



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 2022

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.

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

This announcement, for which the directors (the “Directors”) of Bingo Group Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief. The information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

The board of Directors (the “Board”) of the Company presents the unaudited consolidated results of the Group for the three months and six months ended 30 September 2022, together with the unaudited comparative figures for the corresponding period in 2021 were as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	Three months ended 30 September		Six months ended 30 September	
		2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Revenue	2	1,414	1,540	1,815	3,370
Cost of sales and services		(584)	(657)	(747)	(1,452)
Gross profit		830	883	1,068	1,918
Other revenue and other net income	3	499	673	1,131	809
Selling and marketing expenses		(73)	(26)	(99)	(63)
Administrative expenses		(3,493)	(4,052)	(7,048)	(8,358)
Share-based payments	5	–	(1,192)	–	(1,215)
Share of result of an associate		(5)	(132)	(20)	(12)
Finance costs	6	(470)	(629)	(931)	(1,232)
Loss before taxation	7	(2,712)	(4,475)	(5,899)	(8,153)
Taxation	8	–	–	–	–
Loss for the period		<u>(2,712)</u>	<u>(4,475)</u>	<u>(5,899)</u>	<u>(8,153)</u>
Loss attributable to:					
Owners of the Company		(2,694)	(3,950)	(5,847)	(7,428)
Non-controlling interests		(18)	(525)	(52)	(725)
		<u>(2,712)</u>	<u>(4,475)</u>	<u>(5,899)</u>	<u>(8,153)</u>
		HK cents	HK cents (Restated)	HK cents	HK cents (Restated)
Loss per share	10				
Basic and diluted		<u>(2.62)</u>	<u>(4.62)</u>	<u>(5.70)</u>	<u>(8.68)</u>

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Three months ended		Six months ended	
	30 September		30 September	
	2022	2021	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Loss for the period	(2,712)	(4,475)	(5,899)	(8,153)
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>910</u>	32	<u>1,387</u>	<u>(92)</u>
Other comprehensive income/(loss) for the period, net of tax	<u>910</u>	32	<u>1,387</u>	<u>(92)</u>
Total comprehensive loss for the period	<u>(1,802)</u>	<u>(4,443)</u>	<u>(4,512)</u>	<u>(8,245)</u>
Other comprehensive income/(loss) attributable to:				
Owners of the Company	<u>532</u>	13	<u>1,241</u>	(90)
Non-controlling interests	<u>378</u>	19	<u>146</u>	<u>(2)</u>
	<u>910</u>	<u>32</u>	<u>1,387</u>	<u>(92)</u>
Total comprehensive loss attributable to:				
Owners of the Company	<u>(2,162)</u>	(3,937)	<u>(4,606)</u>	(7,518)
Non-controlling interests	<u>360</u>	(506)	<u>94</u>	<u>(727)</u>
	<u>(1,802)</u>	<u>(4,443)</u>	<u>(4,512)</u>	<u>(8,245)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30 September 2022	As at 31 March 2022
	<i>Notes</i>	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		130	5
Right-of-use assets		–	–
Interests in an associate	11	15	570
Rental deposits		509	547
		654	1,122
CURRENT ASSETS			
Loan to an associate	11	–	16,029
Trade receivables	12	140	67
Other receivables, deposits and prepayments		495	6,365
Cash and cash equivalents		26,679	11,824
		27,314	34,285
CURRENT LIABILITIES			
Trade payables	13	108	72
Deposits received, other payables and accruals		2,889	3,717
Lease liabilities		1,946	2,689
Contract liabilities		7,317	8,266
		12,260	14,744
NET CURRENT ASSETS		15,054	19,541
TOTAL ASSETS LESS CURRENT LIABILITIES		15,708	20,663

		As at	As at
		30 September	31 March
		2022	2022
	<i>Notes</i>	HK\$'000	HK\$'000
		(Unaudited)	(Audited)
NON-CURRENT LIABILITIES			
Convertible bonds		12,298	11,501
Lease liabilities		3,275	4,515
		<u>15,573</u>	<u>16,016</u>
NET ASSETS		<u>135</u>	<u>4,647</u>
CAPITAL AND RESERVES			
Share capital	<i>14</i>	10,265	10,265
Reserves		(9,070)	(4,464)
		<u>1,195</u>	<u>5,801</u>
Non-controlling interests		<u>(1,060)</u>	<u>(1,154)</u>
TOTAL EQUITY		<u>135</u>	<u>4,647</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 2022 are consistent with those used in the Group’s annual financial statements for the year ended 31 March 2022.

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

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

2. REVENUE

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

	Three months ended 30 September		Six months ended 30 September	
	2022 HK\$’000 (Unaudited)	2021 HK\$’000 (Unaudited)	2022 HK\$’000 (Unaudited)	2021 HK\$’000 (Unaudited)
Revenue from cinema business	<u>1,414</u>	<u>1,540</u>	<u>1,815</u>	<u>3,370</u>

3. OTHER REVENUE AND OTHER NET INCOME

	Three months ended 30 September		Six months ended 30 September	
	2022 HK\$’000 (Unaudited)	2021 HK\$’000 (Unaudited)	2022 HK\$’000 (Unaudited)	2021 HK\$’000 (Unaudited)
Interest income	1	132	4	148
Government grants (<i>Note 1</i>)	241	–	329	–
Rent concession	257	12	798	48
Gain on disposal of a subsidiary	–	311	–	311
Others	–	218	–	302
	<u>499</u>	<u>673</u>	<u>1,131</u>	<u>809</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 2022			
(Unaudited)			
Segment Revenue	1,815	–	1,815
Segment Results			
Reportable segment result	(419)	(1,851)	(2,270)
Unallocated corporate expenses, net			(2,678)
Share of result of an associate			(20)
Share-based payments			–
Finance costs			(931)
Loss before taxation			<u>(5,899)</u>
As at 30 September 2022 (Unaudited)			
Segment Assets			
Reportable segment assets	2,142	340	2,482
Interests in an associate			15
Loan to an associate			–
Unallocated corporate assets			<u>25,471</u>
Consolidated total assets			<u>27,968</u>
Segment Liabilities			
Reportable segment liabilities	13,591	–	13,591
Convertible bonds			12,298
Unallocated corporate liabilities			<u>1,944</u>
Consolidated total liabilities			<u>27,833</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 2021			
(Unaudited)			
Segment Revenue	3,370	–	3,370
Segment Results			
Reportable segment result	(1,679)	294	(1,385)
Unallocated corporate expenses, net			(4,309)
Share of result of an associate			(12)
Share-based payments			(1,215)
Finance costs			(1,232)
Loss before taxation			<u>(8,153)</u>
As at 31 March 2022 (Audited)			
Segment Assets			
Reportable segment assets	2,817	370	3,187
Interests in an associate			570
Loan to an associate			16,029
Unallocated corporate assets			<u>15,621</u>
Consolidated total assets			<u>35,407</u>
Segment Liabilities			
Reportable segment liabilities	16,202	–	16,202
Convertible bonds			11,501
Unallocated corporate liabilities			<u>3,057</u>
Consolidated total liabilities			<u>30,760</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 2022 (Unaudited)				
Additions to property, plant and equipment	125	–	–	125
Interest income	1	–	3	4
Depreciation of property, plant and equipment	–	–	–	–
Depreciation of right-of-use assets	–	–	–	–
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
For the six months ended				
30 September 2021 (Unaudited)				
Additions to property, plant and equipment	10	–	–	10
Interest income	3	139	6	148
Depreciation of property, plant and equipment	434	–	–	434
Depreciation of right-of-use assets	298	–	157	455
	<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

	2011 CB				2022 CB
	Tranche 2	Tranche 3	Tranche 4	Tranche 5	
Principal amount	HK\$5,000,000	HK\$5,000,000	HK\$5,000,000	HK\$5,000,000	HK\$19,000,000
Share price (<i>note a</i>)	HK\$0.035	HK\$0.035	HK\$0.035	HK\$0.035	HK\$0.212
Interest	Zero coupon				
Conversion price (<i>note b</i>)	HK\$5.3	HK\$5.3	HK\$5.3	HK\$5.3	HK\$0.275
Maturity date (<i>note c</i>)	1 June 2022	1 June 2023	1 June 2024	1 June 2025	31 December 2025

note a: HK\$0.035 is share price as at 31 March 2020 for Tranche 2 to Tranche 5 of 2011 CB, 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. The outstanding 2011 CB has been fully settled by issuing of 2022 CB to Mr. CHIAU Sing Chi, holder of 2011 CB, on 17 March 2022. 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.

note b: HK\$5.3 is the conversion price of 2011 CB before extinguishment.

note c: Tranche 2 to Tranche 5 of 2011 CB had been extinguished on 17 March 2022.

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 d</i>)	HK\$1.68	HK\$0.74	HK\$0.84
Fair value:	HK\$2,181,000	HK\$893,000	HK\$1,168,000

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

Share Award

On 14 August 2019, the Company adopted a share award scheme (the “Share Award Scheme”) and granted share awards up to 30 September 2022, as follows:

Date of grant	Category	Number of awarded shares granted	Number of awarded shares lapsed	Number of awarded shares cancelled	Number of awarded shares outstanding as at 30 September 2022	Original vesting period	notes
16 August 2019	Director: CHIAU Sing Chi	855,000	–	(855,000)	–	One year from the date of grant	e, g
14 October 2019	Director: CHOW Man Ki Kelly	424,000	–	(424,000)	–	One year from the date of grant	f, g
	Employees (in aggregate)	1,278,000	(854,000)	(424,000)	–	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, g
	Advisors (in aggregate)	1,708,000	(1,708,000)	–	–	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	

note e: As additional time was 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 Mr. CHIAU Sing Chi, the grantee, in August 2021 mutually agreed that the awarded shares, which were originally vested on the first anniversary of the date of grant, 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.

note f: Among 1,278,000 awarded shares granted to employees on 14 October 2019, 424,000 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 424,000 awarded shares granted to Ms. CHOW Nga Chee Alice, the remaining 854,000 awarded shares granted to employees and 1,708,000 awarded shares granted to advisors have been lapsed before 1 April 2022.

As additional time was 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 each of Ms. CHOW Man Ki Kelly and Ms. CHOW Nga Chee Alice in October 2021 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.

note g: On 14 August 2022, in order to reduce administrative cost of the Company and improve the cashflow position of the Company, the Board has resolved to terminate the share award scheme with effect from the same date. As at 14 August 2022, none of the awarded shares previously granted to the grantees have been vested and the relevant grantees agreed with the Company to cancel such award without compensation.

No share-based payments recognized in the six months ended 30 September 2022 (2021: 1,215,000, HK\$48,000 of which is related to awarded shares granted to Ms. CHOW Nga Chee Alice (executive Director) and HK\$777,000 of which is related to share options granted to Ms. CHOW Man Ki Kelly (executive Director) and Ms. CHOW Nga Chee Alice (executive Director)).

6. FINANCE COSTS

	Three months ended		Six months ended	
	30 September		30 September	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Imputed interest on convertible bonds	407	538	797	1,050
Interest expenses on lease liabilities	63	91	134	182
	<u>470</u>	<u>629</u>	<u>931</u>	<u>1,232</u>

7. LOSS BEFORE TAXATION

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

	Three months ended		Six months ended	
	30 September		30 September	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Direct expenses of cinema business	584	657	747	1,452
Depreciation of property, plant and equipment	–	11	–	434
Depreciation of right-of-use assets	–	305	–	455
Exchange loss/(gain)	827	35	1,633	(222)
Staff costs (including directors' remuneration)				
Salaries and allowances	1,426	1,939	2,834	3,722
Equity settled share-based payments	–	802	–	825
Retirement scheme contributions	189	157	398	314
Equity settled share-based payments paid to advisors	–	390	–	390
	<u>–</u>	<u>390</u>	<u>–</u>	<u>390</u>

8. TAXATION

No provision for Hong Kong Profits Tax was made by the Group as the Group did not derive any assessable profits in Hong Kong for the six months ended 30 September 2022 and 2021.

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 2022.

9. DIVIDEND

The Directors do not recommend the payment of any dividend for the six months ended 30 September 2022 (six months ended 30 September 2021: Nil).

10. LOSS PER SHARE

Basic and diluted loss per share

	Three months ended		Six months ended	
	30 September		30 September	
	2022	2021	2022	2021
	<i>HK Cent</i>	<i>HK Cent</i>	<i>HK Cent</i>	<i>HK Cent</i>
		(Restated)		(Restated)
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Basic and diluted loss per share	<u>2.62</u>	<u>4.62</u>	<u>5.70</u>	<u>8.68</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	
	2022	2021	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Restated)		(Restated)
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Loss for the period attributable to owners of the Company	<u>2,694</u>	<u>3,950</u>	<u>5,847</u>	<u>7,428</u>
	2022	2021	2022	2021
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>102,644,466</u>	<u>85,538,467</u>	<u>102,644,466</u>	<u>85,538,467</u>

The weighted average numbers of ordinary shares for the purpose of calculating basic loss per share for the three and six months ended 30 September 2021 have been retrospectively adjusted to reflect the share consolidation with effect from 16 March 2022.

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 2022 and 2021 because they are antidilutive in calculating the diluted loss per share.

11. INTERESTS IN AN ASSOCIATE

	As at 30 September 2022 HK\$'000 (Unaudited)	As at 31 March 2022 HK\$'000 (Audited)
Unlisted shares		
Share of net assets/(liabilities)	(8)	11
Amount due from an associate (<i>note b</i>)	23	559
	<u>15</u>	<u>570</u>
Loan to an associate (<i>note c</i>)	–	16,029
	<u>–</u>	<u>16,029</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	Proportion of ownership interest			Principal activity
				Group's effective interest	Held by the Company	Held by subsidiaries	
Goal Creation Game Limited	Incorporated	Hong Kong	100 shares of HK\$1 each	49%	–	49%	Investing in Virtual Reality and Mixed Reality Project

(a) Fair value of Investments

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

(b) Amount due from an associate

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

(c) Loan to an associate

On 30 September 2019, the Group entered into a loan agreement ("2019 Loan Agreement") with the associate. Pursuant to the 2019 Loan Agreement, the Group advanced a loan of RMB16,000,000 (equivalent to approximately HK\$17,691,000) to the associate for three years. The associate placed the loan into a bank as bank deposit and time deposit for interest income.

The loan is unsecured, bearing interest which is at the same interest rate as for bank deposit and time deposit placed in the bank mentioned above. In September 2021, the Group has confirmed with Goal Creation Game Limited ("Goal Creation") that Goal Creation allowed the Group to withdraw the loan partially up to RMB5,000,000 (equivalent to approximately HK\$5,529,000) on demand and the remaining RMB11,000,000 (equivalent to approximately HK\$12,162,000) remained to be repayable in September 2022. The Group withdrew the loan of RMB3,000,000 (equivalent to approximately HK\$3,317,000) in October 2021 and the remaining balance of approximately RMB13,000,000 (equivalent to approximately HK\$14,374,000) in September 2022.

12. TRADE RECEIVABLES

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

	As at 30 September 2022 HK\$'000 (Unaudited)	As at 31 March 2022 HK\$'000 (Audited)
Within 30 days	86	14
31–60 days	–	–
61–90 days	7	–
Over 90 days	47	53
	140	67
Less: Allowance for expected credit losses	–	–
	140	67

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.

13. TRADE PAYABLES

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

	As at 30 September 2022 HK\$'000 (Unaudited)	As at 31 March 2022 HK\$'000 (Audited)
Within 30 days	86	48
31–60 days	–	–
61–90 days	–	–
Over 90 days	22	24
	108	72

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.

14. SHARE CAPITAL

	As at 30 September 2022 (Unaudited)		As at 31 March 2022 (Audited)	
	Number of shares '000	Amount HK\$'000	Number of shares '000	Amount HK\$'000
Authorised:				
At the beginning of the period/year, ordinary shares of HK\$0.1 (As at 1 April 2021: HK\$0.01) each	2,000,000	200,000	20,000,000	200,000
Share Consolidation (<i>note 1</i>)	–	–	(18,000,000)	–
	<u>2,000,000</u>	<u>200,000</u>	<u>2,000,000</u>	<u>200,000</u>
At the end of the period/year, ordinary shares of HK\$0.1 each	<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 of the period/year, ordinary shares of HK\$0.1 (As at 1 April 2021: HK\$0.01) each	102,645	10,265	855,385	8,554
Placing of Shares (<i>note 2</i>)	–	–	171,060	1,711
Share consolidation (<i>note 1</i>)	–	–	(923,800)	–
	<u>102,645</u>	<u>10,265</u>	<u>102,645</u>	<u>10,265</u>
At the end of the period/year, ordinary shares of HK\$0.1 each	<u>102,645</u>	<u>10,265</u>	<u>102,645</u>	<u>10,265</u>

note 1:

On 16 March 2022, the Company completed share consolidation which was approved at the extraordinary general meeting held on 14 March 2022. Details of share consolidation is as follows:

The Company implemented a share consolidation on the basis that every ten existing shares of HK\$0.01 of the Company combined into one consolidated share of HK\$0.1 effective on 16 March 2022.

note 2:

On 27 September 2021, the Company entered into a placing agreement with Enlighten Securities Limited, the placing agent, in respect of the placement of 171,060,000 ordinary shares of HK\$0.01 each to investors at a price of HK\$0.034 per share. The placement was completed on 18 October 2021 and the premium on the issue of shares amounting to approximately HK\$3,750,000 (net of transaction cost) was credited to the Company's share premium account.

15. 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	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Directors' fee, salaries, allowances and other benefits	435	420
Share-based payments	—	825
	<u>435</u>	<u>1,245</u>

(b) Connected transactions

Name of connected parties	Nature of transactions	Six months ended	
		30 September	
		2022	2021
		HK\$'000	HK\$'000
Goal Creation Game Limited	Interest Income from loan to an associate (<i>Note 12</i>)	—	138

16. EVENT AFTER THE REPORTING PERIOD

On 27 October 2022, High Art Limited, a wholly-owned subsidiary of the Group, entered into a joint venture agreement with Memorigin Watch Company Limited (“Memorigin”) and Topping Mark Limited 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 Limited is wholly owned by Ms. CHOW Man Ki Kelly, an executive director of the Company.

Pursuant to the terms of the joint venture agreement, each of High Art Limited, Memorigin, and Topping Mark Limited would contribute HK\$1,200,000, HK\$400,000 and HK\$400,000, respectively, in cash to the share capital of the joint venture company. Upon the completion of the formation of the joint venture company, the equity interest of the joint venture company will be owned as to 60%, 20% and 20% by High Art Limited, Memorigin and Topping Mark Limited, respectively. As at the date of approving this results announcement, the formation of the joint venture company is yet to be completed.

MANAGEMENT DISCUSSION AND ANALYSIS

GENERAL

During the six months ended 30 September 2022 (the “Period”), Bingo Group Holdings Limited (the “Company”) and its subsidiaries (collectively, the “Group”) was principally engaged in movie production, licensing and derivatives, crossover marketing and provision of interactive contents (“Filmed Entertainment, New Media Exploitations and Licensing Businesses”) and cinema investment and management (“Cinema Business”).

OPERATION REVIEW

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

In view of the on-going development of the Cinema Business, this segment has become the prime revenue generator of the Group in the Period. Approximately revenue of HK\$1.8 million and gross profit of HK\$1.1 million were generated during the Period. The Group’s revenue and gross profit from the Cinema Business for the Period decreased as compared to revenue of HK\$3.4 million and gross profit of HK\$1.9 million generated in the six month ended 30 September 2021 (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 People’s Republic of China (the “PRC”) were allowed to recommence their businesses. The Group’s cinemas in Shanghai and Hangzhou were just re-opened in August 2020. However, the COVID-19 spread in Shanghai and part of Yangtze River Delta region again, and our cinema in Shanghai could not open from early March 2022 to late July 2022 and that in Hangzhou suspended the business for one week in April 2022. As such, the Group’s revenue for the Period decreased significantly as compared to that in the six months ended 30 September 2022.

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, the name of which is Goal Creation Game Limited (“Goal Creation”). The issued share capital of Goal Creation 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 Goal

Creation, pursuant to which Bingo Movie will advance the loan of not less than HK\$25 million and not more than HK\$35 million to Goal Creation 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\$32.1 million) was lent to Goal Creation. Another loan of RMB16 million (equivalent to HK\$17.7 million) with a term of three years was granted to Goal Creation 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. In September 2021, the Group has confirmed with Goal Creation that Goal Creation allowed the Group to withdraw the loan partially up to RMB5 million (equivalent to approximately HK\$5.5 million) on demand and the remaining RMB11 million (equivalent to approximately HK\$12.2 million) remained to be repayable in September 2022. The Group withdrew the loan of RMB3 million (equivalent to approximately HK\$3.3 million) in October 2021 and the remaining balance of approximately RMB13 million (equivalent to approximately HK\$14.4 million) in September 2022. The business environment of VR and MR in the PRC is affected by COVID-19 seriously. Although we are still optimistic on the development of VR and MR projects in the long run, we still have to adopt prudent approach on our investments. No appropriate VR or MR project was located up to the date of this results announcement. Goal Creation will still closely monitor this market and invest in it with the Group's consent, if appropriate target is spotted. 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 years 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.

The joint venture with Jiu De has been established in the PRC in May 2022, but the business operation is yet to be commenced.

FINANCIAL REVIEW

During the Period, the Group recorded a total turnover of approximately HK\$1.8 million, representing a decrease of approximately HK\$1.6 million compared with that of approximately HK\$3.4 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\$5.9 million was recorded. As compared with the loss of HK\$8.2 million for the Corresponding Period, the loss decreased by approximately HK\$2.3 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\$8.4 million for the Corresponding Period to approximately HK\$7.0 million for the Period.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 September 2022, the Group had total assets of approximately HK\$28.0 million (31 March 2022: HK\$35.4 million), including cash and cash equivalents of approximately HK\$26.7 million (31 March 2022: HK\$11.8 million). There was no pledged bank deposit as at 30 September 2022 and 31 March 2022. During the Period, the Group financed its operations with its own working capital. As at 30 September 2022 and 31 March 2022, the Group did not have any bank overdraft. As at 30 September 2022, the debt ratio (defined as the ratio between total liabilities over total assets) was approximately 1.00 (31 March 2022: approximately 0.87). In view of the strong cash position of the Group which are adequate to cover all current liabilities of the Group as at 30 September 2022, the Board believes that the Group has sufficient resources to satisfy its working capital requirements.

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 18 October 2021, the Company completed a placing and has successfully raised approximately HK\$5.8 million (before expenses), which are detailed below.

On 27 September 2021 (after trading hours), the Company and Enlighten Securities Limited (the “Placing Agent”) entered into a placing agreement (the “Placing Agreement”) pursuant to which the Placing Agent agreed to place, on a best endeavour basis, to not less than six independent places for up to 171,060,000 new shares at a price (the “Placing Price”) of HK\$0.034 per placing share of HK\$0.01 each in the share capital of the Company (the “Placing”). These new shares rank pari passu in all respect with the then existing shares of the Company. The Placing was completed on 18 October 2021.

The Placing Price of HK\$0.034 per placing share represents: (i) a discount of approximately 10.5% to the closing price of HK\$0.038 per share of the Company as quoted on the Stock Exchange on 27 September 2021, being the date of the Placing Agreement; and (ii) a discount of approximately 15.8% to the average of the closing prices of HK\$0.0404 per share of the Company as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The Group is principally engaged in cinema investment and management, movie production, licensing and derivatives, crossover marketing and provision of interactive contents. The Directors were of the view that the Placing can strengthen the financial position of the Company for its cinema operation and provide funding to the Company to meet any future investment opportunities in the cinema business. The Placing also represented a good opportunity to broaden the Shareholders’ base and the capital base of the Company. The Directors (including the independent non-executive Directors) considered that the terms and conditions of the Placing Agreement were fair and reasonable and were on normal commercial terms and the Placing was in the interest of the Company and the Shareholders as a whole.

The aggregate gross proceeds of the Placing were approximately HK\$5.8 million and the aggregate net proceeds of the Placing, after deduction of expenses, were approximately HK\$5.5 million, representing a net issue price of approximately HK\$0.032 per placing share. The net proceeds from the Placing were intended to be used for cinema investment and/or supporting the existing cinema operation of the Group. As of 30 September 2022, the net proceeds of approximately HK\$5.5 million were fully used for supporting the existing cinema operation of the Group as intended.

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 2022, the Group had no outstanding foreign currency hedge contracts (31 March 2022: Nil).

EMPLOYEES

As at 30 September 2022, the Group had 44 (31 March 2022: 44) staff in the PRC and Hong Kong. Total staff costs including directors' remuneration were approximately HK\$3.2 million during the Period (Corresponding Period: approximately HK\$4.9 million). Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. Year-end bonus based on individual performance will be paid to employees as recognition of and reward for their contributions. Other benefits include contributions to statutory mandatory provident fund scheme to its employees.

CONTINGENT LIABILITIES

As at 30 September 2022, the Group did not have any significant contingent liabilities (31 March 2022: Nil).

OUTLOOK

As of the date of this announcement, the coronavirus outbreak has killed over 6 million people and infected more than 600 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 Omicron Variant have spread in Shanghai in March 2022. The cinemas in Shanghai have been ordered to be closed since then and are just allowed to be re-opened in late July 2022. The cinema businesses in China was affected again. Our cinema in Shanghai has ceased to operate for nearly four months since late March 2022, and our cinema in Hangzhou had a shorter lockdown period. It was closed for approximately one week since late April 2022 and had re-opened on 1 May 2022 already.

In addition to cinema business, entertainment business, including VR and MR businesses, is one of the commercial sectors suffered by COVID-19 seriously in the PRC. Goal Creation, the associate of the Group, has been trying to locate appropriate VR and MR projects. However, no appropriate one was located during the Period. Although the Group considers that there is still growth potential in investment of VR and MR projects, the Group did not extend the loan of RMB16 million to Goal Creation and the full amount has been refunded to the Group in September 2022. Goal Creation will continue to spot any appropriate VR and MR projects to invest.

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, intellectual property licensing business, and investments in China cultural industry.

As mentioned in the section of “BUSINESS 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 but will finalise the terms of the details of the business plan carefully in view of difficult time of running entertainment business in the PRC currently.

On 27 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 year 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. Under the cooperation plan, High Art is intended to develop, design, market and sell movie-themed tourbillon watches together with Memorigin and Topping Mark.

Pursuant to the terms of the joint venture agreement, each of High Art, Memorigin, and Topping Mark would contribute HK\$1,200,000, HK\$400,000 and HK\$400,000, respectively, in cash to the share capital of the joint venture company. Upon the completion of the formation of the joint venture company, the equity interest of the joint venture company will be owned as to 60%, 20% and 20% by High Art, Memorigin and Topping Mark, respectively. As at the date of approving this results announcement, the formation of the joint venture company is yet to be completed.

The Board believes that the Group's existing businesses can create a synergistic effect with the above-mentioned new businesses and will benefit the Group in the future.

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF SHARES

For the six months ended 30 September 2022, 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 2022 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 2022.

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 2022, 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 2022. 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.

NON-COMPLIANCE WITH RULES 5.05(1) AND 5.28 OF GEM LISTING RULES

Following the resignation of Mr. ONG King Keung as an independent non-executive Director and cessation as a member of the Audit Committee on 20 May 2022, the Company had only two independent non-executive Directors. As such, the number of independent non-executive Directors fell below the minimum number as required under Rule 5.05(1) of GEM Listing Rules. Further, there were only two members of the Audit Committee. As such, Rule 5.28 of GEM Listing Rules was not complied with.

The Company has already appointed Ms. CHAN Yuet Ching as an independent non-executive Director and a member of Audit Committee, with effect from 29 July 2022, and Rules 5.05(1) and 5.28 of GEM Listing Rules have been complied with accordingly.

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

Hong Kong, 14 November 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. 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).