



BINGO GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8220)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 DECEMBER 2021

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

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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 nine months ended 31 December 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		Nine months ended	
		31 December		31 December	
		2021	2020	2021	2020
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Turnover	2	2,697	2,237	6,067	3,501
Cost of sales		(1,108)	(936)	(2,560)	(1,520)
Gross profit		1,589	1,301	3,507	1,981
Other revenue and other net income	3	167	755	976	1,837
Selling and marketing expenses		(27)	(678)	(90)	(731)
Administrative expenses		(3,807)	(3,412)	(12,165)	(17,065)
Share-based payments	4	(3)	(107)	(1,218)	(2,566)
Share of result of an associate		18	(4)	6	58
Finance costs	5	(646)	(587)	(1,878)	(2,069)
Loss before taxation	6	(2,709)	(2,732)	(10,862)	(18,555)
Taxation	7	–	–	–	(15)
Loss for the period		<u>(2,709)</u>	<u>(2,732)</u>	<u>(10,862)</u>	<u>(18,570)</u>
Loss attributable to:					
Owners of the Company		(2,742)	(2,303)	(10,170)	(16,435)
Non-controlling interests		33	(429)	(692)	(2,135)
		<u>(2,709)</u>	<u>(2,732)</u>	<u>(10,862)</u>	<u>(18,570)</u>
Dividend	8	–	–	–	–
Loss per share (cents per share)	9				
Basic and diluted		<u>(0.28)</u>	<u>(0.27)</u>	<u>(1.13)</u>	<u>(1.92)</u>

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Three months ended		Nine months ended	
	31 December		31 December	
	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	(2,709)	(2,732)	(10,862)	(18,570)
Other comprehensive loss				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations				
— Exchange differences arising during the period	<u>(183)</u>	<u>(198)</u>	<u>(275)</u>	<u>(356)</u>
Other comprehensive loss for the period, net of tax	<u>(183)</u>	<u>(198)</u>	<u>(275)</u>	<u>(356)</u>
Total comprehensive loss for the period	<u>(2,892)</u>	<u>(2,930)</u>	<u>(11,137)</u>	<u>(18,926)</u>
Total comprehensive loss attributable to:				
Owners of the Company	<u>(2,915)</u>	(2,491)	<u>(10,433)</u>	(16,795)
Non-controlling interests	<u>23</u>	<u>(439)</u>	<u>(704)</u>	<u>(2,131)</u>
	<u>(2,892)</u>	<u>(2,930)</u>	<u>(11,137)</u>	<u>(18,926)</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 nine months ended 31 December 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 third 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		Nine months ended	
	31 December		31 December	
	2021	2020	2021	2020
	HK\$’000	HK\$’000	HK\$’000	HK\$’000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue from cinema business	<u>2,697</u>	<u>2,237</u>	<u>6,067</u>	<u>3,501</u>

3. OTHER REVENUE AND OTHER NET INCOME

	Three months ended		Nine months ended	
	31 December		31 December	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest income	48	50	196	163
Government grants (<i>Note 1</i>)	–	394	–	990
Rent concession	–	194	48	538
Gain on disposal of a subsidiary	–	–	311	–
Others	119	117	421	146
	<u>167</u>	<u>755</u>	<u>976</u>	<u>1,837</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 Employment Support Scheme in Hong Kong. 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 advisers of the Group. Details of the convertible bonds and share options are as follows:

Convertible bonds

Tranche number	<i>notes</i> <i>a, b</i>	Tranche 2	Tranche 3	Tranche 4	Tranche 5
Share price	<i>c</i>	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\$0.530	HK\$0.530	HK\$0.530
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 (note e)
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) Except for share options with option types 2020A and 2021A, the exercise price was adjusted due to the share consolidation on 2 May 2019.
- (e) The Company has only granted 25,620,000 share options on 6 July 2021 during the 9 months ended 31 December 2021. The closing price of the Company's shares immediately before the date of the grant of the aforesaid 25,620,000 share options (i.e. 5 July 2021) was HK\$0.084. Among these 25,620,000 share options, 8,540,000 share options were granted to each of Ms. CHOW Man Ki Kelly (executive Director), Ms. CHOW Nga Chee Alice (executive Director) and Mr. CHAN Ka Yin (company secretary of the Company).

Share Award

On 14 August 2019, the Company adopted a share award scheme (the “Share Award Scheme”) and granted share awards up to 31 December 2021, as follows:

Date of grant	Category	Number of awarded shares granted	Number of awarded shares lapsed	Number of awarded shares outstanding as at 31 December 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	<i>f</i>
14 October 2019	Director: CHOW Man Ki Kelly	4,240,000	–	4,240,000	One year from the date of grant	<i>f</i>
	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	<i>g</i>
	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	

(*f*) 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.

(*g*) 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 nine months ended 31 December 2021 are as HK\$51,000, which is related to awarded shares granted to Ms. CHOW Nga Chee Alice (executive Director).

5. FINANCE COSTS

	Three months ended		Nine months ended	
	31 December		31 December	
	2021	2020	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Imputed interest on convertible bonds	558	482	1,608	1,646
Interest expenses on lease liabilities	88	105	270	423
	<u>646</u>	<u>587</u>	<u>1,878</u>	<u>2,069</u>

6. LOSS BEFORE TAXATION

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

	Three months ended		Nine months ended	
	31 December		31 December	
	2021	2020	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Direct expenses of cinema business	1,108	936	2,560	1,520
Depreciation of property, plant and equipment	104	290	538	1,377
Depreciation of right-of-use assets	346	404	801	1,806
Exchange gain	(314)	(1,177)	(536)	(1,875)
Impairment of deposits paid and other receivables	–	–	3	369
Impairment of right-of-use assets	–	–	–	7,144
Loss on disposal of property, plant and equipment	–	–	–	2,981
Write-back of lease liabilities	–	–	–	(7,038)
Staff costs (including directors' remuneration)				
— Salaries and allowance	1,693	2,286	5,415	6,318
— Equity settled share-based payments under Share Award Scheme	3	65	828	1,053
— Retirement scheme contributions	158	160	472	490
Equity settled share-based payments paid to advisors	–	42	390	1,513
	<u>–</u>	<u>42</u>	<u>390</u>	<u>1,513</u>

7. TAXATION

Three months ended		Nine months ended	
31 December		31 December	
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 nine months ended 31 December 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 nine months ended 31 December 2021.

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% for the nine months ended 31 December 2020.

8. DIVIDEND

The Directors do not recommend the payment of any dividend for the nine months ended 31 December 2021 (nine months ended 31 December 2020: Nil).

9. LOSS PER SHARE

Basic and diluted loss per share

Three months ended		Nine months ended	
31 December		31 December	
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

(0.28)	(0.27)	(1.13)	(1.92)
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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		Nine months ended	
	31 December		31 December	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Loss for the period attributable to owners of the Company	<u>(2,742)</u>	<u>(2,303)</u>	<u>(10,170)</u>	<u>(16,435)</u>
	Three months ended		Nine months ended	
	31 December		31 December	
	2021	2020	2021	2020
Weighted average number of ordinary shares for the purpose of basis loss per share	<u>994,835,756</u>	<u>855,384,669</u>	<u>902,037,396</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 nine months ended 31 December 2021 and 2020 because they are antidilutive in calculating the diluted loss per share.

10. 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 nine months ended 31 December 2020.

11. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Contributed surplus	Equity component of convertible bonds	Share option reserve	Shares held for the share award scheme	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 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	-	-	-	-	-	-	-	(16,435)	(16,435)	(2,135)	(18,570)
Other comprehensive (loss)/income for the period	-	-	-	-	-	-	(360)	-	(360)	4	(356)
Total comprehensive loss for the period	-	-	-	-	-	-	(360)	(16,435)	(16,795)	(2,131)	(18,926)
Redemption of convertible bonds	-	-	-	(25,507)	-	-	-	25,507	-	-	-
Issue of share options	-	-	-	-	893	-	-	-	893	-	893
Lapse of share options	-	-	-	-	(3,596)	-	-	3,596	-	-	-
Lapse of share awards	-	-	-	-	-	(1,730)	-	1,730	-	-	-
Acquisition of non-controlling interests in subsidiaries	-	-	-	-	-	-	-	(6,259)	(6,259)	5,532	(727)
Equity settled share award arrangement	-	-	-	-	-	1,673	-	-	1,673	-	1,673
At 31 December 2020 (Unaudited)	8,554	420,810	132,237	41	7,563	1,663	(2,006)	(553,819)	15,043	(536)	14,507
At 1 April 2021 (Audited)	8,554	420,810	132,237	40	7,563	1,687	(2,081)	(559,411)	9,399	(578)	8,821
Loss for the period	-	-	-	-	-	-	-	(10,170)	(10,170)	(692)	(10,862)
Other comprehensive loss for the period	-	-	-	-	-	-	-	-	-	-	-
— Exchange difference arising on translation	-	-	-	-	-	-	(263)	-	(263)	(12)	(275)
Total comprehensive loss for the period	-	-	-	-	-	-	(263)	(10,170)	(10,433)	(704)	(11,137)
Issue of share options	-	-	-	-	1,167	-	-	-	1,167	-	1,167
Lapse of share options	-	-	-	-	(4,095)	-	-	4,095	-	-	-
Issue of shares on placement	1,710	3,751	-	-	-	-	-	-	5,461	-	5,461
Equity settled share award arrangement	-	-	-	-	-	51	-	-	51	-	51
Disposal of a subsidiary	-	-	-	-	-	-	-	-	-	351	351
At 31 December 2021 (Unaudited)	10,264	424,561	132,237	40	4,635	1,738	(2,344)	(565,486)	5,645	(931)	4,714

12. COMPARATIVE FIGURES

Certain comparative figures have been restated to conform with current period's presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

GENERAL

During the nine months ended 31 December 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 is the prime revenue generator of the Group in the Period. Approximately revenue of HK\$6.1 million and gross profit of HK\$3.5 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\$3.5 million and gross profit of HK\$2.0 million generated in the nine month ended 31 December 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 announcement. In September 2021, the Group has confirmed with the JV Company that the JV Company allowed the Group to withdraw the loan partially up to RMB5 million (equivalent to approximately HK\$6.1 million) on demand and the remaining RMB11 million (equivalent to approximately HK\$13.5 million) remained to be repayable in September 2022. Bingo Movie has withdrawn the loan partially of RMB3 million (equivalent to approximately HK\$3.7 million) in October 2021. For further details, please refer to the Company's announcement dated 30 September 2019 and 7 November 2019.

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

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

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

As of 31 December 2021 and up to the date of this announcement, the Formal Agreement is yet to be entered into.

[#] The English names used in this announcement are transliteration of their Chinese names for illustrative purpose only.

FINANCIAL REVIEW

During the Period, the Group recorded a total turnover of approximately HK\$6.1 million, representing an increase of approximately HK\$2.6 million compared with that of approximately HK\$3.5 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\$10.9 million was recorded. As compared with the loss of HK\$18.6 million for the Corresponding Period, the loss decreased by approximately HK\$7.7 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\$17.1 million for the Corresponding Period to approximately HK\$12.2 million for the Period.

In October 2021, the Company completed the placing and raised net proceeds of approximately HK\$5.5 million. The number of shares of the Company increased from 855,384,669 shares as at 1 October 2021 to 1,026,444,669 as at 31 December 2021 accordingly.

In December 2021, the Company proposed (i) to issue convertible bonds to Mr. CHIAU Sing Chi, executive Director, and (ii) to adopt share consolidation pursuant to which every ten (10) issued and unissued existing shares of HK\$0.01 each in the share capital of the Company into one (1) new share of HK\$0.10 each, and change in the board lot size of the Company's shares from 20,000 exiting shares to 10,000 new shares. Please refer to the Company's circular dated 21 January 2022 for details. The above proposals were yet to be approved by the eligible shareholders of the Company as of the date of this announcement.

OUTLOOK

As of the date of this announcement, the coronavirus outbreak has killed over 5 million people and infected more than 400 million people globally. Although the situation in China is better than many countries in the West, the economy in China is still shocked to a certain extent. Especially COVID-19 Delta Variant and Omicron Variant have appeared in China in the first half of Year 2021 and late Year 2021 respectively. The cinemas have been ordered to be closed since early Year 2020 and certain cinemas in the PRC are just allowed to be re-opened in late July 2020. The cinema businesses in China 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 online games developing and operating businesses, and investments in China cultural industry.

The VR (Virtual Reality) and MR (Mixed Reality) industry is undergoing rapid development and the Company considers that there will be growth potential in investment of VR and MR projects. In February 2018, the Group entered into an agreement with Lechuang Holdings (HK) Limited (“Lechuang”) in relation to the formation of the joint venture company (“JV Company”). The formation of the JV Company will allow the Group to utilise its experience in provision of interactive contents with the expertise of Lechuang in developing VR and MR projects. The Company is optimistic as to the prospect of the JV Company, and has granted a loan to the JV Company in September 2019. The outstanding loan amount as at 31 December 2021 was approximately RMB13.0 million (equivalent to approximately HK\$15.9 million).

As mentioned in OPERATION REVIEW above, the Company has entered into the Framework Agreement with Jiu De about the business cooperation on the development of LARP projects. The Board is optimistic on this project and will finalise the terms of the Formal Agreement as soon as we can.

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 31 December 2021, the following 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	2.69%
	Held by trust (<i>Note 1</i>)	402,121,240	39.17%
Ms. Chow Man Ki Kelly	Held by trust (<i>Note 1</i>)	402,121,240	39.17%

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 31 December 2021 was 1,026,444,669.

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, non-executive Directors, independent non-executive 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 2021 (Note 2) '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 (Note 2) '000	Number of options held as at 31 December 2021 (Note 2) '000
Mr. Chiau Sing Chi	2017A	8,500	–	–	–	8,500
Ms. Chow Man Ki Kelly	2016A	7,500	–	–	(7,500)	–
	2018A	7,500	–	–	–	7,500
	2021A	–	8,540	–	–	8,540
Mr. Lau Man Kit	2016A	750	–	–	(750)	–
Ms. Chow Nga Chee Alice	2018A	7,500	–	–	–	7,500
	2021A	–	8,540	–	–	8,540
Mrs. Chin Chow Chung Hang Roberta (Note 3)	2016A	750	–	–	(750)	–
Ms. Choi Mei Ping	2016A	750	–	–	(750)	–
Total		<u>33,250</u>	<u>17,080</u>	<u>–</u>	<u>(9,750)</u>	<u>40,580</u>

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

Note 2: Except for the share options with option type 2021A, the number of share options mentioned are adjusted to reflect the share consolidation effective on 2 May 2019.

Note 3: Resigned on 30 June 2021.

In addition to 8,500,000 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, 27,573,528 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 (“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 2024, which is mutually agreed between the Company and Mr. Chiau.

On 7 December 2021, subject to independent shareholders’ approval, Mr. Chiau subscribed the convertible bonds in principal of HK\$19,000,000, which can be convertible into 690,909,090 shares of the Company.

On 14 October 2019, based on the recommendation of the Remuneration Committee, the Board (including all independent non-executive Directors) has resolved to grant 4,240,000 Awarded Shares to Ms. CHOW Man Ki Kelly (“Ms. Kelly Chow”), under the share award scheme of the Company as recognition of Ms. Kelly Chow’s contribution to the Group and incentive for Ms. Kelly Chow for her 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 Ms. Kelly Chow pursuant to the terms of the share award scheme of the Company. All of 4,240,000 Awarded Shares shall be vested to Ms. Kelly Chow on the first anniversary of the date of grant, i.e. 14 October 2020, which was subsequently delayed to 16 August 2024 or the date on which the trustee has completed the acquisition of all 4,240,000 Awarded Shares on market, whichever is earlier.

On 14 October 2019, based on the recommendation of the Remuneration Committee, the Board (including all independent non-executive Directors) has resolved to grant 4,240,000 Awarded Shares to Ms. CHOW Nga Chee Alice (“Ms. Alice Chow”), under the share award scheme of the Company as recognition of Ms. Alice Chow’s contribution to the Group and incentive for Ms. Alice Chow for her 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 Ms. Alice Chow pursuant to the terms of the share award scheme of the Company. Half of the Awarded Shares (i.e. 2,120,000 awarded Shares) shall be vested to Ms. Alice Chow on the first anniversary of the date of grant, i.e. 14 October 2020, and the remaining half of the Awarded Shares (i.e. 2,120,000 awarded Shares) shall be vested to Ms. Alice Chow on the second anniversary of the date of grant, i.e. 14 October 2021. Both the Company and Ms. Alice Chow agreed that all these 4,240,000 Awarded Shares were delayed to be vested on 16 August 2024 or the date when the trustee has completed the acquisition of all the awarded shares on market, whichever is earlier.

Save as disclosed above, as at 31 December 2021, 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 31 December 2021, the following person (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 positions in the shares and underlying shares of the Company

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	39.17%
Treasure Offshore Holdings Limited (<i>Note 1</i>)	402,121,240	39.17%
Beglobal Investments Limited (<i>Note 2</i>)	402,121,240	39.17%
Golden Treasure Global Investment Limited (<i>Note 2</i>)	72,500,000	7.06%
KO Kin Hang	51,355,000	5.00%

Note:

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 32.11% of the issued share capital of the Company) and indirectly holds 72,500,000 shares of the Company (representing approximately 7.06% of the issued share capital of the Company) through Golden Treasure Global Investment Limited as at 31 December 2021.

Save as disclosed above, as at 31 December 2021, the Directors are not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying Shares (including any interests in options in respect of such capital), 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 who was directly or 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.

SHARE OPTION SCHEME

The Company’s share option scheme was adopted pursuant to resolution 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 to the Directors under the Scheme and movements in such holdings during the Period were as follows:

Category	Option type (Note 1)	Number of options held as at 1 April 2021 (Note 2) '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 (Note 2) '000	Number of options held as at 31 December 2021 (Note 2) '000
Directors	2016A	9,750	–	–	(9,750)	–
	2017A	8,500	–	–	–	8,500
	2018A	15,000	–	–	–	15,000
	2021A	–	17,080	–	–	17,080
Employees	2018A	7,500	–	–	–	7,500
	2016A	1,500	–	–	(1,500)	–
Advisors	2020A	25,500	–	–	(17,000)	8,500
	2021A	–	8,540	–	–	8,540
		<u>67,750</u>	<u>25,620</u>	<u>–</u>	<u>(28,250)</u>	<u>65,120</u>

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

Note 2: Except for the share options with option type 2020A and 2021A, 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 nine months ended 31 December 2021 and 2020.

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 OPTIONS 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 31 December 2021.

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 nine months ended 31 December 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 “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 nine months ended 31 December 2021 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 nine months ended 31 December 2021.

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

Hong Kong, 14 February 2022

As at the date of this announcement, the Board comprises Mr. CHIAU Sing Chi, Ms. CHOW Man Ki Kelly, Mr. LAU Man Kit, Ms. CHOW Nga Chee Alice and Mr. YIP Yiu Bong as executive Directors, and Ms. CHOI Mei Ping, 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).