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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)**

### **DISCLOSEABLE AND CONNECTED TRANSACTION FORMATION OF JOINT VENTURE**

#### **FORMATION OF THE JV COMPANY**

The Board is pleased to announce that on 27 October 2022 (after trading hours), High Art, a wholly-owned subsidiary of the Group, entered into the Joint Venture Agreement with Memorigin and Topping Mark in relation to the formation of the JV Company with an aggregate share capital of HKD2,000,000.

Pursuant to the terms of the Joint Venture Agreement, each of High Art, Memorigin, and Topping Mark will contribute HKD1,200,000, HKD400,000 and HKD400,000, respectively, in cash to the share capital of the JV Company. Upon the completion of the formation of the JV Company, the equity interest of the JV Company will be owned as to 60%, 20% and 20% by High Art, Memorigin, and Topping Mark, respectively.

The JV Company will be principally engaged in developing, designing, marketing and sale of movies-themed tourbillon watches.

#### **GEM LISTING RULES IMPLICATIONS**

#### **DISCLOSEABLE TRANSACTION**

As the highest percentage ratio as set out in the GEM Listing Rules in respect of the transactions contemplated under the Joint Venture Agreement is more than 5% but less than 25%, the transactions as contemplated thereunder constitute a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is subject to the notification and announcement requirements.

## **CONNECTED TRANSACTION**

As at the date of the Joint Venture Agreement, Topping Mark is wholly owned by Ms. Chow, being an executive Director and a substantial shareholder of the Company. Accordingly, Topping Mark is an associate of Ms. Chow and a connected person of the Company pursuant to Chapter 20 of the GEM Listing Rules.

As at the date of the Joint Venture Agreement, High Art is a wholly-owned subsidiary of the Company. As a result, the entering into the Joint Venture Agreement and the transactions as contemplated thereunder also constitutes a connected transaction for the Company under Chapter 20 of the GEM Listing Rules.

As (i) the transactions contemplated under the Joint Venture Agreement are on normal commercial terms; and (ii) all the applicable percentage ratios are less than 25% and the total consideration is less than HKD10 million, the entering into of the Joint Venture Agreement and the transactions as contemplated thereunder are subject only to the reporting and announcement requirements but exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

## **INTRODUCTION**

The Board is pleased to announce that on 27 October 2022 (after trading hours), High Art, a wholly-owned subsidiary of the Group, entered into the Joint Venture Agreement with Memorigin and Topping Mark in relation to the formation of the JV Company to develop, design, market and sell movies-themed tourbillon watches with an aggregate share capital of HKD2,000,000.

## **JOINT VENTURE AGREEMENT**

The principal terms of the Joint Venture Agreement are set out below:

Date: 27 October 2022

Parties: (1) High Art;  
(2) Memorigin; and  
(3) Topping Mark.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, except High Art is a wholly-owned subsidiary of the Company and Topping Mark is a connected person of the Company, Memorigin and its ultimate beneficial owner(s) are Independent Third Parties.

Name of the JV Company: The name of the JV Company will be confirmed upon establishment thereof.

Scope of business: The scope of business of the JV Company includes designing, developing, marketing and sale, of movies-themed tourbillon watches.

Details of contribution: Pursuant to the terms of the Joint Venture Agreement, each of High Art, Memorigin and Topping Mark shall contribute HKD1,200,000, HKD400,000 and HKD400,000, respectively, in cash to the share capital of the JV Company within ten business days after the date of incorporation of the JV Company. Upon the completion of the formation of the JV Company, the equity interest of the JV Company will be owned as to 60%, 20% and 20% by High Art, Memorigin, and Topping Mark, respectively. Upon completion of the formation of the JV Company, the financial information of the JV Company will be consolidated into the accounts of the Company.

The capital contribution requirements of the JV Company were determined after arm's length negotiations among the parties and taking into account the development plan of the JV Company. High Art will contribute its capital contribution by internal resources of the Group.

Management of the JV Company: The board of directors of the JV Company shall comprise of 5 directors. High Art shall have the right to nominate 3 directors; while each of Topping Mark and Memorigin shall have the right to nominate 1 director.

The board of directors of the JV Company shall determine the remuneration package of the management personnel based on market practices for companies with similar business scale and nature.

The appointment, removal and remuneration of the key management personnel shall be decided by the board of directors of the JV Company.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE JOINT VENTURE AGREEMENT**

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

Memorigin is the first Hong Kong brand which only produces tourbillon. The oriental sculpture merging with western top art of watchmaking creates a tourbillon watch which has strong Hong Kong cultural character and is a blend of oriental and western cultures. Memorigin sells high quality tourbillon as (i) Memorigin uses its in-house movement with its strictly controlled production process so that craftsmanship and quality are sanctioned by international professionals; (ii) all Memorigin watches are produced with high quality materials from different countries; (iii) Memorigin tourbillon watches are designed by Hong Kong top designers and collectors with innovative concepts; and (iv) Memorigin provides word carving service. On the other hand, Topping Mark is engaged in the business of consultancy services in various industries. The Company has been exploring business opportunities leveraging on its movie production, licensing and derivatives, crossover marketing in the past year and considered that such business experience and the IPs of the films would be valuable resources in developing various new business areas which will potentially enhance returns for the Shareholders. Under the cooperation plan, High Art is intended to develop, design, market and sell movie-themed tourbillon watches together with Memorigin and Topping Mark.

The Directors (including the independent non-executive Directors) are of the view that the Joint Venture Agreement was entered into after arm's length negotiations and on normal commercial terms and the terms of the Joint Venture Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ON THE PARTIES TO THE JOINT VENTURE AGREEMENT**

High Art, is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company. It is principally engaged in investment holding.

Memorigin is a company incorporated in Hong Kong with limited liability which principally engaged in design and development, manufacturing and selling of tourbillon watch products.

Topping Mark is a company incorporated in Hong Kong with limited liability which is wholly owned by Ms. Chow. It is principally engaged in the provision of consultancy services.

## **GEM LISTING RULES IMPLICATIONS**

### **DISCLOSEABLE TRANSACTION**

As the highest percentage ratio as set out in the GEM Listing Rules in respect of the transactions contemplated under the Joint Venture Agreement is more than 5% but less than 25%, the transactions as contemplated thereunder constitute a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is subject to the notification and announcement requirements.

### **CONNECTED TRANSACTION**

As at the date of the Joint Venture Agreement, Topping Mark is wholly owned by Ms. Chow, being an executive Director and a substantial shareholder of the Company. Accordingly, Topping Mark is an associate of Ms. Chow and a connected person of the Company pursuant to Chapter 20 of the GEM Listing Rules. As at the date of the Joint Venture Agreement, High Art is a wholly-owned subsidiary of the Company. As a result, the entering into the Joint Venture Agreement and the transactions as contemplated thereunder also constitutes a connected transaction for the Company under Chapter 20 of the GEM Listing Rules.

As (i) the transactions as contemplated under the Joint Venture Agreement are on normal commercial terms; (ii) all the applicable percentage ratios are less than 25% and the total consideration is less than HKD10 million, the entering into of the Joint Venture Agreement and the transactions as contemplated thereunder are subject only to the reporting and announcement requirements but exempt from the circular, independent financial advice and shareholders' approval requirement under Chapter 20 of the GEM Listing Rules.

Ms. Chow, being an executive Director and a substantial shareholder of the Company, is deemed to have a material interest in the Joint Venture Agreement as she is also the ultimate beneficial owner of Topping Mark. Also, Mr. Chiau, being a brother of Ms. Chow, is also considered to have a material interest in the Joint Venture Agreement and the transactions contemplated thereunder. Accordingly, Mr. Chiau and Ms. Chow have abstained from voting on the relevant Board resolutions. Other than those Directors mentioned above, none of the Directors have a material interest in the transactions contemplated under the Joint Venture Agreement, and none are required to abstain from voting on the relevant resolutions of the Board.

### **DEFINITIONS**

In this announcement, unless the context specifies otherwise, the following defined expressions have the following meanings:

“associate” has the meaning ascribed to it in the GEM Listing Rules

“Board”	the board of Directors of the Company
“Company”	Bingo Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM
“connected person”	has the meaning ascribed to it in the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and all of its subsidiaries from time to time
“High Art”	High Art Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“HKD” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	a party independent of the Company and the connected persons of the Company and their respective associates
“IPs”	intellectual properties
“Joint Venture Agreement”	the joint venture agreement dated 27 October 2022 entered into between High Art, Memorigin and Topping Mark in relation to the formation of the JV Company
“JV Company”	a joint venture company to be incorporated in Hong Kong pursuant to the Joint Venture Agreement
“Memorigin”	Memorigin Watch Company Limited (萬希泉鐘錶有限公司), a company incorporated in Hong Kong with limited liability
“Mr. Chiau”	Mr. CHIAU Sing Chi, an executive Director, a brother of Ms. Chow and a substantial shareholder of the Company
“Ms. Chow”	Ms. CHOW Man Ki Kelly, an executive Director, a sister of Mr. Chiau and a substantial shareholder of the Company

“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s) from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the meaning ascribed to it in the GEM Listing Rules
“substantial shareholder”	has the meaning ascribed to it in the GEM Listing Rules
“Topping Mark”	Topping Mark Limited (勤昇有限公司), a company incorporated in Hong Kong with limited liability and the issued shares of which are held as to 100% by Ms. Chow
“%”	per cent.

By order of the Board  
**Bingo Group Holdings Limited**  
**CHOW Nga Chee Alice**  
*Executive Director*

Hong Kong, 27 October 2022

*As at the date of this announcement, the Board comprises Mr. CHIAU Sing Chi, Ms. CHOW Man Ki Kelly, Mr. LAU Man Kit, Ms. CHOW Nga Chee Alice and Mr. YIP Yiu Bong as executive Directors; and Ms. CHOI Mei Ping, Mr. TSUI Wing Tak and Ms. CHAN Yuet Ching as independent non-executive Directors.*

*This announcement, 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 Stock Exchange website at [www.hkexnews.hk](http://www.hkexnews.hk) for at least 7 days from the date of its posting and will also be published on the Company’s website at [www.bingogroup.com.hk](http://www.bingogroup.com.hk).*