



## **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)

### **THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 DECEMBER 2012**

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

**GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board 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 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 of 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.*

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

The board of Directors (the “Board”) of the Company presents the unaudited consolidated result of the Group for the three and nine months ended 31 December 2012, together with the unaudited comparative figures for the corresponding period in 2011 were as follows -:

	Notes	Three months ended 31 December		Nine months ended 31 December	
		2012	2011	2012	2011
		HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Turnover	2	26,545	56,688	102,337	177,660
Cost of sales		(23,646)	(55,903)	(97,274)	(167,975)
Gross Profit		2,899	785	5,063	9,685
Other revenue and other net income		1,334	17	1,349	150
Gain on disposal of a subsidiary		-	-	-	714
Administrative expenses		(3,944)	(9,868)	(18,364)	(29,952)
Share-based payments	3	(2,109)	(9,623)	(30,423)	(36,916)
Share of results of jointly-controlled entities		-	(573)	-	(946)
Finance cost	4	(507)	(152)	(1,439)	(1,457)
Loss before taxation	5	(2,327)	(19,414)	(43,814)	(58,722)
Taxation	6	-	-	-	-
Loss for the period		(2,327)	(19,414)	(43,814)	(58,722)
Loss attributable to:					
Owners of the Company		(2,901)	(19,036)	(44,084)	(57,731)
Non-controlling interests		574	(378)	270	(991)
		(2,327)	(19,414)	(43,814)	(58,722)
Dividend	7	-	-	-	-
Loss per share (cents per share)					
Basic	8	(0.10)	(1.23)	(1.45)	(3.74)
Diluted	8	N/A	N/A	N/A	N/A
<b>Other comprehensive loss</b>					
Exchange differences on translating foreign operations – Exchange differences arising during the period		(573)	(59)	(267)	(345)
Other comprehensive loss for the period, net of tax		(573)	(59)	(267)	(345)
Loss for the period		(2,327)	(19,414)	(43,814)	(58,722)
<b>Total comprehensive loss for the period</b>		(2,900)	(19,473)	(44,081)	(59,067)

## NOTES TO THE CONDENSED QUARTERLY FINANCIAL INFORMATION

### 1. BASIS OF PREPARATION

The Group's unaudited consolidated results have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosures requirements of the GEM Listing Rules and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for an investment property, derivative financial instruments and equity investments, which have been measured at fair value. The unaudited consolidated results are presented in Hong Kong dollars ("HK\$") and all values are rounded to the nearest thousand except when otherwise indicated.

The principal accounting policies applied in the preparation of the unaudited consolidated results are consistent with those adopted in the preparation of the annual consolidated financial statements of the Group for the year ended 31 March 2012.

In the current period, the Group has adopted a number of new and revised HKFRSs, which are effective for accounting periods beginning on or after 1 April 2012. The adoption of these new and revised HKFRSs had no material effect on the results or financial position of the Group for the current and/or prior accounting periods. Accordingly, no prior period adjustment has been required.

The Group has not applied the new and revised HKFRSs, which have been issued but are not yet effective, in the unaudited consolidated results. The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, it has anticipated that these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and its financial position.

The third quarterly results are unaudited but have been reviewed by the audit committee of the Company.

## 2. TURNOVER

Turnover represents amount receivable for goods sold and services provided and royalty income generated in the normal course of business, net of sales related taxes.

	Three months ended 31 December		Nine months ended 31 December	
	2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)
<b>Turnover</b>				
Trading	23,667	54,713	97,491	166,875
Filmed entertainment, online games and licensing business	–	–	52	8,810
Cinema business	2,878	1,975	4,794	1,975
	<u>26,545</u>	<u>56,688</u>	<u>102,337</u>	<u>177,660</u>

## 3. SHARE-BASED PAYMENTS

- (i) The Company has provide convertible bonds and share option for Mr. Chiau Sing Chi as his remuneration package to the services provided by him. Details of the convertible bonds and share options are as follows:

### Convertible bonds

Issuer:	The Company
Principal amount:	HK\$45 million in aggregate. The Convertible Bonds in the amount of HK\$25 million issued on 1 June 2010 (“commencement date”) and the remaining four tranches (each worth HK\$5 million, and HK\$20 million in aggregate) of the Convertible Bonds issued on the dates being the first, second, third and fourth anniversaries of the date of commencement date.
Issue date:	1 June 2010
Maturity date:	Ten years from the date of issue
Interest:	Zero coupon
Conversion price:	HK\$0.136 per share

### Share Option Scheme

Grant date:	1 June 2010
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Maturity date:	the date falling on the expiry of the fortieth month from the date of grant of the options
Number of Options granted:	125,000,000
Exercise price:	HK\$0.20 per share
Exercisable period:	Any time during the period commencing from the date of expiry of the eighteenth month from the date of grant of Options to the date falling on the expiry of the fortieth month from the date of grant of the Options.

The fair values of the HK\$45 million convertible bonds and 125,000,000 share options determined on 1 June 2010 using binomial option pricing model were HK\$124,360,048 and HK\$51,691,784 respectively.

The followings assumptions were made by DTZ Debenham Tie Leung Limited, independent qualified professional valuers not connected with the Group who have appropriate qualification, to calculate the fair value of HK\$45 million convertible bonds:

Principle amount:	HK\$45 million
Expected life:	10 years
Interest:	Nil
Redemption price:	100% of the principal amount
Conversion price:	HK\$0.136
Risk-free rate:	2.47%
Effective interest rate:	16.73%
Share price:	HK\$0.27
Expected dividend yield:	0%
Expected volatility:	84.09%

The followings assumptions were made by DTZ Debenham Tie Leung Limited, independent qualified professional valuers not connected with the Group who have appropriate qualification, to calculate the fair value of 125,000,000 share options granted to Mr. Chiau Sing Chi on 1 June 2010.

Share price:	HK\$0.27
Exercise price:	HK\$0.20
Nature of the options:	Call

Risk-free rate:	1.08%
Expected life of the options:	40 months
Expected volatility:	94.74%
Expected dividend yield:	0%
Early exercise behavior:	280%

The followings assumptions were made by DTZ Debenham Tie Leung Limited, independent qualified professional valuers are not connected with the Group and have appropriate qualification, to calculate the fair value of 294,840,000 share options (after share consolidation) granted to certain Director, advisors and employees on 23 August 2012.

Share price:	HK\$0.076
Exercise price:	HK\$0.156
Nature of the options:	Call
Risk-free rate:	0.284%
Expected life of the options:	5 years
Expected volatility:	81.86%
Expected dividend yield:	0%
Early exercise behavior:	220%

- (ii) The Company has share option scheme for director, employees and advisors of the Group. 589,680,000 share options (before share consolidation) were granted to directors, employees and advisors on 23 August 2012 with fair value of certain approximately HK\$22,921,000 using binomial option pricing model.

During the period, 53,000,000 share options were lapsed and HK\$5 million convertible bonds and 589,680,000 share options (before share consolidation) were issued/granted and the Company recognised the total expenses of HK\$30,423,000 (nine months ended 31 December 2011: HK\$36,916,000) as share-based payments for the nine months ended 31 December 2012.

#### 4. FINANCE COST

	Three months ended 31 December		Nine months ended 31 December	
	2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)
Effective interest on convertible bonds	507	152	1,439	1,457
	<u>507</u>	<u>152</u>	<u>1,439</u>	<u>1,457</u>

#### 5. LOSS BEFORE TAXATION

Loss before taxation is stated after charging/(crediting) the following:

	Three months ended 31 December		Nine months ended 31 December	
	2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)
Depreciation	51	237	145	329
Operating leases rental in respect of rented premises	612	135	1,612	135
Staff costs (including directors' remuneration)	4,041	4,443	10,754	11,548
Share-based payments	2,109	9,623	30,423	36,916
Gain on disposal of subsidiary (note a)	-	-	-	(714)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(714)</u>

##### (a) Gain on disposal of subsidiaries

On 30 September 2011, the Board of Directors agreed to dispose the entire 100% shareholding interest in Shanghai Bingo Interactive Information Technology Co. Ltd.(Beijing Branch), at a gain on disposal of HK\$714,000.

#### 6. TAXATION

No provision for Hong Kong profits tax has been made in the financial statements for the nine months ended 31 December 2012 and 2011 since there is no assessable profit derived from Hong Kong for the period.

Taxes on profits assessable other than in Hong Kong are calculated at the rates of tax prevailing in the places in which the Group operates based on existing legislation, practices and interpretations thereof.

## 7. DIVIDEND

The Directors do not recommend the payment of any dividend for the nine months ended 31 December 2012 (nine months ended 31 December 2011: Nil).

## 8. LOSS PER SHARE

### (a) Basic

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

Basic loss per share is calculated as follows:

	Three months ended 31 December		Nine months ended 31 December	
	2012 <i>HK Cent</i> (Unaudited)	2011 <i>HK Cent</i> (Unaudited) (restated)	2012 <i>HK Cent</i> (Unaudited)	2011 <i>HK Cent</i> (Unaudited) (restated)
Basic loss per share	<u>(0.10)</u>	<u>(1.23)</u>	<u>(1.45)</u>	<u>(3.74)</u>

The loss for the period attributable to owners of the Company and the weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:

	Three months ended 31 December		Nine months ended 31 December	
	2012 <i>HK\$'000</i> (Unaudited)	2011 <i>HK\$'000</i> (Unaudited)	2012 <i>HK\$'000</i> (Unaudited)	2011 <i>HK\$'000</i> (Unaudited)
Loss for the period attributable to owners of the Company	<u>(2,901)</u>	<u>(19,036)</u>	<u>(44,084)</u>	<u>(57,731)</u>
	<b>2012</b>	2011 (restated)	<b>2012</b>	2011 (restated)
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>3,048,404,562</u>	<u>1,543,779,563</u>	<u>3,048,404,562</u>	<u>1,543,779,563</u>

The weighted average number of ordinary shares for the period ended 31 December 2011 is restated by adjusting share consolidation on the basis of 2 ordinary shares consolidated into 1 share.



**(b) Diluted**

No diluted loss per share has been presented by the Company for the nine months ended 31 December 2012 and 2011 as the exercise of the share options and convertible bonds will give rise to an anti-dilutive effect.

**9. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY****Attributable to the owners of the Company**

	Share capital	Share premium	Contributed surplus	Equity component of convertible bonds	Share option reserve	Exchange reserve	Accumulated Loss	Sub-total	Non controlling interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2011 (audited)	61,431	250,641	3,930	91,036	34,307	(53)	(362,567)	78,725	-	78,725
Issue of ordinary shares under convertible bonds	-	-	-	12,487	-	-	-	12,487	-	12,487
Issue of new shares of HK\$0.02 each under share option scheme	320	1,399	-	-	(422)	-	-	1,297	-	1,297
Equity settled share option arrangement	-	-	-	-	23,386	-	-	23,386	-	23,386
Loss for the period	-	-	-	-	-	-	(57,731)	(57,731)	(991)	(58,722)
Other comprehensive loss for the period	-	-	-	-	-	(345)	-	(345)	-	(345)
At 31 December 2011 (unaudited)	<u>61,751</u>	<u>252,040</u>	<u>3,930</u>	<u>103,523</u>	<u>57,271</u>	<u>(398)</u>	<u>(420,298)</u>	<u>57,819</u>	<u>(991)</u>	<u>56,828</u>
At 1 April 2012 (audited)	121,936	329,062	3,930	101,851	56,886	(423)	(480,255)	132,987	(1,228)	131,759
Issue of convertible bonds	-	-	-	6,642	-	-	-	6,642	-	6,642
Equity settled share option arrangement	-	-	-	-	23,275	-	-	23,275	-	23,275
Lapse of share option	-	-	-	-	(4,642)	-	4,642	-	-	-
Loss for the period	-	-	-	-	-	-	(44,084)	(44,084)	270	(43,814)
Other comprehensive loss for the period	-	-	-	-	-	(274)	-	(274)	7	(267)
At 31 December 2012 (unaudited)	<u>121,936</u>	<u>329,062</u>	<u>3,930</u>	<u>108,493</u>	<u>75,519</u>	<u>(697)</u>	<u>(519,697)</u>	<u>118,546</u>	<u>(951)</u>	<u>117,595</u>

## 10. CONNECTED PARTY TRANSACTIONS

Name of connected persons	Nature of transactions	Nine months ended 31 December	
		2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)
Loch Holdings (HK) Limited ( <i>Note 1</i> )	Handling fee in relation to the promotion payment to an independent third party	–	454
CineChina Limited ( <i>Note 2</i> )	Payment for procurement for investment of Cinema Business	28,646	22,341
Mr. Yin Gang ( <i>Note 3</i> )	Payment for procurement for investment of Cinema Business	12,513	12,513

*Note 1:* Ms. Kelly Chow, a director of Loch Holdings, is a sister of Mr. Chiau Sing Chi who is a director of the Company and Ms. Kelly Chow is defined as connected person under GEM Listing Rules.

*Note 2:* CineChina Limited holds 30% equity interest in a subsidiary of the Company and it is defined as connected person under the GEM Listing Rules.

*Note 3:* Mr. Yin Gang is a director of a subsidiary of the Company. He is defined as connected person under the GEM Listing Rules.

## 11. COMPARATIVE FIGURES

Certain comparative figures have been restated to conform with the current period's presentation.

## MANAGEMENT DISCUSSION AND ANALYSIS

### General

During the nine months ended 31 December 2012 (the “Period”), Bingo Group Holdings Limited (the “Company”) and its subsidiaries (collectively, the “Group”) was principally engaged in sales and trading of coal and palm oil (“Trading”), 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”).

### Financial Review

During the Period, the Group recorded a turnover of HK\$102,337,000, representing a decrease of approximately 42% as compared with HK\$177,660,000 for the same period in 2011. In 2012, the Group is shifting more focus onto the Filmed Entertainment, New Media Exploitations and Licensing Business and Cinema Business, so the Group started to put less focus on trading business, which generated 94% of turnover for the period ended 31 December 2011.

Loss attributable to shareholders for the Period was approximately HK\$44,084,000 compared with a loss attributable to shareholders of HK\$57,731,000 for the period ended 31 December 2011.

The positive effect on the results of the Group for the period ended 31 December 2012 is mainly attributable to the decrease in shared-based payments and administrative expenses during the period.

### Operation Review And Prospects

In active pursuit of the movie business, one of the Group’s core businesses, the Company has completed the principal photography on a full length feature film, working title as “Journey to the West – 西遊 • 降魔篇” (“the Picture”). This is a fantasy movie involving magic, supernatural events and make-believe creatures with arresting visual effects and Stephen Chow’s special brand of humour/comedy.

During the period, the Group disposed 30% equity interest in the Picture to an independent third party at the consideration of HK\$46,360,000. The Picture is headed by a subsidiary of the Company as a project manager and was still undergoing its post-production stage as at 31 December 2012. Upon completion and finalization of all the production cost for the Picture, the sale of 30% equity interest in the Picture will be recognised in the profit and loss account during the fourth quarter of the financial year ending 31 March 2013. The Picture is scheduled to be released in the Great China region including Hong Kong and Macau during the Lunar New Year in 2013.

Bingo Animation Limited (“Bingo Animation”), a subsidiary of the Company, has entered into the Film Production Agreement (“Agreement”) with 青島廣電動畫有限公司 in relation to the production of animation film and TV cartoon entitled of CJ7 (長江七號). Pursuant to the Agreement, Bingo Animation worked with 青島廣電動畫有限公司 to develop, produce and distribute the animation film and TV cartoon derived from the intellectual property right of CJ7 (長江七號) during the period.

## **Outlook**

While the Group has continued its existing businesses, the Group will put more focus onto the newly developing Filmed Entertainment, Online Games and Licensing Business and Cinema Business in sustaining its core competitiveness through intensive execution of the following strategies:

- The Board is commencing a series of reorganization exercises in relation to a series of arrangement of Cinema Business. Subject to the completion of reorganization, the Group will own beneficially the equity interest in the existing operating cinemas in Chengdu, Chongqing, Shanghai, Hangzhou and Linan in PRC.
- The Board is cooperating with various experts in filmed entertainment and cinema operation and development create a synergistic effect to the Group which allows the Group to expand its operations and businesses in the areas of cinemas related businesses in the PRC.

## **OTHER INFORMATION**

### **Directors' and Chief Executives' Interests and Short Positions in Shares and Underlying Shares**

As at 31 December 2012, the following Directors of the Company had or were deemed to have interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to herein; or (iii) which were, pursuant to rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors to be notified to the Company and the Stock Exchange:

*Long positions in the shares of the Company*

<b>Name of Directors</b>	<b>Nature of interest</b>	<b>Number of Shares held</b>	<b>Approximate percentage of issued share capital of the company</b>
Mr. Chan Cheong Yee	Beneficial owner	5,000	0.00%
Mr. Yik Chok Man	Beneficial owner	282,000	0.01%
Mr. Chong Lee Chang ( <i>Note 1</i> )	Beneficial owner	8,065,976	0.26%
	Corporate interests	37,250,023	1.22%
Mrs. Chen Chou Mei Mei Vivien	Beneficial owner	2,750,000	0.09%
Mr. Chiau Sing Chi	Held by trust ( <i>Note 2</i> )	1,608,484,963	52.76%
	Held by family member	2,750,000	0.09%

*Note:*

1. Mr. Chong Lee Chang, a Non-Executive Director of the Company, had personally owned 8,065,976 shares and had been deemed to be interested in 37,250,023 shares through his beneficial interest in the entire issued share capital of Shieldman Limited.
2. These shares are registered in the name of Beglobal Investments Limited, Golden Treasure Investments Limited and Barco Investments Limited. Beglobal Investments Limited and Golden Treasure Investments Limited are companies indirectly owned by the trust the discretionary objects of which are Mr. Chiau and his family. And Barco Investments Limited had been deemed to be owned by Mr. Chiau and his family.
3. The total number of the issued share capital of the Company as at 31 December 2012 was 3,048,404,562.

## *Long positions in the underlying shares of the Company*

The Company adopted a share options scheme on 15 August 2012 which the Board may, at their discretion, offer employees, non-executive Directors, independent non-executive Directors or any other persons who have contributed to the Group to take up share options to subscribe for shares subject to the terms and conditions stipulated in the share option scheme. Details of share options granted to the Directors as at 31 December 2012 were as follows:

Name of Director	Date of grant	Number of options held as at 1 April 2012	Number of options granted during the period	Adjustment (Note 2)	Number of options exercised during the period	Number of options cancelled/lapsed during the period	Number of options held as at 31 December 2012	Adjusted exercise price HK\$	Exercisable period
Mr. Chiau Sing Chi	1-6-2010	250,000,000	-	(125,000,000)	-	-	125,000,000	0.200	1-12-2011 – 30-9-2013
Mr. Chiau Sing Chi	23-8-2012	-	6,000,000	(3,000,000)	-	-	3,000,000	0.156	23-8-2012 – 22-8-2017
Mr. Chan Cheong Yee	26-8-2009	10,000,000	-	-	-	(10,000,000)	-	0.2024	26-8-2009 – 25-8-2012
Mr. Chan Cheong Yee	23-8-2012	-	30,000,000	(15,000,000)	-	-	15,000,000	0.156	23-8-2012 – 22-8-2017
Mr. Yik Chok Man	23-8-2012	-	6,000,000	(3,000,000)	-	-	3,000,000	0.156	23-8-2012 – 22-8-2017
Mr. Chong Lee Chang	23-8-2012	-	6,000,000	(3,000,000)	-	-	3,000,000	0.156	23-8-2012 – 22-8-2017
Mrs. Chin Chow Chung Hang Roberta	23-8-2012	-	6,000,000	(3,000,000)	-	-	3,000,000	0.156	23-8-2012 – 22-8-2017
Mrs. Chen Chou Mei Mei Vivien	23-8-2012	-	500,000	(250,000)	-	-	250,000	0.156	23-8-2012 – 22-8-2017
Mr. Chum Kwan Yue Desmond	23-8-2012	-	6,000,000	(3,000,000)	-	-	3,000,000	0.156	23-8-2012 – 22-8-2017
Mr. Wong Chak Keung	23-8-2012	-	6,000,000	(3,000,000)	-	-	3,000,000	0.156	23-8-2012 – 22-8-2017
Ms. Zhang Yibo (note 1)	23-8-2012	-	20,000,000	(10,000,000)	-	-	10,000,000	0.156	23-8-2012 – 22-8-2017

### *Notes:*

1. Appointed and resigned as an executive director of the Company on 4 October 2012 and 5 February 2013 respectively.
2. Adjustment for share consolidation effective from 18 September 2012.

## ***Convertible Bonds***

Pursuant to the service agreement dated 1 June 2010, the company shall issue zero coupon convertible bonds of HK\$45 million in total to Mr. Chiau. Convertible bonds in the amount of HK\$25 million, HK\$5 million and HK\$5 million had been issued on the 1 June 2010, 1 June 2011 and 10 July 2012 representatively and remaining two tranches (each worth HK\$5 million, and HK\$10 million in aggregate) of the convertible bonds will be issued. For detail regarding the convertible bond, please refer to the service agreement mentioned in the circular dated on 3 May 2010.

Save as disclosed above, as at 31 December 2012, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which were taken or deemed to have under such provisions of the SFO); or (iii) which were, pursuant to rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange.

## **Substantial Shareholders' and Other Persons' Interests in Shares and Underlying Shares**

So far as known to the Directors, as at 31 December 2012, the following person (not being Directors or chief executive of the Company) had, or was deemed to have, interests or short positions in the Shares or underlying Shares (i) which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO; or (ii) who is expected, directly and indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group or (iii) which were required, pursuant to section 336 of the SFO, to be entered in the register referred to therein:

### ***Long position in the shares and underlying shares of the Company***

<b>Name of Shareholder</b>	<b>Number of Shares held</b>	<b>Position</b>	<b>Approximate percentage of issued share capital of the company</b>
Beglobal Investments Limited ( <i>Note 1</i> )	1,608,484,963	Long	52.76%
Lee Sherman	183,750,000	Long	6.03%
Bhanusak Asvaintra	157,500,000	Long	5.17%

*Notes:*

1. 1,318,484,963 Shares are held by Beglobal Investments Limited (“Beglobal”) and 290,000,000 Shares are held by Golden Treasure Investments Limited. Beglobal is ultimately owned by the trustee of a discretionary trust, The Sino Star Trust. The discretionary objects of The Sino Star Trust include Mr. Chiau Sing Chi and his family. Beglobal is the sole beneficial owner of Golden Treasure Global Investment.

Save as disclosed above, as at 31 December 2012, the Directors are not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying Shares (including any interests in options in respect of such capital), which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

### **Share Options Scheme**

The Company’s share option scheme was adopted pursuant to written resolutions passed on 15 August 2012 (the “Scheme”) for the primary purpose of providing incentives to directors, eligible employees and participants who have contributed to the Group, and will expire in 14 August 2022. Under the Scheme, the board of directors of the Company may grant options to full-time or part-time employees including directors (executive and non-executive) and any advisor, consultant, supplier, distributor, contractor, agent, business partner, promoter, service provider or customer of the Company or any of its subsidiaries, to subscribe for shares in the Company.



The following share options were outstanding under the Scheme during the period:

Category	Date of grant	Number of options held as at 1 April 2012 '000	Number of options granted during the period '000	Adjustment '000 (note)	Number of options exercised/ lapsed during the period '000	Number of options held as at 31 December 2012 '000	Exercise price HK\$	Exercisable period
Directors	26 Aug 2009	10,000	-	-	(10,000)	-	0.2024	26 Aug 2009 – 25 Aug 2012
	1 Jun 2010	250,000	-	(125,000)	-	125,000	0.2000	1 Dec 2011 – 30 Sep 2013
	23 Aug 2012	-	86,500	(43,250)	-	43,250	0.156	23 Aug 2012 – 22 Aug 2017
Employees	26 Aug 2012	500	-	-	(500)	-	0.2024	26 Aug 2009 – 25 Aug 2012
	14 Apr 2011	7,500	-	-	(7,500)	-	0.492	12 Oct 2011 – 19 Aug 2016
	23 Aug 2012	-	21,580	(10,790)	-	10,790	0.156	23 Aug 2012 – 22 Aug 2017
Advisor	26 Aug 2009	35,000	-	-	(35,000)	-	0.2024	26 Aug 2009 – 25 Aug 2012
	20 Aug 2010	18,000	-	(9,000)	-	9,000	0.492	20 Aug 2010 – 19 Aug 2016
	23 Aug 2012	-	481,600	(240,800)	-	240,800	0.156	23 Aug 2012 – 22 Aug 2017
Total		<u>321,000</u>	<u>589,680</u>	<u>(428,840)</u>	<u>(53,000)</u>	<u>428,840</u>		

Note: adjustment for share consolidation effective from 18 September 2012.

## **Directors' and Employees' Rights to Acquire Shares or Debentures**

Save as disclosed under the sections headed "DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES" and "SHARE OPTIONS SCHEME" above, none of the Directors or employees of the Group or their associates were granted by the Company or its subsidiaries the rights to acquire shares or debentures of the Company or any other body corporate, or had exercised any such rights as at 31 December 2012.

## **Competing Interest**

None of the Directors, the management shareholders or the substantial shareholders of the Company, or any of their respective associates, has engaged in any business that competes or may compete with the business of the Group or has any other conflict of interest with the Group.

## **Related Party Transaction**

For the nine months ended 31 December 2012, save for those disclosed in note 10 to the unaudited condensed quarterly financial information, the Group had no other material transactions entered into with related parties (nine months ended 31 December 2011: Nil).

## **Purchase, Sale or Redemption of Shares**

For the nine months ended 31 December 2012, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

## **Audit Committee**

The Company has established its audit committee (the "Committee") on 19 October 2002 with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the Committee are to review and supervise the financial reporting process and internal control system of the Group. The Committee comprises three independent non-executive Directors, namely Mr. Wong Chak Keung (Chairman), Mrs. Chen Chou Mei Mei Vivien and Mr. Chum Kwan Yue Desmond. The Group's unaudited results for the nine months ended 31 December 2012 have been reviewed by the Committee who was of the opinion that the preparation of such results complied with the applicable accounting standards, the GEM Listing Rules and legal requirements and that adequate disclosures have been made.

## **Compliance of Code for Directors' Securities Transaction**

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no exacting than the required standard of dealings set out in Rule 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors have complied with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company throughout the nine months ended 31 December 2012.

By order of the Board  
**Bingo Group Holdings Limited**  
**Chan Cheong Yee**  
*Executive Director*

Hong Kong, 8 February 2013

*As at the date of this announcement, the executive Directors are Mr. Chiau Sing Chi, Mr. Chan Cheong Yee and Mr. Yik Chok Man, the non-executive Directors are Mr. Chong Lee Chang and Mrs. Chin Chow Chung Hang, Roberta and the independent non-executive Directors are Mrs. Chen Chou Mei Mei, Vivien, Mr. Wong Chak Keung and Mr. Chum Kwan Yue Desmond.*

*This announcement will remain on GEM website on the "Latest Company Announcements" page for at least 7 days from the date of its posting and the Company website at [www.bingogroup.com.hk](http://www.bingogroup.com.hk).*