



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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

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.

The board of Directors (the “Board”) of the Company presents the unaudited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the three months and six months ended 30 September 2015, together with the unaudited comparative figures for the corresponding period in 2014 were as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	Three months ended 30 September		Six months ended 30 September	
		2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Turnover	2	20,727	20,810	39,911	40,056
Cost of sales		(8,713)	(9,054)	(17,146)	(17,243)
Gross profit		12,014	11,756	22,765	22,813
Other revenue and other net income	3	935	164	1,194	218
Selling expenses		(740)	(399)	(1,195)	(997)
Administrative expenses		(13,708)	(11,032)	(26,022)	(24,033)
Share-based payments	5	(21,600)	-	(21,600)	(46,076)
Finance costs	6	(568)	(712)	(1,330)	(1,394)
Loss before taxation	7	(23,667)	(223)	(26,188)	(49,469)
Taxation	8	(719)	(1,001)	(1,328)	(1,798)
Loss for the period		(24,386)	(1,224)	(27,516)	(51,267)
Loss attributable to:					
Owners of the Company		(25,388)	(2,423)	(29,159)	(53,192)
Non-controlling interests		1,002	1,199	1,643	1,925
		(24,386)	(1,224)	(27,516)	(51,267)
Dividend	9	-	-	-	-
Loss per share (cents per share)	10				
Basic		(0.74)	(0.08)	(0.87)	(1.67)
Diluted		N/A	N/A	N/A	N/A

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Three months ended 30 September		Six months ended 30 September	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Loss for the period	(24,386)	(1,224)	(27,516)	(51,267)
Other comprehensive (loss)/income				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations				
— Exchange differences arising during the period	(1,187)	35	(1,060)	20
Other comprehensive income for the period, net of tax	(1,187)	35	(1,060)	20
Total comprehensive loss for the period	(25,573)	(1,189)	(28,576)	(51,247)
Total comprehensive income/(loss) attributable to:				
Owners of the Company	(26,591)	(2,389)	(30,236)	(53,172)
Non-controlling interests	1,018	1,200	1,660	1,925
	(25,573)	(1,189)	(28,576)	(51,247)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30 September 2015 HK\$'000 (Unaudited)	As at 31 March 2015 HK\$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		32,017	37,856
Goodwill		950	950
		32,967	38,806
CURRENT ASSETS			
Trade receivables	11	2,977	3,831
Other receivables, deposits and prepayments		14,970	17,370
Payments to parties for procurement for investment of cinema business	12	47,010	47,010
Films in progress and film rights		8,365	2,473
Tax recoverable		4	4
Cash and cash equivalents		146,299	128,974
		219,625	199,662
CURRENT LIABILITIES			
Trade payables	13	1,927	2,141
Deposits received, other payables and accruals		76,148	71,700
Tax payables		2,252	2,101
		80,327	75,942
NET CURRENT ASSETS		139,298	123,720
TOTAL ASSETS LESS CURRENT LIABILITIES		172,265	162,526

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30 September 2015 HK\$'000 (Unaudited)	As at 31 March 2015 HK\$'000 (Audited)
NON-CURRENT LIABILITIES			
Convertible bonds		13,689	19,331
NET ASSETS			
CAPITAL AND RESERVES			
Share capital	14	136,861	128,518
Reserves		10,615	5,237
		147,476	133,755
Non-controlling interests		11,100	9,440
TOTAL EQUITY		158,576	143,195

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Equity component of convertible bonds HK\$'000	Share options 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 2014 (Audited)	123,288	335,607	3,930	114,249	28,686	(662)	(471,875)	133,223	5,102	138,325
Profit/(Loss) for the period	-	-	-	-	-	-	(53,192)	(53,192)	1,925	(51,267)
Other comprehensive income for the period	-	-	-	-	-	20	-	20	-	20
Total comprehensive income/(loss) for the period	-	-	-	-	-	20	(53,192)	(53,172)	1,925	(51,247)
Issue of convertible bonds	-	-	-	532	-	-	-	532	-	532
Issue of new shares under share option scheme	5,230	25,332	-	-	(10,166)	-	-	20,396	-	20,396
Equity settled share option arrangement	-	-	-	-	45,500	-	-	45,500	-	45,500
Lapse of share options	-	-	-	-	(448)	-	448	-	-	-
At 30 September 2014 (Unaudited)	128,518	360,939	3,930	114,781	63,572	(642)	(524,619)	146,479	7,027	153,506
At 1 April 2015 (Audited)	128,518	360,939	3,930	114,781	63,572	(611)	(537,374)	133,755	9,440	143,195
(Loss)/Profit for the period	-	-	-	-	-	-	(29,159)	(29,159)	1,643	(27,516)
Other comprehensive loss for the period	-	-	-	-	-	(1,077)	-	(1,077)	17	(1,060)
Total comprehensive (loss)/income for the period	-	-	-	-	-	(1,077)	(29,159)	(30,236)	1,660	(28,576)
Issue of new shares upon conversion of convertible bonds	4,411	40,821	-	(38,261)	-	-	-	6,971	-	6,971
Issue of new shares under share option scheme	3,932	19,050	-	-	(7,596)	-	-	15,386	-	15,386
Equity settled share option arrangement	-	-	-	-	21,600	-	-	21,600	-	21,600
Lapse of share options	-	-	-	-	(1,211)	-	1,211	-	-	-
At 30 September 2015 (Unaudited)	136,861	420,810	3,930	76,520	76,365	(1,688)	(565,322)	147,476	11,100	158,576

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the six months ended 30 September	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Net cash generated from/(used in) operating activities	1,753	(306)
Net cash from/(used in) investing activities	57	(603)
Net cash from financing activities	15,386	20,396
NET INCREASE IN CASH AND CASH EQUIVALENTS	17,196	19,487
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	128,974	106,000
EFFECT OF FOREIGN RATE EXCHANGES	129	(3)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	146,299	125,484
ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS		
Cash at bank and on hand	146,299	125,484

NOTES TO THE INTERIM FINANCIAL STATEMENTS

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 certain financial instruments, 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 2015.

The application of the new or revised HKFRSs in the current period has had no material effect on the amounts reported in the interim financial statements and/or disclosures set out in the interim financial statements.

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

2. TURNOVER

An analysis of Group's turnover for the period from operations, is as follows:

	Three months ended 30 September		Six months ended 30 September	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Revenue from cinema business	20,671	20,810	39,845	39,926
Royalty and licensing income	56	-	66	130
	20,727	20,810	39,911	40,056

3. OTHER REVENUE AND OTHER NET INCOME

	Three months ended 30 September		Six months ended 30 September	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Interest income	60	75	117	102
Gain on disposal of equity interests in the film in progress	58	-	248	-
Government grants	162	62	162	62
Return on the feasibility study of a film project	606	-	606	-
Others	49	27	61	54
	935	164	1,194	218

4. SEGMENT INFORMATION

	Cinema Investment and Management HK\$'000	Filmed Entertainment New Media Exploitations and Licensing Businesses HK\$'000	Total HK\$'000
For the six months ended			
30 September 2015 (Unaudited)			
Segment Revenue			
Reportable segment revenue	39,845	66	39,911
Inter-segment revenue	-	-	-
Revenue from external customers	39,845	66	39,911
Segment Result			
Reportable segment result	4,251	(654)	3,597
Interest income			117
Share-based payments			(21,600)
Unallocated corporate expenses			(6,972)
Finance costs			(1,330)
Loss before taxation			(26,188)
As at 30 September 2015 (Unaudited)			
Segment Assets			
Reportable segment assets	151,462	80,538	232,000
Unallocated corporate assets			20,592
Consolidated total assets			252,592
Segment Liabilities			
Reportable segment liabilities	57,425	16,797	74,222
Tax payables			2,252
Convertible bonds			13,689
Unallocated corporate liabilities			3,853
Consolidated total liabilities			94,016

	Cinema Investment and Management HK\$'000	Filmed Entertainment New Media Exploitations and Licensing Businesses HK\$'000	Total HK\$'000
For the six months ended			
30 September 2014 (Unaudited)			
Segment Revenue			
Reportable segment revenue	39,926	130	40,056
Inter-segment revenue	-	-	-
Revenue from external customers	39,926	130	40,056
Segment Result			
Reportable segment result	5,209	(479)	4,730
Interest income			102
Share-based payments			(46,076)
Unallocated corporate expenses			(6,831)
Finance costs			(1,394)
Loss before taxation			(49,469)
As at 31 March 2015 (Audited)			
Segment Assets			
Reportable segment assets	150,813	73,594	224,407
Unallocated corporate assets			14,061
Consolidated total assets			238,468
Segment Liabilities			
Reportable segment liabilities	58,695	11,740	70,435
Tax payables			2,101
Convertible bonds			19,331
Unallocated corporate liabilities			3,406
Consolidated total liabilities			95,273

Other segment information:

	Cinema Investment and Management HK\$'000	Filmed Entertainment New Media Exploitations and Licensing Businesses HK\$'000	Corporate level HK\$'000	Total HK\$'000
For the six months ended 30 September 2015 (Unaudited)				
Additions to non-current assets	36	-	24	60
Interest income	89	28	-	117
Depreciation	4,457	-	252	4,709
For the six months ended 30 September 2014 (Unaudited)				
Additions to non-current assets	693	-	12	705
Interest income	62	40	-	102
Depreciation	4,533	1	264	4,798

5. 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

The fair values of the HK\$45 million convertible bonds determined on 1 June 2010 using binomial option pricing model was HK\$124,360,000. 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:	HK\$0.136 (<i>Note 1</i>)
Risk-free rate:	2.47%
Effective interest rate:	16.73%
Share price:	HK\$0.27
Expected dividend yield:	0%
Expected volatility:	84.09%

Share Option Scheme

Details of specific categories of options are as follow:

Option type:	2011B	2012A	2013A	2013B (Note 2)	2014A	2015A	2015B
Grant date:	20-8-2010	23-8-2012	4-10-2013	4-10-2013	17-4-2014	13-7-2015	11-9-2015
Number of options granted:	21,000,000	294,840,000	2,000,000	125,000,000	304,140,000	161,000,000	50,000,000
Exercise period:	15-6-2011- 19-8-2016	23-8-2012- 22-8-2017	4-10-2013- 3-10-2018	4-10-2013- 3-10-2016	17-4-2014- 16-4-2019	13-7-2015- 12-7-2020	11-9-2015- 10-9-2020
Exercise price:	HK\$0.492 (Note 1)	HK\$0.156 (Note 1)	HK\$0.1814	HK\$0.1814	HK\$0.364	HK\$0.235	HK\$0.200
Fair value:	HK\$5,324,000	HK\$22,921,000	HK\$110,000	HK\$6,000,000	HK\$45,500,000	HK\$16,800,000	HK\$4,800,000

The fair value of share options which were calculated by binomial option pricing model with the following assumptions:

Option type:	2011B	2012A	2013A	2013B	2014A	2015A	2015B
Share price as at grant date:	HK\$0.24	HK\$0.076	HK\$0.181	HK\$0.181	HK\$0.355	HK\$0.23	HK\$0.2
Nature of the options:	Call	Call	Call	Call	Call	Call	Call
Risk-free rate:	1.28%	0.284%	0.54%	1.15%	1.38%	1.15%	1.02%
Expected life of the options:	6 years	5 years	5 years	3 years	5 years	5 years	5 years
Expected volatility:	91.85%	81.86%	65%	70%	62%	65%	66%
Expected dividend yield:	0%	0%	0%	0%	0%	0%	0%
Exercise multiple:	2.2	2.2	1.4	1.4	2.4	2.45	2.49

During the Period, 211,000,000 share options were granted and the Company recognized the total expenses of HK\$21,600,000 as share-based payments for the six months ended 30 September 2015 (six months ended 30 September 2014: HK\$46,076,000).

Note 1: Adjustment for share consolidation effective from 18 September 2012.

Note 2: The 2013B share options were approved at the extraordinary general meeting held on 17 December 2013.

6. FINANCE COSTS

	Three months ended 30 September		Six months ended 30 September	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Imputed interest on convertible bonds	568	712	1,330	1,394

7. LOSS BEFORE TAXATION

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

	Three months ended 30 September		Six months ended 30 September	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Direct expenses of movie and licensing businesses	5	-	8	13
Direct expenses of cinema business	8,708	9,054	17,138	17,230
Depreciation	2,310	2,414	4,709	4,798
Exchange loss/(gain)	1,011	(125)	905	(79)
Operating lease rental in respect of rented premises	2,010	1,555	3,980	3,529
Staff costs (including directors' remuneration)				
Salaries and allowances	3,609	3,197	7,095	6,211
Share-based payments	3,026	-	3,026	4,615
Retirement scheme contributions	422	382	820	705
Equity settled share-based payments paid to advisors	18,574	-	18,574	41,461

8. TAXATION

	Three months ended 30 September		Six months ended 30 September	
	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)

The taxation charge comprises:

Current tax				
The PRC	719	1,001	1,328	1,798

No provision for Hong Kong profits tax has been made in the financial results for the six months ended 30 September 2015 since there was no assessable profit derived from Hong Kong for that period.

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% for the six months ended 30 September 2015 and 2014.

9. DIVIDEND

The Directors do not recommend the payment of any dividend for the six months ended 30 September 2015 (six months ended 30 September 2014: Nil).

10. LOSS PER SHARE

(a) Basic loss per share

	Three months ended 30 September		Six months ended 30 September	
	2015 HK Cent (Unaudited)	2014 HK Cent (Unaudited)	2015 HK Cent (Unaudited)	2014 HK Cent (Unaudited)
Basic loss per share	0.74	0.08	0.87	1.67

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.

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

	Three months ended 30 September		Six months ended 30 September	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Loss for the period attributable to owners of the Company	25,388	2,423	29,159	53,192
Weighted average number of ordinary shares for the purpose of basic loss per share	3,416,723,622	3,212,824,997	3,334,118,171	3,191,731,174

(b) Diluted loss per share

No diluted loss per share has been presented for the six months ended 30 September 2015 and 2014. The computation of diluted loss per share for the periods did not assume the conversion of the Company's outstanding convertible bonds and the exercise of share options as their assumed conversion and exercise would decrease the loss per share in the periods.

11. TRADE RECEIVABLES

The aging of the Group's trade receivables is analysed as follows:

	As at 30 September 2015 HK\$'000 (Unaudited)	As at 31 March 2015 HK\$'000 (Audited)
Within 30 days	2,007	1,828
31–60 days	112	81
61–90 days	5	–
Over 90 days	19,185	20,254
	21,309	22,163
Provision	(18,332)	(18,332)
	2,977	3,831

For the cinema business and filmed entertainment, new media exploitations and licensing business segment, the credit terms granted by the Group to its customers normally ranged from COD (cash-on-delivery) to 120 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. All trade receivables are expected to be recovered within one year.

Impairment losses on trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly. Before impairment, there was approximately HK\$19,900,000 receivable from Huayi Brothers Media Corporation ("Huayi Brothers") for a Chinese language motion picture titled "Journey to the West: Conquering the Demons". Included in the aforesaid HK\$19,000,000 receivable was approximately HK\$18,332,000 recorded in the Group's books for the year ended 31 March 2013 and carried forward over the two years ended 31 March 2015. In preparation of the consolidated financial statements of the Group for the year ended 31 March 2014, the Group considered not to record the shortfall of approximately HK\$1,568,000 as revenue in its financial statement on the ground of recognition of the dispute with Huayi Brothers and the immateriality of the shortfall amount. Since the trade receivable balance was long outstanding and the Group has requested Huayi Brothers to settle the receivables but no positive feedback was obtained, the Group has taken legal actions to recover the receivable during the Year. Although 北京市第三中级人民法院 (Beijing No.3 Intermediate People's Court, ("the PRC Court")) rejected all of the petitions by

Lofty Gain Investments Limited (“Lofty Gain”), a wholly owned subsidiary of the Company, on 15 April 2015, the Company is of the opinion that, Huayi Brothers objectively failed to perform its commitment to sign the agreement and to perform a supplemental agreement thereto. After seeking legal opinions on the judgment, Lofty Gain determined to lodge an appeal against the judgment made by the PRC Court and the notice of appeal has been lodged already. Although the Group has confidence to recover the outstanding balance through civil actions, in view of the fact that the petition was rejected by the PRC Court before, the Group has made an impairment for the outstanding receivable in dispute during the year ended 31 March 2015, i.e. approximately HK\$7,489,000 to reflect the possible financial impact to the Group. The movement in the allowance is as follows:

	As at 30 September 2015 HK\$'000 (Unaudited)	As at 31 March 2015 HK\$'000 (Audited)
At the beginning of period/year	18,332	10,843
Impairment	–	7,489
At the end of the period/year	18,332	18,332

The aging analysis of trade receivables that are neither individually nor collectively considered to be impaired are as follows:

	As at 30 September 2015 HK\$'000 (Unaudited)	As at 31 March 2015 HK\$'000 (Audited)
Neither past due nor impaired	2,007	1,828
Past due but not impaired:		
Less than 1 month past due	112	81
1 to 3 months past due	5	–
More than 3 months past due	853	1,922
	2,977	3,831

Receivables at 30 September 2015 and 31 March 2015 that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables at 30 September 2015 and 31 March 2015 that were past due but not impaired related to a number of independent customers that had a good track record with the Group or with appropriate impairment allowance accounted for. Based on past experience, management believes that no further impairment allowance was necessary in respect of these balances as there had not been a significant change in credit quality and the balances were still considered fully recoverable. The Group did not hold any collateral over these balances.

12. PAYMENTS TO PARTIES FOR PROCUREMENT FOR INVESTMENT OF CINEMA BUSINESS

Pursuant to the announcement for the joint venture agreement (“JV agreement”) dated 9 June 2011, a subsidiary of the Company entered into a JV agreement with CineChina Limited (“CineChina”) for the investment of cinemas business in the PRC.

The payments were made to a director of a 70% owned subsidiary, who is also a director and shareholder of CineChina, and to CineChina, a 30% shareholder of the abovementioned subsidiary for the purpose of materializing the JV agreement:

	As at 30 September 2015 HK\$'000 (Unaudited)	As at 31 March 2015 HK\$'000 (Audited)
Amount paid to a director of a subsidiary	16,979	16,979
Amount paid to CineChina	26,786	26,786
Amount paid to an independent third party	3,245	3,245
	47,010	47,010

Under the prevailing legal requirements in the PRC, certain restrictions are imposed on foreign investors for taking up majority stake in cinema business in the PRC. In accordance with legal opinion from PRC lawyer, the approval for engaging in the foregoing business by the subsidiaries of the Company has not been obtained from the respective PRC authorities during the year ended 31 March 2012 and the organising of the above cinema business had not been completed at 31 March 2012. The JV Director, CineChina and an Independent third party (collectively, “these parties”) held the fund for the Group and would settle the cost incurred in procurement of the investment of cinema business in the PRC.

By an internal group reorganization the capital of 比高電影院（上海）有限公司 (“Shanghai Bingo”) was transferred from a domestic enterprise to a sino-foreign joint venture enterprise to comply with the relevant regulatory requirement for foreign investors to operate cinema business in the PRC during the year ended 31 March 2013. The Group legally owned 75% equity interest in Shanghai Bingo to operate the cinema business by mid-February 2013. The results of the cinema projects, including Linan and Hangzhou cinema projects, legally owned by Shanghai Bingo are consolidated into that of the Group after completion of the internal group reorganization. Pursuant to the agreement entered into between the Group and these parties on 6 December 2012, these parties in principle agreed to act as a conduit of payment on behalf of the Group for the development of the cinema business in the PRC. These parties have substantially utilized the funds for the cinema business through their connection (“the Connection”) in the PRC.

As at 30 September 2015, approximately RMB33.4 million equivalent to approximately HK\$40.7 million, have been settled by the Connection (“the Connection Payables”) and was included in other payables of the Group. The Group, these parties and the Connection have principally agreed to offset the funds held by these parties with the amount payable to the Connection upon finalization of all the construction and decoration cost incurred and paid. The outstanding balance owed by these parties will deem to be settled upon the execution of the aforementioned offset.

13. TRADE PAYABLES

The aging of the Group’s trade payables is analysed as follows:

	As at 30 September 2015 HK\$’000 (Unaudited)	As at 31 March 2015 HK\$’000 (Audited)
Within 30 days	1,927	2,141

Payment terms with suppliers are generally within 30 days.

14. SHARE CAPITAL

	As at 30 September 2015 (Unaudited)		As at 31 March 2015 (Audited)	
	No of shares '000	Amount HK\$'000	No of shares '000	Amount HK\$'000
Ordinary shares of HK\$0.04 each				
Authorised:				
At the beginning and at the end of the period/year	5,000,000	200,000	5,000,000	200,000
Ordinary shares of HK\$0.04 each				
Issued and fully paid:				
At the beginning of the period/year	3,212,945	128,518	3,082,195	123,288
Conversion of convertible bonds <i>(Note 1)</i>	110,294	4,411	-	-
Share allotment under share option scheme <i>(Note 2)</i>	98,300	3,932	130,750	5,230
At the end of the period/year	3,421,539	136,861	3,212,945	128,518

Note 1: During the period, the Company issued 110,294,117 ordinary shares of HK\$0.04 each as a result of the exercise of the conversion rights attached to the convertible bonds of entire principal amount of HK\$15,000,000 at a conversion price of HK\$0.136.

Note 2: During the period, 98,300,000 ordinary shares of HK\$0.04 each pursuant to the share option scheme of the Company at consideration of HK\$15,385,600.

15. OPERATING LEASE COMMITMENTS

	As at 30 September 2015 HK\$'000 (Unaudited)	As at 31 March 2015 HK\$'000 (Audited)
Within one year	4,242	4,133
In the second to fifth year, inclusive	17,084	16,165
More than five years	20,137	22,947
	41,463	43,245

16. CAPITAL COMMITMENTS

	As at 30 September 2015 HK\$'000 (Unaudited)	As at 31 March 2015 HK\$'000 (Audited)
Contracted but not provided for — Additional cost to be incurred for animation under production	—	8,510

17. RELATED PARTY AND CONNECTED TRANSACTIONS

- (a) In addition to those disclosed in other sections of the financial statements, the Group entered into the following transactions with connected parties during the period:

Name of connected persons	Nature of transactions	Six months ended 30 September	
		2015 HK\$'000 (Unaudited)	2014 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	7	13
Estrella Limited <i>(Note 2)</i>	Promotional fee in relation to a CJ7 animation film	224	-
Pacific Finder Limited <i>(Note 3)</i>	Return on the feasibility study of a film project	606	-
Prosperous Arts Limited <i>(Note 4)</i>	Musical license fee in relation to a CJ7 animation film	405	-
The Star Overseas Limited <i>(Note 5)</i>	Consultancy service fee in relation to the film production	420	420

(b) Outstanding balances with connected parties as at the end of the reporting period:

		30 September 2015 HK\$'000 (Unaudited)	31 March 2015 HK\$'000 (Audited)
Pacific Finder Limited (<i>Note 3</i>)	Deposit paid for feasibility study on a film project	-	2,500
CineChina Limited (<i>Note 6</i>)	Payment for procurement for investment of cinema business	26,786	26,786
Mr. Yin Gang (<i>Note 7</i>)	Payment for procurement for investment of cinema business	16,979	16,979

(c) Compensation of key management personnel. The remuneration of directors and other members of key management during the period was as follows:

	Six months ended 30 September 2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Directors' fee, salaries, allowances and other benefits	499	495
Share-based payments	3,026	4,615
	3,525	5,110

Note 1: The beneficial shareholder of Entrance Gate Limited is a family member of Mr. Chiau Sing Chi (“Mr. Chiau”) and Ms. Chow Man Ki Kelly (“Ms. Chow”), both being Executive Directors of the Company.

Note 2: Mr. Chiau, Ms. Chow and their family are the beneficiaries of a discretionary trust. Estrella Limited is wholly owned by that discretionary trust. Accordingly, Estrella Limited is considered a connected person under GEM Listing Rules.

Note 3: Mr. Chiau and Ms. Chow, directors of Pacific Finder Limited, are Executive Directors of the Company. Accordingly, Pacific Finder Limited is considered a connected person under GEM Listing Rules.

Note 4: Mr. Chiau and Ms. Chow, the directors and shareholders of Prosperous Arts Limited, are the Executive Directors of the Company. Accordingly, Prosperous Arts Limited is considered a connected person under GEM Listing Rules.

Note 5: Ms. Chow, a director of The Star Overseas Limited, is an Executive Director of the Company. Accordingly, The Star Overseas Limited is considered a connected person under GEM Listing Rules.

Note 6: CineChina Limited holds 30% equity interest in a subsidiary of the Company and it is considered a connected person under the GEM Listing Rules. The details of the connected transaction is listed in note 12.

Note 7: Mr. Yin Gang is a director of a subsidiary of the Company. He is considered a connected person under the GEM Listing Rule. The details of the connected transaction is listed in note 12.

MANAGEMENT DISCUSSION AND ANALYSIS

GENERAL

During the six months ended 30 September 2015 (the “Period”), 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”).

OPERATION REVIEW

During the Period, the Group continues to focus on Filmed Entertainment, New Media Exploitations and Licensing Businesses and Cinema Business.

In view of the on-going development of the Cinema Business, this segment has become the prime revenue generator of the Group in the Period. Approximately revenue of HK\$39.8 million and gross profit of HK\$22.7 million were generated during the Period. The Group maintained steady revenue and gross profit in this sector as compared to revenue of HK\$39.9 million and gross profit of HK\$22.7 million generated in the corresponding period of last year. The Group will continue to focus on expanding the audience headcount and improve the financial performance of the Cinema Business accordingly.

In the segment of Filmed Entertainment Business, the Group has been locating suitable business opportunities and a potential target was spotted in late last fiscal year. In March 2014, the Group entered into an agreement with a company, which is an associate of Mr. Chiau Sing Chi (“Mr. Chiau”), to participate in the development of the feasibility study for a film production. The initial capital investment of the Group was HK\$2.5 million. The Group has completed the feasibility study in this quarter. Having considered various factors including the budget and size of the film and the existing financial resources of the Group, the Board resolved not to proceed with further investment in the project. A 15% return on the initial investment amounting to approximately HK\$0.6 million was recognized as the Group’s other income in during the Period.

In the area of animation, the Group has completed an animation film derived from the intellectual property right (“IP”) of CJ7 (長江7號) during the Period. The Group was still in progress of the distribution and promotion of this animation, and developing CJ7 IP products at end of the reporting period.

In September 2015, the Group commenced to co-operate with a PRC company to develop short movies of CJ7 (“CJ7 7D Movies”) released in shopping malls in China providing audiences with 7D viewing experience. The Group generated licensing income of approximately HK\$56,000 from CJ7 7D Movies during the Period.

FINANCIAL REVIEW

During the Period, the Group recorded a total turnover of approximately HK\$39.9 million, representing a decrease of approximately HK\$0.1 million compared with the six months ended 30 September 2014 (the “Corresponding Period”). The turnover of the Group for the Period and the Corresponding Period principally represented revenue from Cinema Business. Loss for the Period was approximately HK\$27.5 million compared with a loss of HK\$51.3 million for the Corresponding Period.

There was no material change in the Group’s turnover and expenses, except for share-based payments, for the Period, as compared to those recorded in the Corresponding Period. The decrease in the loss for the period to approximately HK\$27.5 million for the Period from approximately HK\$51.3 million for the corresponding period in last year, is principally attributable to decrease in non-cash share-base payments from approximately HK\$46.1 million for the Corresponding Period to approximately HK\$21.6 million for the Period.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 September 2015, the Group had total assets of approximately HK\$252.6 million (31 March 2015: HK\$238.5 million), including cash and cash equivalents of approximately HK\$146.3 million (31 March 2015: HK\$129.0 million). There was no pledged bank deposit as at 30 September 2015 and 31 March 2015. During the Period, the Group financed its operations with its own working capital. As at 30 September 2015 and 31 March 2015, the Group did not have any bank overdraft. As at 30 September 2015, the debt ratio (defined as the ratio between total liabilities over total assets) was approximately 0.37 (31 March 2015: approximately 0.40). In view of the strong cash position of the Group and the improvement in the debt ratio, the Board believes that the Group has sufficient resources to satisfy its working capital requirements.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

The Group had no material acquisition or disposal of subsidiaries and affiliated companies during the Period.

FOREIGN EXCHANGE EXPOSURE

The Group’s transactions during the Period were mainly denominated in Renminbi, HK Dollars and US Dollars. Risk on exposure to fluctuation in exchange rates was insignificant to the Group.

EMPLOYEES

As at 30 September 2015, the Group had 154 (31 March 2015: 168) staff in the PRC and Hong Kong. Total staff costs including directors' remuneration were approximately HK\$10.9 million during the Period (Corresponding Period: approximately HK\$11.5 million), in which HK\$3.0 million was related to share-based payments to directors (Corresponding Period: HK\$4.6 million). Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. Year-end bonus based on individual performance will be paid to employees as recognition of and reward for their contributions. Other benefits include contributions to statutory mandatory provident fund scheme to its employees. During the Period, total 29 million share options have been granted to certain directors (Corresponding Period: 27 million).

CONTINGENT LIABILITIES

As at 30 September 2015, the Group did not have any significant contingent liabilities (31 March 2015: Nil).

COMMITMENTS

Details of the Group's operating lease commitments and capital commitments are set out in notes 15 and 16 to the interim financial statements of the Group for the six months ended 30 September 2015 respectively.

OUTLOOK

Owing to the booming development of the film industry in the PRC, the Group will continue to grasp other business opportunities in investments in cinemas in the PRC and attractive movies, including the newly launched business of CJ7 7D Movies. While the Group continued its existing businesses, the Group will put more focus onto locating other business opportunities with enormous potentials, including online games developing and operating businesses, and investments in China cultural industry. The Board believes that the Group's existing businesses can create a synergistic effect with the above-mentioned new businesses and will benefit the Group in the future.

OTHER INFORMATION

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

As at 30 September 2015, the following directors (the "Directors") of the Company had or were deemed to have interests or short positions in the shares (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. Chiau Sing Chi	Beneficial owner	110,294,117	3.22%
	Held by trust <i>(Note 1)</i>	1,608,484,963	47.01%
Ms. Chow Man Ki Kelly	Held by trust <i>(Note 1)</i>	1,608,484,963	47.01%

Notes:

1. These shares are registered in the name of Beglobal Investments Limited and Golden Treasure 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, Ms. Chow and their family.
2. The total number of the issued share capital of the Company as at 30 September 2015 was 3,421,538,679.

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 September 2015 were as follows:

Name of Directors	Option type (Note 1)	Number of options held as at 1 April 2015 (‘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 September 2015 (‘000)
Mr. Chiau Sing Chi	2012A	3,000	-	-	-	3,000
	2013B	125,000	-	-	-	125,000
	2014A	3,000	-	-	-	3,000
	2015A	-	8,000	-	-	8,000
Ms. Chow Man Ki Kelly	2014A	3,000	-	-	-	3,000
	2015A	-	3,000	-	-	3,000
Mr. Chan Cheong Yee	2012A	15,000	-	-	-	15,000
	2014A	3,000	-	-	-	3,000
	2015A	-	3,000	-	-	3,000
Mr. Chong Lee Chang (Note 2)	2012A	3,000	-	(3,000)	-	-
	2013A	2,000	-	(2,000)	-	-
	2014A	3,000	-	-	(3,000)	-
Mr. Lau Man Kit	2014A	3,000	-	-	-	3,000
	2015A	-	3,000	-	-	3,000
Mrs. Chin Chow Chung Hang Roberta	2012A	3,000	-	-	-	3,000
	2014A	3,000	-	-	-	3,000
	2015A	-	3,000	-	-	3,000
Mr. Chum Kwan Yue Desmond (Note 2)	2012A	3,000	-	(3,000)	-	-
	2014A	3,000	-	-	(3,000)	-
	2015A	-	3,000	-	(3,000)	-
Mr. Wong Chak Keung	2012A	3,000	-	-	-	3,000
	2014A	3,000	-	-	-	3,000
	2015A	-	3,000	-	-	3,000
Ms. Choi Mei Ping	2015A	-	3,000	-	-	3,000
	2015A	-	3,000	-	-	3,000
Total		181,000	29,000	(8,000)	(9,000)	193,000

Note 1: Details of specific categories of share options are disclosed in note 5 to the interim financial statements.

Note 2: Retired on 14 September 2015.

In addition to 139,000,000 number of Shares which would be allotted and issued upon the exercise in full of the options offered to Mr. Chiau Sing Chi under the share option scheme of the Company above, 220,588,235 number of Shares which would be allotted and issued upon the exercise in full of the convertible bonds held by Mr. Chiau Sing Chi.

Save as disclosed above, as at 30 September 2015, 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 September 2015, 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 positions in the shares and underlying shares of the Company

Name of Shareholders	Number of Shares held	Approximate percentage of issued share capital of the Company	Number of underlying Shares held
Sinostar FE (PTC) Limited <i>(Note 1)</i>	1,608,484,963	47.01%	–
Treasure Offshore Holdings Limited <i>(Note 1)</i>	1,608,484,963	47.01%	–
Beglobal Investments Limited <i>(Note 2)</i>	1,608,484,963	47.01%	–
Golden Treasure Global Investment Limited <i>(Note 2)</i>	290,000,000	8.48%	–

Note:

1. Mr. Chiau Sing Chi, Ms. Chow Man Ki, Kelly and their family are the beneficiaries of a discretionary trust of which Sinostar FE (PTC) Limited (“Sinostar”) is the trustee. Sinostar as the trustee of the discretionary trust is the sole shareholder of Treasure Offshore Holdings Limited, which is the sole shareholder of Beglobal Investments Limited.
2. Beglobal Investments Limited directly holds 1,318,484,963 shares of the Company (representing approximately 38.53% of the issued share capital of the Company) and indirectly holds 290,000,000 shares of the Company (representing approximately 8.48% of the issued share capital of the Company) through Golden Treasure Global Investment Limited as at 30 September 2015.

Save as disclosed above, as at 30 September 2015, 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.

Details of the share options granted to the Directors under the Schemes and any other schemes and movements in such holdings during the Period were as follows:

Category	Option type	Number of options held as at 1 April 2015 '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 September 2015 '000
Directors	2012A	30,000	-	(6,000)	-	24,000
	2013A	2,000	-	(2,000)	-	-
	2013B	125,000	-	-	-	125,000
	2014A	24,000	-	-	(6,000)	18,000
	2015A	-	29,000	-	(3,000)	26,000
Employees Advisors	2012A	10,000	-	-	-	10,000
	2011B	9,000	-	-	-	9,000
	2012A	90,300	-	(90,300)	-	-
	2014A	277,140	-	-	-	277,140
	2015A	-	132,000	-	-	132,000
	2015B	-	50,000	-	-	50,000
Total		567,440	211,000	(98,300)	(9,000)	671,140

Note: Details of specific categories of share options are disclosed in note 5 to the interim financial statements.

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 September 2015.

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 TRANSACTIONS

Saved as disclosed in note 17 to the interim financial statements, no other connected transactions were entered into by the Group under the GEM Listing Rules.

PURCHASE, SALE OR REDEMPTION OF SHARES

For the six months ended 30 September 2015, 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 Committee are to review and supervise the financial reporting process and internal control system of the Group. The Committee comprises two independent non-executive Directors, namely Mr. Wong Chak Keung (Chairman) and Ms. Choi Mei Ping. The Group's unaudited results for the six months ended 30 September 2015 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.

DISCLOSURE OF DIRECTORS' INFORMATION UNDER THE RULE 17.50B OF THE GEM LISTING RULES

Mr. Chan Cheong Yee resigned as an independent non-executive director of Agritrade Resources Limited (stock code: 1131), the shares of which are listed on the Stock Exchange, with effect from 26 October 2015.

Mr. Wong Chak Keung was appointed as an independent non-executive director of Daohe Global Group Limited (stock code: 915), the shares of which are listed on the Stock Exchange, with effect from 1 November 2015.

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 six months ended 30 September 2015.

CORPORATE GOVERNANCE

The Board considers that the Company has complied with the code provisions of Code on Corporate Governance Practices and Corporate Governance Report (the "CG Code") set out in Appendix 15 to the GEM Listing Rules throughout the six months ended 30 September 2015, except for the following deviations:

(a) Chairman and Chief Executive Officer

Pursuant to Provision A.2.1 of the CG Code, the roles of the Chairman and the Chief Executive Officer should be separated and should not be performed by the same individual. The division of responsibilities between the Chairman and the Chief Executive Officer should be clearly established and set out in writing. The Board is in the process of locating appropriate persons to fill the vacancies of the Chairman and Chief Executive Officer of the Company as soon as practicable.

(b) Appointment and Re-Election of the Directors

Pursuant to Provision A.4.1 of the CG Code, the non-executive directors should be appointed for a specific term, subject to re-election.

The non-executive Director and all independent non-executive Directors are not appointed for a specific term, but they are subject to re-election at the annual general meeting of the Company in accordance with the Articles.

In accordance with the Article 87 of the Articles of the Company, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years.

(c) Chairman of Nomination Committee

Pursuant to Provision A.5.1 of the CG Code, the nomination committee should be chaired by the chairman of the board or an independent non-executive director. The Chairman of the Company's nomination committee is Ms. Chow Man Ki Kelly, who is an executive Director but not the Chairman of the Board.

As mentioned in point (a) above, the Board is in the process of locating appropriate persons to fill the vacancies of the Chairman of the Company as soon as practicable.

(d) Attendance in General Meetings

Pursuant to Provision A.6.7 of the Code, independent non-executive directors and other non-executive directors should attend general meetings. Certain independent non-executive Directors could not attend the annual general meeting held on 14 September 2015 due to other business commitments.

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

Hong Kong, 12 November 2015

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 Mr. Wong Chak Keung and Ms. Choi Mei Ping as independent non-executive Directors.

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).