BINGO GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8220)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2019

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This announcement, for which the directors (the "Directors") of Bingo Group Holdings Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

The board of Directors (the "Board") of the Company is pleased present the audited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 March 2019, together with the audited comparative figures for the corresponding year in 2018, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2019

	Notes	**2019** **HK$'000**	2018 *HK$'000*
Turnover	*2,3*	**38,048**	47,877
Cost of sales and services		**(15,634)**	(19,324)
Gross profit		**22,414**	28,553
Other revenue and other net income	*4*	**2,087**	14,315
Selling and marketing expenses		**(6,551)**	(9,904)
Administrative expenses		**(37,556)**	(40,337)
Share-based payments		**(2,181)**	–
Share of result of an associate		**(2)**	(3)
Finance costs		**(3,835)**	(3,166)
Loss before taxation	*5*	**(25,624)**	(10,542)
Taxation	*6*	**(918)**	(846)
Loss for the year		**(26,542)**	(11,388)
Loss attributable to:			
Owners of the Company		**(26,410)**	(10,542)
Non-controlling interests		**(132)**	(846)
		(26,542)	(11,388)
		HK cents	*HK cents* (Restated)
Loss per share	*8*		
Basic and diluted		**(3.09)**	(1.23)

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2019

	2019	2018
	HK$'000	*HK$'000*
Loss for the year	**(26,542)**	(11,388)
Other comprehensive (loss)/income		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign operations		
— Exchange differences arising during the year	**(2,532)**	3,471
— Release of exchange reserve upon disposal of subsidiaries	**–**	515
Other comprehensive (loss)/income for the year, net of tax	**(2,532)**	3,986
Total comprehensive loss for the year	**(29,074)**	(7,402)
Total comprehensive loss attributable to:		
Owners of the Company	**(27,700)**	(6,455)
Non-controlling interests	**(1,374)**	(947)
	(29,074)	(7,402)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 March 2019

	Notes	2019 HK$'000	2018 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**9,752**	11,863
Goodwill		**950**	950
Interests in an associate		**502**	3
		11,204	12,816
CURRENT ASSETS			
Trade receivables	9	**969**	1,277
Loan to an associate		**33,808**	–
Other receivables, deposits and prepayments		**2,932**	30,003
Payments to parties for procurement for investment of cinema business	10	**5,412**	5,793
Cash and cash equivalents		**60,926**	95,995
		104,047	133,068
CURRENT LIABILITIES			
Trade payables	11	**909**	1,500
Deposits received, other payables and accruals	12	**2,969**	17,437
Contract liabilities		**7,756**	–
Tax payables		**1,064**	1,336
		12,698	20,273
NET CURRENT ASSETS		**91,349**	112,795
TOTAL ASSETS LESS CURRENT LIABILITIES		**102,553**	125,611
NON-CURRENT LIABILITY			
Convertible bonds		**24,618**	20,783
NET ASSETS		**77,935**	104,828
CAPITAL AND RESERVES			
Share capital		**136,861**	136,861
Reserves		**(68,782)**	(43,263)
		68,079	93,598
Non-controlling interests		**9,856**	11,230
TOTAL EQUITY		**77,935**	104,828

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2019

1. BASIS OF PREPARATION AND IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

a) Basis of preparation

These consolidated financial statements 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 consolidated financial statements also comply with the applicable disclosure provisions of GEM Listing Rules and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). A summary of new and amendments to HKFRSs adopted by the Group and its corresponding effects are disclosed below.

b) New and amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time in the current year:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKFRS 15	Clarification to HKFRS 15
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014-2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

Except as described below, the application of the new HKFRSs and amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and on the disclosures set out in these consolidated financial statements.

Impacts and changes in accounting policies of application on HKFRS 15 Revenue from Contracts with Customers

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 Revenue, HKAS 11 Construction Contracts and the related interpretations.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this Standard recognised at the date of initial application of HKFRS 15 (i.e. 1 April 2018). Any difference at the date of initial application is recognised in the opening accumulated losses and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the Standard retrospectively only to contracts that are not completed at 1 April 2018 and has used the practical expedient for all contract modifications that occurred before the date of initial application, the aggregate effect of all of the modifications was reflected at the date of initial application. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 Revenue and HKAS 11 Construction Contracts and the related interpretations.

The Group recognises revenue from the following major sources:

(i) Cinema investment and management;

(ii) Filmed entertainment new media exploitations and licensing businesses.

The application of HKFRS 15 has no material impact on the timing of revenue recognition of the Group and there is no impact of transition to HKFRS 15 on accumulated losses of 1 April 2018.

The following table summarises the impact of transition to HKFRS 15 on deposits received, other payables and accruals and contract liabilities at 1 April 2018.

	Notes	**Deposits received, other payables and accruals** *HK$'000*	**Contract liabilities** *HK$'000*
Closing balance at 31 March 2018		17,437	–
Effect arising from initial application of HKFRS 15:			
Reclassification	*(a)*	(8,523)	8,523
Opening balance at 1 April 2018		8,914	8,523

note:

(a) As at 1 April 2018, advances from customers of HK$8,523,000 in respect of some contracts previously included in deposits received, other payables and accruals were reclassified to contract liabilities.

The following tables summarise the impacts of applying HKFRS 15 on the Group's consolidated statement of financial position as at 31 March 2019 and consolidated statement of cash flows for the current year for each of the line items affected. Line items that were not affected by the changes have not been included.

Impact on the consolidated statement of financial position as at 31 March 2019 by the application of HKFRS 15

	note	As reported (after the application of HKFRS 15) *HK$'000*	Adjustments *HK$'000*	Amounts without application of HKFRS 15 *HK$'000*
Current liabilities				
Deposits received, other payables and accruals	*(a)*	2,969	7,756	10,725
Contracts liabilities	*(a)*	7,756	(7,756)	–

note:

(a) As a result of adoption of HKFRS 15, advances from customers of HK$7,756,000 in respect of some contracts previously included in accruals and other payables were reclassified to contract liabilities. The above results would be reversal without application of HKFRS 15.

Impact on the consolidated statement of cash flows for the year ended 31 March 2019

	As reported (after the application of HKFRS 15) *HK$'000*	Adjustments *HK$'000*	Amounts without application of HKFRS 15 *HK$'000*
Cash flow from operating activities			
Decrease in deposits received, other payables and accruals	(5,851)	(205)	(6,056)
Decrease in contracts liabilities	(205)	205	–

Impacts and changes in accounting policies of application on HKFRS 9 Financial Instruments

In the current year, the Group has applied HKFRS 9 Financial Instruments and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities and 2) expected credit losses ("ECL") for financial assets.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9. i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 April 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 April 2018. The difference between carrying amounts as at 31 March 2018 and the carrying amounts as at 1 April 2018, if any, is recognized in the opening accumulated losses and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 Financial Instruments: Recognition and Measurement.

The application of HKFRS 9 has no material impact on the Group's financial performance and position on 1 April 2018.

Impacts on opening consolidated statement of financial position arising from the application of all new standards

As a result of the changes in the Group's accounting policies above, the opening consolidated statement of financial position had to be restated. The following table show the adjustments recognised for each individual line item.

	31 March 2018 (Audited) *HK$'000*	HKFRS 15 *HK$'000*	1 April 2018 (Restated) *HK$'000*
Non-current assets			
Property plant and equipment	11,863		11,863
Goodwill	950		950
Interests and in an associate	3		3
	12,816		12,816
Current assets			
Trade receivables	1,277		1,277
Other receivables, deposits and prepayments	30,003		30,003
Payments to parties for procurement for investment of cinema business	5,793		5,793
Cash and cash equivalent	95,995		95,995
	133,068		133,068
Current liabilities			
Trade payables	1,500		1,500
Deposits received, other payables and accruals	17,437	(8,523)	8,914
Contract liabilities	–	8,523	8,523
Tax payables	1,336		1,336
	20,273		20,273
Net current assets	112,795		112,795
Total assets less current liabilities	125,611		125,611
Non-current liability			
Convertible bonds	20,783		20,783
Net assets	104,828		104,828
Equity			
Share capital	136,861		136,861
Reserves	(43,263)		(43,263)
Equity attributable to the owners of Company	93,598		93,598
Non-controlling interests	11,230		11,230
Total equity	104,828		104,828

c) New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 16	Leases[1]
HKFRS 17	Insurance Contracts[3]
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments[1]
Amendments to HKFRS 3	Definition of a Business[2]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKAS 1 and HKAS 8	Definition of Material[2]
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement[1]
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle[1]

1 Effective for annual periods beginning on or after 1 January 2019
2 Effective for annual periods beginning on or after 1 January 2020
3 Effective for annual periods beginning on or after 1 January 2021
4 Effective for annual periods beginning on or after a date to be determined

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 16 Leases

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 Leases and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. HKFRS 16 also includes requirement relating to subleases and lease modifications.

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 modifications, amongst others. For the classification of cash flows, the Group currently presents operating lease payments as operating cash flows. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows by the Group.

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.

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 March 2019, the Group has non-cancellable operating lease commitments of HK$24,815,000 (2018: HK$31,440,000). A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

In addition, the Group currently considers refundable rental deposits paid of approximately HK$974,000 (2018: HK$1,029,000) as rights under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost. Adjustments to refundable rental deposits paid would be considered as additional lease payments and included in the carrying amount of right-of-use assets. Adjustments to refundable rental deposits received would be considered as advance lease payments.

The application of new requirements may result in changes in measurement, presentation and disclosure as indicated above. The Group intends to elect the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases 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. Furthermore, the Group intends to elect 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.

2. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the executive directors that are used to make strategic decisions. The Group's operating businesses are structured and managed separately according to the nature of their operations.

For management purposes, the Group is organised into two operating segments for the year:

Cinema investment and management — cinema investment and provision of cinema management service.

Filmed entertainment, new media exploitations and licensing businesses — movie production, licensing and derivatives, crossover marketing, provision of interactive contents, artist development and last miles engagement.

The revenue from external customers reported to the management is measured in a manner consistent with that in the consolidated statement of profit or loss. Revenue between segments are carried out on terms equivalent to those that prevail in arm's length transactions.

Segment result represents the profit or loss by each segment without allocation of central administration costs including directors' salaries, investment and other income, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

The following is an analysis of the Group's revenue, results, assets and liabilities by reportable and operating segment.

	Year ended 31 March 2019			Year ended 31 March 2018		
	Cinema investment and management	**Filmed entertainment new media exploitations and licensing businesses**	**Total**	Cinema investment and management	Filmed entertainment new media exploitations and licensing businesses	Total
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*
Segment Revenue	**38,048**	**–**	**38,048**	46,929	948	47,877
Segment Results						
Reportable segment result	**217**	**(1,003)**	**(786)**	(2,036)	4,579	2,543
Unallocated corporate income			**1,405**			9,956
Unallocated corporate expenses			**(20,227)**			(19,875)
Share-based payments			**(2,181)**			–
Finance costs			**(3,835)**			(3,166)
Loss before taxation			**(25,624)**			(10,542)
Segment Assets						
Reportable segment assets	**47,126**	**20,002**	**67,128**	52,204	33,665	85,869
Interests in an associate			**502**			3
Loan to an associate			**33,808**			–
Unallocated corporate assets			**13,813**			60,012
Consolidated total assets			**115,251**			145,884
Segment Liabilities						
Reportable segment liabilities	**9,851**	**–**	**9,851**	11,454	3,244	14,698
Tax payables			**1,064**			1,336
Convertible bonds			**24,618**			20,783
Unallocated corporate liabilities			**1,783**			4,239
Consolidated total liabilities			**37,316**			41,056

For the purposes of monitoring segment information and allocating resources between segment:

— all assets are allocated to reportable segments other than interests in an associate, loan to an associate and unallocated corporate assets.

— all liabilities are allocated to reportable segments other than tax liabilities, convertible bonds and unallocated corporate liabilities.

Other segment information:

	Year ended 31 March 2019			
	Cinema investment and management	**Filmed entertainment new media exploitations and licensing businesses**	**Corporate level**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Additions to non-current assets	**1,135**	**–**	**–**	**1,135**
Interest income	**285**	**195**	**528**	**1,008**
Depreciation	**2,341**	**–**	**99**	**2,440**
Impairment of trade receivables	**11**	**–**	**–**	**11**

	Year ended 31 March 2018			
	Cinema investment and management	Filmed entertainment new media exploitations and licensing businesses	Corporate level	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Additions to non-current assets	54	–	–	54
Interest income	297	49	45	391
Depreciation	7,761	99	300	8,160
Gain on disposal of subsidiaries	–	2,146	–	2,146

Revenue from major products and services:

The Group's revenue from its major products and services were as follows:

	2019	2018
	HK$'000	*HK$'000*
Cinema business	**38,048**	46,929
Production and distribution of film rights, royalty and licensing income	**–**	948
	38,048	47,877

Geographical information:

The Group mainly operates in Hong Kong and the People's Republic of China (the "PRC"). The geographical location of customers is based on the location of the customers, irrespective of the origin of the goods or services. The geographical location of the non-current assets is based on the physical location of assets in the case of property, plant and equipment, and the location of the operation to which they are allocated in the case of goodwill and investment in an associate. Revenue from external customers and information about non-current assets by geographical location are detailed below:

	Revenue from external customers		Specified non-current assets	
	2019	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**–**	–	**532**	132
PRC	**38,048**	47,019	**10,672**	12,684
Others	**–**	858	**–**	–
	38,048	47,877	**11,204**	12,816

Revenue from major customers:

There are no major customers contributing over 10% of the Group's revenue for the year ended 31 March 2019 (2018: Nil).

3. TURNOVER

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

	2019	2018
	HK$'000	*HK$'000*
Revenue from cinema business	**38,048**	46,929
Production and distribution of film rights	**–**	858
Royalty and licensing income	**–**	90
	38,048	47,877

Disaggregation of revenue from contracts with customers

	For the year ended 31 March 2019 Cinema business *HK$000*
Revenue from cinema business	
— Sales of movie tickets – at a point in time	31,225
— Sales of snacks – at a point in time	4,238
— Advertising income – over time	1,655
— Others *(note)* – at a point in time	930
Total	38,048

note: It mainly represents the services charges for registration of membership and the charges for the re-issuance of membership cards for those lost cases.

Contracts for advertising services are typically have a 1 year to 3 years non-cancellable term of in which the Group bills a fixed percentage on the box office takings. The Group elected to apply the practical expedient by recognising revenue in the amount to which the Group has right to invoice. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

The customer loyalty points have no expiration and can be redeemed anytime at customers' discretion. The management of the Group expected that the remaining performance obligation as at 31 March 2019 will be materially recognized as income within one to two years after the year end.

4. OTHER REVENUE AND OTHER NET INCOME

	2019 *HK$'000*	2018 *HK$'000*
Interest income	**1,008**	391
Exchange gain	**–**	2,599
Gain on disposal of subsidiaries	**–**	2,146
Government grants *(note 1)*	**157**	2,082
Other payables written off	**–**	585
Others *(note 2)*	**922**	6,512
	2,087	14,315

notes:

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

2. During 31 March 2018, included in the amount were an income from termination of PRC cinema investment contracts of approximately HK$2,691,000 and an over provision of a consultancy fee of approximately HK$3,819,000 which was provided during the year ended 31 March 2017.

5. LOSS BEFORE TAXATION

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

	2019	2018
	HK$'000	*HK$'000*
Auditor's remuneration	**800**	750
Direct expenses of cinema business	**15,634**	19,324
Depreciation	**2,440**	8,160
Property, plant and equipment written off	**55**	20
Exchange loss	**3,913**	–
Impairment of trade receivables	**11**	–
Other receivables written off *(note)*	**–**	595
Operating lease rental in respect of rented premises	**5,179**	5,762
Staff costs (including directors' remuneration)		
— Salaries and allowances	**13,136**	14,141
— Equity settled share-based payments	**1,848**	–
— Retirement scheme contributions	**2,009**	2,123
Equity settled share-based payments paid to advisors	**333**	–

note: In view of the long outstanding period of the other receivables amounted approximately HK$595,000, the management of the Group has assessed the recoverability of the balance and believes that it will not be received in the foreseeable future. The amount was written off during the year ended 31 March 2018.

6. TAXATION

	2019	2018
	HK$'000	*HK$'000*
The taxation charge recognised in profit or loss comprises:		
Current tax		
The PRC	**744**	1,574
Under/(Over) provision in prior years	**174**	(728)
	918	846

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

No provision of Hong Kong Profits Tax has been made as there is no assessable profits for the current year (2018: Nil).

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% for the years ended 31 March 2019 and 2018.

During the year ended 31 March 2019, the tax authority in the PRC has grant concessionary tax rates to some of the PRC subsidiaries of the Company because the size and assessable profits of those subsidiaries have fulfilled the condition as small and micro corporations defined by the relevant tax authority.

The taxation for the year can be reconciled to the loss before taxation per the consolidated statement of profit or loss as follows:

	2019	2018
	HK$'000	*HK$'000*
Loss before taxation	**(25,624)**	(10,542)
Tax at the respective applicable tax rate	**(4,167)**	(1,411)
Income not subject to taxation	**(457)**	(4,600)
Expenses not deductible for tax purpose	**4,130**	7,169
Tax effect of unrecognised tax loss	**1,535**	948
Tax effect of prior year's tax loss utilised in this year	**–**	(596)
Tax effect of temporary difference not recognised	**15**	64
Effect of tax exemptions granted to PRC subsidiaries	**(312)**	–
Under/(Over) provision in prior years	**174**	(728)
Taxation charged for the year	**918**	846

Deferred tax assets not recognised

At the end of the reporting period, the Group had unused tax losses arising in the PRC and Hong Kong of approximately HK$12,840,000 (2018: HK$12,090,000) and approximately HK$53,505,000 (2018: HK$48,352,000) respectively available for offset against future profits. No deferred tax asset has been recognised in respect of the unused tax losses due to the unpredictability of future profits stream. Under current tax regulation, tax losses arising in the PRC can be carried forward for five years from the year in which the respective loss arose while the tax losses arising in Hong Kong can be carried forward indefinitely.

Deferred tax liabilities not recognised

At the end of the reporting period, undistributed profits of subsidiaries amounted to approximately HK$34,529,000 (2018: HK$34,497,000). Withholding tax resulting from the distribution of such profits would amount approximately to HK$3,453,000 (2018: HK$3,450,000) if they are distributed to holding companies/shareholders outside of PRC. However, no deferred tax liabilities have been recognised in this respect as the Company controls the dividend policy of these subsidiaries and it has been determined that it is probable that these profits will not be distributed in the foreseeable future.

7. DIVIDEND

The Directors do not recommend the payment of a dividend for the year ended 31 March 2019 (2018: Nil).

8. LOSS PER SHARE

Basic and diluted loss per share

	2019	2018
	HK cents	*HK cents*
		(Restated)
Total basic and diluted loss per share	**(3.09)**	(1.23)

The loss and weighted average number of ordinary shares used in the calculation of basic and diluted loss per share are as follows:

	2019	2018
	HK$'000	*HK$'000*
Loss for the year attributable to owners of the Company	**(26,410)**	(10,542)

	2019	2018
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**855,384,669**	855,384,669

The weighted average numbers of ordinary shares for the purpose of calculating basic earnings 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 year ended 31 March 2019 and 2018 because they are antidilutive in calculating the diluted loss per share.

9. TRADE RECEIVABLES

The aging of the Group's trade receivables based on the invoice date is analysed as follows:

	2019	2018
	HK$'000	*HK$'000*
Within 30 days	**786**	1,058
31–60 days	**142**	107
61–90 days	**4**	50
Over 90 days	**48**	62
	980	1,277
Less: Allowance for expected credit losses	**(11)**	–
	969	1,277

For 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.

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

	2019	2018
	HK$'000	*HK$'000*
Past due but not impaired:		
Less than 1 month past due	**142**	107
1 to 3 months past due	**4**	50
More than 3 months past due	**48**	62
	194	219

Receivables at 31 March 2019 and 2018 that were neither past due nor impaired relate to customers for whom there was no recent history of default.

Receivables at 31 March 2019 and 2018 that were past due but not impaired related to 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.

10. PAYMENTS TO PARTIES FOR PROCUREMENT FOR INVESTMENT OF CINEMA BUSINESS

Pursuant to the announcement for the joint venture agreement ("JV agreement") dated 9 June 2011, a subsidiary of the Company entered into a JV agreement with CineChina Limited ("CineChina") for the investment of cinema business in the PRC.

The payments were made to CineChina and to an independent third party, for the purpose of materialising the JV agreement:

	2019	2018
	HK$'000	*HK$'000*
Amount paid to CineChina	**2,315**	2,478
Amount paid to an independent third party	**3,097**	3,315
	5,412	5,793

Under the prevailing legal requirements in the PRC, certain restrictions are imposed on foreign investors for taking up majority stake in cinema business in the PRC. In accordance with legal opinion from PRC lawyer, the approval for engaging in the foregoing business by the subsidiaries of the Company has not been obtained from the respective PRC authorities during the year ended 31 March 2012 and the organising of the above cinema business had not been completed at 31 March 2012. CineChina and an independent third party (collectively, "these parties") held the fund for the Group and would settle the cost incurred in procurement of the investment of cinema business in the PRC.

By an internal group reorganization the capital of Bingo Cinema (Shanghai) Company Limited ("Shanghai Bingo") was transferred from a domestic enterprise to a sino-foreign joint venture enterprise to comply with the relevant regulatory requirement for foreign investors to operate cinema business in the PRC during the year ended 31 March 2013. The Group legally owned 75% equity interests in Shanghai Bingo to operate the cinema business by mid- February 2013. The results of the cinema projects, including Linan and Hangzhou cinema projects, legally owned by Shanghai Bingo are consolidated into that of the Group after completion of the internal group reorganization. Pursuant to the agreement entered into between the Group and these parties on 6 December 2012, these parties in principle agreed to act as a conduit of payment on behalf of the Group for the development of the cinema business in the PRC. These parties have substantially utilized the funds for the cinema business through their connection in the PRC.

The management of the Company has taken into account the past repayment record, adjusted for forward-looking information that is available without undue cost or effort, of these parties and estimated that the expected credit loss rate was insignificant and no expected credit loss was recognized upon adoption of HKFRS 9 as at 1 April 2018 and during the year ended 31 March 2019.

11. TRADE PAYABLES

The aging of the Group's trade payables based on the invoice date is analysed as follows:

	2019	2018
	HK$'000	*HK$'000*
Within 30 days	**899**	1,500
31–60 days	**2**	–
61–90 days	**3**	–
Over 90 days	**5**	–
	909	1,500

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.

12. DEPOSITS RECEIVED, OTHER PAYABLES AND ACCRUALS

	2019	2018
	HK$'000	*HK$'000*
Customer's deposits and receipts in advance *(note 1)*	**–**	8,523
Other payables and accruals *(note 2)*	**2,969**	8,914
	2,969	17,437

notes:

1. As at 31 March 2018, the balance was a prepaid amount in the membership card by the customers. The balance will be recognized as income when it is probable that the economic benefits will flow to the Group and these benefits can be measured reliably. The balances were classified as contract liabilities at the initial application of HKFRS 15.

2. Included in the amount mainly represent auditor's remuneration of approximately HK$800,000. (2018: HK$750,000).

3. All of the other payables and accruals are expected to be settled within one year or are repayable on demand.

13. EVENT AFTER REPORTING PERIOD

After the reporting period, the Company announced that the capital reorganisation which involves:

(i) every four then existing shares of HK$0.04 of the Company combined into one consolidated share of HK$0.16;

(ii) a reduction of the nominal value for each issued consolidated share from HK$0.16 to HK$0.01;

(iii) a subdivision of each authorised but unissued consolidated share of HK$0.16 each into sixteen new shares of HK$0.01 each; and

(iv) the exercise price of the share options, the number of shares to be issued upon exercise of share options, and the conversion price and the number of shares to be issued upon conversion of the outstanding convertible bonds were adjusted,

has become effective on 2 May 2019. For further details, please refer to the Company's announcement dated 2 May 2019.

BUSINESS REVIEW

During the year ended 31 March 2019 (the "Year"), the Group continues to focus on 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").

In view of the on-going development of the Cinema Business, this segment has become the prime revenue generator of the Group in the Year. Approximately revenue of HK$38.0 million and gross profit of HK$22.4 million were generated during the Year. The revenue and gross profit for the Year declined, as compared to revenue of HK$46.9 million and gross profit of HK$27.6 million generated in last year. The Group will 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 Year. Accordingly, no revenue was generated in this sector during the Year.

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 RMB29.0 million (equivalent to approximately HK$33.8 million) was lent to the JV Company for a one-year term.

FINANCIAL REVIEW

During the Year, the Group recorded a total turnover of approximately HK$38.0 million, representing a decrease of approximately 20.6% as compared with HK$47.9 million for last year. The HK$38.0 million turnover for the Year (2018: HK$47.9 million) mainly consisted of the gross revenue of the Cinema Business of HK$38.0 million (2018: HK$46.9 million).

There were certain one-off gains recorded in last year, including income from termination of PRC cinema investment contracts of approximately HK$2.7 million, reversal of over-provision of a consultancy fee of approximately HK$3.8 million made in prior years, gain on disposal of subsidiaries of approximately HK$2.1 million. In addition, depreciation of Renminbi ("RMB") against Hong Kong Dollars, which caused change from exchange gain of approximately HK$2.6 million in last year to loss of approximately HK$3.9 million in the Year, led to the decrease in other revenue and other net income.

There was overall decrease in the Group's expenses for the Year as compared to those for fiscal year 2017/18, which was resulted from implementation of various cost control measures.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 March 2019, the Group had total assets of approximately HK$115.3 million (2018: HK$145.9 million), including cash and cash equivalents of approximately HK$60.9 million (2018: HK$96.0 million). There was no pledged bank deposit as at 31 March 2019 (2018: Nil). As at 31 March 2019, the debt ratio (defined as total liabilities/total assets) was approximately 0.32 (2018: 0.28).

Both the Group's total assets and liabilities decreased over the Year. The Group continued to hold strong cash and cash equivalents as at 31 March 2019 and the Board believes that the Group has sufficient resources to satisfy its working capital requirements. During the Year, the Group financed its operations principally with its own working capital. As at 31 March 2019, the Group did not have any bank overdraft (2018: Nil).

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

There was no material acquisition or disposal of subsidiaries during the year ended 31 March 2019.

EMPLOYEES

As at 31 March 2019, the Group had 115 (2018: 111) staff in the People's Republic of China ("PRC") and Hong Kong. Total staff costs including directors' remuneration were approximately HK$17.0 million during the Year (2018: HK$16.3 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 Year, save as 30,000,000 share options granted to Ms. Chow Man Ki Kelly, an executive Director, on 17 September 2018, no share option was granted to Directors (2018: Nil).

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 in RMB, 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 Year. As at 31 March 2019, the Group had no outstanding foreign currency hedge contracts (2018: Nil).

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 and MR industry is undergoing rapid development and the Company considers that there will be growth potential in investment of VR and MR projects. On 9 February 2018, the Group 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 RMB29.0 million (equivalent to approximately HK$33.8 million) in September 2018.

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.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company endeavors to maintain a high standard of corporate governance for the enhancement of shareholders' value. The Company has complied with the required code provisions set out in the Corporate Governance Code (the "Code") contained in Appendix 15 to the GEM Listing Rules for the year ended 31 March 2019, except for the following deviation:

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Company does not have the Chairman of the Board and the Chief Executive Officer during the year ended 31 March 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.

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 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.

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.

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.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 March 2019.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The audit committee has reviewed with the management about the Group's annual results for the year ended 31 March 2019, the accounting principles and practices adopted by the Group and discussed auditing, risk management and internal controls, and financial reporting matters in connection with the preparation of the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 March 2019.

SCOPE OF WORKS OF MESSRS. CHENG & CHENG LIMITED

The figures in respect of the Group's consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity and the related notes thereto for the year ended 31 March 2019 as set out in this announcement have been agreed by the Group's auditors, Messrs. Cheng & Cheng Limited to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by Messrs. Cheng & Cheng Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Cheng & Cheng Limited in this announcement.

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

Hong Kong, 24 June 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 will remain on the "Latest Company Announcements" page of the GEM website (www.hkgem.com) for at least 7 days from its date of publication and on the website of the Company (www.bingogroup.com.hk).