILITIES			
Trade payables	14	203	203
Deposits received, other payables and accruals		2,759	3,877
Loan from a director	5(b)	5,000	–
Lease liabilities		2,850	3,070
Contract liabilities		8,155	7,994
		18,967	15,144
NET CURRENT ASSETS		1,296	7,649
TOTAL ASSETS LESS CURRENT LIABILITIES		17,557	28,804

		As at	As at
		30 September	31 March
		2021	2021
	<i>Notes</i>	HK\$'000	HK\$'000
		(Unaudited)	(Audited)
NON-CURRENT LIABILITIES			
Convertible bonds		9,802	13,752
Lease liabilities		5,613	6,231
		<u>15,415</u>	<u>19,983</u>
NET ASSETS		<u>2,142</u>	<u>8,821</u>
CAPITAL AND RESERVES			
Share capital	<i>15</i>	8,554	8,554
Reserves		(5,458)	845
		<u>3,096</u>	<u>9,399</u>
Non-controlling interests		<u>(954)</u>	<u>(578)</u>
TOTAL EQUITY		<u>2,142</u>	<u>8,821</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS

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 six months ended 30 September 2021 are consistent with those used in the Group’s annual financial statements for the year ended 31 March 2021.

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

2. REVENUE

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

	Three months ended 30 September		Six months ended 30 September	
	2021 HK\$’000 (Unaudited)	2020 HK\$’000 (Unaudited)	2021 HK\$’000 (Unaudited)	2020 HK\$’000 (Unaudited)
Revenue from cinema business	<u>1,540</u>	<u>1,264</u>	<u>3,370</u>	<u>1,264</u>

3. OTHER REVENUE AND OTHER NET INCOME

	Three months ended 30 September		Six months ended 30 September	
	2021 HK\$’000 (Unaudited)	2020 HK\$’000 (Unaudited)	2021 HK\$’000 (Unaudited)	2020 HK\$’000 (Unaudited)
Interest income	132	7	148	113
Government grants (<i>Note 1</i>)	–	245	–	596
Rent concession	12	308	48	344
Gain on disposal of a subsidiary	311	–	311	–
Others	218	3	302	29
	<u>673</u>	<u>563</u>	<u>809</u>	<u>1,082</u>

Note 1: The government grants represent the subsidies received by the Group (i) from the government of the PRC for the operation of cinemas in the PRC; and (ii) from the government of the HKSAR for the 1st tranche of Employment Support Scheme in Hong Kong. There are no unfulfilled conditions or contingencies relating to these grants.

4. SEGMENT INFORMATION

	Cinema Investment and Management <i>HK\$'000</i>	Filmed Entertainment, New Media Exploitations and Licensing Businesses <i>HK\$'000</i>	Total <i>HK\$'000</i>
For the six months ended 30 September 2021			
(Unaudited)			
Segment Revenue	3,370	–	3,370
Segment Results			
Reportable segment result	(1,679)	294	(1,385)
Unallocated corporate expenses, net			(4,309)
Share of result of an associate			(12)
Share-based payments			(1,215)
Finance costs			(1,232)
Loss before taxation			<u>(8,153)</u>
As at 30 September 2021 (Unaudited)			
Segment Assets			
Reportable segment assets	2,900	354	3,254
Interests in an associate			505
Loan to an associate			19,206
Unallocated corporate assets			<u>13,559</u>
Consolidated total assets			<u>36,524</u>
Segment Liabilities			
Reportable segment liabilities	16,967	–	16,967
Loan from a director			5,000
Convertible bonds			9,802
Unallocated corporate liabilities			<u>2,613</u>
Consolidated total liabilities			<u>34,382</u>

	Cinema Investment and Management <i>HK\$'000</i>	Filmed Entertainment, New Media Exploitations and Licensing Businesses <i>HK\$'000</i>	Total <i>HK\$'000</i>
For the six months ended 30 September 2020			
(Unaudited)			
Segment Revenue	<u>1,264</u>	<u>–</u>	<u>1,264</u>
Segment Results			
Reportable segment result	(7,120)	990	(6,130)
Unallocated corporate expenses, net			(5,752)
Share-based payments			(2,459)
Finance costs			<u>(1,482)</u>
Loss before taxation			<u><u>(15,823)</u></u>
As at 31 March 2021 (Unaudited)			
Segment Assets			
Reportable segment assets	5,598	3,110	8,708
Interests in an associate			376
Loan to an associate			18,931
Unallocated corporate assets			<u>15,933</u>
Consolidated total assets			<u>43,948</u>
Segment Liabilities			
Reportable segment liabilities	17,898	–	17,898
Convertible bonds			13,752
Unallocated corporate liabilities			<u>3,477</u>
Consolidated total liabilities			<u><u>35,127</u></u>

Other segment information:

	Cinema Investment and Management <i>HK\$'000</i>	Filmed Entertainment, New Media Exploitations and Licensing Businesses <i>HK\$'000</i>	Corporate level <i>HK\$'000</i>	Total <i>HK\$'000</i>
For the six months ended				
30 September 2021 (Unaudited)				
Additions to property, plant and equipment	10	–	–	10
Interest income	3	139	6	148
Depreciation of property, plant and equipment	434	–	–	434
Depreciation of right-of-use assets	<u>298</u>	<u>–</u>	<u>157</u>	<u>455</u>
For the six months ended				
30 September 2020 (Unaudited)				
Additions to property, plant and equipment	–	–	–	–
Interest income	13	91	9	113
Depreciation of property, plant and equipment	1,087	–	–	1,087
Depreciation of right-of-use assets	1,402	–	–	1,402
Impairment of deposits paid and other receivables (<i>note 11</i>)	369	–	–	369
Impairment of right-of-use assets (<i>note 11</i>)	7,144	–	–	7,144
Loss on disposal of property, plant and equipment (<i>note 11</i>)	2,981	–	–	2,981
Write-back of lease liabilities (<i>note 11</i>)	<u>(7,038)</u>	<u>–</u>	<u>–</u>	<u>(7,038)</u>

5. SHARE-BASED PAYMENTS

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

Convertible bonds

Tranche number	notes a,b	Tranche 2	Tranche 3	Tranche 4	Tranche 5
Principal amount		HK\$5,000,000	HK\$5,000,000	HK\$5,000,000	HK\$5,000,000
Share price	c	HK\$0.035	HK\$0.035	HK\$0.035	HK\$0.035
Interest		zero coupon	zero coupon	zero coupon	zero coupon
Conversion price		Not applicable	HK\$0.544	HK\$0.544	HK\$0.544
Original maturity date		1 June 2021	1 June 2022	1 June 2023	1 June 2024
Revised maturity date		1 June 2022	1 June 2023	1 June 2024	1 June 2025

- (a) Among the tranche 1 of the convertible bonds of HK\$25,000,000, Mr. CHIAU Sing Chi, the bondholder, has exercised the conversion rights to convert the convertible bonds of HK\$15,000,000 in 2015, and redeemed the remaining convertible bonds of HK\$10,000,000 in June 2020.
- (b) On 31 March 2020, Mr. CHIAU Sing Chi, the bondholder, of the convertible bonds undertook the Company to extend the maturity dates of the outstanding convertible bonds by one year. The conversion rights attached to the convertible bonds, however, would still be expired on the original maturity dates. Accordingly, as at 30 September 2021, Tranche 2 of the convertible bonds has been considered straight bonds repayable on 1 June 2022.
- (c) Share price as at 31 March 2020, which is the date of undertaking by the bondholder given to the Company to extend the maturity dates of the convertible bonds by one year.

Share Option Scheme

Details of specific categories of options are as follows:

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

Option type:	2016A	2017A	2018A	2020A	2021A
Grant date:	7-7-2016	3-3-2017	17-9-2018	14-7-2020	6-7-2021
Number of options granted:	342,000,000	159,000,000	180,000,000	25,500,000	25,620,000
Exercise period:	7-7-2016– 6-7-2021	3-3-2017– 2-3-2022	17-9-2018– 16-9-2023	14-7-2020– 13-7-2025	6-7-2021– 5-7-2026
Exercise price:	HK\$0.180	HK\$0.135	HK\$0.042	HK\$0.074	HK\$0.084
Adjusted exercise price: (note d)	HK\$0.720	HK\$0.540	HK\$0.168	N/A	N/A
Fair value:	HK\$26,600,000	HK\$8,640,000	HK\$2,181,000	HK\$893,000	HK\$1,167,000

- (d) The exercise price was adjusted due to the share consolidation on 2 May 2019.

Share Award

On 14 August 2019, the Company adopted a share award scheme (the “Share Award Scheme”) and granted share awards up to 30 September 2021, as follows:

Date of grant	Category	Number of awarded shares granted	Number of awarded shares lapsed	Number of awarded shares outstanding as at 30 September 2021	Original vesting period	Notes
16 August 2019	Director: Chiau Sing Chi	8,550,000	—	8,550,000	One year from the date of grant	e
14 October 2019	Director: CHOW Man Ki Kelly	4,240,000	—	4,240,000	One year from the date of grant	e
	Employees (in aggregate)	12,780,000	(8,540,000)	4,240,000	50% of the awarded shares were vested on the first anniversary of the date of the grant and another 50% were vested on the second anniversary of the date of the grant	f
	Advisors (in aggregate)	17,080,000	(17,080,000)	—	50% of the awarded shares were vested on the first anniversary of the date of the grant and another 50% were vested on the second anniversary of the date of the grant	

- (e) As additional time is required for the trustee to acquire the awarded shares on market, subject to the terms and conditions of the Share Award Scheme, the Company and the grantees mutually agreed that the awarded shares, which were originally vested on the first anniversary of the date of grant, would be changed to be vested to the grantees on 16 August 2024 or the date when the trustee has completed the acquisition of all the awarded shares on market, whichever is earlier.
- (f) Among 12,780,000 awarded shares granted to employees on 14 October 2019, 4,240,000 awarded shares were granted to Ms. CHOW Nga Chee Alice, who were subsequently appointed as an executive Director on 31 March 2021. Except for these 4,240,000 awarded shares granted to Ms. CHOW Nga Chee Alice, the remaining 8,540,000 awarded shares have been lapsed before 30 September 2021.

As additional time is required for the trustee to acquire the awarded shares on market, subject to the terms and conditions of the Share Award Scheme, the Company and Ms. CHOW Nga Chee Alice mutually agreed that the awarded shares, which were originally vested evenly on the first and second anniversary of the date of grant, changed to be vested to her all together on 16 August 2024 or the date when the trustee has completed the acquisition of all the awarded shares on market, whichever is earlier.

The share-based payments related to the above share awards recognized in the six months ended 30 September 2021 are as HK\$48,000, which is related to awarded shares granted to Ms. CHOW Nga Chee Alice.

6. FINANCE COSTS

	Three months ended 30 September		Six months ended 30 September	
	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Unaudited)
Imputed interest on convertible bonds	538	464	1,050	1,164
Interest expenses on lease liabilities	91	157	182	318
	<u>629</u>	<u>621</u>	<u>1,232</u>	<u>1,482</u>

7. LOSS BEFORE TAXATION

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

	Three months ended 30 September		Six months ended 30 September	
	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Unaudited)
Direct expenses of cinema business	657	584	1,452	584
Depreciation of property, plant and equipment	11	444	434	1,087
Depreciation of right-of-use assets	305	641	455	1,402
Exchange loss/(gain)	35	(957)	(222)	(848)
Short-term lease expenses	–	38	–	38
Impairment of deposits paid and other receivables (<i>note 11</i>)	3	369	3	369
Impairment of right-of-use assets (<i>note 11</i>)	–	7,144	–	7,144
Loss on disposal of property, plant and equipment (<i>note 11</i>)	–	2,981	–	2,981
Write-back of lease liabilities (<i>note 11</i>)	–	(7,038)	–	(7,038)
Staff costs (including directors' remuneration)				
Salaries and allowances	1,939	2,141	3,722	4,032
Equity settled share-based payments	802	436	825	988
Retirement scheme contributions	157	171	314	330
Equity settled share-based payments paid to advisors	390	1,183	390	1,471
	<u>390</u>	<u>1,183</u>	<u>390</u>	<u>1,471</u>

8. TAXATION

Three months ended 30 September		Six months ended 30 September	
2021	2020	2021	2020
<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)

The taxation charge comprises:

Current tax

The PRC

-	-	-	15
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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 six months ended 30 September 2021 and 2020.

No provision for Enterprise Income Tax was made by the PRC subsidiaries of the Group, as these subsidiaries did not derive any taxable profits during the six months ended 30 September 2021.

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% for the six months ended 30 September 2020.

9. DIVIDEND

The Directors do not recommend the payment of any dividend for the six months ended 30 September 2021 (six months ended 30 September 2020: Nil).

10. LOSS PER SHARE

Basic and diluted loss per share

	Three months ended 30 September		Six months ended 30 September	
	2021	2020	2021	2020
	<i>HK Cent</i>	<i>HK Cent</i>	<i>HK Cent</i>	<i>HK Cent</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Basic and diluted loss per share	<u>0.46</u>	<u>0.90</u>	<u>0.87</u>	<u>1.65</u>

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

	Three months ended		Six months ended	
	30 September		30 September	
	2021	2020	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Loss for the period attributable to owners of the Company	<u>3,950</u>	<u>7,731</u>	<u>7,428</u>	<u>14,132</u>
	2021	2020	2021	2020
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>855,384,669</u>	<u>855,384,669</u>	<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 six months ended 30 September 2021 and 2020 because they are antidilutive in calculating the diluted loss per share.

11. TERMINATION OF THE OPERATION OF A CINEMA

In September 2020, the Group has terminated the operation of a cinema of Hangzhou Linan Bingo Cinema Company Limited due to the poor business environment. Loss on the aforesaid termination of approximately HK\$3,456,000, which were the net amount of impairment loss of deposits paid and other receivables of approximately HK\$369,000, impairment loss of right-of-use assets of approximately HK\$7,144,000, loss on disposal of property, plant and equipment of approximately HK\$2,981,000 and the write-back of lease liabilities of approximately HK\$7,038,000, was recorded during the six months ended 30 September 2020.

12. INTERESTS IN AN ASSOCIATE

	As at 30 September 2021 <i>HK\$'000</i> (Unaudited)	As at 31 March 2021 <i>HK\$'000</i> (Audited)
Unlisted shares		
Share of net assets/(liabilities)	(9)	3
Amount due from an associate (<i>note b</i>)	514	373
	<u>505</u>	<u>376</u>
Loan to an associate (<i>note c</i>)	19,206	18,931
Classified under:		
Non-current assets	13,204	18,931
Current assets	6,002	–

The following list contains the particulars of the Group's associate:

Name of associate	Form of business structure	Place of incorporation and operation	Particulars of issued and paid up capital	Proportion of ownership interest			Principal activity
				Group's effective interest	Held by the Company	Held by subsidiaries	
Goal Creation Game Limited	Incorporated	Hong Kong	100 shares of HK\$1 each	49%	–	49%	Investing in Virtual Reality and Mixed Reality Project

(a) Fair value of Investments

At the end of the reporting period, the Group's associate is a private company and there was no quote market price available for the investment.

(b) Amount due from an associate

The amount due from an associate is unsecured, interest-free and repayable on demand. The balance is denominated in HK\$ and approximate to their fair value.

(c) Loan to an associate

On 30 September 2019, the Group entered into a loan agreement ("2019 Loan Agreement") with the associate. Pursuant to the 2019 Loan Agreement, the Group advanced a loan of RMB16,000,000 (equivalent to HK\$19,206,400 (2020: HK\$18,931,000)) to the associate for three years. The associate placed the loan into a bank as bank deposit and time deposit for interest income.

The loan is unsecured, bearing interest which is at the same interest rate as for bank deposit and time deposit placed in the bank mentioned above, In September 2021, the Group has confirmed with Goal Creation Game Limited (“Goal Creation”) that Goal Creation allowed the Group to withdraw the loan partially up to RMB5,000,000 (equivalent to approximately HK\$6,002,000) on demand and the remaining RMB11,000,000 (equivalent to approximately HK\$13,204,000) remained to be repayable in September 2022.

It is expected that the bank deposit and time deposit will be kept rolling in a financial institution which is with high-credit-quality, the management of the Group considers that the credit risk and the corresponding expected credit loss of the loan were immaterial.

Summarized financial information in respect of the material associate is set out below. The summarized financial information below represents amount shown in the associates’ financial statements prepared in accordance with HKFRSs:

	As at 30 September 2021 HK\$’000 (Unaudited)	As at 31 March 2021 HK\$’000 (Audited)
Current assets	19,701	19,310
Current liabilities	(19,720)	(19,305)
Net assets/(liabilities)	(19)	5
Group’s effective interest	49%	49%
Share of net assets/(liabilities)	(9)	3
	=====	=====
	Six months ended 30 September 2021 HK\$’000 (Unaudited)	2020 HK\$’000 (Unaudited)
Revenue	–	–
Profit/(loss) for the period	(24)	127
Dividend received from the associate during the period	–	–
Cash flows from/(used in) operating activities	(23)	214
Cash flows from investing activities	139	87
Cash flows used in financing activities	–	(696)
	=====	=====

13. TRADE RECEIVABLES

The aging of the Group's trade receivables is analysed as follows:

	As at 30 September 2021 <i>HK\$'000</i> (Unaudited)	As at 31 March 2021 <i>HK\$'000</i> (Audited)
Within 30 days	94	115
31–60 days	–	27
61–90 days	6	3
Over 90 days	<u>58</u>	<u>61</u>
	158	206
Less: Allowance for expected credit losses	<u>–</u>	<u>–</u>
	<u>158</u>	<u>206</u>

For the 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.

14. TRADE PAYABLES

The aging of the Group's trade payables is analysed as follows:

	As at 30 September 2021 <i>HK\$'000</i> (Unaudited)	As at 31 March 2021 <i>HK\$'000</i> (Audited)
Within 30 days	168	187
31–60 days	5	–
61–90 days	–	4
Over 90 days	<u>30</u>	<u>12</u>
	203	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.

15. SHARE CAPITAL

	As at 30 September 2021 (Unaudited)		As at 31 March 2021 (Audited)	
	Number of shares '000	Amount HK\$'000	Number of shares '000	Amount HK\$'000
Authorised:				
At the beginning and at the end of the period/year, ordinary shares of HK\$0.01 each	<u>20,000,000</u>	<u>200,000</u>	<u>20,000,000</u>	<u>200,000</u>
Issued and fully paid:				
At the beginning and at the end of the period/year, ordinary shares of HK\$0.01 each	<u>855,385</u>	<u>8,554</u>	<u>855,385</u>	<u>8,554</u>

16. RELATED PARTY AND CONNECTED TRANSACTIONS

In addition to the balances disclosed elsewhere in these consolidated financial statements, the Group entered into the following material related party and connected transactions.

(a) Key management personnel remuneration

Remuneration for key management personnel, including amounts paid to the Company's directors was as follows:

	Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Directors' fee, salaries, allowances and other benefits	420	387
Share-based payments	<u>825</u>	<u>556</u>
	<u>1,245</u>	<u>943</u>

(b) Connected transactions

Name of connected parties	Nature of transactions	Six months ended 30 September	
		2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Goal Creation Game Limited	Interest Income from loan to an associate (<i>Note 12</i>)	138	87

17. EVENT AFTER THE REPORTING PERIOD

On 18 October 2021, 171,060,000 shares were allotted and issued to the placees at placing price of HK\$0.034 per placing share, pursuant to the placing agreement entered into between the Company and Enlighten Securities Limited, the placing agent, on 27 September 2021. Net proceeds of the placing of approximately HK\$5.5 million were raised. For further details, please refer to the Company's announcements dated 27 September 2021 and 18 October 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

GENERAL

During the six months ended 30 September 2021 (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\$3.4 million and gross profit of HK\$1.9 million were generated during the Period. The Group’s revenue and gross profit from the Cinema Business for the Period increased as compared to revenue of HK\$1.3 million and gross profit of HK\$0.7 million generated in the six month ended 30 September 2020 (the “Corresponding Period”). 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 PRC were allowed to recommence their businesses. The Group’s cinemas in Shanghai and Hangzhou were just reopened in August 2020. Therefore, the turnover for the Period increased as compared to that for the Corresponding Period.

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

On 9 February 2018, Bingo Movie Development Limited (“Bingo Movie”), a wholly owned subsidiary of the Company and Lechuang Holdings (HK) Limited (“Lechuang”), an independent third party, entered into an agreement (the “JV Agreement”) in relation to the formation of the joint venture company (“JV Company”). The issued share capital of the JV Company will be owned as to 49% by Bingo Movie and as to 51% by Lechuang. The JV Company will be principally engaged in investment and development of VR (Virtual Reality) and MR (Mixed Reality) projects. Pursuant to the JV Agreement, Bingo Movie will enter into of a loan agreement with the JV Company, pursuant to which Bingo Movie will advance the loan of not less than HK\$25 million and not more than HK\$35 million to the JV Company for investment and development of relevant VR and MR projects. In September 2018, the loan agreement has been signed and RMB29 million (equivalent to HK\$33.4 million) was lent to

the JV Company. Another loan of RMB16 million (equivalent to HK\$18.2 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 Period. No appropriate VR or MR projects were located as at the date of this interim 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 RMB5,000,000 (equivalent to approximately HK\$6,002,000) on demand and the remaining RMB11,000,000 (equivalent to approximately HK\$13,204,000) remained to be repayable in September 2022. For further details, please refer to the Company's announcement dated 30 September 2019 and 7 November 2019.

FINANCIAL REVIEW

During the Period, the Group recorded a total turnover of approximately HK\$3.4 million, representing an increase of approximately HK\$2.1 million compared with that of approximately HK\$1.3 million in 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\$8.2 million was recorded. As compared with the loss of HK\$15.8 million for the Corresponding Period, the loss decreased by approximately HK\$7.6 million. The decrease in loss for the Period was mainly attributable to the tightened cost control measures implemented during the Period to react the severe business environment. Administrative expenses decreased from approximately HK\$13.7 million for the Corresponding Period to approximately HK\$8.4 million for the Period.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 September 2021, the Group had total assets of approximately HK\$36.5 million (31 March 2021: HK\$43.9 million), including cash and cash equivalents of approximately HK\$8.6 million (31 March 2021: HK\$15.3 million). There was no pledged bank deposit as at 30 September 2021 and 31 March 2021. During the Period, the Group financed its operations with its own working capital. As at 30 September 2021 and 31 March 2021, the Group did not have any bank overdraft. As at 30 September 2021, the debt ratio (defined as the ratio between total liabilities over total assets) was approximately 0.94 (31 March 2021: approximately 0.80). In view of the strong cash position and other current assets of the Group which are adequate to cover all current liabilities of the Group as at 30 September 2021, the Board believes that the Group has sufficient resources to satisfy its working capital requirements.

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\$311,000 was recognised during the Period.

Save as disclosed above, the Group had no material acquisition or disposal of subsidiaries and affiliated companies during the Period.

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, 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 Period. As at 30 September 2021, the Group had no outstanding foreign currency hedge contracts (31 March 2021: Nil).

EMPLOYEES

As at 30 September 2021, the Group had 58 (31 March 2021: 65) staff in the PRC and Hong Kong. Total staff costs including directors' remuneration were approximately HK\$4.9 million during the Period (Corresponding Period: approximately HK\$5.4 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.

CONTINGENT LIABILITIES

As at 30 September 2021, the Group did not have any significant contingent liabilities (31 March 2021: Nil).

OUTLOOK

As of the date of this announcement, the coronavirus outbreak has killed over 5 million people and infected more than 250 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 has appeared in China in the first half of Year 2021. 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 will likely be affected again, if there is wide spread of COVID-19 Delta Variant or other variants.

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\$19.2 million as at 30 September 2021) 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

PURCHASE, SALE OR REDEMPTION OF SHARES

For the six months ended 30 September 2021, 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 "Audit 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 Audit 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 Audit Committee will also be responsible for reviewing and supervising the Company's financial reporting, risk management and internal control systems. The Audit 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 six months ended 30 September 2021 have been reviewed by the Audit 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 six months ended 30 September 2021.

CORPORATE GOVERNANCE

The Board considers that the Company has complied with the code provisions of Corporate Governance Code and Corporate Governance Report (the "CG Code") set out in Appendix 15 to the GEM Listing Rules throughout the six months ended 30 September 2021, except for the following deviations:

Chairman and Chief Executive Officer

The Company does not have the Chairman of the Board and the Chief Executive Officer during the six months ended 30 September 2021. 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, 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, 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, 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, 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, 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, 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, the non-executive Directors (including 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, 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, 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.

With reference to Code B.1.1, 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, the Board appoints as least one executive Director to attend the annual general meeting as far as possible, 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, 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.

NON-COMPLIANCE WITH RULE 5.05A OF GEM LISTING RULES

Following the appointment of Ms. CHOW Nga Chee Alice and Mr. LIN Jason as executive Directors on 31 March 2021, the number of Board members increased to ten members but Company has only three independent non-executive Directors. As such, the number of independent non-executive Directors falls below the minimum number as required under Rule 5.05A of GEM Listing Rules. Following the resignation of Mrs. CHIN CHOW Chung Hang Roberta on 30 June 2021, the number of independent non-executive Directors has become one-third of the total number of Board members and Rule 5.05A of GEM Listing Rules has been complied with accordingly.

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

Hong Kong, 12 November 2021

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, 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).