



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 2024

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 six months ended 30 September 2024, together with the unaudited comparative figures for the corresponding period in 2023 were as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Six months ended	
		30 September	
		2024	2023
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)
Revenue	2	4,525	5,387
Cost of sales and services		<u>(1,726)</u>	<u>(2,472)</u>
Gross profit		2,799	2,915
Other revenue and other net income	3	142	206
Selling and marketing expenses		(267)	(164)
Administrative expenses		(6,631)	(7,159)
Share-based payments	5	(6,122)	–
Share of result of an associate		(1)	–
Finance costs	6	<u>(1,144)</u>	<u>(1,034)</u>
Loss before taxation	7	(11,224)	(5,236)
Taxation	8	<u>(359)</u>	<u>(56)</u>
Loss for the period		<u><u>(11,583)</u></u>	<u><u>(5,292)</u></u>
Loss attributable to:			
Owners of the Company		(11,508)	(5,463)
Non-controlling interests		<u>(75)</u>	<u>171</u>
		<u><u>(11,583)</u></u>	<u><u>(5,292)</u></u>
		<i>HK cents</i>	<i>HK cents</i>
Loss per share	10		
Basic and diluted		<u><u>(11.21)</u></u>	<u><u>(5.32)</u></u>

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Six months ended	
	30 September	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Loss for the period	(11,583)	(5,292)
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>(38)</u>	<u>362</u>
Other comprehensive income/(loss)		
for the period, net of tax	<u>(38)</u>	<u>362</u>
Total comprehensive loss for the period	<u>(11,621)</u>	<u>(4,930)</u>
Other comprehensive income/(loss) attributable to:		
Owners of the Company	(37)	355
Non-controlling interests	<u>(1)</u>	<u>7</u>
	<u>(38)</u>	<u>362</u>
Total comprehensive loss attributable to:		
Owners of the Company	(11,545)	(5,108)
Non-controlling interests	<u>(76)</u>	<u>178</u>
	<u>(11,621)</u>	<u>(4,930)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30 September 2024	As at 31 March 2024
	<i>Notes</i>	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		105	115
Right-of-use assets	<i>11</i>	–	–
Interests in an associate	<i>12</i>	18	19
Rental deposits		563	478
		<hr/> 686	<hr/> 612
CURRENT ASSETS			
Inventories		–	17
Trade receivables	<i>13</i>	77	168
Other receivables, deposits and prepayments	<i>14</i>	11,692	493
Cash and cash equivalents		53,475	13,593
		<hr/> 65,244	<hr/> 14,271
CURRENT LIABILITIES			
Trade payables	<i>15</i>	1,408	208
Other payables and accruals		2,410	2,882
Contract liabilities	<i>16</i>	63,767	8,283
Lease liabilities		1,207	1,329
Tax payable		71	69
		<hr/> 68,863	<hr/> 12,771
NET CURRENT ASSETS/(LIABILITIES)		<hr/> (3,619)	<hr/> 1,500
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/> (2,933)	<hr/> 2,112

		As at 30 September 2024 <i>Notes</i> HK\$'000 (Unaudited)	As at 31 March 2024 <i>HK\$'000</i> (Audited)
NON-CURRENT LIABILITIES			
Convertible bonds		16,072	15,031
Lease liabilities		407	994
		<u>16,479</u>	<u>16,025</u>
NET LIABILITIES		<u>(19,412)</u>	<u>(13,913)</u>
CAPITAL AND RESERVES			
Share capital	<i>17</i>	10,265	10,265
Reserves		(27,954)	(22,531)
		<u>(17,689)</u>	<u>(12,266)</u>
Non-controlling interests		<u>(1,723)</u>	<u>(1,647)</u>
TOTAL CAPITAL DEFICIENCY		<u>(19,412)</u>	<u>(13,913)</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 2024 are consistent with those used in the Group’s annual financial statements for the year ended 31 March 2024.

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:

	Six months ended	
	30 September	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Revenue from cinema business	893	3,769
Revenue from licensing business	3,632	1,618
	<hr/>	<hr/>
	4,525	5,387
	<hr/> <hr/>	<hr/> <hr/>

3. OTHER REVENUE AND OTHER NET INCOME

	Six months ended	
	30 September	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Interest income	64	20
Others	78	186
	<hr/>	<hr/>
	142	206
	<hr/> <hr/>	<hr/> <hr/>

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 2024 (Unaudited)			
Segment Revenue	<u>893</u>	<u>3,632</u>	<u>4,525</u>
Segment Results			
Reportable segment result	(1,015)	2,399	1,384
Unallocated corporate expenses, net			(5,341)
Share of result of an associate			(1)
Share-based payments			(6,122)
Finance costs			<u>(1,144)</u>
Loss before taxation			<u><u>(11,224)</u></u>
As at 30 September 2024 (Unaudited)			
Segment Assets			
Reportable segment assets	2,476	57,942	60,418
Interests in an associate			18
Unallocated corporate assets			<u>5,494</u>
Consolidated total assets			<u><u>65,930</u></u>
Segment Liabilities			
Reportable segment liabilities	8,792	56,745	65,537
Tax payables			71
Convertible bonds			16,072
Unallocated corporate liabilities			<u>3,662</u>
Consolidated total liabilities			<u><u>85,342</u></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 2023 (Unaudited)			
Segment Revenue	<u>3,769</u>	<u>1,618</u>	<u>5,387</u>
Segment Results			
Reportable segment result	(501)	634	133
Unallocated corporate expenses, net			(4,335)
Share of result of an associate			–
Finance costs			<u>(1,034)</u>
Loss before taxation			<u><u>(5,236)</u></u>
As at 31 March 2024 (Audited)			
Segment Assets			
Reportable segment assets	2,241	1,926	4,167
Interests in an associate			19
Unallocated corporate assets			<u>10,697</u>
Consolidated total assets			<u><u>14,883</u></u>
Segment Liabilities			
Reportable segment liabilities	8,971	34	9,005
Tax payables			69
Convertible bonds			15,031
Unallocated corporate liabilities			<u>4,691</u>
Consolidated total liabilities			<u><u>28,796</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 2024 (Unaudited)				
Additions to right-of-use assets	–	–	–	–
Interest income	2	30	32	64
Depreciation of right-of-use assets	–	–	–	–
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
For the six months ended				
30 September 2023 (Unaudited)				
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>

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:	2020A	2021A	2024
Grant date:	14-7-2020	6-7-2021	3-7-2024
Number of options granted:	25,500,000	25,620,000	8,930,060
Exercise period:	14-7-2020– 13-7-2025	6-7-2021– 5-7-2026	3-7-2024– 2-7-2029
Vesting period:	Immediate	Immediate	All the Options must be held by the grantees for at least twelve (12) months before any Option can be exercised
Exercise price:	HK\$0.074	HK\$0.084	HK\$1.170
Adjusted exercise price: (<i>note b</i>)	HK\$0.74	HK\$0.84	N/A
Fair value:	HK\$893,000	HK\$1,168,000	HK\$6,121,989
Option type:			2024
Share price as at grant date:			HK\$1.170
Nature of the options:			Call
Risk-free rate:			3.428%
Expected life of the options:			5 years
Expected volatility:			102.3%
Expected dividend yield:			0%
Exercise multiple:			2.20–2.80
Closing price of the Company's shares immediately before the date of the grant of the aforesaid share options (i.e. 2 July 2024)			HK\$1.16

The expected volatility was based on the historical volatility of the Company's share prices. Expected dividends were based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

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

6. FINANCE COSTS

	Six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Imputed interest on convertible bonds	1,042	911
Interest expenses on lease liabilities	102	123
	<u>1,144</u>	<u>1,034</u>

7. LOSS BEFORE TAXATION

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

	Six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Direct expenses of cinema business	391	1,534
Direct expenses of licensing business	1,335	938
Depreciation of right-of-use assets	–	171
Exchange loss/(gain)	(26)	777
Staff costs (including directors' remuneration)		
Salaries and allowances	2,700	3,705
Equity settled share-based payments	2,452	–
Retirement scheme contributions	163	301
Equity settled share-based payments paid to advisors	3,670	–

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\$2,000 (six months ended 30 September 2023: HK\$56,000) was recognised for Hong Kong Profits Tax in profit or loss.

Withholding tax of the PRC of approximately HK\$357,000 was made by a subsidiary of the Company incorporated in Hong Kong during the six months ended 30 September 2024. Save as the above, 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 2024 and 2023.

9. DIVIDEND

The Directors do not recommend the payment of any dividend for the six months ended 30 September 2024 (six months ended 30 September 2023: Nil).

10. LOSS PER SHARE

Basic and diluted loss per share

	Six months ended 30 September	
	2024	2023
	<i>HK Cent</i>	<i>HK Cent</i>
	(Unaudited)	(Unaudited)
Basic and diluted loss per share	<u>11.21</u>	<u>5.32</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:

	Six months ended 30 September	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Loss for the period attributable to owners of the Company	<u>11,508</u>	<u>5,463</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>

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 2024 and 2023 because they are antidilutive in calculating the diluted loss per share.

11. RIGHT-OF-USE ASSETS

	As at 30 September 2024 <i>HK\$'000</i> (Unaudited)	As at 31 March 2024 <i>HK\$'000</i> (Audited)
Net carrying amount at the beginning of the period/year	–	–
Additions	–	1,671
Depreciation charge	–	(589)
Impairment	–	(1,082)
	<u>–</u>	<u>–</u>
Net carrying amount at the end of the period/year	<u>–</u>	<u>–</u>

12. INTERESTS IN AN ASSOCIATE

	As at 30 September 2024 <i>HK\$'000</i> (Unaudited)	As at 31 March 2024 <i>HK\$'000</i> (Audited)
Unlisted shares		
Share of net assets	(13)	(12)
Amount due from an associate (<i>note b</i>)	<u>31</u>	<u>31</u>
	<u>18</u>	<u>19</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.

13. TRADE RECEIVABLES

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

	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
Within 30 days	62	153
31–60 days	–	–
61–90 days	–	–
Over 90 days	15	15
	77	168
Less: Allowance for expected credit losses	–	–
	77	168

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. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

The amount as at 30 September 2024 includes the prepaid service fee to Zhouling Culture & Media (Shanghai) Co., Ltd. (宙靈文化傳媒 (上海) 有限公司) (“Zhouling Culture”) of RMB10,000,000 equivalent to approximately HK\$11,089,000. The service fee was paid by the Group to Zhouling in September 2024. The services to be performed by Zhouling Culture include the project management, overall planning and coordination and consultancy services based on the strategic cooperation framework agreement entered into among Beijing iQIYI, the Company and Zhouling Culture (see Note 16 for further details).

15. TRADE PAYABLES

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

	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
Within 30 days	1,335	121
31–60 days	–	–
61–90 days	–	–
Over 90 days	73	87
	<u>1,408</u>	<u>208</u>

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.

The amount aged within 30 days includes the royalty payable to The Star Overseas Limited of HK\$1,300,000 (Note 18).

16. CONTRACT LIABILITIES

The balance principally represented by the amount paid by Beijing iQIYI Technology Co., Ltd. (北京愛奇藝科技有限公司) (“Beijing iQIYI”) as detailed below.

Referring to the Company's announcement dated 31 August 2024, on that date, a strategic cooperation framework agreement was entered into among Beijing iQIYI, the Company and Zhouling Culture to stipulate the strategic cooperation, which shall be effective from 31 August 2024 to 31 July 2029. The initial amount for the production of RMB50,000,000 (equivalent to HK\$55,445,000) was prepaid by Beijing iQIYI to the Group in September 2024. No formal production was made as of 30 September 2024.

17. SHARE CAPITAL

	As at 30 September 2024 (Unaudited)		As at 31 March 2024 (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>

18. RELATED PARTY TRANSACTIONS

In addition to the balances disclosed elsewhere in these consolidated financial statements, the Group entered into the following material related party 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	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Directors' fee, salaries, allowances and other benefits	<u>774</u>	<u>390</u>

(b) Related party transactions

Name of related parties	Nature of transactions	Six months ended	
		2024	2023
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Goal Creation Game Limited	Interest Income from loan to an associate (<i>Note 12</i>)	–	182
The Star Overseas Limited	Royalty fee (<i>i</i>)	<u>(1,300)</u>	<u>–</u>

- (i) On 29 February 2024 (after trading hours), Huge Art (“Huge Art”, which is an indirect wholly-owned subsidiary of the Company), being the licensee, and The Star Overseas Limited (“TSOL”), being the licensor entered into a licensing agreement (the “Licensing Agreement”). TSOL is a company incorporated in Hong Kong with limited liability and wholly owned by Ms. CHOW Man Ki Kelly, an executive director and a substantial shareholder of the Company.

Pursuant to the Licensing Agreement, TSOL has agreed to grant to the Huge Art a license to use certain intellectual property rights (“Intellectual Property Rights”) of the live action feature movie entitled “新喜劇之王” (The New King of Comedy), including but not limited to any fictional character mentioned in the movie, in respect of commercialization of all products derived from the adaptation, application or secondary exploitation of the Intellectual Property Rights including but not limited to any products borne the relevant trademarks and logos for a three-year period from 29 February 2024 to 28 February 2027 (“Licensing Period”). Huge Art shall pay the TSOL commencing from the first anniversary of the commencement date of the Licensing Agreement until the end of the Licence Period a royalty equivalent to 50% of the sales revenue (the “Sales Revenue”) to be received by Huge Art in cash on the use, application, or exploitation of the Intellectual Property Rights in cash as royalty. The annual cap for the aggregate fees payable by Huge Art to TSOL for the royalty during the License Period shall not exceed HK\$1.30 million per 12 months from the date of the date of the Licensing Agreement. In the event that the royalty exceeds the annual cap for the aggregate fees payable by Huge Art to TSOL (i.e. HK\$1.30 million), there will be a downward adjustment mechanism for the royalty, such that the maximum royalty payable by Huge Art to TSOL is capped at HK\$1.30 million.

The Group is principally engaged in movie production, licensing and derivatives, crossover marketing, provision of interactive contents and cinema investment and management. The entering into of the Licensing Agreement will allow the Group to explore business opportunities for promoting the Products using the brand of New King of Comedy, including the production of bullet-screen applications and screen play of animation. There are other commercialization opportunities for the license, such as merchandising, gamification, production of comics and animations, and licensing for secondary content production. The Directors, including the independent non-executive Directors, consider that the transactions contemplated under the Licensing Agreement is in the ordinary and usual course of business of the Group and the terms of the Licensing Agreement are based on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

During the six months ended 30 September 2024, Sales Revenue of approximately HK\$3,578,000 was derived by the Group. As such, the royalty payable by Huge Art to TSOL of HK\$1,300,000 was recognised during the six months ended 30 September 2024. This amount of HK\$1,300,000 was yet to be settled and recognised as trade payables as at 30 September 2024 (Note 15).

19. EVENT AFTER THE REPORTING PERIOD

On 4 October 2024 (after trading hours), Huge Art Limited (an indirect wholly-owned subsidiary of the Company), being the service provider, and Jumoon Group Limited (“Jumoon”), being the service receiver, entered into an agreement (the “Project Management Services Agreement”).

Pursuant to the Project Management Services Agreement, the Huge Art Limited shall provide project management services to the Jumoon for a term commencing from the date when the Project Management Services Agreement becomes effective up to 31 March 2027. Huge Art Limited shall provide project management service to Jumoon, in exchange of a service fee (“Basic Service Fee”) which equals to 30% of the net profit (“Project Net Profit”) generated by the Jumoon from the respective project (“Project”). In the event that any project involves Mr. CHIAU Sing Chi’s participation in the creative production, the Basic Service Fee will be 20% of Project Net Profit instead.

Jumoon is wholly owned by Ms. CHOW Man Ki Kelly, an executive Director and a deemed substantial shareholder of the Company. As such, Jumoon is a connected person of the Company and the entering into of the Project Management Services Agreement and the transactions contemplated thereunder constitute continuing connected transactions under Chapter 20 of the GEM Listing Rules. As the highest applicable percentage ratio as set out in Rule 19.07 of the GEM Listing Rules in respect of the proposed annual cap of the Project Management Services Agreement exceeds 25% and the annual caps are over HK\$10,000,000, the transaction contemplated under the Project Management Services Agreement are subject to the applicable reporting, announcement, circular and independent shareholders’ approval requirements under Chapter 20 of the GEM Listing Rules. As of the date of this announcement, the circular to the shareholders of the Company is yet to be published.

Please refer to the Company’s announcement dated 4 October 2024 for further details of the aforesaid transaction.

MANAGEMENT DISCUSSION AND ANALYSIS

GENERAL

During the six months ended 30 September 2024 (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 has been a significant revenue generator of the Group in the Period and the periods before. Approximately revenue of HK\$0.9 million and gross profit of HK\$0.5 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\$3.8 million and gross profit of HK\$2.3 million generated in the six months ended 30 September 2023 (the “Period 2023”). Although our Shanghai cinema was closed in May 2023 due to disagreement with the landlord on the rental charge, it contributed certain revenue to the Group in Period 2023. In addition, our existing Hangzhou cinema was closed around 1.5 months for repairment work, which also led to the decrease in the revenue of the Cinema Business.

Filmed Entertainment Business

While the memorandum of understanding with Beijing iQIYI Technology Co., Ltd. (北京愛奇藝科技有限公司) (“Beijing iQIYI”), details of which were stated in the Company’s announcement dated 22 April 2024, and the eventual contract with Beijing iQIYI (see the Company’s announcement dated 1 September 2024) were signed during the Period, the Group is still in the process of finalizing several filmed entertainment productions with Beijing iQIYI. Accordingly, no revenue was generated in this sector during the period.

Licensing Business

Licensing of Intellectual Property Rights of “King of Comedy” and “New King of Comedy” and Provision of Project Planning and Promotion Services

During the Period, the Group, as the licensor and service provider, entered into an agreement with an independent third party for licensing of certain intellectual property rights of “King of Comedy” and “New King of Comedy” and provision of project planning and promotion services. The total service fee based on that agreement is RMB6 million (equivalent to approximately HK\$6.5 million). According to the progress of this project, licensing and service fees, net of value added tax, of approximately RMB3.3 million (equivalent to approximately HK\$3.6 million) was recognised and received during the Period.

The aforesaid intellectual property rights of “King of Comedy” and “New King of Comedy” held by the Group were licensed from The Star of Overseas Limited, which is wholly owned by an executive director of the Company — Ms. CHOW Man Ki Kelly. The corresponding royalty payable to The Star of Overseas Limited of HK\$1.3 million was recognised during the Period.

Strategic Cooperation with Beijing iQIYI and Zhouling Culture & Media

On 22 April 2024, a memorandum of understanding (“MOU”) entered into among the Company, Beijing iQIYI and Zhouling Culture & Media (Shanghai) Co., Ltd. 宙靈文化傳媒（上海）有限公司 (“Zhouling Culture & Media”) (collectively, the “Strategic Business Partners”), in relation to the potential strategic cooperation in co-producing a movie production or sequel of the original classic movie or new script, anime, TV series, reality TV shows and musical theatre (“Prospective Production”), among which (a) Beijing iQIYI will take up the role of the distribution and financing; (b) the Company is responsible for the provision of the intellectual property (“Prescribed IPs”) and the engagement of Mr. CHIAU Sing Chi (a.k.a Mr. Stephen Chiau) to participate in the original story, or to direct, or act as the executive producer; and (c) Zhouling Culture & Media holds the position of production, fund raising and coordination (“Strategic Cooperation”).

Pursuant to the MOU, on 31 August 2024, a strategic cooperation framework agreement (“Strategic Cooperation Framework Agreement”) was entered into among Beijing iQIYI, the Company and Zhouling Culture & Media to stipulate the Strategic Cooperation, which shall be effective from 31 August 2024 to 31 July 2029 (“Cooperation Period”).

The material terms of the Strategic Cooperation Framework Agreement are set out below:

(i) Prescribed IPs under Strategic Cooperation

Within the three (3) months after the date of the Strategic Cooperation Framework Agreement, Beijing iQIYI is eligible to select no more than four (4) Prescribed IPs to conduct multiple types of development and production for the purpose of Strategic Cooperation from the list of intellectual property (IP) which the Company is able to provide.

Further, Beijing iQIYI shall enjoy the exclusive cooperation rights for such Prescribed IPs during the Cooperation Period. In the event that Beijing iQIYI did not complete its selection of no more than four (4) Prescribed IPs within three (3) months after the date of the Strategic Cooperation Framework Agreement, the Company is eligible to negotiate business cooperation on the IPs that were not selected with other business partners.

(ii) Projects under Strategic Cooperation

A definitive agreement will be signed for every project (“Definitive Project”) which arises from the Prescribed IPs or any other exclusive project cooperation (“Original Project”) during the Cooperation Period with Beijing iQIYI upon confirmed by the Company and Mr. Stephen Chiau. Such definitive agreement shall include but not limited to the clauses regarding the type of project production, mode of cooperation, distribution of proceeds from the cooperation, amount of investment and payment terms, scope and term of IP authorisation, attribution of intellectual property rights, and arrangements for voting on major matters of cooperation.

During the Cooperation Period, the Strategic Cooperation regarding the Prescribed IPs and Definitive Projects shall be exclusive. Once an agreement among Beijing iQIYI, the Company and Zhouling Culture & Media has been reached for a definitive project and the first installment of the investment in such definitive project has been settled, the Strategic Cooperation under the corresponding Prescribed IP will be extended to 31 July 2032.

Prior to 31 July 2025, the Strategic Business Partners and the Company are required to complete at least one (1) Definitive Project’s pre-production, including script development, budget and production plans, styling and props preparation, casting of actors/actresses, site investigation, set production, equipment procurement, technology acquisition and other pre-production work as and when necessary.

(iii) Right of First Offer

During the three (3) years after the end of the Cooperation Period, (i.e. from 1 August 2029 to 1 August 2032), if the Company and Mr. Stephen Chiau or its associates establish any development plans on the Prescribed IPs or the Original Projects, they shall first notify Beijing iQIYI to seek whether Beijing iQIYI has any intention of cooperation. If Beijing iQIYI did not provide its response within fifteen (15) days after the receipt of the foregoing notice, the Company, Mr. Stephen Chiau or its associates may cooperate with a third party.

(iv) Mode of Cooperation and Budget for the Prospective Production

The Strategic Cooperation is expected to conduct in any of the following two modes:

- (a) the Prescribed IPs, the ones which were directed or produced by Mr. Stephen Chiau, no more than four (4) of which would be selected by Beijing iQIYI before adapting into one of the Prospective Production; or
- (b) the original projects owned by the Company to be adapted and produced as one of the Prospective Production.

A cumulative target production budget of the Prospective Production over the Cooperation Period as stipulated under the Strategic Cooperation Framework Agreement has no material difference from the disclosure under the announcement of the Company dated 22 April 2024.

The definitive projects will be conducted in any of the following forms:

- (a) movie definitive project, which is the production or sequels of original classic movies or new scripts, with an average length of the episode of no less than 90 minutes (excluding the prologue, epilogue and advertisements); or
- (b) TV series definitive project, which shall comprise no less than 20 episodes, with an average length of the episode of no less than 20 minutes and 1 second (excluding the prologue, epilogue and advertisements); or
- (c) any mutually agreed method of content creation between the parties.

The material terms of the Strategic Cooperation Framework Agreement are set out as per the Company's announcement dated on 1 September 2024. During the Period, RMB50 million (equivalent to HK\$55.4million) was received by the Group from Beijing iQIYI in September 2024, and is currently recognized as contract liabilities as at 30 September 2024. It is expected as the Definitive Project(s) with Beijing iQIYI will materialize as soon as prior to 1 April 2025, and part of the contract liabilities will be recognized as revenue.

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. During the Period, revenue of approximately HK\$54,000 (Period 2023: 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 of this announcement.

FINANCIAL REVIEW

During the Period, the Group recorded a total turnover of approximately HK\$4.5 million, representing a decrease of approximately HK\$0.9 million compared with that of approximately HK\$5.4 million in Period 2023. The decrease in turnover is due to net effect of the decrease in revenue from Cinema Business from approximately HK\$3.8 million in Period 2023 to approximately HK\$0.9 million in the Period, and the increase in revenue from Licensing Business from HK\$1.6 million in Period 2023 to HK\$3.6 million in Period. The decrease in revenue from Cinema Business is because the Group's cinema in Shanghai, which was closed in May 2023, contributed certain revenue in Period 2023, and the Group's existing cinema in Hangzhou suspended its operation for repairment works for nearly 1.5 months. The increase in revenue from Licensing Business is principally due to the commencement of the project using the certain intellectual property rights of the live action feature movies titled “喜劇之王” (King of Comedy) and “新喜劇之王” (New King of Comedy).

Loss for the Period of approximately HK\$11.6 million was recorded. As compared with the loss of HK\$5.3 million for Period 2023, the loss increased by approximately HK\$6.3 million. The increase in loss for the Period was mainly attributable to the non-cash share-based payments of approximately HK\$6.1 million, which are related to the share options granted during the Period.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 September 2024, the Group had total assets of approximately HK\$65.9 million (31 March 2024: HK\$14.9 million), including cash and cash equivalents of approximately HK\$53.5 million, which represented an increase of more than 293% compared to the amount of HK\$13.6 million as at 31 March 2024. There was no pledged bank deposit as at 30 September 2024 and 31 March 2024. During the Period, the Group financed its operations with its own working capital. As at 30 September 2024 and 31 March 2024, the Group did not have any bank overdraft. As at 30 September 2024, the debt ratio (defined as the ratio between total liabilities over total assets) was approximately 1.29 (31 March 2024: approximately 1.93). Even though the debt ratio of the Group as at 30 September 2024 is over 1, the Company believes that it can cover the full amount of its current liabilities of approximately HK\$68.9 million as at 30 September 2024, as most of the contract liabilities of approximately HK\$63.8 million is expected to be recorded as revenue when appropriate, and no material cash settlement is expected to be made in the foreseeable future. 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 2024, the Group had no outstanding foreign currency hedge contracts (31 March 2024: Nil).

EMPLOYEES

As at 30 September 2024, the Group had 37 (31 March 2024: 28) staff in the PRC and Hong Kong. Total staff costs including directors' remuneration were approximately HK\$5.3 million during the Period (Period 2023: approximately HK\$4.0 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\$1.3 million is principally due to share-based payments of HK\$2.5 million incurred during the Period. No share-based payment was recorded in Period 2023.

CONTINGENT LIABILITIES

As at 30 September 2024, the Group did not have any significant contingent liabilities (31 March 2023: Nil).

OUTLOOK

Cinema Business

As mentioned in the section of “FINANCIAL REVIEW” above, the closure of the Group’s cinema in Shanghai in May 2023 and the suspension of Group’s existing cinema in Hangzhou for repairment works for nearly 1.5 months caused the decrease in revenue of the Cinema Business during the Period. To compensate the closure of the Shanghai cinema, 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.

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.

In light of the economic growth in the Mainland China not in line with our expectation before, and the change in mode of distribution and playing of the films and dramas, we would take a more prudent approach in our cinema business. At the same time, we are of the view that as our market share of the China cinema market is still very small, there is still substantial room for our cinema business to grow.

Filmed Entertainment, New Media Exploitations and Licensing Businesses

During the Period, the Group made more effort on the development 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 2024, 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[#]) 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 projects.

The Group has discontinued the pursuit of this business opportunity due to changes in the development of the business structure of the Group.

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, aggregate revenue of approximately HK\$2.2 million was generated from the sale of “The Mermaid” movie-themed tourbillon watches. BGM is currently considering to launch another series of movie-themed tourbillon watches by using the intellectual property rights held by the Group.

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.

Overall 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.

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.

Licensing of Intellectual Property Rights of “King of Comedy” and “New King of Comedy” and Provision of Project Planning and Promotion Services

With the successful licensing of “King of Comedy” and “New King of Comedy” to Beijing iQIYI, and the positive general response of the audience to Beijing iQIYI’s variety that used the above licenses, we are of the view that this segment would continue to become a strong revenue generator for the Company in the foreseeable future.

Strategic Cooperation with Beijing iQIYI and Zhouling Culture & Media

The Group expects that this collaboration will bring about a major revenue growth in the filmed entertainment and IP licensing segments of the Group throughout the contract period, which runs till at least 31 August 2029. The Group strongly feels that a substantial revenue will be booked in the financial year 2024/25 due to this collaboration, having collected a substantial cash amount from Beijing iQIYI within a month a signing of the Strategic Cooperation Framework Agreement.

Project Management Service to Jumoon

The Group is currently still finalizing the details of the contract with Jumoon, and more details of this continuing connected transaction will be released as soon as practicable.

IP Consultancy

Bingo Success Limited (“Bingo SS”), a wholly owned subsidiary of the Company, entered into a consultancy service agreement (“Sinohope Agreement”) with Sinohope Asset Management (Hong Kong) Limited (“Sinohope”, formerly known as “New Huo Asset Management (Hong Kong) Limited”), a wholly owned subsidiary of Sinohope Technology Holdings Limited (formerly “New Huo Technology Holdings Limited”, stock code: 1611.HK), on 18 July 2023. Pursuant to which Bingo SS is engaged as a consultant to provide certain intellectual properties technical consultancy services to Sinohope, 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 Sinohope 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 Sinohope 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.

Although Sinohope Agreement has been terminated in January 2024, Bingo SS has liaise with Sinohope to extend Sinohope Agreement. Bingo SS has entered into a new technical consultancy agreement (“New Sinohope Agreement”) with Sinohope in July 2024. The major terms of New Sinohope Agreement are same as those of Sinohope Agreement. During the Period, the Investment Fund was in the course of formation and no service was performed by Bingo SS and no revenue was generated 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.

IMPORTANT EVENT OCCURRED SINCE THE END OF THE FINANCIAL PERIOD

Please refer to Note 19 to the interim financial statements for details.

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 2024, 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 2024 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 2024.

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 2024, 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 2024. 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, 19 November 2024

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, Mr. YIP Yiu Bong and Ms. TSANG Fung Chu 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).