

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



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)

**DISCLOSEABLE TRANSACTION INVOLVING
FORMATION OF JOINT VENTURE COMPANY**

The Board announces that on 5 November 2020, the JV Agreement is entered into between the WOFE Subsidiary and the PRC JV Partner, pursuant to which the JV Company will be established in Huzhou City, Zhejiang Province, the PRC.

It is expected that the JV Company will be engaged principally in brand management, development of film and television related peripheral products, copyrights and content management, new media, KOL live shows and e-commerce. The JV Company A will be owned beneficially as to 51% by the WOFE Subsidiary and as to the balance of 49% by the PRC JV Partner. Upon establishment, the JV Company A will become a 51% owned subsidiary of the Company.

Pursuant to the terms of the JV Agreement, the proposed registered capital of the JV Company will be RMB10,000,000. RMB5,100,000 will be contributed by the WOFE Subsidiary by way of cash or in such other recognized manner. RMB4,900,000 will be contributed by the PRC JV Partner by way of cash or in such other recognized manner.

As the applicable percentage ratio in respect of the JV Agreement is more than 5% but is less than 25%, the entering into of the JV Agreement and the transactions contemplated thereunder constitutes a discloseable transaction on the part of the Company under Chapter 19 of the GEM Listing Rules.

The Board announces that on 5 November 2020, the JV Agreement is entered into between the WOFE Subsidiary and the PRC JV Partner, pursuant to which the JV Company will be established in Huzhou City, Zhejiang Province, the PRC.

The entering into of the JV Agreement constitutes a discloseable transaction on the part of the Company under Chapter 19 of the GEM Listing Rules. Set out below are the principal terms of the JV Agreement.

THE JV AGREEMENT

Date : 5 November 2020 (after trading hours)

Parties : (a) the WOFE Subsidiary
(b) the PRC JV Partner

The WOFE Subsidiary is a company established in Beijing City, the PRC and is an indirect wholly owned subsidiary of the Company.

The PRC JV Partner is an individual and has more than eight years working experience covering import and export business, supply chain management, brand management and KOL e-commerce areas. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the PRC JV Partner is an Independent Third Party.

The parties to the JV Agreement agreed that the JV Company will be established in Huzhou City, Zhejiang Province, the PRC. It is expected that the JV Company will be engaged principally in brand management, development of film and television related peripheral products, copyrights and content management, new media, KOL live shows and e-commerce. The JV Company will be owned beneficially as to 51% by the WOFE Subsidiary and as to the balance of 49% by the PRC JV Partner. Application will be made to the relevant PRC authorities for the necessary permits and business licences for the establishment of the JV Company.

Registered capital

Pursuant to the terms of the JV Agreement, the proposed registered capital of the JV Company A will be RMB10,000,000 and will be contributed by the parties in proportion to their respective shareholdings in the JV Company. As at the date of the JV Agreement, no contribution has been made by the parties to the JV Agreement yet.

Regarding the registered capital of the JV Company, RMB5,100,000 will be contributed by the WOFE Subsidiary by way of cash or in such other recognized manner and RMB4,900,000 will be contributed by the PRC JV Partner by way of cash or in such other recognized manner.

The Group intends to finance the capital contribution of the WOFE Subsidiary to the JV Company from its internal and/or external resources.

The contributions to the registered capital of the JV Company shall be made by the respective parties in two tranches on or before 31 December 2039 after the issue of the business license of the JV Company A in accordance with the relevant PRC laws and regulations.

Both parties, as the shareholders of the JV Company, shall be entitled to rights of shareholders in proportion to their respective shareholdings in the JV Company. In the event of any transfer of share capital of the JV Company by any shareholder, the other shareholder of the JV Company shall have either pre-emptive right to acquire such share capital of the JV Company or the tag-along right to sell such share capital of the JV Company to the third party purchaser.

The proposed registered capital of the JV Company was determined after arm's length negotiations between the relevant parties with referencing to the future business development of the JV Company. The Directors (including the independent non-executive Directors) consider that the proposed registered capital of the JV Company is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Completion of establishment

Upon completion of the registration with the relevant PRC authorities and the obtaining of relevant business license, the establishment of the JV Company A will be completed.

The JV Company A will become a 51%-owned indirect subsidiary of the Group upon its establishment and its financial results will be consolidated with those of the Group.

Principal obligations and duties of the parties to the JV Agreement

Under the JV Agreement, the WOFE Subsidiary shall, among others:

- (1) coordinate the JV Company to obtain relevant brands and intellectual property rights for business development of the JV Company;
- (2) liaise with the related companies of the WOFE Subsidiary to identify and obtain relevant brands and intellectual property rights for business development of the JV Company; and
- (3) assist consolidation and optimization of resources of the JV Company.

Under the JV Agreement, the PRC JV Partner shall, among others:

- (1) assist the JV Company to obtain all necessary approvals and licenses for its business operations whereas the JV Company shall bear the costs for obtaining such approvals; and
- (2) coordinate the execution of the business strategy and projects of the JV Company.

Profits sharing in the JV Company

The WOFE Subsidiary and the PRC JV Partner will be entitled to share the net profits of the JV Company in proportion to their equity interests in the JV Company upon its establishment.

Board of directors of the JV Company

The board of directors of the JV Company will comprise three (3) directors, of which one will be appointed by the PRC JV Partner and two will be appointed by the WOFE Subsidiary.

The chairman of the board of directors of the JV Company will be appointed by the WOFE Subsidiary.

The board of directors of the JV Company shall be responsible for determining all significant decisions of the JV Company, including but not limited to amendments to the articles of association, increase or reduction of any registered capital, mergers and acquisitions, fixing the annual budget and engagement of auditors and senior management.

REASONS FOR THE JV AGREEMENTS

The Group is principally engaged in cinema investment and management, movie production, licensing and derivatives, crossover marketing and provision of interactive contents.

The Directors have always been proactive in seeking opportunities for expanding the business scope of the Group. The formation of the JV Company will allow the Group to utilise its experience in cross marketing and provision of interactive contents for the JV Company. With the PRC JV Partner's connection in PRC, the JV Company can enjoy the existing long-terms sales network of the PRC JV Partner. The Company is optimistic as to the business prospects of the JV Company.

The Directors consider that the entering into the JV Agreement offers the Group a good business opportunity to further develop its crossover marketing and provision of interactive contents business in the PRC. The Directors consider that the investment in the JV Company will enhance the earning ability to the Group in the future.

The Directors, including the independent non-executive Directors, consider that the terms of the JV Agreement are entered into upon normal commercial terms following arm's length negotiations among the parties and that the terms of the JV Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

GENERAL

As the applicable percentage ratio in respect of the JV Agreement is more than 5% but is less than 25%, the entering into of the JV Agreement and the transactions contemplated thereunder constitute a discloseable transaction on the part of the Company under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“associate(s)”	has the meaning ascribed to this term under the GEM Listing Rules
“Board”	the board of Directors
“Company”	Bingo Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the GEM
“connected person(s)”	has the meaning ascribed to this term under the GEM Listing Rules
“Directors”	directors (including the independent non-executive directors) of the Company from time to time
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third party(ies) independent of the Company and its connected persons in accordance with the GEM Listing Rules
“JV Agreement”	the joint venture agreement dated 5 November 2020 and entered into between the WOFE Subsidiary and the PRC JV Partner in relation to the establishment of the JV Company
“JV Company”	the joint venture company to be established in Huzhou City, Zhejiang Province, the PRC by the WOFE Subsidiary and the PRC JV Partner under the JV Agreement
“PRC”	the People’s Republic of China
“PRC JV Partner”	陳杰 (Chen Jie*), a PRC citizen and an Independent Third Party
“Shares”	ordinary shares of HK\$0.01 each in the share capital of the Company

“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“WOFE Subsidiary”	北京比高天空文化有限公司 (Beijing Bingo Sky Culture Co., Ltd,*), a wholly foreign owned enterprise established in the PRC and a wholly owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

By order of the Board
Bingo Group Holdings Limited
Chow Man Ki Kelly
Executive Director

Hong Kong, 5 November 2020

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 and Mr. Yip Yiu Bong as non-executive Directors; Ms. Choi Mei Ping, Mr. Ong King Keung and Mr. Tsui Wing Tak 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.

This announcement will remain on the “Latest Listed Company Information” 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).

In the event of inconsistency, the English text of this announcement shall prevail over the Chinese text thereof.

* For identification purposes only