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BINGO GROUP HOLDINGS LIMITED

比高集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8220)

**DISPOSAL OF 100% ISSUED SHARE CAPITAL OF A SUBSIDIARY
AND
FREE EXCHANGE OF SHARE CERTIFICATES**

On 6 December 2017 (after trading hours), the Company as vendor entered into the Sale and Purchase Agreement with the Purchaser pursuant to which the Company agreed to sell and the Purchaser agreed to acquire the Sale Shares for a consideration of HK\$500,000 plus the amount equivalent to the aggregate bank balance of the Target Group as at the date of completion. Upon Completion, the Target Group will cease to be the subsidiaries of the Company and the Company will have no more shareholding in the Target Company. Accordingly, the financial results of the Target Group will no longer be consolidated into the Group's financial statements after Completion.

The Purchaser is a company directly wholly owned by Ms. Chow, an executive Director, and thus the Purchaser is a connected person of the Company. As the Disposal was conducted on normal commercial terms and all the applicable percentage ratios are less than 5% and the total consideration is less than HK\$3,000,000, the Disposal constitutes an exempt connected transaction for the Company under Chapter 20 of the GEM Listing Rules, and is therefore fully exempt from independent shareholders' approval and annual review requirements.

THE DISPOSAL

On 6 December 2017 (after trading hours), the Company as vendor entered into the Sale and Purchase Agreement with the Purchaser pursuant to which the Company agreed to sell and the Purchaser agreed to acquire the Sale Shares.

Sale and Purchase Agreement

Date : 6 December 2017 (after trading hours of the Stock Exchange)

Parties : (1) Vendor : the Company
(2) Purchaser : the Purchaser

Assets to be disposed

Pursuant to the Sale and Purchase Agreement, the Vendor has agreed to dispose of and the Purchaser has agreed to acquire the Sale Shares, representing 100% of the issued share capital of the Target Company.

Consideration

Pursuant to the terms of the Sale and Purchase Agreement, the Consideration shall be paid in cash by the Purchaser at Completion. The Consideration shall be HK\$500,000 plus the amount equivalent to the aggregate bank balances of the Target Group as at the date of Completion, which is expected to be approximately HK\$250,000 as at the date of Completion.

The Consideration was determined by the Vendor and the Purchaser after arm's length negotiations with reference to the financial position of the Target Group and valuation report issued by an independent valuer. The Directors (including the independent non-executive Directors) consider that the terms of the Disposal (including the basis of the Consideration) are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions precedent

The Disposal is conditional upon the satisfaction of the following:

- (1) if necessary, the passing by the Independent Shareholders of the Company at a general meeting of the Company to be convened and held of the necessary resolutions to approve the Sale and Purchase Agreement and the transactions contemplated thereunder; and
- (2) all necessary consents and approvals required to be obtained on the part of the Vendor and the Purchaser in respect of the Sale and Purchase Agreement and the transactions contemplated thereby having been obtained.

Each party shall use its best endeavours to satisfy and fulfill the conditions. If the conditions set out above have not been satisfied on or before 31 December 2017, or such other date as the Company and the Purchaser may agree, the Sale and Purchase Agreement shall cease and determine and thereafter neither party shall have any obligations and liabilities towards each other, save for any antecedent breaches of the terms of the Sale and Purchase Agreement.

Completion

Completion is expected to take place on the fifth Business Day after the fulfillment (or waiver) of the conditions (or such later date as the parties may agree) mentioned above.

Upon Completion, the Target Group will cease to be the subsidiaries of the Company and the Company will have no more shareholding in the Target Company. Accordingly, the financial results of the Target Group will no longer be consolidated into the Group's financial statements after Completion.

INFORMATION ON THE TARGET GROUP

The Target Company is a company incorporated in the BVI and is wholly and beneficially owned by the Company. The Target Company is an investment holding company and its principal subsidiaries are Raxco Assets Corp., Bingo Animation Limited, Boscon Limited, Shanghai Bingo Interactive Information Technology Limited[#] (上海比高互動信息科技有限公司) and Hugo Wisdom Limited.

Raxco Assets Corp. is a company incorporated in the BVI and a direct wholly-owned subsidiary of the Target Company. It is principally engaged in licensing business.

Bingo Animation Limited and Boscon Limited are both companies incorporated in Hong Kong and indirect wholly-owned subsidiaries of the Target Company. They are principally engaged in cartoon production.

Shanghai Bingo Interactive Information Technology Limited is a company incorporated in the PRC and an indirect wholly-owned subsidiary of the Target Company. It is principally engaged in new media exploitations business.

Hugo Wisdom Limited is a company incorporated in Hong Kong and the Target Company holds 70% of its total issued shares. It is principally engaged in licensing business.

Set below is the unaudited consolidated financial information of the Target Group:

	For the year ended 31 March 2016 HK\$	For the year ended 31 March 2017 HK\$
Net loss before taxation	5,539,235	95,081

As at
30 September
2017
HK\$

Net liabilities 2,224,633

After Completion, the Purchaser shall procure those members of the Target Group which bear the name “Bingo” and/or “比高” to change their names such that their names will no longer bear “Bingo” and/or “比高”.

REASONS FOR THE DISPOSAL

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

The Board considers that the recent financial performance of the Target Group has not been satisfactory as a net loss before tax of HK\$95,081 was recorded for the year ended 31 March 2017. In addition, the principal business of the Target Group has been largely based on the licence obtained under a licence agreement entered into between the Target Company (as licensee) and Entrance Gate Limited (as licensor) dated 22 February 2010. Pursuant to the said licence agreement, the licence granted to the Target Company to use, apply or exploit the intellectual property rights related to the movie titled “長江七號” will expire in May 2020. For further details of the said licence agreement, please refer to the Company’s circular dated 3 May 2010. In view of the short remaining term of the said license, the Group does not intend to deploy additional resources in the Target Group and considers to realise its investment in the Target Group.

The Board (including the independent non-executive Directors) is of the view that the terms of the Disposal, which are determined on an arm’s length basis, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATION OF THE DISPOSAL UNDER THE GEM LISTING RULES

The Purchaser is a company directly wholly owned by Ms. Chow, an executive Director, and thus the Purchaser is a connected person of the Company. As the Disposal was conducted on normal commercial terms and all the applicable percentage ratios are less than 5% and the total consideration is less than HK\$3,000,000, the Disposal constitutes an exempt connected transaction for the Company under Chapter 20 of the GEM Listing Rules, and is therefore fully exempt from independent shareholders’ approval, annual review and all disclosure requirements.

Ms. Chow is considered to have a material interest in the Disposal. Mr. Chiau is brother of Ms. Chow. Both Mr. Chiau and Ms. Chow have abstained from voting on the resolution passed at the Board meeting to approve the transactions contemplated under the Sale and Purchase Agreement.

FREE EXCHANGE OF SHARE CERTIFICATES

In light of the Disposal, the Company is pleased to announce that new share certificates of the Company in purple will be issued in any subsequent issue of Shares. Shareholders may exchange the existing share certificates in silver grey bearing with the CJ7 logo for new share certificates in purple at the branch registrar of the Company in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong free of charge for one month from 18 December 2017 to 17 January 2018 (both dates inclusive). Thereafter, any exchange of new share certificates in purple will be handled by Tricor Tengis Limited on payment of a fee of HK\$2.50 (or such higher fee as may be allowed by the Stock Exchange from time to time) for each share certificate for Shares cancelled or each new share certificate issued, whichever number of certificates cancelled/issued is higher.

All existing share certificates in silver grey in issue bearing with the CJ7 logo will continue to be effective as documents of title to the Shares and be valid for trading, settlement and registration purposes.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed to this term under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“BVI”	the British Virgin Islands
“CJ7 logo”	the logo based on the movie known as “長江七號”
“Company” or “Vendor”	Bingo Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on GEM (Stock Code: 8220)
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Sale and Purchase Agreement
“connected person(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“Consideration”	the consideration for the Disposal
“controlling shareholder”	has the meaning ascribed thereto in the GEM Listing Rules

“Directors”	directors of the Company
“Disposal”	the disposal of the Sale Shares as contemplated under the Sale and Purchase Agreement
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company together with its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	the Shareholders of the Company other than the Purchaser, Ms. Chow, Mr. Chiau and their respective associates
“Mr. Chiau”	Mr. Chiau Sing Chi, an executive Director and brother of Ms. Chow
“Ms. Chow”	Ms. Chow Man Ki Kelly, an executive Director and sister of Mr. Chau
“PRC”	the People’s Republic of China
“Purchaser”	The Star Overseas Limited, a company incorporated in Hong Kong with limited liability and is directly wholly owned by Ms. Chow
“Sale and Purchase Agreement”	the conditional agreement dated 6 December 2017 entered into between the Purchaser and the Vendor in respect of the Disposal
“Sale Share(s)”	2 ordinary share(s) of US\$1.00 each in the issued share capital of the Target Company, representing the entire issued share capital of the Target Company
“Shareholder(s)”	holder(s) of the issued share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	High Amuse Limited, a company incorporated in the BVI with limited liability
“Target Group”	Target Company and its subsidiaries

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent

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

Hong Kong, 6 December 2017

The English name of the entity is the transliteration of the Chinese name and shall not constitute the formal name of the relevant entity.

As at the date of this announcement, the Board comprises Mr. Chiau Sing Chi, Ms. Chow Man Ki Kelly, Mr. Chan Cheong Yee and Mr. Lau Man Kit as executive Directors; Mrs. Chin Chow Chung Hang Roberta as non-executive Director; and Ms. Choi Mei Ping, Mr. Tsoi Chiu Yuk and Mr. Ong King Keung as independent non-executive Directors.

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

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).