



# **BINGO GROUP HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

Stock Code: 8220

**INTERIM REPORT 2019/20**

## **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 the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board 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 report, 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 report.*

*This report, 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 report 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 report misleading.*

# CONTENTS

	Pages
Corporate Information	3
Management Discussion and Analysis	4
Condensed Consolidated Statement of Profit or Loss	8
Condensed Consolidated Statement of Other Comprehensive Income	9
Condensed Consolidated Statement of Financial Position	10
Condensed Consolidated Statement of Changes in Equity	12
Condensed Consolidated Statement of Cash Flows	13
Notes to the Interim Financial Statements	14
Other Information	34

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Chiau Sing Chi  
Chow Man Ki Kelly  
Lau Man Kit

### Non-Executive Director

Chin Chow Chung Hang Roberta

### Independent Non-Executive Directors

Choi Mei Ping  
Tsoi Chiu Yuk  
Ong King Keung

## COMPANY SECRETARY

Chan Ka Yin

## COMPLIANCE OFFICER

Chow Man Ki Kelly

## AUDIT COMMITTEE

Ong King Keung (Chairman)  
Choi Mei Ping  
Tsoi Chiu Yuk

## REMUNERATION COMMITTEE

Choi Mei Ping (Chairman)  
Chow Man Ki Kelly  
Tsoi Chiu Yuk  
Ong King Keung

## NOMINATION COMMITTEE

Chow Man Ki Kelly (Chairman)  
Choi Mei Ping  
Tsoi Chiu Yuk  
Ong King Keung

## AUTHORIZED REPRESENTATIVES

Chow Man Ki Kelly  
Chan Ka Yin

## AUDITORS

Cheng & Cheng Limited  
*Certified Public Accountants*

## PRINCIPAL BANKERS

Fubon Bank Limited  
The Hongkong and Shanghai Banking  
Corporation Limited  
Dah Sing Bank, Limited

## REGISTERED OFFICE

Cricket Square, Hutchins Drive  
P.O. Box 2681, Grand Cayman  
KY1-1111, Cayman Islands

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit 202, 2/F, Chinaweal Centre  
414-424 Jaffe Road  
Hong Kong

## SHARE REGISTRARS AND TRANSFER OFFICES

### Principal Registrar

Conyers Trust Company (Cayman) Limited  
Cricket Square, Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

### Branch Registrar

Tricor Tengis Limited  
Level 54, Hopewell Centre  
183 Queen's Road East  
Hong Kong

## STOCK CODE

8220

## WEBSITE

[www.bingogroup.com.hk](http://www.bingogroup.com.hk)

# MANAGEMENT DISCUSSION AND ANALYSIS

## GENERAL

During the six months ended 30 September 2019 (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\$15.5 million and gross profit of HK\$9 million were generated during the Period. The Group’s revenue and gross profit from the Cinema Business for the Period declined as compared to revenue of HK\$20.3 million and gross profit of HK\$11.9 million generated in the six month ended 30 September 2018 (the “Corresponding Period”). The Group will continue to focus on expanding the audience headcount and improve the financial performance of the Cinema Business accordingly.

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

On 9 February 2018, Bingo Movie Development Limited (“Bingo Movie”), a wholly owned subsidiary of the Company and Lechuang Holdings (HK) Limited (“Lechuang”), an independent third party, entered into an agreement (the “JV Agreement”) in relation to the formation of the joint venture company (“JV Company”). The issued share capital of the JV Company will be owned as to 49% by Bingo Movie and as to 51% by Lechuang. The JV Company will be principally engaged in investment and development of VR (Virtual Reality) and MR (Mixed Reality) projects. Pursuant to the JV Agreement, Bingo Movie will enter into of a loan agreement with the JV Company, pursuant to which Bingo Movie will advance the loan of not less than HK\$25 million and not more than HK\$35 million to the JV Company for investment and development of relevant VR and MR projects. In September 2018, the loan agreement has been signed and RMB29 million (equivalent to HK\$33.4 million) was lent to the JV Company. Another loan of RMB16 million (equivalent to HK\$17.7 million) with a term of three years was granted to the JV Company on 30 September 2019. The difference between the new loan and old loan of RMB13 million with the accrued interest has been repaid to the Bingo Movie during the Period. For further details, please refer to the Company’s announcement dated 30 September 2019 and 7 November 2019.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

During the Period, the Group recorded a total turnover of approximately HK\$15.5 million, representing a decrease of approximately HK\$4.8 million compared with that of approximately HK\$20.3 million in the Corresponding Period. The turnover of the Group for the Period and the Corresponding Period principally represented revenue from Cinema Business. Loss for the Period of approximately HK\$12.5 million was recorded. As compared with the loss of HK\$14.1 million for the Corresponding Period, the loss decreased by approximately HK\$1.6 million, which is resulted from tightened cost control measures implemented.

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 September 2019, the Group had total assets of approximately HK\$122 million (31 March 2019: HK\$115.3 million), including cash and cash equivalents of approximately HK\$61 million (31 March 2019: HK\$60.9 million). There was no pledged bank deposit as at 30 September 2019 and 31 March 2019. During the Period, the Group financed its operations with its own working capital. As at 30 September 2019 and 31 March 2019, the Group did not have any bank overdraft. As at 30 September 2019, the debt ratio (defined as the ratio between total liabilities over total assets) was approximately 0.48 (31 March 2019: approximately 0.32). In view of the strong cash position of the Group which is adequate to cover all liabilities of the Group as at 30 September 2019, the Board believes 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 2019, the Group had no outstanding foreign currency hedge contracts (31 March 2019: Nil).

# MANAGEMENT DISCUSSION AND ANALYSIS

## EMPLOYEES

As at 30 September 2019, the Group had 101 (31 March 2019: 115) staff in the PRC and Hong Kong. Total staff costs including directors' remuneration were approximately HK\$6.9 million during the Period (Corresponding Period: approximately HK\$9.0 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.

During the Period, total 8.55 million awarded shares were granted to a director under the Company's share award scheme and the Company recognized total expenses of HK\$0.12 million as share-based payments to a director accordingly.

During the six months ended 30 September 2018, total 90 million share options were granted to a director and certain employees under the Company's share award scheme and the Company recognized total expenses of HK\$1.8 million as share-based payments to a director and employees accordingly.

## CONTINGENT LIABILITIES

As at 30 September 2019, the Group did not have any significant contingent liabilities (31 March 2019: Nil).

# MANAGEMENT DISCUSSION AND ANALYSIS

## OUTLOOK

Owing to the continuing development of the film industry in the PRC, the Group will continue to grasp other business opportunities in investments in cinemas in the PRC and attractive movies. While the Group continued its existing businesses, the Group will put more focus onto locating other business opportunities with enormous potentials, including provision of consultancy services, online games developing and operating businesses, and investments in China cultural industry.

The VR (Virtual Reality) and MR (Mixed Reality) industry is undergoing rapid development and the Company considers that there will be growth potential in investment of VR and MR projects. The Group has entered into an agreement with Lechuang in relation to the formation of the JV Company. The formation of the JV Company will allow the Group to utilise its experience in provision of interactive contents with the expertise of Lechuang in developing VR and MR projects. The Company is optimistic as to the prospect of the JV Company, and has granted a loan to the JV Company of RMB16 million (equivalent to approximately HK\$17.7 million) in September 2019.

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



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 2019, together with the unaudited comparative figures for the corresponding period in 2018 were as follows:

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	Three months ended 30 September		Six months ended 30 September	
		2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Turnover	2	8,235	11,759	15,467	20,284
Cost of sales		(3,429)	(5,086)	(6,422)	(8,417)
Gross profit		4,806	6,673	9,045	11,867
Other revenue and other net income	3	772	232	1,060	480
Selling and marketing expenses		(434)	(840)	(916)	(1,060)
Administrative expenses		(10,476)	(10,065)	(18,285)	(20,759)
Share-based payments	5	(123)	(2,181)	(123)	(2,181)
Share of result of an associate		(3)	-	(3)	-
Finance costs	6	(1,605)	(938)	(3,159)	(1,836)
Loss before taxation	7	(7,063)	(7,119)	(12,381)	(13,489)
Taxation	8	(77)	(202)	(131)	(581)
<b>Loss for the period</b>		<b>(7,140)</b>	<b>(7,321)</b>	<b>(12,512)</b>	<b>(14,070)</b>
<b>Loss attributable to:</b>					
Owners of the Company		(7,173)	(7,530)	(12,141)	(13,587)
Non-controlling interests		33	209	(371)	(483)
		(7,140)	(7,321)	(12,512)	(14,070)
Dividend	9	-	-	-	-
<b>Loss per share (cents per share)</b>	10				
Basic and diluted		(0.84)	(0.88)	(1.42)	(1.59)

# CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Three months ended 30 September		Six months ended 30 September	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
<b>Loss for the period</b>	<b>(7,140)</b>	(7,321)	<b>(12,512)</b>	(14,070)
<b>Other comprehensive loss</b> Item that may be reclassified subsequently to profit or loss: Exchange differences on translating foreign operations — Exchange differences arising during the period	<b>(873)</b>	(1,539)	<b>(1,692)</b>	(3,407)
Other comprehensive loss for the period, net of tax	<b>(873)</b>	(1,539)	<b>(1,692)</b>	(3,407)
<b>Total comprehensive loss for the period</b>	<b>(8,013)</b>	(8,860)	<b>(14,204)</b>	(17,477)
<b>Total comprehensive loss attributable to:</b>				
Owners of the Company	<b>(8,085)</b>	(9,120)	<b>(13,910)</b>	(17,108)
Non-controlling interests	<b>72</b>	260	<b>(294)</b>	(369)
	<b>(8,013)</b>	(8,860)	<b>(14,204)</b>	(17,477)

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	As at 30 September 2019 HK\$'000 (Unaudited)	As at 31 March 2019 HK\$'000 (Audited)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		8,536	9,752
Right-of-use assets	11	17,843	–
Goodwill		950	950
Interests in an associate	12	22	502
Loan to an associate	12	17,738	–
		<b>45,089</b>	<b>11,204</b>
<b>CURRENT ASSETS</b>			
Loan to an associate	12	–	33,808
Trade receivables	13	1,236	969
Other receivables, deposits and prepayments		9,263	2,932
Payments to parties for procurement for investment of cinema business		5,412	5,412
Cash and cash equivalents		61,023	60,926
		<b>76,934</b>	<b>104,047</b>
<b>CURRENT LIABILITIES</b>			
Trade payables	14	550	909
Deposits received, other payables and accruals	15	3,238	2,969
Lease liabilities		4,050	–
Contract liabilities		8,290	7,756
Tax payables		887	1,064
		<b>17,015</b>	<b>12,698</b>
<b>NET CURRENT ASSETS</b>		<b>59,919</b>	<b>91,349</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>105,008</b>	<b>102,553</b>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	As at 30 September 2019 HK\$'000 (Unaudited)	As at 31 March 2019 HK\$'000 (Audited)
<b>NON-CURRENT LIABILITIES</b>			
Convertible bonds		26,794	24,618
Lease liabilities		14,360	–
		<b>41,154</b>	24,618
<b>NET ASSETS</b>			
		<b>63,854</b>	77,935
<b>CAPITAL AND RESERVES</b>			
Share capital	16	8,554	136,861
Reserves		45,738	(68,782)
		<b>54,292</b>	68,079
Non-controlling interests		9,562	9,856
<b>TOTAL EQUITY</b>			
		<b>63,854</b>	77,935

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Contributed surplus	Equity component of convertible bonds	Share options reserve	Shares held for the share award scheme	Exchange reserve	Accumulated losses	Attributable to owners of the Company	Non-controlling interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2018 (Audited)	136,861	420,810	3,930	76,520	99,685	-	62	(644,270)	93,598	11,230	104,828
Loss for the period	-	-	-	-	-	-	-	(13,587)	(13,587)	(483)	(14,070)
Other comprehensive (loss)/ income for the period	-	-	-	-	-	-	(3,521)	-	(3,521)	114	(3,407)
Total comprehensive loss for the period	-	-	-	-	-	-	(3,521)	(13,587)	(17,108)	(369)	(17,477)
Equity settled share option arrangement	-	-	-	-	2,181	-	-	-	2,181	-	2,181
Cancellation of share options	-	-	-	-	(48,844)	-	-	48,844	-	-	-
At 30 September 2018 (Unaudited)	136,861	420,810	3,930	76,520	53,022	-	(3,459)	(609,013)	78,671	10,861	89,532
At 1 April 2019 (Audited)	136,861	420,810	3,930	76,520	53,022	-	(1,228)	(621,836)	68,079	9,856	77,935
Loss for the period	-	-	-	-	-	-	-	(12,141)	(12,141)	(371)	(12,512)
Other comprehensive (loss)/ income for the period	-	-	-	-	-	-	(1,769)	-	(1,769)	77	(1,692)
Total comprehensive loss for the period	-	-	-	-	-	-	(1,769)	(12,141)	(13,910)	(294)	(14,204)
Equity settled share award arrangement	-	-	-	-	-	123	-	-	123	-	123
Capital reorganisation	(128,307)	-	128,307	-	-	-	-	-	-	-	-
At 30 September 2019 (Unaudited)	8,554	420,810	132,237	76,520	53,022	123	(2,997)	(633,977)	54,292	9,562	63,854

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the six months ended 30 September	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Net cash generated from/(used in) operating activities	(13,621)	6,735
Net cash from/(used in) investing activities	14,470	(33,058)
Net cash used in financing activities	(2,048)	-
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,199)</b>	<b>(26,323)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>60,926</b>	<b>95,995</b>
<b>EFFECT OF FOREIGN RATE EXCHANGES</b>	<b>1,296</b>	<b>(2,619)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>61,023</b>	<b>67,053</b>
<b>ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS</b>		
Cash at bank and on hand	61,023	67,053

# 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 2019 are consistent with those used in the Group’s annual financial statements for the year ended 31 March 2019 except as described below.

In the current period, the Group has applied, for the first time, the following new and amendments to HKASs and HKFRSs issued by the HKICPA that are relevant for the preparation of the Group’s unaudited condensed consolidated financial statements:

HKFRS 16	Leases
HK (IFRIC) – Int 23	Uncertainty over Income Tax Treatments
Amendments to HKAS 19	Plan Amendments, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKFRSs	Annual Improvement to HKFRSs 2015 – 2017 Cycle

Except as described below, 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.

# NOTES TO THE INTERIM FINANCIAL STATEMENTS

## HKFRS 16 “Leases”

The Group has applied HKFRS 16 for the first time in the current period. HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees which superseded HKAS 17 “Leases” and the related interpretations.

Under HKFRS 16, distinctions of operating leases and finance leases are removed for lessee accounting and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modification, amongst others.

Other than certain requirements which are also applicable to lessor, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17 and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as lease applying HKAS 17 and HK(IFRIC) – Int 4 “Determining whether an Arrangement contains a Lease” and not apply this standard to contracts that were not previously identified as containing a lease applying HKAS 17 and HK(IFRIC) – Int 4. Therefore, the Group will not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application, i.e. 1 April 2019. Furthermore, the Group has opted the modified retrospective approach for the application of HKFRS 16 as lessee and will recognise the cumulative effect of initial application to opening accumulated losses without restating comparative information.

Based on the allowed practical expedients under HKFRS 16, the Group has elected not to apply the requirements of HKFRS 16 in respect of recognition of lease liability and right-of-use assets to leases for which the lease term ends within twelve months of the date of initial application.

The following adjustments were made to the amounts recognised in the condensed consolidated statement of financial position at 1 April 2019. Line items that were not affected by the changes have not been included.



# NOTES TO THE INTERIM FINANCIAL STATEMENTS

## Impacts on assets and (liabilities) as at 1 April 2019

	Carrying amount previously reported at 31 March 2019 HK\$'000 (Unaudited)	Impacts of adopting HKFRS 16 HK\$'000 (Unaudited)	Carrying amount under HKFRS 16 at 1 April 2019 HK\$'000 (Unaudited)
Right-of-use assets ( <i>Note 11</i> )	-	17,731	17,731
Lease liabilities – current	-	(3,158)	3,158
Lease liabilities – non-current	-	(14,573)	(14,573)

The summary of net impacts of HKFRS 16 on the condensed consolidated statement of profit or loss of the Group for the six months ended 30 September 2019 are set out as below:

	As per HKFRS 16 HK\$'000 (Unaudited)	As per HKAS 17 HK\$'000 (Unaudited)	Impact due to change HK\$'000 (Unaudited)
Administrative expenses	(18,285)	(18,555)	270
Finance costs	(3,159)	(2,177)	(982)
Loss for the period	(12,512)	(11,800)	(712)
Loss attributable to:			
Owners of the Company	(12,141)	(11,695)	(446)
Non-controlling interests	(371)	(105)	(266)
	(12,512)	(11,800)	(712)
	HK cents	HK cents	HK cents
Loss per share			
Basic and diluted	(1.42)	(1.37)	(0.05)

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

The Group has not early applied the following new and amendments to HKASs and HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts <sup>2</sup>
Amendments to HKAS 1 and HKAS 8	Definition of Material <sup>1</sup>
Amendments to HKFRS 3	Definition of a Business <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2020

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2021

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined

The directors of the Company anticipate that the application of all new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

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

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

### 2. TURNOVER

An analysis of Group's turnover for the period from operations, is as follows:

	Three months ended 30 September		Six months ended 30 September	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Revenue from cinema business	8,235	11,759	15,467	20,284

### 3. OTHER REVENUE AND OTHER NET INCOME

	Three months ended 30 September		Six months ended 30 September	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Interest income	228	105	504	352
Government grants (Note 1)	536	–	536	–
Others	8	127	20	128
	772	232	1,060	480

Note 1: The government grants represent the subsidies received by the Group from the government of the PRC for the operation of cinemas in the PRC. There are no unfulfilled conditions or contingencies relating to these grants.

# NOTES TO THE INTERIM FINANCIAL STATEMENTS

## 4. SEGMENT INFORMATION

	Cinema Investment and Management HK\$'000	Filmed Entertainment New Media Exploitations and Licensing Businesses HK\$'000	Total HK\$'000
<b>For the six months ended 30 September 2019 (Unaudited)</b>			
<b>Segment Revenue</b>	15,467	-	15,467
<b>Segment Results</b>			
Reportable segment result	526	(2,274)	(1,748)
Interest income			504
Unallocated corporate expenses, net			(7,855)
Share-based payments			(123)
Finance costs			(3,159)
Loss before taxation			(12,381)
<b>As at 30 September 2019 (Unaudited)</b>			
<b>Segment Assets</b>			
Reportable segment assets	61,982	18,456	80,438
Unallocated corporate assets			41,585
Consolidated total assets			122,023
<b>Segment Liabilities</b>			
Reportable segment liabilities	(27,087)	-	(27,087)
Tax payables			(887)
Convertible bonds			(26,794)
Unallocated corporate liabilities			(3,401)
Consolidated total liabilities			(58,169)

# NOTES TO THE INTERIM FINANCIAL STATEMENTS

	Cinema Investment and Management HK\$'000	Filmed Entertainment New Media Exploitations and Licensing Businesses HK\$'000	Total HK\$'000
<b>For the six months ended</b>			
<b>30 September 2018 (Unaudited)</b>			
<b>Segment Revenue</b>	20,284	-	20,284
<b>Segment Results</b>			
Reportable segment result	655	-	655
Interest income			352
Unallocated corporate expenses, net			(10,479)
Share-based payments			(2,181)
Finance costs			(1,836)
Loss before taxation			(13,489)
<b>As at 31 March 2019 (Audited)</b>			
<b>Segment Assets</b>			
Reportable segment assets	47,126	20,002	67,128
Interest in an associate			502
Loan to an associate			33,808
Unallocated corporate assets			13,813
Consolidated total assets			115,251
<b>Segment Liabilities</b>			
Reportable segment liabilities	9,851	-	9,851
Tax payables			1,064
Convertible bonds			24,618
Unallocated corporate liabilities			1,783
Consolidated total liabilities			37,316

# NOTES TO THE INTERIM FINANCIAL STATEMENTS

## Other segment information:

	Cinema Investment and Management HK\$'000	Filmed Entertainment New Media Exploitations and Licensing Businesses HK\$'000	Corporate level HK\$'000	Total HK\$'000
<b>For the six months ended</b>				
<b>30 September 2019 (Unaudited)</b>				
Additions to non-current assets	445	-	-	445
Interest income	166	335	3	504
Depreciation of property, plant and equipment	1,295	-	25	1,320
Depreciation of right-of-use assets	1,363	-	286	1,649
<b>For the six months ended</b>				
<b>30 September 2018 (Unaudited)</b>				
Additions to non-current assets	54	-	-	54
Interest income	143	178	31	352
Depreciation of property, plant and equipment	1,168	50	-	1,218

## 5. SHARE-BASED PAYMENTS

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

### Convertible bonds

Issuer:	The Company
Principal amount:	HK\$45 million in aggregate. The Convertible Bonds in the amount of HK\$25 million issued on 1 June 2010 ("commencement date") and the remaining four tranches (each worth HK\$5 million, and HK\$20 million in aggregate) of the Convertible Bonds issued on the date being the first, second, third and fourth anniversary of the date of commencement date and the outstanding amount as at 30 September 2019 was HK\$30 million.
Issue date:	1 June 2010
Maturity date:	Ten years from the date of issue
Interest:	Zero coupon
Conversion price:	HK\$0.544 per share ( <i>Note 1</i> )

# NOTES TO THE INTERIM FINANCIAL STATEMENTS

## Share Option Scheme

Details of specific categories of options are as follow:

Option type:	2014A	2015A	2016A	2017A	2018A
Grant date:	17-4-2014	13-7-2015	7-7-2016	3-3-2017	17-9-2018
Number of options granted:	304,140,000	161,000,000	342,000,000	159,000,000	180,000,000
Exercise period:	17-4-2014- 16-4-2019	13-7-2015- 12-7-2020	7-7-2016- 6-7-2021	3-3-2017- 2-3-2022	17-9-2018- 16-9-2023
Exercise price:	HK\$0.364	HK\$0.940 (Note 1)	HK\$0.720 (Note 1)	HK\$0.540 (Note 1)	HK\$0.168 (Note 1)
Fair value:	HK\$45,500,000	HK\$16,800,000	HK\$26,600,000	HK\$8,640,000	HK\$2,181,000

During the six months ended 30 September 2018, 180,000,000 share options were granted and the Company recognized the total expenses of HK\$2,181,000 as share-based payments.

## Awarded Shares

On 16 August 2019, the Company granted 8,550,000 awarded shares to Mr. Chiau Sing Chi, and share-based payments of approximately HK\$123,000 was recognized during the six months ended 30 September 2019 accordingly.

Note 1: Adjustment for share consolidation effective from 2 May 2019.

## 6. FINANCE COSTS

	Three months ended 30 September		Six months ended 30 September	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Imputed interest on convertible bonds	1,112	938	2,177	1,836
Interest expenses on lease liabilities	493	-	982	-
	1,605	938	3,159	1,836

# NOTES TO THE INTERIM FINANCIAL STATEMENTS

## 7. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

	Three months ended 30 September		Six months ended 30 September	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Direct expenses of cinema business	3,429	5,086	6,422	8,417
Depreciation of property, plant and equipment	693	591	1,320	1,218
Depreciation of right-of-use assets	884	-	1,649	-
Exchange loss	1,328	1,485	1,533	3,775
Operating lease rental in respect of rented premises	135	1,512	498	2,770
Staff costs (including directors' remuneration)				
Salaries and allowances	3,011	3,075	6,105	6,321
Equity settled share-based payments under Share Award Scheme	123	-	123	-
Equity settled share-based payments under Share Option Scheme	-	1,848	-	1,848
Retirement scheme contributions	211	413	660	829
Equity settled share-based payments paid to advisors	-	333	-	333



# NOTES TO THE INTERIM FINANCIAL STATEMENTS

## 8. TAXATION

	Three months ended 30 September		Six months ended 30 September	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
The taxation charge comprises:				
Current tax				
The PRC	77	202	131	581

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 2019 and 2018.

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% for the six months ended 30 September 2019 and 2018.

## 9. DIVIDEND

The Directors do not recommend the payment of any dividend for the six months ended 30 September 2019 (six months ended 30 September 2018: Nil).

## 10. LOSS PER SHARE

### Basic and diluted loss per share

	Three months ended 30 September		Six months ended 30 September	
	2019 HK Cent (Unaudited)	2018 HK Cent (Unaudited) (Restated)	2019 HK Cent (Unaudited)	2018 HK Cent (Unaudited) (Restated)
Basic and diluted loss per share	0.84	0.88	1.42	1.59

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

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 30 September		Six months ended 30 September	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Loss for the period attributable to owners of the Company	7,173	7,530	12,141	13,587
	2019	2018 (Restated)	2019	2018 (Restated)
Weighted average number of ordinary shares for the purpose of basic loss per share	855,384,669	855,384,669	855,384,669	855,384,669

The weighted average numbers of ordinary shares for the purpose of calculating basic loss per share have been retrospectively adjusted to reflect the share consolidation with effect from 2 May 2019.

The incremental shares from assumed exercise of share options granted by the Company and conversion of the Company's outstanding convertible bonds are excluded in calculating the diluted loss per share during the six months ended 30 September 2019 and 2018 because they are antidilutive in calculating the diluted loss per share.

### 11. RIGHT-OF-USE ASSETS

As disclosed in note 1, the Group has initially applied HKFRS 16 using the modified retrospective method and adjusted the opening balances at 1 April 2019 to recognise right-of-use assets relating to leases which were previously classified as operating leases under HKAS 17. In addition, the depreciated carrying amount of the finance leased assets which were previously included in property, plant and equipment is also identified as right-of-use assets.

During the six months ended 30 September 2019, the Group entered into a number of lease agreements and therefore recognised the additions to right-of-use assets of HK\$1,744,000.

# NOTES TO THE INTERIM FINANCIAL STATEMENTS

## 12. INVESTMENT IN AND LOAN TO AN ASSOCIATE

	As at 30 September 2019 HK\$'000 (Unaudited)	As at 31 March 2019 HK\$'000 (Audited)
<b>Investment in an associate – unlisted shares</b>		
Share of net assets	(7)	(5)
Due from an associate ( <i>note b</i> )	29	507
	<b>22</b>	<b>502</b>
<b>Loan to an associate (<i>note c</i>)</b>	<b>17,738</b>	<b>33,808</b>

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 Hong Kong dollars and approximate to their fair value.

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

### (c) Loan to an associate

In September 2018, Bingo Movie Development Limited (“Bingo Movie”), a wholly owned subsidiary of the Company, entered into a loan agreement (“2018 Loan Agreement”) with Goal Creation Game Limited (“GCGL”), the Group’s associate. Pursuant to 2018 Loan agreement, Bingo Movie advanced a loan of Rmb29,000,000 (equivalent to approximately HK\$33.8 million) to GCGL for one year.

On 30 September 2019, Bingo Movie advanced a loan of Rmb16,000,000 (equivalent to HK\$17.7 million) (“2019 Loan”) to GCGL for three years.

The interest rate of 2019 Loan and the loan based on 2018 Loan Agreement are equivalent to the deposit interest rate of the designated bank account of which Bingo Movie or its authorised representative shall be the signatory.

The principal and accrued interest of the loan based on 2018 Loan agreement are considered fully repaid in September 2019.

For further details, please refer to the Company’s announcements dated 30 September 2019 and 7 November 2019.

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

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

	<b>As at 30 September 2019 HK\$’000 (Unaudited)</b>	<b>As at 31 March 2019 HK\$’000 (Audited)</b>
Current assets	17,752	34,306
Current liabilities	(29)	(34,315)
Non-current liabilities	(17,738)	–
Net liabilities	(15)	(9)
Share of net liabilities	(7)	(5)

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

	Six months ended 30 September	
	2019	2018
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue	–	–
Loss for the period	(6)	–
Dividend received from the associate during the period	–	–
Cash outflows from operating activities	(6)	–
Cash inflows from investing activities	316	–
Cash inflows/(outflows) from financing activities	(16,865)	33,353

### 13. TRADE RECEIVABLES

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

	As at 30 September 2019 HK\$'000 (Unaudited)	As at 31 March 2019 HK\$'000 (Audited)
Within 30 days	866	786
31–60 days	21	142
61–90 days	76	4
Over 90 days	273	48
	1,236	980
Less: Allowance for expected credit losses	–	(11)
	1,236	969

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.

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

The aging analysis of trade receivables which are past due but not impaired are as follows:

	<b>As at 30 September 2019 HK\$'000 (Unaudited)</b>	<b>As at 31 March 2019 HK\$'000 (Audited)</b>
Past due but not impaired:		
Less than 1 month past due	<b>21</b>	142
1 to 3 months past due	<b>76</b>	4
More than 3 months past due	<b>273</b>	48
	<b>370</b>	194

Receivables at 30 September 2019 and 31 March 2019 that were neither past due nor impaired relate to customers for whom there was no recent history of default.

Receivables at 30 September 2019 and 31 March 2019 that were past due but not impaired related to a number of independent customers that had a good track record with the Group or with appropriate impairment allowance accounted for. Based on past experience, management believes that no further impairment allowance was necessary in respect of these balances as there had not been a significant change in credit quality and the balances were still considered fully recoverable. The Group did not hold any collateral over these balances.

# NOTES TO THE INTERIM FINANCIAL STATEMENTS

## 14. TRADE PAYABLES

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

	As at 30 September 2019 HK\$'000 (Unaudited)	As at 31 March 2019 HK\$'000 (Audited)
Within 30 days	545	899
31-60 days	2	2
61-90 days	3	8
	<b>550</b>	<b>909</b>

Payment terms with suppliers are generally within 30 days.

All amounts are short term and hence the carrying values of trade payables are considered to be a reasonable approximation of fair value.

## 15. DEPOSITS RECEIVED, OTHER PAYABLES AND ACCRUALS

	As at 30 September 2019 HK\$'000	As at 31 March 2019 HK\$'000
Other payables and accruals	3,238	2,969

# NOTES TO THE INTERIM FINANCIAL STATEMENTS

## 16. SHARE CAPITAL

	As at 30 September 2019 (Unaudited)		As at 31 March 2019 (Audited)	
	No of shares '000	Amount HK\$'000	No of shares '000	Amount HK\$'000
Authorised:				
At the beginning of the period/ year, ordinary shares of HK\$0.04 each	5,000,000	200,000	5,000,000	200,000
Capital reorganisation*	15,000,000	-	-	-
At the end of the period/year, ordinary shares of HK\$0.01 (31 March 2019: HK\$0.04) each	20,000,000	200,000	5,000,000	200,000
Issued and fully paid:				
At the beginning of the period/ year, ordinary shares of HK\$0.04 each	3,421,539	136,861	3,421,539	136,861
Capital reorganisation*	(2,566,154)	(128,307)	-	-
At the end of the period/year, ordinary shares of HK\$0.01 (31 March 2019: HK\$0.04) each	855,385	8,554	3,421,539	136,861

\* Details of the capital reorganisation are stated in the Company's circular dated 16 January 2019.



# NOTES TO THE INTERIM FINANCIAL STATEMENTS

## 17. 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	
	2019	2018
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Directors' fee, salaries, allowances and other benefits	377	464
Share-based payments	123	576
	<b>500</b>	1,040

### (b) Connected transactions

Name of connected parties	Nature of transactions	Six months ended 30 September	
		2019	2018
		HK\$'000	HK\$'000
Goal Creation Game Limited	Interest Income from loan to an associate <i>(Note 12)</i>	317	-

# NOTES TO THE INTERIM FINANCIAL STATEMENTS

## (c) Outstanding balances with connected parties

Name of connected persons	Nature of transactions	30 September	31 March
		2019	2019
		HK\$'000	HK\$'000
		(Unaudited)	(Audited)
CineChina Limited <i>(Note)</i>	Receivable of the Group for payment for procurement for investment of Cinema Business	2,315	2,315

*Note:* CineChina Limited holds 30% equity interest in a subsidiary of the Company and it is considered a connected person under the GEM Listing Rules.

## 18. EVENT AFTER THE REPORTING PERIOD

On 14 October 2019, the Board has resolved to grant a total of 34,100,000 awarded Shares to certain grantees (the "Grantee(s)") under the Share Award Scheme as recognition of the Grantees' contribution to the Group and incentive for each of the Grantees for his/her continuing future contribution to the Group. Ms. Chow Man Ki Kelly, an executive Director, is one of the Grantees. The awarded Shares are to be purchased by the trustee on the Stock Exchange and to be held on trust for the Grantees pursuant to the terms of the Share Award Scheme. For further details, please refer to the Company's announcement dated 14 October 2019.

## 19. COMPARATIVE FIGURES

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

## OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2019, the following directors (the "Directors") of the Company had or were deemed to have interests or short positions in the shares (the "Shares"), underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to herein; or (iii) which were, pursuant to rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors to be notified to the Company and the Stock Exchange:

#### Long positions in the shares of the Company

Name of Directors	Nature of interest	Number of Shares held	Approximate percentage of issued share capital of the company
Mr. Chiau Sing Chi	Beneficial owner	27,573,529	3.22%
	Held by trust <i>(Note 1)</i>	402,121,240	47.01%
Ms. Chow Man Ki Kelly	Held by trust <i>(Note 1)</i>	402,121,240	47.01%

#### Notes:

1. These shares are registered in the name of Beglobal Investments Limited and Golden Treasure Global Investment Limited. Beglobal Investments Limited and Golden Treasure Global Investment Limited are companies indirectly owned by the trust, the discretionary objects of which are Mr. Chiau, Ms. Chow and their family.
2. The total number of the issued share capital of the Company as at 30 September 2019 was 855,384,669.

#### Long positions in the underlying shares of the Company

The share award scheme (the "Share Award Scheme") was approved by the Board on 14 August 2019 (the "Adoption Date"). The purposes of the Share Award Scheme are to recognise and reward the contribution of eligible persons ("Eligible Person(s)"), in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group.

## OTHER INFORMATION

Pursuant to the terms of the Share Award Scheme, the following classes of participants (each an "Eligible Person") are eligible for participation in the Share Award Scheme:

- (a) any employee (an "Employee") (whether full time or part time, including any executive director but excluding any non-executive director) of any member of the Group or any entity (the "Invested Entity") in which the Group holds any equity interest;
- (b) any non-executive directors (including independent non-executive directors) of the Company, any of its subsidiaries or any Invested Entity;
- (c) any adviser (professional or otherwise), consultant to or expert in any area of business or business development of any member of the Group or any Invested Entity; and
- (d) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group,

and, for the purposes of the Share Award Scheme, the award may be made to any company wholly owned by one or more of the above participant(s). The eligibility of any of the Eligible Persons to an award shall be determined by the Board from time to time on the basis of the Board's opinion as to his contribution and/or future contribution to the development and growth of the Group.

The total number of all the shares purchased by the trustee under the Share Award Scheme must not exceed 10% of the issued shares as at the Adoption Date (being 85,538,466 shares) unless the Board otherwise decides. The maximum number of shares which can be awarded to any selected employee under the Share Award Scheme is limited to 1% of the issued share capital of the Company as at the Adoption Date.

During the Period, the Company had not purchased any of the Company's existing shares on the market for the purpose of the Share Award Scheme.

During the Period, 8,550,000 shares were granted to Mr. Chiau Sing Chi, an executive director of the Company, under the Share Award Scheme. Please refer to the Company's announcement dated 16 August 2019. Save as these 8,550,000 shares awarded to Mr. Chiau Sing Chi, no awarded Share was granted during the Period.

As at the date of this interim report, no share of the Company was held by the trustee.

## OTHER INFORMATION

The Company adopted a share options scheme on 15 August 2012 which the Board may, at their discretion, offer employees, non-executive Directors, independent non-executive Directors or any other persons who have contributed to the Group to take up share options to subscribe for Shares subject to the terms and conditions stipulated in the share option scheme.

Details of the share options granted to the Directors under the Schemes and any other schemes and movements in such holdings during the Period were as follows:

Name of Directors	Option type <i>(Note 1)</i>	Number of	Number of	Number of	Number of	Number of
		options held as at 1 April 2019 '000	options granted during the Period '000	options exercised during the Period '000	options cancelled/ lapsed during the Period '000	options held as at 30 September 2019 '000
Mr. Chiau Sing Chi	2014A	750	-	-	(750)	-
	2015A	2,000	-	-	-	2,000
	2017A	8,500	-	-	-	8,500
Ms. Chow Man Ki Kelly	2014A	750	-	-	(750)	-
	2015A	750	-	-	-	750
	2016A	7,500	-	-	-	7,500
	2018A	7,500	-	-	-	7,500
Mr. Lau Man Kit	2014A	750	-	-	(750)	-
	2015A	750	-	-	-	750
	2016A	750	-	-	-	750
Mrs. Chin Chow Chung Hang Roberta	2014A	750	-	-	(750)	-
	2015A	750	-	-	-	750
	2016A	750	-	-	-	750
Ms. Choi Mei Ping	2015A	750	-	-	-	750
	2016A	750	-	-	-	750
Mr. Tsoi Chiu Yuk	2016A	750	-	-	-	750
<b>Total</b>		<b>34,500</b>	<b>-</b>	<b>-</b>	<b>(3,000)</b>	<b>31,500</b>

*Note 1:* Details of specific categories of share options are disclosed in note 5 to the interim financial statements.

*Note 2:* The number of share options mentioned are adjusted to reflect the share consolidation effective on 2 May 2019.

As mentioned above, in addition to 10,500,000 number of Shares which would be allotted and issued upon the exercise in full of the options offered to Mr. Chiau Sing Chi under the share option scheme of the Company and 8,550,000 number of Shares granted to him pursuant to the Share Award Scheme, 55,147,057 number of Shares which would be allotted and issued upon the exercise in full of the convertible bonds held by Mr. Chiau Sing Chi.

## OTHER INFORMATION

Save as disclosed above, as at 30 September 2019, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares of debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which were taken or deemed to have under such provisions of the SFO); (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were, pursuant to rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange.

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

So far as known to the Directors, as at 30 September 2019, the following person (not being Directors or chief executive of the Company) had, or was deemed to have, interests or short in the Shares or underlying Shares (i) which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO; or (ii) who is expected, directly and indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group or (iii) which were required, pursuant to section 336 of the SFO, to be entered in the register referred to therein:

#### Long positions in the shares and underlying shares of the Company

Name of Shareholders	Number of Shares held	Approximate percentage of issued share capital of the Company
Sinostar FE (PTC) Limited <i>(Note 1)</i>	402,121,240	47.01%
Treasure Offshore Holdings Limited <i>(Note 1)</i>	402,121,240	47.01%
Beglobal Investments Limited <i>(Note 2)</i>	402,121,240	47.01%
Golden Treasure Global Investment Limited <i>(Note 2)</i>	72,500,000	8.48%

## OTHER INFORMATION

### *Note:*

1. Mr. Chiau Sing Chi, Ms. Chow Man Ki, Kelly and their family are the beneficiaries of a discretionary trust of which Sinostar FE (PTC) Limited (“Sinostar”) is the trustee. Sinostar as the trustee of the discretionary trust is the sole shareholder of Treasure Offshore Holdings Limited, which is the sole shareholder of Beglobal Investments Limited.
2. Beglobal Investments Limited directly holds 329,621,240 shares of the Company (representing approximately 38.53% of the issued share capital of the Company) and indirectly holds 72,500,000 shares of the Company (representing approximately 8.48% of the issued share capital of the Company) through Golden Treasure Global Investment Limited as at 30 September 2019.

Save as disclosed above, as at 30 September 2019, the Directors are not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying Shares (including any interests in options in respect of such capital), which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

## SHARE OPTION SCHEME

The Company’s share option scheme was adopted pursuant to written resolutions passed on 15 August 2012 (the “Scheme”) for the primary purpose of providing incentives to directors, eligible employees and participants who have contributed to the Group, and will expire in 14 August 2022. Under the Scheme, the board of directors of the Company may grant options to full-time or part-time employees including directors (executive and non-executive) and any advisor, consultant, supplier, distributor, contractor, agent, business partner, promoter, service provider or customer of the Company or any of its subsidiaries, to subscribe for shares in the Company.

## OTHER INFORMATION

Details of the share options granted to the Directors under the Scheme and movements in such holdings during the Period were as follows:

Category	Option type <i>(Note)</i>	Number of options held as at 1 April 2019 '000	Number of options granted during the Period '000	Number of options exercised during the Period '000	Number of options cancelled/ lapsed during the Period '000	Number of options held as at 30 September 2019 '000
Directors	2014A	3,000	-	-	(3,000)	-
	2015A	5,000	-	-	-	5,000
	2016A	10,500	-	-	-	10,500
	2017A	8,500	-	-	-	8,500
	2018A	7,500	-	-	-	7,500
Employees	2018A	15,000	-	-	-	15,000
Advisors	2014A	68,450	-	-	(68,450)	-
	2015A	1,000	-	-	-	1,000
	2016B	1,500	-	-	-	1,500
	2018A	22,500	-	-	-	22,500
		142,950	-	-	(71,450)	71,500

*Note 1:* Details of specific categories of share options are disclosed in note 5 to the interim financial statements.

*Note 2:* The number of share options mentioned are adjusted to reflect the share consolidation effective on 2 May 2019.

### DIRECTORS' AND EMPLOYEES' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the sections headed "DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES" and "SHARE OPTIONS SCHEME" above, none of the Directors or employees of the Group or their associates were granted by the Company or its subsidiaries the rights to acquire shares or debentures of the Company or any other body corporate, or had exercised any such rights as at 30 September 2019.



## **OTHER INFORMATION**

### **COMPETING INTEREST**

None of the Directors, the management shareholders or the substantial shareholders of the Company, or any of their respective associates, has engaged in any business that competes or may compete with the business of the Group or has any other conflict of interest with the Group.

### **CONNECTED TRANSACTIONS**

Saved as disclosed in note 17 to the interim financial statements, no other connected transactions were entered into by the Group under the GEM Listing Rules.

### **PURCHASE, SALE OR REDEMPTION OF SHARES**

For the six months ended 30 September 2019, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

### **AUDIT COMMITTEE**

The Company has established its audit committee (the "Committee") with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules. The primary duties of the Committee are to review the Company's annual report and accounts, interim report and quarterly reports and to provide advices and comments thereon to the Board. The Committee will also be responsible for reviewing and supervising the Company's financial reporting, risk management and internal control systems. The Committee comprises three independent non-executive Directors, namely Mr. Ong King Keung (Chairman), Ms. Choi Mei Ping and Mr. Tsoi Chiu Yuk. The Group's unaudited results for the six months ended 30 September 2019 have been reviewed by the Committee who was of the opinion that the preparation of such results complied with the applicable accounting standards, the GEM Listing Rules and legal requirements and that adequate disclosures have been made.

## **OTHER INFORMATION**

### **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 2019.

### **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 2019, 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 2019. The Board is in the process of locating appropriate persons to fill the vacancies of the Chairman and Chief Executive Officer. Even so, the Board considers that the existing Board members are able to share the power and responsibilities of Chairman and Chief Executive Officer among themselves, as detailed below.

Based on Code A.2.1, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. The Board's current significant decisions are made in Board meetings. Every Board member has the rights and responsibility to propose Board meetings to discuss significant issues he/she concerns, and has the power to make the decisions among other Board members.

With reference to Code A.2.2, in each Board meeting, the director who proposes that meeting (the "Convenor") would generally be appointed as the chairman of the meeting in accordance with the articles of association of the Company, and he/she has to ensure all directors briefed on issues arising at board meeting.

## OTHER INFORMATION

With reference to Code A.2.3, the Convenor has to provide the meeting agenda and materials (the "Board Papers") to the company secretary, and the company secretary will then pass the Board Papers to other Board members for their review. Unless urgent matters to be discussed, it is the Board's practice that the Board Papers have to be given to the Board at least 3 days in advance of the Board meetings. Other Board members should have enough time to read the Board Papers and raise questions and/or request more information before holding the Board meetings. For the urgent Board meetings, the Convenor and/or company secretary have to contact individual Director about the details of the agenda meeting and the reasons of urgency. Every Board member has the right to request additional time to understand the agenda details and delay the Board meeting.

With reference to Code A.2.4, the executive Directors jointly provide leadership of the Board, and ensure the Board works effectively and perform its responsibilities, and that all key and appropriate issues are discussed by it in a timely manner. As mentioned above, all Directors have the rights to propose Board meetings. The company secretary has to summarise all agenda items and circulate the agenda to all Board members.

With reference to Code A.2.5, the Board members share the responsibility to ensure good corporate governance practices and procedures are established. It is the practice of the Board to discuss corporate governance issues in the meetings to approve the interim and annual results.

With reference to Code A.2.6, the executive Directors share the responsibility of encouraging all directors to make a full and active contribution to the Board's affairs and take the lead to ensure that it acts in the best interest of the Company. The Convenor has the responsibility to encourage other Directors with different views to voice their concerns, allow sufficient time for discussion of issues and ensure the Board decisions fairly reflected Board consensus.

With reference to Code A.2.7, the non-executive Directors (including independent non- executive Directors) hold at least a meeting among themselves annually, to consider and discuss any significant issues of the Company and the Board, without influence from the executive Directors.

With reference to Code A.2.8, the executive Directors share the responsibility of ensuring that appropriate steps are taken to provide effective communication with shareholders and that their views are communicated to the Board as a whole. It is a general practice that the executive Directors will discuss the shareholder's viewpoints with non-executive Directors in the Board meeting following a shareholders' meeting.

## OTHER INFORMATION

With reference to Code A.2.9, the executive Directors share the responsibility of promoting a culture of openness and debate by facilitating the effective contribution of non-executive Directors in particular and ensuring constructive relations between executive and non-executive Directors. As mentioned above, all directors, including non-executive Directors, have the right to propose a board meeting to discuss the issues they consider important, and enough time is reserved for all Directors to read the Board Papers and raise questions. It is the Board's practice to encourage the non-executive Directors to raise their viewpoints in Board meetings.

Code A.5.1 states that an issuer should establish a nomination committee which is chaired by the chairman of the board or an independent non-executive director and comprises a majority of independent non-executive directors. It is the Board's practice to appoint an executive Director as the chairman of the nomination committee of the Board, as the Board considers that executive Directors have to lead the business development of the Company and need to have appropriate Board members and senior management to assist them. In addition, the nomination committee of the Board consists of majority of independent non-executive Directors, who have the veto power jointly if they consider the nomination is inappropriate.

With reference to Code B.1.1, the remuneration committee of the Board would consult Ms. Chow Man Ki Kelly, an executive Director and the major shareholder of the Company about their remuneration proposals for other executive Directors.

With reference to Code E.1.2, the Board appoints as least one executive Director to attend the annual general meeting, due to the chairmanship vacancy. The executive Directors have to invite the chairman of the audit, remuneration and nomination committees of the Board to attend the annual general meeting.

With reference to Code F.1.3, it is the Company's practice that the company secretary report to the executive Directors.

### **Appointment and Re-election of the Directors**

Pursuant to the Provision A.4.1 of the Code, the non-executive directors should be appointed for a specific term, subject to re-election.

The non-executive Director and all independent non-executive Directors are not appointed for a specific term, but they are subject to re-election at the annual general meeting of the Company in accordance with the Articles.

## OTHER INFORMATION

In accordance with the Articles of the Association of the Company, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years.

### **DISCLOSURE OF DIRECTORS' INFORMATION UNDER THE RULE 17.50A(1) OF THE GEM LISTING RULES**

Mr. Ong King Keung has resigned as an independent non-executive director of Deson Construction International Holdings Limited (stock code: 8268) with effect from 29 July 2019. The shares of Deson Construction International Holdings Limited are listed on GEM.

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

Hong Kong, 14 November 2019

As at the date of this report, the Board comprises Mr. Chiau Sing Chi, Ms. Chow Man Ki Kelly and Mr. Lau Man Kit as executive Directors, Mrs. Chin Chow Chung Hang Roberta as non-executive Director, and Ms. Choi Mei Ping, Mr. Tsoi Chiu Yuk and Mr. Ong King Keung as independent non-executive Directors.