



BINGO GROUP HOLDINGS LIMITED

比高集團控股有限公司

(Formerly known as Emcom International Limited)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8220)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 DECEMBER 2011

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 2011, together with the unaudited comparative figures for the corresponding period in 2010 were as follows:–

	<i>Notes</i>	For the three months ended 31 December		For the nine months ended 31 December	
		2011 <i>HK\$'000</i> (Unaudited)	2010 <i>HK\$'000</i> (Unaudited)	2011 <i>HK\$'000</i> (Unaudited)	2010 <i>HK\$'000</i> (Unaudited)
Turnover	2	56,688	47,430	177,660	486,919
Cost of sales		(55,903)	(45,738)	(167,975)	(483,454)
Gross profit		785	1,692	9,685	3,465
Reimbursement from licensor		–	271	–	4,099
Other income		17	72	150	111
Gain on disposal of a subsidiary	3	–	12,717	714	16,252
Selling and marketing expenses		–	(3,645)	–	(3,667)
Administrative and operating expenses		(9,868)	(10,461)	(29,952)	(46,013)
Share-based payments	4	(9,623)	(15,812)	(36,916)	(105,985)
Share of results of jointly controlled entities		(573)	–	(946)	–
Share of loss of associate		–	–	–	(13)
Finance cost	5	(152)	(613)	(1,457)	(4,415)
Loss before taxation		(19,414)	(15,779)	(58,722)	(136,166)
Taxation credit		–	–	–	9,061
Loss for the period		(19,414)	(15,779)	(58,722)	(127,105)

	Notes	For the three months ended 31 December		For the nine months ended 31 December	
		2011	2010	2011	2010
		HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Loss attributable to:					
Equity holders of the Company		(19,036)	(15,779)	(57,731)	(127,105)
Non-controlling interests		(378)	–	(991)	–
Loss for the period		<u>(19,414)</u>	<u>(15,779)</u>	<u>(58,722)</u>	<u>(127,105)</u>
Dividend	6	–	–	–	–
Loss for the period (cents per share):					
Basic	7	(0.62)	(0.51)	(1.9)	(4.14)
Diluted	7	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Other comprehensive profit/(loss):					
Exchange differences on translating foreign operations					
– Exchange difference arising during the period		(59)	10	(345)	(22)
– Adjustment relating to foreign operations disposed during the period		–	–	–	(58)
Other comprehensive profit/(loss) for the period, net of tax		(59)	10	(345)	(80)
Loss for the period		<u>(19,414)</u>	<u>(15,779)</u>	<u>(58,722)</u>	<u>(127,105)</u>
Total comprehensive loss for the period		<u>(19,473)</u>	<u>(15,769)</u>	<u>(59,067)</u>	<u>(127,185)</u>

NOTES:

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 2011.

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 January 2011. The adoption of these new and revised HKFRSs had no material effect on the results of 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 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, 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	
	2011 HK\$'000 (Unaudited)	2010 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)	2010 HK\$'000 (Unaudited)
Turnover				
Trading	54,713	45,617	166,875	478,195
Property management	–	1,501	–	6,965
Filmed entertainment, online games and licensing business	–	312	8,810	1,759
Cinema	1,975	–	1,975	–
	56,688	47,430	177,660	486,919

3. GAIN ON DISPOSAL OF SUBSIDIARY

In September 2011, the Group closed and disposed of the entire 100% shareholding interest in Shanghai Bingo Interactive Information Technology Co. Ltd. (Beijing Branch), which was in dormant nature, at a gain on disposal of HK\$714,000.

4. SHARE-BASED PAYMENTS

- (i) The Company has the convertible bonds and share option scheme 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 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\$0.10 per share

Share Option Scheme

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:	250,000,000
Exercise price:	HK\$0.10 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.

The fair values of the HK\$45million convertible bonds and 250,000,000 share options determined on 1 June 2010 using binomial option pricing model were HK\$124,360,048 and HK\$51,691,784 respectively.

The following assumptions were made by DTZ Debenham Tie Leung Limited, independent qualified professional valuers not connected with the Group and 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\$0.10
Risk-free rate:	2.47%
Effective interest rate:	16.73%
Share price:	HK\$0.27
Expected dividend yield:	0%
Expected volatility:	84.09%

The following assumptions were made by DTZ Debenham Tie Leung Limited, independent qualified professional valuers not connected with the Group and have appropriate qualification, to calculate the fair value of 250,000,000 share options:

Share price:	HK\$0.27
Exercise price:	HK\$0.10
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%

- (ii) The Company has share option scheme for employees and advisors of the Group. 42,000,000 share options were granted to an employee and advisors on 20 August 2010 with fair value of HK\$ 5,324,000 using binomial option pricing model. 7,500,000 share options were granted to another employee on 14 April 2011 with fair value of HK\$947,185 using binomial option pricing model.

During the Period, 24,000,000 share options out of 42,000,000 share options were lapsed and the outstanding balance is 18,000,000 share options.

During the Period, 1,000 share options granted to an ex-employee on 30 December 2008 were lapsed.

During the Period, the Company recognised the total share-base payment of HK\$36,916,000. in relation to the HK\$30 million convertible bonds, 250,000,000, 18,000,000 and 7,500,000 share options disclosed in items (i) and (ii) above.

5. FINANCE COST

	Three months ended 31 December		Nine months ended 31 December	
	2011 HK\$'000 (Unaudited)	2010 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)	2010 HK\$'000 (Unaudited)
Finance cost				
Interest on convertible notes	152	613	1,370	2,415
Interest on bank loan	–	–	–	1,996
Finance lease charge	–	–	–	4
	<u>152</u>	<u>613</u>	<u>1,370</u>	<u>4,415</u>

6. DIVIDEND

The Directors do not recommend the payment of any dividend for the nine months ended 31 December 2011 (2010: Nil).

7. LOSS PER SHARE

(a) Basic

Basic loss per share is calculated by dividing the loss attributable to equity holders 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	
	2011 <i>HK Cent</i> (Unaudited)	2010 <i>HK Cent</i> (Unaudited)	2011 <i>HK Cent</i> (Unaudited)	2010 <i>HK Cent</i> (Unaudited)
Basic loss per share	<u>(0.62)</u>	<u>(0.51)</u>	<u>(1.9)</u>	<u>(4.14)</u>

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	
	2011 <i>HK\$'000</i> (Unaudited)	2010 <i>HK\$'000</i> (Unaudited)	2011 <i>HK\$'000</i> (Unaudited)	2010 <i>HK\$'000</i> (Unaudited)
Loss for the period attributable to equity Holders of the Company	<u>(19,036)</u>	<u>(15,779)</u>	<u>(57,731)</u>	<u>(127,105)</u>
	2011	2010	2011	2010
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>3,087,559,126</u>	<u>3,070,559,126</u>	<u>3,087,559,126</u>	<u>3,070,559,126</u>

(b) Diluted

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

8. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to the equity holders of the Company									
	Share capital	Share premium	Contributed surplus	Equity component capital of convertible bonds	Share option reserve	Exchange reserve	Accumulated loss before MI	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 2010	54,231	221,512	3,930	8,202	4,925	58	(205,646)	87,212	(242)	86,970
Issue of ordinary shares under convertible bonds	6,500	23,817	-	(3,076)	-	-	-	27,241	-	27,241
Issue of new share of HK\$0.02 under share option scheme	680	4,401	-	-	(1,728)	-	-	3,353	-	3,353
Share-based payments	-	-	-	79,267	20,102	-	-	99,369	-	99,369
Disposal of foreign operations	-	-	-	-	-	(58)	-	(58)	242	184
Exchange difference arising from translation of financial statement	-	-	-	-	-	(22)	-	(22)	-	(22)
Loss for the period	-	-	-	-	-	-	(124,690)	(124,690)	-	(124,690)
At 31 December 2010	<u>61,411</u>	<u>249,730</u>	<u>3,930</u>	<u>84,393</u>	<u>23,299</u>	<u>(22)</u>	<u>(330,336)</u>	<u>92,405</u>	<u>-</u>	<u>92,405</u>
At 1 April 2011	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 share of HK\$0.02 under share option scheme	320	1,399	-	-	(422)	-	-	1,297	-	1,297
Non-controlling interest	-	-	-	-	-	-	-	-	(991)	(991)
Exchange difference arising from translation of financial statement	-	-	-	-	-	(345)	-	(345)	-	(345)
Equity settled share option arrangement	-	-	-	-	23,386	-	-	23,386	-	23,386
Loss for the period	-	-	-	-	-	-	(57,731)	(57,731)	-	(57,731)
At 31 December 2011	<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>

MANAGEMENT DISCUSSION AND ANALYSIS

General

During the nine months ended 31 December 2011 (the “Period”), Bingo Group Holdings Limited (the “Company”) and its subsidiaries (collectively, the “Group”) principally engaged in sales and trading of coal and palm oil (“Trading”), movie production, licensing and derivatives, crossover marketing, provision of interactive contents, artist development and last mile engagement (“Filmed Entertainment, Online Games and Licensing Businesses”) and cinema investment and management (“Cinema Business”).

Financial Review

During the Period, the Group recorded a total turnover of approximately HK\$177,660,000, representing a decrease of approximately 64% as compared with HK\$486,919,000 for the period ended 31 December 2010. The fall in turnovers was mainly attribute to the decreases in trading income by 65% to approximately HK\$166,875,000 during the period due to intense competition and deteriorating market conditions. In 2011, the Group was shifting business strategy more focus onto the newly developing Filmed Entertainment, Online Games and Licensing Business and Cinema Business and generated a total income of approximately HK\$10,785,000 for the period ended 31 December 2011, representing an increase of approximately 513% as compared with HK\$1,759,000 for the period ended 31 December 2010.

Loss attributable to shareholders for the Period was approximately HK\$58,722,000 compared with loss of HK\$127,105,000 for the period ended 31 December 2010.

The positive effect on the results of the Group for the period ended 31 December 2011 is mainly attributable to decrease in share-based payments recognised during the period. During the Period, the share-based payment was HK\$36,916,000, representing an decrease of approximately 65% as compared with HK\$105,985,000 for the period ended 31 December 2010.

Share Subscription

On 12 January 2012, the Company and Beglobal Investments Limited (“Beglobal”) entered into a Subscription Agreement pursuant to which Beglobal conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, 1,300,000,000 Subscription Shares at the Subscription Price of HK\$0.03 per Subscription Share (the “Subscription”). The 1,300,000,000 Subscription Shares represent (i) approximately 42.10% of the issued share capital of the Company on 12 January 2012; (ii) approximately 29.63% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares; and (iii) approximately 21.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and the Capitalisation Shares.

The Subscription Shares, when issued and fully paid, will rank pari passu in all respects with all the Shares in issue as at the date of completion of the Subscription and will be subject to a lock-up period of six months from the date of completion of the Subscription.

The Share Subscription is subject to independent shareholders' approval. Details of the Subscription are set out in the announcement of the Company dated 19 January 2012.

The Capitalisation

On 12 January 2012, the Company and each of the Creditors entered into the Capitalisation Agreements pursuant to which the Creditors conditionally agreed to capitalise the Loans in the aggregate amount of HK\$51,187,500 owed by the Company to the Creditors (the "Capitalisation"). The Company shall allot and issue an aggregate of 1,706,249,999 Capitalisation Shares to the Creditors (pro rata to the amount owed to each Creditors) at the Capitalisation Price of HK\$0.03 per Capitalisation Share as full and final settlement of the Loans. Each of the Creditors conditionally agreed to waive all its rights in the unpaid interest accrued on the Loans from 7 October 2011 up to the date of completion of the Capitalisation. The Subscription Agreement and the Capitalisation Agreements, the 1,706,249,999 Capitalisation Shares represent (i) approximately 55.26% of the issued share capital of the Company as at the date of this announcement; (ii) approximately 35.59% of the issued share capital of the Company as enlarged by the allotment and issue of the Capitalisation Shares; and (iii) approximately 28.00% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and the Capitalisation Shares.

The Capitalisation is subject to independent shareholders' approval. Details of the Capitalisation are set out in the announcement of the Company dated 19 January 2012.

Operation Review And Prospects

The Group has generated its income mainly by Trading during the Period. According from the new business strategy of the Group, the Group put more focus on its cinema business since 2011. On 13 April 2011, the Company entered into the Memorandum of Understanding ("MOU") with CineChina Limited ("CineChina") in relation to formation of the joint venture ("JV") for investment in and management of high-end digital cinemas in the PRC. As the Group has invested most of its financial resources in the Filmed Entertainment, Online Game and Licensing Businesses and the Cinema Business, there was a decrease in current assets and increase in fixed assets and current liabilities. As a result, the Group had a net current liability position as at 31 December 2011 but the Group had continue to maintain a positive net asset position as at 31 December 2011.

During the Period, in active pursuit of the movie business, one of the Group's core businesses, the Company has commenced the principal photography of a full length feature film tentatively entitled Journey to the West: 除魔傳奇 (formerly entitled Journey to the West: 西遊記). This is a fantasy film involving magic, supernatural events and make-believe creatures, filled with arresting visual effect to illustrate the mind-blowing story in typical "Stephen Chow" style (the "Movie Project").

Outlook

Looking ahead, the Group continues to put more focus onto the newly developed its Filmed Entertainment, Online Games and Licensing Businesses and Cinema Business in sustaining its core competitiveness through intensive execution of the following strategies:

- The Group believes that the setting up of joint ventures with various expertise in the Filmed Entertainment, Online Games and Licensing Businesses and Cinema Business to create a synergy effect with the Group, allowing the Group to expand its operation and businesses in the PRC.
- The Group is optimistic in respect to the prospects of the cinema industry in PRC market. In 2012, the total box office in the PRC is expected to grow to RMB16 billion (from RMB13 billion), driven by a massive expansion in the number of cinema screens.
- The Directors expect that upon completion of the Subscription and the Capitalisation, the net current liability position would be restored to a net current asset position. The Group will continue to explore new opportunities to stretch its reach into the area of Filmed Entertainment, Online Games and Licensing Businesses and Cinema Business in various cities in the PRC.

OTHER INFORMATION

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

As at 31 December 2011, 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	10,000	0.00%
Mr. Yik Chok Man	Beneficial owner	564,000	0.02%
Mr. Chong Lee Chang (<i>Note 1</i>)	Beneficial owner and corporate interests	90,631,999	2.94%
Mrs. Chen Chou Mei Mei Vivien	Beneficial owner	5,500,000	0.18%

Note:

1. Mr. Chong Lee Chang, a Non-Executive Director of the Company, had personally owned 16,131,952 Shares and had been deemed to be interested in 74,500,047 shares through his beneficial interest in 100% of the entire issued share capital of Shieldman Limited.
2. The total number of the issued share capital of the Company as at 31 December 2011 was 3,087,559,126.

Long positions in the underlying shares of the Company

The Company adopted a share options scheme on 19 October 2002 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 2011 were as follows:

Name of Director	Date of grant	Number of options held as at 1 April 2011	Number of options granted during the period	Number of options exercised during the period	Number of options held as at 31 December 2011	Exercise price HK\$	Exercise period
Mr. Chan Cheong Yee	26-8-2009	10,000,000	-	-	10,000,000	0.1012	26-8-2009 – 25-8-2012
Mr. Chiau Sing Chi	1-6-2010	250,000,000	-	-	250,000,000	0.1000	1-12-2011 – 30-9-2013

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 and HK\$5 million had been issued on the 1 June 2010 and 1 June 2011 representatively and remaining three tranches (each worth HK\$5 million, and HK15 million in aggregate) of the convertible bonds will be issued on the dates being the second, third and fourth anniversaries of the date of 1 June. 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 31 December 2011, 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); 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 2011, 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 Shares held	Position	Approximate percentage of issued share capital of the company
Beglobal Investments Limited (<i>Note 1</i>)	905,000,000	Long	29.31%

Notes:

1. Beglobal, which was ultimately owned by the Trust, is a substantial Shareholder and was beneficially interested in 905,000,000 Shares, representing approximately 29.31% of the existing issued share capital of the Company, and is therefore a connected person of the Company. Mr. Chiau, an executive Director, and his family are the discretionary objects of the Trust which was founded by Mr. Chiau. The present trustee of the Trust is SMP Trustees. The principal business activity of Beglobal is investment holding.

Save as disclosed above, as at 31 December 2011, 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 19 October 2002 (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 12 November 2012. 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 2011	Number of options granted during the period	Number of options exercised/lapsed during the period	Number of options held as at 31 December 2011	Exercise price HK\$	Exercise period
Directors	26 Aug 2009	10,000	-	-	10,000	0.1012	26 Aug 2009 – 25 Aug 2012
Employees	30 Dec 2008	1	-	(1)	-	0.054	30 Dec 2008 – 29 Dec 2011
	26 Aug 2009	12,500	-	-	12,500	0.1012	26 Aug 2009 – 25 Aug 2012
	20 Aug 2010	24,000	-	(24,000)	-	0.246	20 Aug 2010 – 19 Aug 2016
	14 Apr 2011	-	7,500	-	7,500	0.246	12 Oct 2011 – 19 Aug 2016
Advisor	24 Feb 2009	14,000	-	(11,000)	3,000	0.072	24 Feb 2009 – 23 Feb 2012
	26 Aug 2009	28,000	-	(5,000)	23,000	0.1012	26 Aug 2009 – 25 Aug 2012
	20 Aug 2010	18,000	-	-	18,000	0.246	20 Aug 2010 – 19 Aug 2016
Total		<u>106,501</u>	<u>7,500</u>	<u>(40,001)</u>	<u>74,000</u>		

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 2011.

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 2011, the Group had no material transactions entered into with related parties (nine months ended 31 December 2010: Nil)

PURCHASE, SALE OR REDEMPTION OF SHARES

For the nine months ended 31 December 2011, 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 2011 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 and 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 2011.

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

Hong Kong, 13 February 2012

As at the date of this announcement, the executive Directors are Mr. Chiau Sing Chi, Mr. Chan Cheong Yee, Mr. Yik Chok Man and Mr. Fok Wai Ming Jackie, the non-executive Directors are Mr. Chong Lee Chang, 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.