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BINGO GROUP HOLDINGS LIMITED

比高集團控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8220)

SUPPLEMENTAL ANNOUNCEMENT

Reference is made to the announcement of the Company dated 30 September 2019 (the “**Announcement**”) in relation to, among others, the entering into of the Loan Agreement between Bingo Movie and the JV Company. Unless the context requires otherwise, capitalised terms used herein shall bear the same meanings as defined in the Announcement.

As disclosed in the Announcement, the JV Company is a joint venture company formed by Bingo Movie and Lechuang and is owned as to 49% and 51% by Bingo Movie and Lechuang respectively. The JV Company is principally engaged in investment and development of relevant VR and MR projects. Lechuang is a company incorporated in Hong Kong with limited liability and is principally engaged in trading of VR equipment and has experience and expertise in development of VR and MR projects. To the best of the Directors’ knowledge, information and belief, the JV Company, Lechuang and its ultimate beneficial owner(s) are Independent Third Party.

Bingo Movie is a wholly owned subsidiary of the Company and is principally engaged in movie development.

Before the advancement under the 2018 Loan Agreement becoming due in September 2019, the JV Company did request for renewal of the advancement under the 2018 Loan Agreement since there are capital needs for the JV Company to develop the relevant VR and MR projects. After arm’s length negotiations with referencing to capital needs of the JV Company, the parties enter into the Loan Agreement to renew the advancement. In other words, prior to the entering into of the Loan Agreement, the outstanding balance under the 2018 Loan Agreement was governed by the 2018 Loan Agreement. As such, the JV Company made partial repayment under the 2018 Loan Agreement with the outstanding balance being the Loan advanced under the Loan Agreement. In this regard, the Company considers that the JV Company has timely fulfilled its repayment obligations under the 2018 Loan Agreement.

As disclosed in the Announcement, the interest rate of the Loan is on a floating basis, i.e. the relevant deposit rate instead of fixed interest rate. The Company considers that it will provide flexibility and also limit the risk of future interest rate fluctuations.

Bingo Movie has the right to demand for early repayment of the Loan at any time under the Loan Agreement as disclosed in the Announcement. Moreover, the Loan is deposited in the designated bank account of which Bingo Movie or its authorised representative shall be the signatory. In other words, Bingo Movie can closely monitor the use of Loan proceeds by the JV Company. Given that the JV Company is a 49% owned associate of the Group with the close supervision of the use of Loan proceeds, the Company considers that the JV Company would have the capacity to repay the Loan when due. The JV Company can only declare dividend after full repayment of the Loan and interest accrued thereon. Further, as disclosed in the announcement of the Company dated 8 February 2018, Lechuang would utilise its expertise in assisting the JV Company in developing VR and MR projects.

The JV Company is a 49% associate of the Group and the Group has a substantial stake in the JV Company. Virtual reality (VR) and mixed reality (MR) will bring new digital experience to the users. The Company considers that there are business prospects and also rooms of growth for VR and MR projects. In light of the increasing demand for VR and MR applications in various fields, the Board holds a positive outlook for VR and MR projects in the future. Whilst Lechuang did not provide the Loan to the JV Company, Lechuang would utilise its expertise in assisting the JV Company in developing VR and MR projects. It is expected that the Group will benefit from the future success of the JV Company. Whilst the Board considers that the interest rate should be comparable with the relevant bank deposit rate, it is necessary for the JV Company to have sufficient fund for its future business development and to meet its capital needs. With the growth potentials of the JV Company, the Board considers that the Loan Agreement and the terms thereof are fair and reasonable and in the interests of the Company and its shareholders as a whole.

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

Hong Kong, 7 November 2019

As at the date of this announcement, 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.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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.

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