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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)

VOLUNTARY ANNOUNCEMENT MEMORANDUM OF UNDERSTANDING IN RELATION TO POTENTIAL FORMATION OF A JOINT VENTURE

This announcement is made by Bingo Group Holdings Limited (the “**Company**”, collectively with its subsidiaries, the “**Group**”) on a voluntary basis for the purpose of keeping the shareholders of the Company (the “**Shareholders**”) and potential investors informed of the latest business update of the Group.

MEMORANDUM OF UNDERSTANDING

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 13 February 2025 (after trading hours), Huichi (Shanghai) Consultancy Limited* (輝馳(上海)投資諮詢有限公司), an indirectly wholly-owned subsidiary of the Company, entered into a non-legally binding memorandum of understanding (the “**MOU**”) with Hangzhou Kaixing Internet Technology Company Limited* (杭州愷興網路科技有限公司) (the “**Kaixing Network**” or “**Potential Business Partner**”).

Pursuant to the MOU, the Group intends to collaborate with Kaixing Network for the promotion of Generative Artificial Intelligence (AI) game business through a joint venture (the “**Joint Venture**”), which will be owned as to 15% by the Group and 85% by Kaixing Network after the establishment of such Joint Venture in the PRC (the “**Proposed Cooperation**”).

THE JOINT VENTURE

Basic information of the Joint Venture

The Joint Venture is established to be principally engaged in the development of Large Language Model (LLM) and AI engine in order to facilitate the commercialisation of the LLM in game, movie and television, and other pan-entertainment fields.

The Group and Kaixing Network reached the mutual express agreement that the Joint Venture will (i) assist the Group to launch and operate artificial intelligence generated contents (AIGC) platform for video games; and (ii) provide the corresponding technical supporting services, at the fee rate charged not less favourable to the terms offered to other parties by the Joint Venture.

The key management of the Joint Venture shall enter into the employment contracts or cooperation agreements with the Joint Venture with the term of not less than three (3) years.

The rights of the Group

The Group reserves the priority right to act as an agent for the Joint Venture's overseas promotion activities for video game business.

As one of the shareholders of the Joint Venture, the Group has the right to share the net profit and the voting rights on the resolutions of the shareholders' meeting of the Joint Venture. The Group enjoys other shareholders' rights and interests as stipulated by relevant laws and regulations.

The Group has the right to appoint at least one director to be a member of the Board of the Joint Venture, and the number of directors appointed by the Group shall accounted for at least one-fifth of number of Board members.

BACKGROUND OF THE POTENTIAL BUSINESS PARTNER

Kaixing Network is a subsidiary of Kaiying Network Co., Ltd* (愷英網路股份有限公司) (stock code: SZ.002517), the shares of which listed on the Shenzhen Stock Exchange in the PRC, a well-known listed company in the online games industry in the PRC, principally engaged in the research and development, operation and launch of boutique entertainment contents such as mobile games and browser games, and the operation of browser game platforms and mobile application distribution platforms. Kaixing Network has long-term deployment and innovative exploration in the field of virtual reality and meta-universe. It is actively exploring global publishing to reach a wider range of platforms and users.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Kaixing Network and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”)).

REASONS AND BENEFITS FOR ENTERING INTO THE MOU

As the Group is principally engaged in cinema investment and management, movie production, licensing and derivatives, crossover marketing and provision of interactive contents businesses, the Directors are of the view that the Group can explore diversity and extension of its services and products for viable and sustainable development.

The Board believes that the formation of the Joint Venture will enable the Group to explore the Generative AI technology and relevant fields by leveraging on the experience and resources of Kaixing Network. As the AIGC is able to improve the product diversity of the Group's principal businesses of movies and television, the Board is of the view that such exploration is in the interests of the Company and the Shareholders as a whole.

Non-legally binding effect

The MOU does not constitute any legally binding commitment in respect of the Proposed Cooperation, save and except that each party agrees to be legally bound by certain clauses including but not limited to the confidentiality as set out under the MOU. The parties to the MOU shall enter into formal agreements prior to 30 April 2025 to set out the specific terms and conditions of the cooperation between the Group and the Potential Business Partner.

Transfer of rights and assumption of obligations

No party will be allowed to assign its rights and obligations under the MOU, in whole or in part, to any other party without the written consent from parties under the MOU.

Term

The MOU shall be effective until 30 April 2025 (the “**Expiry Date**”).

Termination

The parties to the MOU agree that if the signing of the formal shareholders' agreement does not take place on or before the Expiry Date, the MOU shall be terminated with immediate effect.

GENERAL

The Board wishes to emphasise that the Proposed Cooperation contemplated under the MOU may or may not proceed and that the parties have not entered into a legally binding agreement in relation to the transactions contemplated under the MOU as at the date of this announcement. If the transactions contemplated under the MOU materialise, the Company will make further announcements as and when appropriate in accordance with the GEM Listing Rules.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 13 February 2025

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. YIP Yiu Bong and Ms. TSANG Fung Chu as executive Directors; and Ms. CHOI Mei Ping, Mr. TSUI Wing Tak and Ms. CHAN Yuet Ching as independent non-executive Directors.

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

This announcement will remain on the “Latest Listed Company Information” page of the Stock Exchange website at www.hkexnews.hk for at least 7 days from the date of its posting and will also be published on the Company’s website at www.bingogroup.com.hk.