



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 2023

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 2023, together with the unaudited comparative figures for the corresponding period in 2022 were as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	<i>Notes</i>	Three months ended 30 September		Six months ended 30 September	
		2023 <i>HK\$'000</i> (Unaudited)	2022 <i>HK\$'000</i> (Unaudited)	2023 <i>HK\$'000</i> (Unaudited)	2022 <i>HK\$'000</i> (Unaudited)
Revenue	2	3,479	1,414	5,387	1,815
Cost of sales and services		(1,707)	(584)	(2,472)	(747)
Gross profit		1,772	830	2,915	1,068
Other revenue and other net income	3	157	499	206	1,131
Selling and marketing expenses		(52)	(73)	(164)	(99)
Administrative expenses		(2,508)	(3,493)	(7,159)	(7,048)
Share of result of an associate		–	(5)	–	(20)
Finance costs	6	(534)	(470)	(1,034)	(931)
Loss before taxation	7	(1,165)	(2,712)	(5,236)	(5,899)
Taxation	8	(56)	–	(56)	–
Loss for the period		<u>(1,221)</u>	<u>(2,712)</u>	<u>(5,292)</u>	<u>(5,899)</u>
Loss attributable to:					
Owners of the Company		(1,590)	(2,694)	(5,463)	(5,847)
Non-controlling interests		369	(18)	171	(52)
		<u>(1,221)</u>	<u>(2,712)</u>	<u>(5,292)</u>	<u>(5,899)</u>
		<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>
Loss per share	10				
Basic and diluted		<u>(1.55)</u>	<u>(2.62)</u>	<u>(5.32)</u>	<u>(5.70)</u>

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Three months ended		Six months ended	
	30 September		30 September	
	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Loss for the period	(1,221)	(2,712)	(5,292)	(5,899)
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>(74)</u>	<u>910</u>	<u>362</u>	<u>1,387</u>
Other comprehensive income/(loss) for the period, net of tax	<u>(74)</u>	<u>910</u>	<u>362</u>	<u>1,387</u>
Total comprehensive loss for the period	<u>(1,295)</u>	<u>(1,802)</u>	<u>(4,930)</u>	<u>(4,512)</u>
Other comprehensive income/(loss) attributable to:				
Owners of the Company	<u>(68)</u>	532	<u>355</u>	1,241
Non-controlling interests	<u>(6)</u>	<u>378</u>	<u>7</u>	<u>146</u>
	<u>(74)</u>	<u>910</u>	<u>362</u>	<u>1,387</u>
Total comprehensive loss attributable to:				
Owners of the Company	<u>(1,658)</u>	(2,162)	<u>(5,108)</u>	(4,606)
Non-controlling interests	<u>363</u>	<u>360</u>	<u>178</u>	<u>94</u>
	<u>(1,295)</u>	<u>(1,802)</u>	<u>(4,930)</u>	<u>(4,512)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30 September 2023	As at 31 March 2023
	<i>Notes</i>	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		121	126
Right-of-use assets	<i>11</i>	1,500	–
Interests in an associate	<i>12</i>	16	16
Rental deposits		327	343
		<hr/> 1,964	<hr/> 485
CURRENT ASSETS			
Trade receivables	<i>13</i>	513	135
Other receivables, deposits and prepayments		400	547
Cash and cash equivalents		19,465	22,993
		<hr/> 20,378	<hr/> 23,675
CURRENT LIABILITIES			
Trade payables	<i>14</i>	346	142
Other payables and accruals		3,703	3,748
Contract liabilities		8,360	7,423
Lease liabilities		1,272	556
Tax payable		56	–
		<hr/> 13,737	<hr/> 11,869
NET CURRENT ASSETS		<hr/> 6,641	<hr/> 11,806
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/> 8,605	<hr/> 12,291

		As at	As at
		30 September	31 March
		2023	2023
	<i>Notes</i>	HK\$'000	HK\$'000
		(Unaudited)	(Audited)
NON-CURRENT LIABILITIES			
Convertible bonds		14,057	13,146
Lease liabilities		1,598	1,265
		<u>15,655</u>	<u>14,411</u>
NET LIABILITIES		<u>(7,050)</u>	<u>(2,120)</u>
CAPITAL AND RESERVES			
Share capital	<i>15</i>	10,265	10,265
Reserves		(17,853)	(12,745)
		<u>(7,588)</u>	<u>(2,480)</u>
Non-controlling interests		<u>538</u>	<u>360</u>
TOTAL CAPITAL DEFICIENCY		<u>(7,050)</u>	<u>(2,120)</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 2023 are consistent with those used in the Group’s annual financial statements for the year ended 31 March 2023.

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		Six months ended	
	30 September		30 September	
	2023	2022	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue from cinema business	1,861	1,414	3,769	1,815
Revenue from licensing business	1,618	–	1,618	–
	<u>3,479</u>	<u>1,414</u>	<u>5,387</u>	<u>1,815</u>

3. OTHER REVENUE AND OTHER NET INCOME

	Three months ended		Six months ended	
	30 September		30 September	
	2023	2022	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest income	10	1	20	4
Government grants (<i>Note 1</i>)	–	241	–	329
Rent concession	–	257	–	798
Others	147	–	186	–
	<u>157</u>	<u>499</u>	<u>206</u>	<u>1,131</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 2022 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 2023 (Unaudited)			
Segment Revenue	3,769	1,618	5,387
Segment Results			
Reportable segment result	(501)	634	133
Unallocated corporate expenses, net			(4,335)
Share of result of an associate			–
Finance costs			(1,034)
Loss before taxation			<u>(5,236)</u>
As at 30 September 2023 (Unaudited)			
Segment Assets			
Reportable segment assets	3,171	1,827	4,998
Interests in an associate			16
Unallocated corporate assets			<u>17,328</u>
Consolidated total assets			<u>22,342</u>
Segment Liabilities			
Reportable segment liabilities	9,916	272	10,188
Convertible bonds			14,057
Unallocated corporate liabilities			<u>5,147</u>
Consolidated total liabilities			<u>29,392</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 2022 (Unaudited)			
Segment Revenue	<u>1,815</u>	<u>–</u>	<u>1,815</u>
Segment Results			
Reportable segment result	(419)	(1,851)	(2,270)
Unallocated corporate expenses, net			(2,678)
Share of result of an associate			(20)
Finance costs			<u>(931)</u>
Loss before taxation			<u><u>(5,899)</u></u>
As at 31 March 2023 (Audited)			
Segment Assets			
Reportable segment assets	2,291	357	2,648
Interests in an associate			16
Unallocated corporate assets			<u>21,496</u>
Consolidated total assets			<u>24,160</u>
Segment Liabilities			
Reportable segment liabilities	10,800	–	10,800
Convertible bonds			13,146
Unallocated corporate liabilities			<u>2,334</u>
Consolidated total liabilities			<u><u>26,280</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 2023 (Unaudited)				
Additions to property, plant and equipment	-	-	-	-
Additions to right-of-use assets	-	-	1,671	1,671
Interest income	2	1	17	20
Depreciation of right-of-use assets	-	-	171	171
	<u>-</u>	<u>-</u>	<u>171</u>	<u>171</u>
For the six months ended				
30 September 2022 (Unaudited)				
Additions to property, plant and equipment	125	-	-	125
Additions to right-of-use assets	-	-	-	-
Interest income	1	-	3	4
Depreciation of right-of-use assets	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

5. SHARE-BASED PAYMENTS

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

Convertible bonds

	2022 CB
Principal amount	HK\$19,000,000
Share price (<i>note a</i>)	HK\$0.212
Interest	Zero coupon
Conversion price	HK\$0.275
Maturity date	31 December 2025

note a: Share price for 2022 CB of HK\$0.212 represents share price as at 17 March 2022 which is the issue date of 2022 CB.

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:	2018A	2020A	2021A
Grant date:	17-9-2018	14-7-2020	6-7-2021
Number of options granted:	180,000,000	25,500,000	25,620,000
Exercise period:	17-9-2018– 16-9-2023	14-7-2020– 13-7-2025	6-7-2021– 5-7-2026
Exercise price:	HK\$0.042	HK\$0.074	HK\$0.084
Adjusted exercise price: (<i>note b</i>)	HK\$1.68	HK\$0.74	HK\$0.84
Fair value:	HK\$2,181,000	HK\$893,000	HK\$1,168,000

note b: The exercise price was adjusted due to share consolidation on 2 May 2019 and 16 March 2022 (as the case may be).

6. FINANCE COSTS

	Three months ended		Six months ended	
	30 September		30 September	
	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Imputed interest on convertible bonds	466	407	911	797
Interest expenses on lease liabilities	68	63	123	134
	534	470	1,034	931

7. LOSS BEFORE TAXATION

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

	Three months ended		Six months ended	
	30 September		30 September	
	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Direct expenses of cinema business	769	584	1,534	747
Direct expenses of licensing business	938	–	938	–
Depreciation of right-of-use assets	171	–	171	–
Exchange loss/(gain)	(13)	827	777	1,633
Staff costs (including directors' remuneration)				
Salaries and allowances	1,629	1,426	3,705	2,834
Retirement scheme contributions	117	189	301	398

8. TAXATION

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

During the Period, one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime, HK\$56,000 (six months ended 30 September 2022: Nil) was recognised for Hong Kong Profits Tax in profit or loss.

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 2023 and 2022.

9. DIVIDEND

The Directors do not recommend the payment of any dividend for the six months ended 30 September 2023 (six months ended 30 September 2022: Nil).

10. LOSS PER SHARE

Basic and diluted loss per share

	Three months ended		Six months ended	
	30 September		30 September	
	2023	2022	2023	2022
	<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>1.55</u>	<u>2.62</u>	<u>5.32</u>	<u>5.70</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	
	2023	2022	2023	2022
	<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>1,590</u>	<u>2,694</u>	<u>5,463</u>	<u>5,847</u>
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>102,644,466</u>	<u>102,644,466</u>	<u>102,644,466</u>	<u>102,644,466</u>

The incremental shares from assumed exercise of share options granted by the Company and conversion of the Company's outstanding convertible bonds are excluded in calculating the diluted loss per share during the three and six months ended 30 September 2023 and 2022 because they are antidilutive in calculating the diluted loss per share.

11. RIGHT-OF-USE ASSETS

	As at 30 September 2023 HK\$'000 (Unaudited)	As at 31 March 2023 HK\$'000 (Audited)
Net carrying amount at the beginning of the period/year	–	–
Additions	1,671	–
Depreciation charge	(171)	–
	<hr/>	<hr/>
Net carrying amount at the end of the period/year	<u>1,500</u>	<u>–</u>

12. INTERESTS IN AN ASSOCIATE

	As at 30 September 2023 HK\$'000 (Unaudited)	As at 31 March 2023 HK\$'000 (Audited)
Unlisted shares		
Share of net assets	(9)	(9)
Amount due from an associate (<i>note b</i>)	25	25
	<hr/>	<hr/>
	<u>16</u>	<u>16</u>

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	Group's effective interest	Proportion of ownership interest		Principal activity
					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.

13. TRADE RECEIVABLES

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

	As at 30 September 2023 <i>HK\$'000</i> (Unaudited)	As at 31 March 2023 <i>HK\$'000</i> (Audited)
Within 30 days	456	132
31–60 days	–	–
61–90 days	–	–
Over 90 days	<u>57</u>	<u>3</u>
	513	135
Less: Allowance for expected credit losses	<u>–</u>	<u>–</u>
	<u>513</u>	<u>135</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 2023 <i>HK\$'000</i> (Unaudited)	As at 31 March 2023 <i>HK\$'000</i> (Audited)
Within 30 days	322	120
31–60 days	–	–
61–90 days	–	–
Over 90 days	<u>24</u>	<u>22</u>
	346	142

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 2023 (Unaudited)		As at 31 March 2023 (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\$0.1	<u>2,000,000</u>	<u>200,000</u>	<u>2,000,000</u>	<u>200,000</u>
Issued and fully paid:				
At the beginning and at the end of the period/year, ordinary shares of HK\$0.1	<u>102,645</u>	<u>10,265</u>	<u>102,645</u>	<u>10,265</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	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Directors' fee, salaries, allowances and other benefits	<u>390</u>	<u>435</u>

(b) Connected transactions

		Six months ended 30 September	
		2023 HK\$'000	2022 HK\$'000
Name of connected parties	Nature of transactions		
Goal Creation Game Limited	Interest Income from loan to an associate (Note 12)	<u>–</u>	<u>182</u>

MANAGEMENT DISCUSSION AND ANALYSIS

GENERAL

During the six months ended 30 September 2023 (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”).

BUSINESS REVIEW

During the Period, the Group continues to focus on Filmed Entertainment, New Media Exploitations and Licensing Businesses and Cinema Business.

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\$3.8 million and gross profit of HK\$2.3 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\$1.8 million and gross profit of HK\$1.1 million generated in the six months ended 30 September 2022 (the “Period 2022”). Although our Shanghai cinema was closed in May 2023 due to disagreement with the landlord on the rental charge, the revenue for the Period increased was principally thanks to the recovery of the leisure and entertainment market in the PRC after the COVID-19 era.

Filmed Entertainment Business

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.

Licensing Business

Movie-themed Tourbillon Watches

In October 2022, High Art Limited (“High Art”), a wholly-owned subsidiary of the Group, entered into a joint venture agreement with Memorigin Watch Company Limited (“Memorigin”) and Topping Mark Limited (“Topping Mark”) in relation to the formation of a

joint venture company with an aggregate share capital of HKD2,000,000. Memorigin is an independent third party to the Group and the first Hong Kong brand which only produces tourbillon. Topping Mark is wholly owned by Ms. CHOW Man Ki Kelly, an executive director of the Company. The Company has been exploring business opportunities leveraging on its movie production, licensing and derivatives, crossover marketing in the past years and considered that such business experience and the IPs of the films would be valuable resources in developing various new business areas which will potentially enhance returns for the Shareholders. The joint venture was established in February 2023 and is called Bingo Group — Memorigin (BGM) Limited (“BGM”). The equity interest of BGM is owned as to 60%, 20% and 20% by High Art, Memorigin and Topping Mark, respectively. BGM sells movie-themed tourbillon watches through physical store and e-commerce. BGM has launched its first series of movie-themed tourbillon watches in around April 2023. Up to the end of this financial period, revenue of approximately HK\$1.6 million was generated from BGM.

Animation Content Advisory Service

Pursuant to the agreement entered into between Wanwei Renhe (Beijing) Technology Company Limited (萬維仁和 (北京) 科技有限責任公司) (“Wanwei Renhe”) and Brilliant Ace Holdings Limited (“Brilliant Ace”), an indirect wholly-owned subsidiary of the Company, on 4 September 2023, Brilliant Ace would provide Wanwei Renhe with advisory services. No service was performed by Brilliant Ace during the Period yet, but Brilliant Ace has already received non-refundable deposit of RMB1.2 million (equivalent to approximately HK\$1.3 million) from Wanwei Renhe in September 2023. For further details of the cooperation between Brilliant Ace and Wanwei Renhe, please refer to the section of Outlook in this announcement.

FINANCIAL REVIEW

During the Period, the Group recorded a total turnover of approximately HK\$5.4 million, representing an increase of approximately HK\$3.6 million compared with that of approximately HK\$1.8 million in Period 2022. The turnover of the Group for Period 2022 principally represented revenue from Cinema Business only, while that for the Period included both revenue from Cinema Business of approximately HK\$3.8 million and Licensing Business of approximately HK\$1.6 million.

Loss for the Period of approximately HK\$5.3 million was recorded. As compared with the loss of HK\$5.9 million for Period 2022, the loss decreased by approximately HK\$0.6 million. The decrease in loss for the Period was mainly attributable to net profit from Licensing Business of approximately HK\$0.6 million recorded by the Group in the Period.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 September 2023, the Group had total assets of approximately HK\$22.3 million (31 March 2023: HK\$24.2 million), including cash and cash equivalents of approximately HK\$19.5 million (31 March 2023: HK\$23.0 million). There was no pledged bank deposit as at 30 September 2023 and 31 March 2023. During the Period, the Group financed its operations with its own working capital. As at 30 September 2023 and 31 March 2023, the Group did not have any bank overdraft. As at 30 September 2023, the debt ratio (defined as the ratio between total liabilities over total assets) was approximately 1.32 (31 March 2023: approximately 1.09). Even though the debt ratio of the Group as at 30 September 2023 is over 1, the Company believes that it can cover the full amount of its current liabilities of approximately HK\$13.7 million as at 30 September 2023, as the Group held cash and cash equivalents of approximately HK\$19.5 million as at 30 September 2023. The Board considers that the Group has sufficient resources to satisfy its working capital requirements.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

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 2023, the Group had no outstanding foreign currency hedge contracts (31 March 2023: Nil).

EMPLOYEES

As at 30 September 2023, the Group had 32 (31 March 2023: 52) staff in the PRC and Hong Kong. Total staff costs including directors' remuneration were approximately HK\$4.0 million during the Period (Period 2022: approximately HK\$3.2 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. Total staff costs for the Period increased by approximately HK\$0.8 million while the number of staff decreased from 52 staff

as at 31 March 2023 to 32 staff as at 30 September 2023, which is principally resulted from termination of our Shanghai cinema and redundancy expenses of approximately HK\$0.7 million was recorded during the Period.

CONTINGENT LIABILITIES

As at 30 September 2023, the Group did not have any significant contingent liabilities (31 March 2023: Nil).

OUTLOOK

Cinema Business

In the post Covid-19 era, the overall cinema businesses in China was improving. The revenue of our cinemas increased significantly from HK\$1.8 million in Period 2022 to HK\$3.8 million in the Period. Although the cinema in Shanghai was closed in May 2023 due to rental disagreement with the landlord, the Company will maintain its cinema business.

To compensate the closure of the Shanghai cinema and to ride on the recovery of the leisure and entertainment market in the PRC after the COVID-19 era to expand the Cinema Business, the Company is now in the course of conducting feasibility study internally on the box offices in various cities and the respective consumers footprint in order to locate suitable premises with abundant customer flow to open a new cinema. The current plan of the Company is to open one new cinema first. Taking into the account the site selection and construction time, the expected opening time of the new cinema would be in October 2024.

Apart from opening a new cinema, acquisition of existing cinemas and cooperating with other cinema lines and/or property developers by means of joint venture are also being considered.

The Company considers cinema business in China has enormous potential. Cinema business will remain as one of the revenue-generating business segments of the Group.

Filmed Entertainment, New Media Exploitations and Licensing Businesses

The reason why the filmed entertainment, new media exploitations and licensing business segment did not materialize since 2019 is due to the Company's cautious approach to launch the new media business in view of the negative impact of COVID to domestic discretionary consumption.

During the Period, the Group focuses on the development plan on new media exploitations and licensing business through granting of IP licences for the creation of new media contents and various online platform, which is a natural expansion relying on the film making and IP licensing experience and calibre of the Group.

In September 2022, the Company appointed Data Hash Technology Limited (“Data Hash”) as a project manager for “IP Accelerator”, which involve the concept of providing project management and consultancy services to assist various IP owners to promote their IPs and develop the same into various products, events, digital contents.

Data Hash is an integrated business service company empowered by strong expertise in Consultancy, Accelerator and Project Management. It has built sound track records with customer profiles covering listed company, start-ups, blockchain and Web 3 companies. For further details, please refer to the announcement of the Company dated 30 September 2022.

As of the end of the Period, i.e. 30 September 2023, certain of the Company’s subsidiaries are specialized in developing the New Media Business including augmented reality digital live action role-playing game, watches, animation, bullet screen app, apparel and toys, and IP consultancy.

Augmented Reality Digital Live Action Role-playing Game

In May 2022, Bingo Entertainment Limited, a wholly owned subsidiary of the Company, and 廣州玖的文化科技有限公司 (Guangzhou Jiu De Cultural and Technology Company Limited[#]) (“Jiu De”) established a joint venture called “廣州高的數字文化科技有限公司” (Guangzhou Gao De Digital Cultural Technology Limited[#]) (“Gao De”). The target business of Gao De includes the development of augmented reality digital live action role-playing game (“LARP”) projects.

The Group 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. Jiu De 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 Group considers the cooperation with Jiu De would bring a

synergy of the strengths of the parties and would be an opportunity for the Group to tap into the growing LARP markets as well as the heated augmented reality and virtual reality application business.

Even so, the Group is also exercising caution in the business development. According to the industry report provided by iiMedia Research, (i) the physical LARP market sector has been facing challenges in rising operating costs, peer competitions, demand for higher experience value, low premise utility due to prolonged playtime, health-risk induced lockdown risks; and (ii) the ecosystem for online LARP will still take a while to be mature.

During the Period, no commercial production was launched by Gao De and no revenue was generated accordingly.

Movie-themed Tourbillon Watches

In October 2022, High Art Limited (“High Art”), a wholly-owned subsidiary of the Group, entered into a joint venture agreement with Memorigin Watch Company Limited (“Memorigin”) and Topping Mark Limited (“Topping Mark”) in relation to the formation of a joint venture company with an aggregate share capital of HK\$2,000,000. Memorigin is an independent third party to the Group and the first Hong Kong brand which only produces tourbillon. Topping Mark is wholly owned by Ms. CHOW Man Ki Kelly, an executive director of the Company. The Company has been exploring business opportunities leveraging on its movie production, licensing and derivatives, crossover marketing in the past years and considered that such business experience and the IPs of the films would be valuable resources in developing various new business areas which will potentially enhance returns for the Shareholders. The joint venture was established in February 2023 and is called Bingo Group — Memorigin (BGM) Limited (“BGM”). The equity interest of BGM is owned as to 60%, 20% and 20% by High Art, Memorigin and Topping Mark, respectively. BGM sells movie-themed tourbillon watches through physical store and e-commerce. Memorigin is responsible for all the manufacturing processes and the Group provides the relevant IP that will be used as the themed tourbillon watches. Mr. Shum Wai Lam William, one of the directors of BGM and Memorigin who has over 15 years of experience in the watch industry, are in charge of overseeing the design, manufacturing process and sales of the movie-themed tourbillon watches.

BGM has launched its first series of movie-themed tourbillon watches in around April 2023. Up to the end of this financial period, revenue of approximately HK\$1.6 million was generated from from the sale of “The Mermaid” movie-themed tourbillon watches.

Animation Content Advisory Service

Pursuant to the agreement entered into between Wanwei Renhe (Beijing) Technology Company Limited (萬維仁和 (北京) 科技有限責任公司) (a.k.a. Wonder Cat Animation) (“Wanwei Renhe” or “Wonder Cat Animation”) and Brilliant Ace Holdings Limited (“Brilliant Ace”) (an indirect wholly-owned subsidiary of the Company) on 4 September 2023, Wonder Cat Animation will tentatively produce three animated movies based on the following IPs of Mr. CHIAU Sing Chi, namely 《唐伯虎點秋香》 (Flirting Scholar[#]), 《九品芝麻官》 (Hail the Judge[#]) and 《逃學威龍》 (Fight Back to School[#]), with each IP to be released per year from 2025 to 2027. Brilliant Ace would provide Wanwei Renhe with advisory services.

Brilliant Ace’s major role is to act as the service advisor and producer in creative development and animation production. In particular, the cooperation with Wonder Cat Animation will involve 2 stages, being (i) the script-writing stage; and (ii) the production stage.

According to the initial discussion with Wonder Cat Animation, the main goal for the cooperation is to produce the animation in the form of a movie targeting the PRC markets. However, the form of production of the animation will subject to further discussion with Wonder Cat Animation and the reaction of the market towards the animation.

The animation business partner, Wanwei Renhe, is a reputable animation production company based in the PRC, and primarily engages in the transformation of primary novel and movie IPs into animation, comics, drama, game and physical products. To the best knowledge of the directors of the Company, its animations have high views and ratings on Bilibili, Douyin and Tencent video. Wanwei Renhe would like to acquire the services of the Group to provide direct guidance on the script, artistic direction and overall production quality of the animation. In addition, Data Hash, as a project manager for “IP Accelerator” of the Company, will be involved in providing project management and consultancy services to assist various IP owners to promote their IPs and develop the same into various products, events, digital contents.

Bullet-screen App

The Board notes that many multinational corporations have invested in the new media entertainment business engaging digital technologies in recent years. The business objective of the Group’s expansion is to capture the rapid development of the new media entertainment industry through the joint venture — Gao De. The joint venture partner — Jiu De is a company established in the PRC with limited liability and is principally engaged in the provision of SAAS (software as a service) platform, LARP, development of relevant platform

tools and digital playscripts, etc. which has successfully established itself as a solid B2B SAAS platform in the Mainland and to the best knowledge of the directors of the Group, Jiu De has close to 300 distributors sign up for their content library.

Gao De has identified a new market marketplace emerging at the end of 2022 in the PRC on social media, known as bullet-screen app (彈幕小玩法), which allow key opinion leaders (the “KOLs”) to have a new engagement experience with their fans by inviting them to be audience for the KOLs’ performance in a gamified app. The first batch of successful apps hit the market were “森林派對” (Forest Party[#]) and “萌寵寵之戰” (War of Lovely Pets[#]) on Douyin (抖音) which reportedly generated monthly sales from RMB50 million to RMB100 million from which the content provider can be entitled to 5–10% of the total sales subject to specific commercial agreement.

The source of revenue of the bullet-screen app are the reward or tip paid to the online broadcast hosts (直播主/主播) by the Douyin users and audiences. This model of generating income has become popular in China in recent years which was first commonly seen in the live board casting of the online broadcast hosts. Such income will be paid through the system of Douyin and therefore Douyin could collect the same and distribute such amount among the stakeholders. Gao De as content creator will receive a certain percentage points of the total revenue generated from the broadcast hosts using the Company’s bullet-screen app on a monthly basis.

The Company, being the party with majority control in Gao De, acts as a content provider in the development of the games/bullet screen apps. The Company will be mainly responsible for (i) procurement and exploitation of the IP licenses; (ii) the marketing and promotion of the apps; and (iii) to work with Douyin on the connectivity compliance. Meanwhile, Jiu De, being the JV partner in Gao De, will be responsible for (i) the production of the app; (ii) the maintenance of the running of the app, including but not limited to debugging, on a continuous basis; and (iii) further investigating the market potential of this new business model, including exploring opportunities with other online platform.

In April 2023, the Group has granted the licence of the IPs of “西遊 • 降魔篇” (Journey to the West, (“JTTW”)) and “長江7號” (“CJ7”) to Gao De. Gao De has then developed the first bullet-screen app production for the specific bullet screen app marketplace on Douyin, entitled as “西游降魔” (Demon Conquering in the Journey to the West[#] (“DCJW”). The DCJW production has gone online for players in October 2023. The market-validation process was completed in October 2023 and the app has been opened to all online broadcast hosts in October 2023. In addition to the above, Kwaishou (快手), another major online broadcast

platform has approached and Gao De has launched the app in their platform in November 2023. Gao De will use the data obtained from JTTW for the development and determination of the launching date of the bullet-screen app using CJ7.

IP Licensing

The Company is currently licensed with the IPs of 《美人魚》 (“Mermaid”), “JTTW” and “CJ7” by the IP Rights Owner (or its nominee) free of charge and sub-licensed to the JVs on case-by-case basis.

For “Mermaid”, as mentioned in the section “Movie-themed Tourbillon Watches” above, the Group has been licensed by the licensor and has licensed to BGM solely for tourbillon. In addition, the Group has been licensed by the licensor and has licensed to Gao De (the JV with Jiu De) to adapt the IP of “JTTW” and “CJ7” solely in the bullet-screen app (see the section “Bullet-screen App” above).

There is an understanding between the Company and the owner of the IPs, that the Company can seek for IP exploitations that are commercially viable to the Company. As such, the IP owner agreed to license the IP of “JTTW”) and “CJ7” to joint venture with Gao-De to develop and produce bullet-screen app.

There are other commercialization opportunities for the IP, such as merchandising, gamification, production of comics and animations, and licensing for secondary content production. The Company targets to license the usage and production rights of IPs to third parties or form JVs or cross branding with well-recognized brands in Greater China Region and overseas, with products distribution through the Company’s own cinema, third party outlets, e-commerce platforms and video and online content platforms.

IP Consultancy

Bingo Success Limited (“Bingo SS”), a wholly owned subsidiary of the Company, entered into a consultancy service agreement (the “Agreement”) with New Huo Asset Management (Hong Kong) Limited (“New Huo Asset Management”), a wholly owned subsidiary of New Huo Technology Holdings Limited (stock code: 1611.HK), on 18 July 2023, pursuant to which Bingo SS is engaged as an consultant to provide certain intellectual properties technical consultancy services to New Huo Asset Management, which in turn will act as the investment manager of a future investment fund which is in the course of formation (the “Investment Fund”).

New media exploitations and licensing has been one of the business segments of the Company, and leveraging on the filmed entertainment, new media exploitations and intellectual property licensing and product development experiences and expertise of the Group, Bingo SS will assist the fund to identify commercially viable content based Intellectual Property projects for New Huo Asset Management which in turn will advise the Investment Fund to invest in, as well as serve as an entertainment industry expert. In return for its service, Bingo SS will be entitled to a service fee from New Huo Asset Management in accordance with the terms of the Agreement. The Board considers that the engagement represents an opportunity to develop additional revenue streams and enhance the development of the Company into an integrated entertainment company which will potentially maximize the returns for the shareholders of the Company.

As of the date of this announcement, the Investment Fund is in the course of formation and no service was performed by Bingo SS and no revenue was generated in the Period accordingly.

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.

The English names used in the section of "Management Discussion and Analysis" are transliteration of their Chinese names for illustrative purpose only.

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF SHARES

For the six months ended 30 September 2023, 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. TSUI Wing Tak (chairman), Ms. CHOI Mei Ping and Ms. CHAN Yuet Ching. The Group's unaudited results for the six months ended 30 September 2023 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 2023.

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 2023, 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 2023. 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 C.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 C.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 C.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 C.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 C.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 C.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 C.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 C.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 C.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.

With reference to Code E.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 F.2.2, 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 C.6.3, it is the Company's practice that the company secretary report to the executive Directors.

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

Hong Kong, 13 November 2023

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. TSUI Wing Tak and Ms. CHAN Yuet Ching 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).