



## **BINGO GROUP HOLDINGS LIMITED**

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

**(Stock Code: 8220)**

### **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2021**

#### **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized 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.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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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 2021, together with the audited comparative figures for the corresponding year in 2020, as follows:

## **CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

*For the Year ended 31 March 2021*

	<i>Notes</i>	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Revenue	3,4	<b>6,860</b>	22,888
Cost of sales and services		<b>(2,994)</b>	(9,395)
Gross profit		<b>3,866</b>	13,493
Other revenue and other net income	5	<b>4,693</b>	3,460
Other loss		–	(14,512)
Selling and marketing expenses		<b>(217)</b>	(4,434)
Administrative expenses		<b>(22,245)</b>	(34,107)
Impairment of property, plant and equipment		<b>(2,753)</b>	(3,806)
Impairment of right-of-use assets		<b>(2,814)</b>	(7,770)
Impairment of goodwill		<b>(950)</b>	–
Gain on lease termination		<b>218</b>	–
Share-based payments		<b>(2,013)</b>	(1,720)
Share of result of an associate		<b>57</b>	(50)
Finance costs		<b>(2,736)</b>	(5,265)
Loss before taxation	6	<b>(24,894)</b>	(54,711)
Taxation	7	<b>(16)</b>	(131)
Loss for the year		<b>(24,910)</b>	(54,842)
<b>Loss attributable to:</b>			
Owners of the Company		<b>(21,488)</b>	(41,475)
Non-controlling interests		<b>(3,422)</b>	(13,367)
		<b>(24,910)</b>	(54,842)
		<i>HK cents</i>	<i>HK cents</i>
<b>Loss per share</b>	9		
Basic and diluted		<b>(2.51)</b>	(4.85)

## CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the Year ended 31 March 2021

	2021 HK\$'000	2020 HK\$'000
<b>Loss for the year</b>	<u>(24,910)</u>	<u>(54,842)</u>
<b>Other comprehensive loss</b>		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translating foreign operations		
— Exchange differences arising during the year	<u>(332)</u>	<u>(844)</u>
Other comprehensive loss for the year, net of tax	<u>(332)</u>	<u>(844)</u>
<b>Total comprehensive loss for the year</b>	<u><u>(25,242)</u></u>	<u><u>(55,686)</u></u>
<b>Other comprehensive loss attributable to:</b>		
Owners of the Company	(435)	(418)
Non-controlling interests	<u>103</u>	<u>(426)</u>
	<u><u>(332)</u></u>	<u><u>(844)</u></u>
<b>Total comprehensive loss attributable to:</b>		
Owners of the Company	(21,923)	(41,893)
Non-controlling interests	<u>(3,319)</u>	<u>(13,793)</u>
	<u><u>(25,242)</u></u>	<u><u>(55,686)</u></u>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*At 31 March 2021*

	<i>Notes</i>	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>572</b>	5,571
Right-of-use assets		<b>921</b>	10,829
Goodwill		–	950
Interests in an associate		<b>376</b>	169
Loan to an associate		<b>18,931</b>	17,512
Deposit for acquisition of non-controlling interests	<i>11</i>	–	721
Rental deposits		<b>355</b>	657
		<b>21,155</b>	36,409
<b>CURRENT ASSETS</b>			
Inventories		<b>945</b>	–
Trade receivables	<i>10</i>	<b>206</b>	132
Other receivables, deposits and prepayments		<b>6,339</b>	6,203
Payments to parties for procurement for investment of cinema business	<i>11</i>	–	1,452
Cash and cash equivalents		<b>15,303</b>	38,146
		<b>22,793</b>	45,933
<b>CURRENT LIABILITIES</b>			
Trade payables	<i>12</i>	<b>203</b>	347
Other payables and accruals	<i>13</i>	<b>3,877</b>	3,342
Contract liabilities		<b>7,994</b>	7,405
Convertible bonds		–	9,747
Lease liabilities		<b>3,070</b>	3,877
		<b>15,144</b>	24,718
<b>NET CURRENT ASSETS</b>		<b>7,649</b>	21,215
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>28,804</b>	57,624

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>NON-CURRENT LIABILITIES</b>		
Convertible bonds	13,752	11,793
Lease liabilities	<u>6,231</u>	<u>14,237</u>
	<u>19,983</u>	<u>26,030</u>
<b>NET ASSETS</b>	<u><u>8,821</u></u>	<u><u>31,594</u></u>
<b>CAPITAL AND RESERVES</b>		
Share capital	8,554	8,554
Reserves	<u>845</u>	<u>26,977</u>
	9,399	35,531
Non-controlling interests	<u>(578)</u>	<u>(3,937)</u>
<b>TOTAL EQUITY</b>	<u><u>8,821</u></u>	<u><u>31,594</u></u>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

## 1. 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 the Rules Governing the Listing of Securities on the GEM of the Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) and the disclosure requirements of the Hong Kong Companies Ordinance (“CO”). A summary of new and amendments to HKFRSs adopted by the Group and its corresponding effects are disclosed below.

## 2. APPLICATION OF AMENDMENTS TO HKFRSs

### a) Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the Amendments to References to the Conceptual Framework in HKFRS Standards and the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2020 for the preparation of the consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

The application of the Amendments to References to the Conceptual Framework in HKFRS Standards and the amendments to HKFRSs in the current year had no material impact on the Group’s financial position and performance for the current and prior years and/or on the disclosures set out in the consolidated financial statements.

In addition, the Group has early adopted the Amendments to HKFRS 16 Covid-19-Related Rent Concessions for the year ended 31 March 2020, which is relevant to its operations.

### *Impacts on early application of Amendment to HKFRS 16 Covid-19-Related Rent Concessions*

The Group has applied the amendment which introduces a new practical expedient for lessees to elect not to assess whether a Covid-19-related rent concession is a lease modification. The practical expedient only applies to rent concessions occurring as a direct consequence of the Covid-19 that meets all of the following conditions:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

- any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying HKFRS 16 Leases if the changes were not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

The application of the amendment had no impact to the opening accumulated losses at 1 April 2020.

The Group has benefited from 1 month waiver of and 5 to 12 months reduction of lease payments on several leases in the People's Republic of China (the "PRC") and Hong Kong amounting to HK\$814,000 recognised in profit or loss for the current year.

**b) 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 17	Insurance Contracts and the related Amendments <sup>1</sup>
Amendments to HKFRS 3	Reference to the Conceptual Framework <sup>2</sup>
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2 <sup>4</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>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>1</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>1</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>1</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>1</sup>
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use <sup>2</sup>
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract <sup>2</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020 <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2022.

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

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2021.

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.

### **3. 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 business — 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, share of result of an associate, other loss, share-based payments 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 2021			Year ended 31 March 2020		
	Cinema investment and management business <i>HK\$'000</i>	Filmed entertainment, new media exploitations and licensing businesses <i>HK\$'000</i>	Total <i>HK\$'000</i>	Cinema investment and management business <i>HK\$'000</i>	Filmed entertainment, new media exploitations and licensing businesses <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment Revenue	<u>6,860</u>	<u>–</u>	<u>6,860</u>	<u>22,888</u>	<u>–</u>	<u>22,888</u>
<b>Segment Results</b>						
Reportable segment result	(10,036)	436	(9,600)	(13,901)	(1,769)	(15,670)
Unallocated corporate income			2,423			1,279
Unallocated corporate expenses			(13,025)			(18,773)
Share of result of an associate			57			(50)
Other loss			–			(14,512)
Share-based payments			(2,013)			(1,720)
Finance costs			<u>(2,736)</u>			<u>(5,265)</u>
Loss before taxation			<u>(24,894)</u>			<u>(54,711)</u>
<b>Segment Assets</b>						
Reportable segment assets	5,598	3,110	8,708	31,007	7,813	38,820
Interests in an associate			376			169
Loan to an associate			18,931			17,512
Unallocated corporate assets			<u>15,933</u>			<u>25,841</u>
Consolidated total assets			<u>43,948</u>			<u>82,342</u>
<b>Segment Liabilities</b>						
Reportable segment liabilities	17,898	–	17,898	26,790	–	26,790
Convertible bonds			13,752			21,540
Unallocated corporate liabilities			<u>3,477</u>			<u>2,418</u>
Consolidated total liabilities			<u>35,127</u>			<u>50,748</u>

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 convertible bonds and unallocated corporate liabilities.

**Other segment information:**

	Year ended 31 March 2021			
	Cinema investment and management business <i>HK\$'000</i>	Filmed entertainment, new media exploitations and licensing businesses <i>HK\$'000</i>	Corporate level <i>HK\$'000</i>	Total <i>HK\$'000</i>
Additions to right-of-use assets	–	–	1,121	1,121
Interest income	16	7	165	188
Depreciation of property, plant and equipment	889	–	–	889
Depreciation of right-of-use assets	1,173	–	187	1,360
Impairment of property, plant and equipment	2,753	–	–	2,753
Impairment of right-of-use assets	1,880	–	934	2,814
Impairment of goodwill	950	–	–	950
Gain on lease termination	218	–	–	218

	Year ended 31 March 2020			
	Cinema investment and management business <i>HK\$'000</i>	Filmed entertainment, new media exploitations and licensing businesses <i>HK\$'000</i>	Corporate level <i>HK\$'000</i>	Total <i>HK\$'000</i>
Additions to property, plant and equipment	2,521	–	–	2,521
Additions to right-of-use assets	327	–	1,821	2,148
Interest income	251	30	527	808
Other loss	14,512	–	–	14,512
Depreciation of property, plant and equipment	2,407	–	25	2,432
Depreciation of right-of-use assets	3,141	–	690	3,831
Impairment of property, plant and equipment	3,806	–	–	3,806
Impairment of right-of-use assets	6,639	–	1,131	7,770
Impairment of trade receivables	325	–	–	325

**Revenue from major products and services:**

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

	<b>2021</b> <b>HK\$'000</b>	2020 <i>HK\$'000</i>
Cinema business	<b>6,860</b>	22,888

**Geographical information:**

The Group mainly operates in 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 right-of-use assets, and the location of the operation to which they are allocated in the case of goodwill and interests in an associate. Revenue from external customers and information about non-current assets by geographical location are detailed below:

	<b>Revenue from external customers</b>		<b>Specified non-current assets</b>	
	<b>2021</b> <b>HK\$'000</b>	2020 <i>HK\$'000</i>	<b>2021</b> <b>HK\$'000</b>	2020 <i>HK\$'000</i>
Hong Kong	–	–	<b>376</b>	169
PRC	<b>6,860</b>	22,888	<b>1,493</b>	17,350
	<b>6,860</b>	22,888	<b>1,869</b>	17,519

**Revenue from major customers:**

There are no major customers contributing over 10% of the Group's revenue for the year ended 31 March 2021 (2020: Nil).

**4. REVENUE**

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

	<b>2021</b> <b>HK\$'000</b>	2020 <i>HK\$'000</i>
Revenue from cinema business	<b>6,860</b>	22,888

## Disaggregation of revenue from contracts with customers

	2021 HK\$'000	2020 HK\$'000
Revenue from cinema business		
— Sales of movie tickets – at a point in time	6,172	18,806
— Sales of snacks – at a point in time	480	2,651
— Advertising income – over time	27	590
— Management services income – over time	83	272
— Others ( <i>note</i> )	98	569
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<b>Total</b>	<b>6,860</b>	<b>22,888</b>
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*note:* It mainly represents the rental income for claw machines placed in cinemas, service income for registration of membership and the income for the re-issuance of membership cards for lost cards.

Contracts for advertising services typically have a 1 year to 3 years non-cancellable term 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 prepaid amounts in membership cards 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 2021 will be materially recognised as income within one to two years after the year end.

## 5. OTHER REVENUE AND OTHER NET INCOME

	2021 HK\$'000	2020 HK\$'000
Exchange gain	1,865	–
Interest income	188	808
Government grants ( <i>note 1</i> )	1,007	598
Rent concession ( <i>note 2</i> )	814	460
Others	819	1,594
	<hr/>	<hr/>
	<b>4,693</b>	<b>3,460</b>
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*notes:*

1. The government grants represent the subsidies received by the Group from the government for the operation of cinemas in the PRC and related to Employment Support Scheme provided by Hong Kong Government. There are no unfulfilled conditions or contingencies relating to these grants.
2. It mainly represents rent concession provided to cinemas in PRC for the closure of business due to 2019 Novel Coronavirus (“COVID-19”).

## 6. LOSS BEFORE TAXATION

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

	2021 HK\$'000	2020 HK\$'000
Auditor's remuneration		
— audit services	850	800
— other services	500	90
Direct expenses of cinema business ( <i>note 1</i> )	2,994	9,395
Depreciation of property, plant and equipment	889	2,432
Depreciation of right-of-use assets	1,360	3,831
Property, plant and equipment written off	1,633	7
Exchange loss	—	3,112
Impairment of property, plant and equipment	2,753	3,806
Impairment of right-of-use assets	2,814	7,770
Impairment of goodwill	950	—
Impairment of trade receivables	—	325
Gain on lease termination	(218)	—
Short-term lease expenses	—	422
Variable lease payments not included in the measurement of lease liabilities	81	—
Staff costs (including directors' remuneration)		
— Salaries and allowances	8,893	12,198
— Equity settled share-based payments	885	1,186
— Retirement scheme contributions	888	1,522
Equity settled share-based payments paid to advisors	1,128	534

*note:*

1. The direct expenses mainly represent the profit sharing paid to film providers.

## 7. TAXATION

	2021 HK\$'000	2020 HK\$'000
The taxation charge recognised in profit or loss comprises:		
Current tax		
The PRC	—	131
Under provision in prior years	16	—
	<u>16</u>	<u>131</u>

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 (2020: Nil).

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% for the years ended 31 March 2021 and 2020.

During the years ended 31 March 2021 and 2020, the tax authority in the PRC has grant concessionary tax rate at 20% 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:

	<b>2021</b> <b>HK\$'000</b>	2020 HK\$'000
Loss before taxation	<b>(24,894)</b>	(54,711)
Tax at the respective applicable tax rate	<b>(5,207)</b>	(11,497)
Income not subject to taxation	<b>(427)</b>	(371)
Expenses not deductible for tax purpose	<b>2,016</b>	7,699
Tax effect of unrecognised tax loss	<b>3,073</b>	1,674
Tax effect of temporary difference not recognised	<b>545</b>	2,844
Effect of tax concessions granted to PRC subsidiaries	–	(218)
Under provision in prior years	<b>16</b>	–
	<hr/>	<hr/>
Taxation charged for the year	<b>16</b>	131
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### 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\$21,198,000 (2020: HK\$12,661,000) and approximately HK\$63,595,000 (2020: HK\$59,597,000) 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 to eight years from the year in which the respective loss arose while the tax losses arising in Hong Kong can be carried forward indefinitely.

Expiry dates of tax losses arising in the PRC are as follows:

	<b>2021</b>	<b>2021</b>	2020	2020
	<b><i>RMB'000</i></b>	<b><i>HK\$'000</i></b>	<b><i>RMB'000</i></b>	<b><i>HK\$'000</i></b>
2021	–	–	2,082	2,279
2022	<b>2,103</b>	<b>2,488</b>	2,103	2,302
2023	<b>2,652</b>	<b>3,138</b>	2,652	2,902
2024	<b>2,350</b>	<b>2,781</b>	2,350	2,572
2025	<b>2,381</b>	<b>2,817</b>	2,381	2,606
2026	<b>1,209</b>	<b>1,430</b>	–	–
2029	<b>7,221</b>	<b>8,544</b>	–	–
	<b><u>17,916</u></b>	<b><u>21,198</u></b>	<b><u>11,568</u></b>	<b><u>12,661</u></b>

At the end of the reporting period, the Group has deductible temporary differences of RMB11,203,000 (equivalent to HK\$13,256,000) (2020: RMB9,301,000 (equivalent to HK\$10,180,000)). No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

### Deferred tax liabilities not recognised

At the end of the reporting period, undistributed profits of subsidiaries amounted to approximately HK\$7,953,000 (2020: HK\$13,689,000). Withholding tax resulting from the distribution of such profits would amount approximately to HK\$795,000 (2020: HK\$1,369,000) if they are distributed to holding companies/shareholders outside the 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.

## 8. DIVIDEND

The Directors do not recommend the payment of a dividend for the year ended 31 March 2021 (2020: Nil).

## 9. LOSS PER SHARE

### Basic and diluted loss per share

	<b>2021</b> <i>HK cents</i>	2020 <i>HK cents</i>
Total basic and diluted loss per share	<u><b>(2.51)</b></u>	<u>(4.85)</u>

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

	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Loss for the year attributable to owners of the Company	<u><b>(21,488)</b></u>	<u>(41,475)</u>

	<b>2021</b>	2020
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u><b>855,384,669</b></u>	<u>855,384,669</u>

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 years ended 31 March 2021 and 2020 because they are antidilutive in calculating the diluted loss per share.



## 10. TRADE RECEIVABLES

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

	2021 HK\$'000	2020 HK\$'000
Within 30 days	115	–
31–60 days	27	39
61–90 days	3	–
Over 90 days	61	418
	<u>206</u>	<u>457</u>
Less: Allowance for expected credit losses	<u>–</u>	<u>(325)</u>
	<u>206</u>	<u>132</u>

As at 31 March 2021, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$206,000 which are past due as at the reporting date, of which HK\$16,000 has been past due more than 30 days but less than 90 days and HK\$47,000 has been past due over 90 days.

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.

## 11. DEPOSIT FOR ACQUISITION OF NON-CONTROLLING INTERESTS/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, for the purpose of materialising the JV agreement:

	<b>2021</b> <b>HK\$'000</b>	2020 HK\$'000
Amount paid to CineChina	<u>–</u>	<u>2,173</u>
Analysed as:		
Current	–	1,452
Non-current	<u>–</u>	<u>721</u>
	<u>–</u>	<u>2,173</u>

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 a 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 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 reorganisation 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 reorganisation. Pursuant to the agreement entered into between the Group and CineChina on 6 December 2012, CineChina 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. CineChina has substantially utilised the funds for the cinema business through their connection in the PRC.

On 25 February 2020, the Group entered into an acquisition agreement (“Acquisition Agreement”) with CineChina to acquire the remaining 30% of the equity interests of Bingo Cinema Investment Company Limited and Bingo Cinema Management Company Limited at a cash consideration of HK\$721,000, which is classified as non-current. In the year ended 31 March 2020, immediately before entering into the Acquisition Agreement, the Group recorded a receivable balance of approximately RMB1,985,500 from CineChina. The consideration for the Acquisition Agreement of HK\$721,000 (equivalent to approximately RMB650,000) was net off against the receivable of RMB1,985,500 from CineChina. The remaining balance of approximately RMB1,335,500 (equivalent to HK\$1,480,000) has been collected by the Group in April 2020, and exchange gain of approximately HK\$28,000 relating to this receivable has been recorded in the year ended 31 March 2021. The management of the Group assessed that no expected credit loss on the receivable from CineChina RMB1,985,500 is required to be recognised during the year ended 31 March 2020.

## 12. TRADE PAYABLES

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Within 30 days	187	–
31–60 days	–	307
61–90 days	4	–
Over 90 days	12	40
	<u>203</u>	<u>347</u>

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.

## 13. OTHER PAYABLES AND ACCRUALS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Other payables and accruals ( <i>note 1</i> )	<u>3,877</u>	<u>3,342</u>

*notes:*

1. Included in the amount mainly represents an auditor's remuneration of approximately HK\$850,000 (2020: HK\$800,000).
2. All of the other payables and accruals are expected to be settled within one year or are repayable on demand.

## BUSINESS REVIEW

During the year ended 31 March 2021 (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\$6.9 million and gross profit of HK\$3.9 million were generated during the Year. The revenue and gross profit for the Year declined, as compared to revenue of HK\$22.9 million and gross profit of HK\$13.5 million generated in last year. Due to outbreak of COVID-19 in the very beginning of Year 2020, all cinemas in Hangzhou and Shanghai could not open since late January 2020. In July 2020, cinemas in certain low-risk areas of the PRC were allowed to re-commence their businesses. The Group’s cinemas in Shanghai and Hangzhou have re-opened in August this year, and minimal amount of turnover was generated during the Year. It is, however, a good start to normalize the Group’s cinema operation. With respect to our cinema in Linan, we could not reach a conclusion of the business plan with the owner of the shopping mall where that cinema was located, and that cinema was closed in September 2020.

In 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 approximately HK\$34.3 million as at 31 March 2021) was lent to the JV Company. Another loan of RMB16 million (equivalent to approximately HK\$18.9 million as at 31 March 2021) 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 last year. No appropriate VR or MR projects were located as of the date of this announcement. For further details, please refer to the Company’s announcement dated 30 September 2019 and 7 November 2019.

In respect of the development of other businesses, the Group has established a subsidiary which is named as 浙江比高家品牌管理有限公司 (Zhejiang Bingo Family Brand Management Company Limited, “Bingo Family”) in Zhejiang in late November 2020. The Group holds 51% equity stake of Bingo Family. The principal businesses of Bingo Family are brand and intellectual property (“IP”) management, key opinion leader (“KOL”) incubation and KOL live shows and e-commerce. Since its incorporation to 31 March 2021, Bingo Family was still running in a trial period and has only incurred loss before tax of approximately HK\$2.5 million to the Group. The Group considers the growth of Bingo Family is not such satisfactorily.

During the third quarter of fiscal year 2019/20, the Company has noted that Mr. YIN Gang (“Mr. Yin”), a then director of certain non-wholly owned subsidiaries of the Group, would have misappropriated funds of approximately RMB13 million (equivalent to approximately HK\$14.5 million as at 31 March 2020) from two non-wholly owned subsidiaries of the Company established in the PRC for his personal uses. The Company has taken appropriate legal actions in the PRC against Mr. Yin. Please refer to the Company’s announcement dated 5 February 2020 for further details.

## **FINANCIAL REVIEW**

During the Year, the Group recorded a total turnover of approximately HK\$6.9 million, representing a decrease of approximately 69.9% as compared with HK\$22.9 million for last year. The HK\$6.9 million turnover for the Year (2020: HK\$22.9 million) mainly consisted of the gross revenue of the Cinema Business of HK\$6.9 million (2020: HK\$22.9 million).

Owing to the closure of cinemas in the PRC in early this fiscal year and our cinema in Linan was closed in September 2020, the turnover decreased significantly from approximately HK\$22.9 million in the last year to approximately HK\$6.9 million in the current year, which principally led to the decrease of gross profit by approximately HK\$9.6 million from approximately HK\$13.5 million in the last year to approximately HK\$3.9 million in the current year.

In view of severe business environment, the Group has tightened its cost control measures significantly, which resulted in the decrease of selling and marketing expenses from HK\$4.4 million in the last year to approximately HK\$0.2 million in current year, and the decrease of administrative expenses from approximately HK\$34.1 million in the last year to approximately HK\$22.2 million in the current year. In addition, the Group made impairments on fixed assets of approximately HK\$2.8 million, right-of-use assets of approximately HK\$2.8 million and goodwill of approximately HK\$1.0 million, totaling HK\$6.6 million in current year. This gross impairment amount is, however, much less than the impairment amounts of approximately HK\$11.6 million.

In the last year, the loss resulted from misappropriation of funds by Mr. Yin of approximately RMB13 million, equivalent to approximately HK\$14.5 million as at 31 March 2020, was recorded. This is an incidental event and no misappropriation of the Group's funds happened in current year.

As there were reduction of selling and marketing expenses and administrative expenses, and impairment losses, in current year as compared to those amounts in the last year, and there was one-off loss from Mr. Yin's misappropriation of funds recorded in last year, the net loss of the Group decreased significantly from approximately HK\$54.9 million in the last year to approximately HK\$24.9 million, even the revenue decreased significantly as mentioned above.

## **LIQUIDITY, DEBT RATIO, FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

As at 31 March 2021, the Group had total assets of approximately HK\$43.9 million (2020: HK\$82.3 million), including cash and cash equivalents of approximately HK\$15.3 million (2020: HK\$38.1 million). There was no pledged bank deposit as at 31 March 2021 (2020: Nil). As at 31 March 2021, the debt ratio (defined as total liabilities/total assets) was approximately 0.80 (2020: 0.62).

Although the Group's total assets decreased significantly over the Year, its total liabilities decreased too. The Group held cash and cash equivalents of approximately HK\$15.3 million which was adequate to cover the full amount of its current liabilities of HK\$15.1 million as at 31 March 2021. Accordingly, 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 2021, the Group did not have any bank overdraft (2020: Nil).

## **MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES**

On 25 February 2020, the Group entered into an acquisition agreement with CineChina to acquire the remaining 30% of the equity interests of Bingo Cinema Investment Company Limited and Bingo Cinema Management Company Limited, companies that are incorporated in Hong Kong at a cash consideration of HK\$721,000. The transaction was completed on 29 April 2020. Details of the acquisition are stated in the Company's announcements dated 25 February 2020 and 27 April 2020, and its circular dated 29 April 2020.

Save as disclosed above, the Group had no material acquisition or disposal of subsidiaries and affiliated companies during the Year.

## **EMPLOYEES**

As at 31 March 2021, the Group had 65 (2020: 78) staff in the PRC and Hong Kong. Total staff costs including directors' remuneration were approximately HK\$10.7 million during the Year (2020: HK\$14.9 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, the Company has not granted any awarded shares or share options to the Group's directors or employees.

## **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 2021, the Group had no outstanding foreign currency hedge contracts (2020: Nil).

## **CONTINGENT LIABILITIES**

As at 31 March 2021, the Group had no significant contingent liabilities (2020: Nil).

## **OUTLOOK**

As of the date of this announcement, the coronavirus outbreak has killed nearly 4 million people and infected more than 180 million people globally. Although the situation in China is better than many countries in the West, the economy in China is still shocked to a certain extent. The cinemas have been ordered to be closed since early Year 2020 and certain cinemas in the PRC are just allowed to be re-opened in late July 2020.

In spite of the wide-spreading of coronavirus mentioned above, the Group may continue to grasp other business opportunities in investments in cinemas in the PRC and attractive movies, when appropriate. 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.



In November 2020, a wholly owned subsidiary of the Company entered into an agreement to establish a subsidiary with 51% equity interest — Bingo Family, in Huzhou City, Zhejiang Province, the PRC. Bingo Family is engaged principally in brand and IP management, KOL incubation and KOL live shows and e-commerce. Bingo Family has been running business in trial period since December 2020. The Group, however, considers that the growth of Bingo Family is not as fast as what it was expected when established. We will closely monitor the development of Bingo Family's business.

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. In February 2018, the Group entered into an agreement with Lechuang Holdings (HK) Limited ("Lechuang") in relation to the formation of the joint venture company ("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 RMB16.0 million (equivalent to approximately HK\$18.9 million as at 31 March 2021) 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.

## **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 2021, 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 2021. 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 2021.

## **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 2021, 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 2021.

## **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 2021 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, 29 June 2021

*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, Mr. LIN Jason and Mr. YIP Yiu Bong as executive Directors; Mrs. CHIN CHOW Chung Hang Roberta as non-executive Director; and 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 Company Announcements” page of the GEM website ([www.hkgem.com](http://www.hkgem.com)) for at least 7 days from its date of publication and on the website of the Company ([www.bingogroup.com.hk](http://www.bingogroup.com.hk)).*