



BINGO GROUP HOLDINGS LIMITED

比高集團控股有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 8220)

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30 JUNE 2013

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

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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 INCOME STATEMENT

The board of Directors (the "Board") of the Company presents the unaudited consolidated result of the Group for the three months ended 30 June 2013, together with the unaudited comparative figures for the corresponding period in 2012 were as follows:

| | | Three months ended 30 June | |
|--|--------------|---------------------------------|---------------------------------|
| | <i>Notes</i> | 2013 HK\$'000 (Unaudited) | 2012 HK\$'000 (Unaudited) |
| CONTINUING OPERATIONS | | | |
| Turnover | 2 | 25,349 | 52 |
| Cost of sales | | (10,672) | – |
| Gross profit | | 14,677 | 52 |
| Other revenue | 2 | 40 | – |
| Selling expenses | | (205) | – |
| Administrative and operating expenses | | (11,531) | (7,140) |
| Share-based payments | 3 | (1,631) | (3,304) |
| Other losses | 5 | (94) | – |
| Finance costs | 4 | (566) | – |
| Profit/(Loss) before taxation | | 690 | (10,392) |
| Taxation | 6 | (1,213) | – |
| Loss for the period from continuing operations | | (523) | (10,392) |
| DISCONTINUED OPERATION | | | |
| Profit for the period from discontinued operation | 7 | – | 21 |
| Loss for the period | | (523) | (10,371) |
| Loss attributable to: | | | |
| Owners of the Company | | | |
| Loss for the period from continuing operations | | (2,421) | (9,906) |
| Profit for the period from discontinued operation | | – | 21 |
| Loss for the period attributable to owners of the Company | | (2,421) | (9,885) |
| Non-controlling interests | | | |
| Profit/(Loss) for the period from continuing operations | | 1,898 | (486) |
| Profit/(Loss) for the period attributable to non-controlling interests | | 1,898 | (486) |
| | | (523) | (10,371) |
| Dividend | 8 | – | – |
| Loss per share (cents per share) | 9 | | |
| Basic | | | |
| From continuing and discontinued operations | | (0.08) | (0.32) |
| From continuing operations | | (0.08) | (0.32) |
| Diluted | | | |
| | | N/A | N/A |

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | <i>Notes</i> | Three months ended 30 June | |
|--|--------------|---------------------------------|---------------------------------|
| | | 2013 HK\$'000 (Unaudited) | 2012 HK\$'000 (Unaudited) |
| Loss for the period | | (523) | (10,371) |
| Other comprehensive income/(loss) for the period, net of tax | | | |
| Exchange differences on translating foreign operations arising during the period | | 24 | (39) |
| Total comprehensive loss for the period | | (499) | (10,410) |
| Total comprehensive income/(loss) attributable to: | | | |
| Owners of the Company | | (2,403) | (9,924) |
| Non-controlling interests | | 1,904 | (486) |
| | | (499) | (10,410) |

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 2013.

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 2013. 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 financial position.

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

2. TURNOVER AND OTHER INCOME

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

| | Three months ended 30 June | |
|---|-------------------------------|-------------|
| | 2013 | 2012 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) |
| Turnover | | |
| Revenue from cinema business | 23,322 | – |
| Production and distribution of film right | 1,917 | – |
| Royalty and licensing income | 110 | 52 |
| | | |
| Attributable to continuing operations | 25,349 | 52 |
| Attributable to discontinued operation | – | 24,731 |
| | | |
| | 25,349 | 24,783 |
| Other income | | |
| Interest income | 40 | – |
| | | |
| Attributable to continuing operations | 40 | – |
| Attributable to discontinued operation | – | – |
| | | |
| | 40 | – |

3. SHARE-BASED PAYMENTS

The Company has the convertible bonds and share option scheme for the directors, employees and advisers of the Group. 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 date being the first, second, third and fourth anniversary 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

| | |
|----------------------------|---|
| (i) Grant date: | 1 June 2010 |
| 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 months 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. |
| (ii) Grant Date: | 20 August 2010 |
| Maturity Date: | 19 August 2016 |
| Number of Options Granted: | 21,000,000 |
| Exercise Price: | HK\$0.492 per share |

| | |
|----------------------------|---------------------|
| (iii) Grant Date: | 14 April 2011 |
| Maturity Date: | 19 August 2016 |
| Number of Options Granted: | 3,750,000 |
| Exercise Price: | HK\$0.492 per share |

| | |
|----------------------------|---------------------|
| (iv) Grant Date: | 23 August 2012 |
| Maturity Date: | 22 August 2017 |
| Number of Options Granted: | 294,840,000 |
| Exercise Price: | HK\$0.156 per share |

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\$124,360,000 and HK\$51,691,000 respectively.

The fair value of the 21,000,000, 3,750,000 and 294,840,000 share options determined on 20 August 2010, 14 April 2011 and 23 August 2012 respectively using binomial option pricing model was HK\$5,324,000, HK\$988,000 and HK\$22,921,000 respectively.

The followings assumptions were used 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: <i>(Note)</i> | 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 used to calculate the fair value of 125,000,000 share options:

| | |
|-------------------------------|-----------|
| Share price: | HK\$0.27 |
| Exercise price: <i>(Note)</i> | 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 following assumptions were used to calculate the fair value of 21,000,000 share option:

| | |
|-------------------------------|-----------|
| Share price: | HK\$0.240 |
| Exercise price: <i>(Note)</i> | HK\$0.492 |
| Nature of the option: | Call |
| Risk-free rate: | 1.28% |
| Expected life of the option: | 6 years |
| Expected volatility: | 91.85% |
| Expected dividend yield: | 0% |
| Early exercise behavior: | 220% |

The following assumptions were used to calculate the fair value of 3,750,000 share option:

| | |
|-------------------------------|------------|
| Share price: | HK\$0.243 |
| Exercise price: <i>(Note)</i> | HK\$0.492 |
| Nature of the option: | Call |
| Risk-free rate: | 1.97% |
| Expected life of the option: | 5.35 years |
| Expected volatility: | 87.29% |
| Expected dividend yield: | 0% |
| Early exercise behavior: | 220% |

The following assumptions were used to calculate the fair value of 294,840,000 share option:

| | |
|-------------------------------|-----------|
| Share price: | HK\$0.076 |
| Exercise price: <i>(Note)</i> | HK\$0.156 |
| Nature of the option: | Call |
| Risk-free rate: | 0.284% |
| Expected life of the option: | 5 years |
| Expected volatility: | 81.86% |
| Expected dividend yield: | 0% |
| Early exercise behavior: | 220% |

During the Period, HK\$5 million convertible bonds were issued and the Company recognized the total expense of HK\$1,631,000 as share-based payments for the three months ended 30 June 2013 (three months ended 30 June 2012: HK\$3,304,000).

Note:

Adjustment for share consolidation effective from 18 September 2012.

4. FINANCE COST

| | Three months ended 30 June | |
|---|---------------------------------|---------------------------------|
| | 2013 HK\$'000 (Unaudited) | 2012 HK\$'000 (Unaudited) |
| Continuing operations | | |
| Effective interest on convertible bonds | 566 | – |

5. LOSS BEFORE TAXATION

| | Three months ended 30 June | |
|--|-------------------------------|-------------|
| | 2013 | 2012 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) |
| Continuing operations | | |
| Direct expenses of licensing business | 11 | – |
| Direct expenses of cinema business | 9,945 | – |
| Amortisation of film right | 716 | – |
| Depreciation | 2,235 | 46 |
| Exchange loss/(gain) | 243 | (101) |
| Other losses | | |
| — Impairment on accounts receivable | 94 | – |
| Operating lease rental in respect of rented premises | 2,357 | 453 |
| Staff costs (including directors' remuneration) | | |
| — Salaries and allowances | 2,932 | 3,158 |
| — Equity-settled share based payment | 1,631 | 3,304 |
| — Retirement scheme contribution | 303 | 71 |

6 TAXATION

| | Three months ended 30 June | |
|--|-------------------------------|-------------|
| | 2013 | 2012 |
| | HK\$'000 | HK\$'000 |
| | (unaudited) | (unaudited) |
| The taxation charge comprises: | | |
| Current tax | | |
| — Hong Kong | 224 | – |
| — The PRC | 989 | – |
| Tax charge attributable to continuing operations | 1,213 | – |

Hong Kong profit tax is calculated at 16.5% of the estimated assessable profit for the three months ended 30 June 2013.

No provision for Hong Kong profits tax has been made in the financial statements for the three months ended 30 June 2012 since there was no assessable profit derived from Hong Kong for that period.

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25%.

7. DISCONTINUED OPERATION

On 6 August, 2013, the board of directors of Sinotrans Resources Limited, a subsidiary of the Company, confirmed and ratified that the business of trading of coal and palm oil be terminated in February 2013. Accordingly, for the three months ended 30 June 2013, the trading of coal and palm oil business was classified as a discontinued operation.

The results of discontinued operation are presented below:

| | Three months ended 30 June | |
|---|-------------------------------|-------------|
| | 2013 | 2012 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) |
| Turnover | - | 24,731 |
| Cost of sales | - | (24,710) |
| Profit before tax from discontinued operation | - | 21 |
| Taxation | - | - |
| Profit before tax from discontinued operation | - | 21 |

8. DIVIDEND

The Directors do not recommend the payment of any dividend for the three months ended 30 June 2013 (three months ended 30 June 2012: Nil).

9. 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 30 June 2013 HK Cent (Unaudited) | 2012 HK Cent (Unaudited) |
|---|--|--------------------------------|
| Basic loss per share | | |
| From continuing and discontinued operations | (0.08) | (0.32) |
| From continuing operations | (0.08) | (0.32) |

The profit/(loss) for the period and weighted average number of ordinary shares used in the calculation of basic earnings/(loss) per share are as follows:

| | Three months ended 30 June | |
|--|-------------------------------|---------------|
| | 2013 | 2012 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) |
| <hr/> | | |
| Profit/(Loss) for the period attributable to owners of the Company | | |
| From continuing operations | (2,421) | (9,906) |
| From discontinued operation | - | 21 |
| <hr/> | | |
| From continuing and discontinued operations | (2,421) | (9,885) |
| <hr/> | | |
| | 2013 | 2012 |
| <hr/> | | |
| Weighted average number of ordinary shares for the purpose of basic loss per share | 3,061,404,562 | 3,048,404,562 |
| <hr/> | | |

The weighted average number of ordinary shares for the purpose of calculating basic loss per share for the three months ended 30 June 2013 and 2012 have been adjusted for the share consolidated effective from 18 September 2012.

(b) Diluted

Diluted loss per share for the three months ended 30 June 2013 and 2012 are not presented as the effect of share option and convertible notes are anti-dilutive and are not included in the calculation of diluted loss per share for the three months ended 30 June 2013 and 2012.

10. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to the owners of the Company

| | Share capital HK\$'000 | Share premium HK\$'000 | Contributed surplus HK\$'000 | Equity component of convertible bonds HK\$'000 | Share option reserve HK\$'000 | Exchange reserve HK\$'000 | Accumulated losses HK\$'000 | Attributable to owners of the Company HK\$'000 | Non controlling interests HK\$'000 | Total HK\$'000 |
|--|---------------------------|---------------------------|---------------------------------|---|----------------------------------|------------------------------|--------------------------------|---|---------------------------------------|-------------------|
| At 1 April 2013 (Audited) | 122,456 | 331,580 | 3,930 | 110,353 | 75,884 | (675) | (464,103) | 179,425 | (527) | 178,898 |
| Profit/(Loss) for the period | - | - | - | - | - | - | (2,421) | (2,421) | 1,898 | (523) |
| Other comprehensive income for the period | - | - | - | - | - | 18 | - | 18 | 6 | 24 |
| Total comprehensive income/(loss) for the period | - | - | - | - | - | 18 | (2,421) | (2,403) | 1,904 | (499) |
| Issue of convertible bonds | - | - | - | 1,505 | - | - | - | 1,505 | - | 1,505 |
| At 30 June 2013 (Unaudited) | 122,456 | 331,580 | 3,930 | 111,858 | 75,884 | (657) | (466,524) | 178,527 | 1,377 | 179,904 |
| At 1 April 2012 (Audited) | 121,936 | 329,062 | 3,930 | 101,851 | 56,886 | (423) | (480,255) | 132,987 | (1,228) | 131,759 |
| Loss for the period | - | - | - | - | - | - | (9,885) | (9,885) | (486) | (10,371) |
| Other comprehensive loss for the period | - | - | - | - | - | (39) | - | (39) | - | (39) |
| Total comprehensive loss for the period | - | - | - | - | - | (39) | (9,885) | (9,924) | (486) | (10,410) |
| Issue of convertible bonds | - | - | - | 2,923 | - | - | - | 2,923 | - | 2,923 |
| Equity settled share option arrangement | - | - | - | - | 138 | - | - | 138 | - | 138 |
| Contribution from non-controlling interests | - | - | - | - | - | - | - | - | 9 | 9 |
| At 30 June 2012 (Unaudited) | 121,936 | 329,062 | 3,930 | 104,774 | 57,024 | (462) | (490,140) | 126,124 | (1,705) | 124,419 |

11. CONNECTED PARTY TRANSACTIONS

| Name of connected persons | Nature of transactions | Three months ended 30 June | |
|--|---|---------------------------------|---------------------------------|
| | | 2013 HK\$'000 (Unaudited) | 2012 HK\$'000 (Unaudited) |
| Entrance Gate Limited <i>(Note 1)</i> | Royalty fee in relation to the royalty income generated from sub-licensing of intellectual property right | 11 | – |
| The Star Overseas Limited <i>(Note 2)</i> | Consultancy service fee in relation to the film production | 210 | – |
| | Rental paid | – | 40 |
| See Effort Limited <i>(Note 3)</i> | Rental paid | – | 249 |
| CineChina Limited <i>(Note 4)</i> | Payment for procurement for investment of Cinema Business | 28,640 | 28,640 |
| Mr. Yin Gang <i>(Note 5)</i> | Payment for procurement for investment of Cinema Business | 19,173 | 12,513 |

Note 1: Entrance Gate Limited is a company incorporated in the British Virgin Islands and the ultimate beneficial owner of which is family member(s) of Mr. Chiau Sing Chi. The Licence Agreement (commencing from 1 June 2010 which has been renewed on 22 July 2013 and effective on 1 June 2013) between Entrance Gate and High Amuse are inter-conditional with the following connected transaction/continuing connected transaction including (i) Service agreement for the appointment of Mr. Chiau Sing Chi, director of the Company, (ii) the Profit Transfer Deed between Ngai Wah and High Amuse and (iii) acquisition agreement between High Amuse and the shareholders of Raxco Assets Corp. before the effective of the acquisition agreement. Royalty fee payable to Entrance Gate in relation to the licence agreement is disclosed as continuing connected transaction.

Note 2: Ms. Kelly Chow, a director of Star Overseas Limited, 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 3: Ms. Kelly Chow, a director of See Effort Limited, 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 4: 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 5: Mr. Yin Yang is a director of a subsidiary of the Company. He is defined as connected person under the GEM Listing Rule.

12. COMPARATIVE AMOUNTS

The comparative consolidated income statement and certain disclosure notes have been re-presented as if the operation discontinued during the current period had been discontinued at the beginning of the comparative period. In addition, certain comparative amounts have been restated to conform with the current period's presentation.

13. EVENT AFTER THE REPORTING PERIOD

Pursuant to a series of cooperation agreements on the picture titled "Journey to the West: Conquering the Demons (the "Picture") between Lofty Gain Investments Limited, a subsidiary of the Company, and other investors (collectively as the "Investors") as one party and Huayi Brothers Media Corporation ("Huayi Brothers") as the other party, Huayi Brothers is in charge of operation and distribution of the Picture in Mainland China.

According to the agreed terms, the Investors are entitled to a guaranteed income, box-office dividends and the share of 10% to 30% of the net income from the distribution of the Picture in Mainland China.

Lofty Gain Investments Limited, a subsidiary of the Company, together with the other investors instruct it's PRC legal advisor to demand the box-office dividends for the distribution of the Picture in Mainland China as originally scheduled between the Investors and Huayi Brothers. Further announcement(s) will be made by the Company regarding the settlement of the box-office dividends for the distribution of the Picture in Mainland China, where appropriate.

MANAGEMENT DISCUSSION AND ANALYSIS

GENERAL

During the three months ended 30 June 2013 (the “Period”), Bingo Group Holdings Limited (the “Company”) and its subsidiaries (collectively, the “Group”) was principally engaged in 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”).

During the Period, the Group has discontinued the trading of coal and palm oil, with an aim to focus on Filmed Entertainment, New Media Exploitations and Licensing Businesses and Cinema Business.

FINANCIAL REVIEW

During the Period, the Group recorded a total turnover under continuing operations of approximately HK\$25,349,000, representing an increase of approximately HK\$25,297,000 compared with the three months ended 30 June 2012. Loss attributable to shareholders for the Period was approximately HK\$523,000 compared with a loss of HK\$10,392,000 for the three months ended 30 June 2012.

The decrease in loss for the Period was mainly attributable to (i) the recognition of revenue from a Chinese language motion picture titled “Journey to the West: Conquering the Demons” and theatre operation and management in the amount of approximately HK\$1,917,000 and approximately HK\$23,322,000 respectively during the Period; (ii) the decrease in share-based payments during the Period. During the Period, the share-based payment was HK\$1,631,000, representing an decrease of approximately 51% as compared with HK\$3,304,000 for the three months ended 30 June 2012.

OPERATION REVIEW AND PROSPECTS

In active pursuit of the movie business, one of the Group’s core businesses, the Chinese language motion picture titled “Journey to the West: Conquering the Demons” (“the Picture”) was released during the Spring Festival in 2013, it became number one in global box office receipts for the first two consecutive weeks after it started screening. As of today, its accumulated box office receipts in Mainland China has exceeded RMB1.24 billion.

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 cartoon movie and cartoon TV series of title 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 cartoon movie and cartoon TV series 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 cooperating with various experts in filmed entertainment and cinema operation and development creates a synergistic effect to the Group which allows the Group to expand its operation and businesses in the areas of cinema related businesses in the PRC.
- 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 and Chongqing in PRC.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2013, 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

| Name of Directors | Nature of interest | Number of Shares held | Approximate percentage of issued share capital of the company |
|---------------------------------------|-----------------------|-----------------------|---|
| Mr. Chan Cheong Yee | Beneficial owner | 5,000 | 0.00% |
| 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 (<i>Note 2</i>) | Held by trust | 1,608,484,963 | 52.54% |
| | Held by family member | 2,750,000 | 0.09% |

Notes:

1. Mr. Chong Lee Chang, an 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 30 June 2013 was 3,061,404,562.

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 30 June 2013 were as follows:

| Name of Director | Date of grant | Number of options held as at 1 April 2013 | Number of options granted during the period | Number of options exercised during the period | Number of options cancelled/ lapsed during the period | Number of options held as at 30 June 2013 | Exercise price HK\$ | Exercisable period |
|-----------------------------------|---------------|---|---|---|---|---|---------------------|--------------------------|
| Mr. Chiau Sing Chi | 1-6-2010 | 125,000,000 | - | - | - | 125,000,000 | 0.2000 | 1-12-2011 - 30-9-2013 |
| Mr. Chiau Sing Chi | 23-8-2012 | 3,000,000 | - | - | - | 3,000,000 | 0.1560 | 23-8-2012 - 22-8-2017 |
| Mr. Chan Cheong Yee | 23-8-2012 | 15,000,000 | - | - | - | 15,000,000 | 0.1560 | 23-8-2012 - 22-8-2017 |
| Mr. Chong Lee Chang | 23-8-2012 | 3,000,000 | - | - | - | 3,000,000 | 0.1560 | 23-8-2012 - 22-8-2017 |
| Mrs. Chin Chow Chung Hang Roberta | 23-8-2012 | 3,000,000 | - | - | - | 3,000,000 | 0.1560 | 23-8-2012 - 22-8-2017 |
| Mrs. Chen Chou Mei Mei Vivien | 23-8-2012 | 250,000 | - | - | - | 250,000 | 0.1560 | 23-8-2012 - 22-8-2017 |
| Mr. Chum Kwan Yue Desmond | 23-8-2012 | 3,000,000 | - | - | - | 3,000,000 | 0.1560 | 23-8-2012 - 22-8-2017 |
| Mr. Wong Chak Keung | 23-8-2012 | 3,000,000 | - | - | - | 3,000,000 | 0.1560 | 23-8-2012 - 22-8-2017 |

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, HK\$5 million and HK\$5 million had been issued on the 1 June 2010, 1 June 2011, 10 July 2012 and 1 June 2013 representatively and remaining one tranche (worth HK\$5 million) of the convertible bonds will be issued. For the detail of convertible bond, please refer to the service agreement mentioned in the circular dated on 3 May 2010.

Save as disclosed above, as at 30 June 2013, 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 of 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); (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; 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 30 June 2013, the following person (not being Directors or chief executive of the Company) had, or was deemed to have, interests or short 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

| Name of Shareholder | Number of Share held | Approximate percentage of issued share capital of the Company | Number of Underlying shares held |
|--|-----------------------------|--|---|
| Beglobal Investments Limited (<i>Note 1</i>) | 1,608,484,963 | 52.54% | – |
| Lee Sherman | 183,750,000 | 6.00% | – |
| Bhanusak Asvaintra | 157,500,000 | 5.14% | – |

Note:

- 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 30 June 2013, 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 2013 '000 | Number of options granted during the Period '000 | Number of options exercised during the Period '000 | Number of options cancelled/lapsed during the Period '000 | Number of options held as at 30 June 2013 '000 | Exercise price HK\$ | Exercise period |
|-----------|---------------|---|---|---|--|---|------------------------|--------------------------|
| Directors | 1-6-2010 | 125,000 | - | - | - | 125,000 | 0.2000 | 1-12-2011 - 30-9-2013 |
| | 23-8-2012 | 30,250 | - | - | - | 30,250 | 0.1560 | 23-8-2012 - 22-8-2017 |
| Employees | 23-8-2012 | 10,790 | - | - | - | 10,790 | 0.1560 | 23-8-2012 - 22-8-2017 |
| Advisor | 20-8-2010 | 9,000 | - | - | - | 9,000 | 0.4920 | 20-8-2010 - 29-8-2016 |
| | 23-8-2012 | 240,800 | - | - | - | 240,800 | 0.1560 | 23-8-2012 - 22-8-2017 |
| Total | | 415,840 | - | - | - | 415,840 | | |

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 30 June 2013.

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.

CONNECTED PARTY TRANSACTIONS

Saved as disclosed in note 11 to the condensed quarterly financial information, no other connected transactions were entered into by the Group under the GEM Listing Rules.

PURCHASE, SALE OR REDEMPTION OF SHARES

For the three months ended 30 June 2013, 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") with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules. The primary duties of the audit 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 three months ended 30 June 2013 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 three months ended 30 June 2013.

By order of the Board
Bingo Group Holdings Limited
Chong Lee Chang
Executive Director

Hong Kong, 14 August 2013

As at the date of this announcement, the executive Directors are Mr. Chiau Sing Chi, Mr. Chan Cheong Yee and Mr. Chong Lee Chang, the non-executive Director is 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.