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If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Bingo Group Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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BINGO GROUP HOLDINGS LIMITED

比高集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8220)

**CONNECTED TRANSACTION:
OPTION AGREEMENT WITH MR. CHIAU
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**

AMASSE CAPITAL
寶 積 資 本

A letter from the Board is set out on pages 4 to 11 of this circular and a letter from the Independent Board Committee is set out on pages 12 to 13 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 14 to 24 of this circular.

A notice convening the EGM to be held at Conference Room, 3/F., Nexxus Building, 77 Des Voeux Central, Hong Kong at 3:30 p.m. on 17 December 2013 is set out on pages 31 to 32 of this circular. A form of proxy for use at the EGM is enclosed with this circular. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited at www.hkex.com.hk.

Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Company's Hong Kong branch share registrar, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

27 November 2013

CHARACTERISTICS OF GEM

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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“associate(s)”	has the meaning ascribed to this term under the GEM Listing Rules
“Board”	the board of Directors
“Company”	Bingo Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issue Shares of which are listed on GEM
“connected person(s)”	has the meaning ascribed to this term under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting to be held and convened to approve the Option Agreement and the transactions contemplated thereunder, including but not limited to the allotment and issue of the Option Shares upon exercise of the Options
“Exercise Price”	initially HK\$0.1814 per Option Share, payable upon the exercise of the Option
“GEM”	the Growth Enterprise Market
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Grant Date”	the date falling within three business days upon the fulfillment of the conditions precedent to the Option Agreement (or such other date the parties to the Option Agreement may agree in writing)
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company, comprising all the independent non-executive Directors
“Independent Financial Adviser”	Amasse Capital Limited, a corporation licensed to carry on type 6 (advising on corporate finance) regulated activity under the SFO, and the independent financial adviser to the Independent Board Committee and the Independent Shareholders with regard to the Option Agreement
“Independent Shareholders”	Shareholders other than Mr. Chiau and his associates

DEFINITIONS

“Latest Practicable Date”	20 November 2013, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein
“Mr. Chiau”	Mr. Chiau Sing Chi, an executive Director and together with his associates also a substantial Shareholder, thus is a connected person of the Company
“Options”	the 125,000,000 options to be granted to Mr. Chiau in accordance with the terms of the Option Agreement
“Option Agreement”	the conditional option agreement dated 4 October 2013 and entered into between the Company and Mr. Chiau in relation to the grant of Options
“Option Shares”	up to 125,000,000 new Shares (subject to adjustments) to be allotted and issued upon the exercise of the Options
“PRC”	the People’s Republic of China, and for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Service Agreement”	the service agreement dated 22 February 2010 between the Company and Mr. Chiau, details of which have been disclosed in the circular of the Company dated 3 May 2010
“Service Options”	the options granted to Mr. Chiau under the Service Agreement
“SFO”	Securities and Futures Ordinance (Cap. 571, the Laws of Hong Kong) as amended from time to time
“Share(s)”	ordinary share(s) of HK\$0.04 each in the share capital of the Company
“Share Consolidation”	the share consolidation on the basis of every two ordinary shares of HK\$0.02 each in the issued and unissued share capital of the Company consolidated into one Share of HK\$0.04 each with effect from 18 September 2012
“Share Options”	the share options granted by the Company under the Share Option Scheme
“Share Option Scheme”	the share option scheme of the Company approved and adopted by the Company on 15 August 2012
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“substantial Shareholder(s)”	has the meaning ascribed to this term under the GEM Listing Rules
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Chiau Sing Chi
Mr. Chan Cheong Yee
Mr. Chong Lee Chang

Non-executive Director:

Mrs. Chin Chow Chung Hang Roberta

Independent non-executive Directors:

Mrs. Chen Chou Mei Mei Vivien
Mr. Chum Kwan Yue Desmond
Mr. Wong Chak Keung

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Room 102-104, 1/F
Sea Bird House
22-28 Wyndham Street
Central, Hong Kong

27 November 2013

To the Shareholders

Dear Sir or Madam,

**CONNECTED TRANSACTION:
OPTION AGREEMENT WITH MR. CHIAU**

INTRODUCTION

Reference is made to the announcement of the Company dated 4 October 2013 in relation to, among others, the entering into of the conditional Option Agreement between the Company and Mr. Chiau pursuant to which, the Company has conditionally agreed to grant Mr. Chiau the Options to subscribe for an aggregate of 125,000,000 Option Shares at the exercise price of HK\$0.1814 per Option Share.

LETTER FROM THE BOARD

The entering into of the Option Agreement constitutes a connected transaction on the part of the Company under Chapter 20 of the GEM Listing Rules and is subject to reporting, announcement and Independent Shareholders' approval requirements under the GEM Listing Rules.

The Independent Board Committee comprising all the Independent non-executive Directors has been formed to advise the Independent Shareholders in relation to the voting on the proposed resolutions(s) approving the Option Agreement and the transactions contemplated thereunder. Amasse Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

The purpose of this circular is (i) to provide the Shareholders with details of the Option Agreement and the transactions contemplated thereunder; (ii) to set out the opinion of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Option Agreement and the transactions contemplated thereunder; (iii) to set out the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Option Agreement and the transactions contemplated thereunder; and (iv) to give the Shareholders notice of the EGM.

OPTION AGREEMENT WITH MR. CHIAU

Background

Reference is made to the circular of the Company dated 3 May 2010 in relation to, among others, the entering into of the Service Agreement between the Company and Mr. Chiau. On 22 February 2010, Mr. Chiau and the Company entered into of the Service Agreement in relation to the appointment of Mr. Chiau as an executive Director of the Company for a term of 5 years commencing from 1 June 2010. Pursuant to the Service Agreement, Mr. Chiau shall, among others, serve the Company in the capacity of an executive director of the Company with such executive and management responsibilities and duties with regard to the entertainment production business of the Group and shall devote a sufficient and reasonable part of his time to administer, supervise and manage the entertainment production business of the Group. Please refer to the circular of the Company dated 3 May 2010 for further details of the appointment of Mr. Chiau as an executive Director and the Service Agreement. Pursuant to the terms of the Service Agreement, the Company has granted the Service Options entitling Mr. Chiau to subscribe for 250,000,000 shares of the Company of par value of HK\$0.02 each prior to the Share Consolidation (equivalent to 125,000,000 Shares).

Mr. Chiau has not exercised any of the Service Options granted and the Service Options have expired and lapsed on 1 October 2013. In light of the lapse of the Service Options and after arm's length negotiations, on 4 October 2013 (after the trading hours), the Company and Mr. Chiau entered into the Option Agreement pursuant to which, the Company has conditionally agreed to grant Mr. Chiau the Options to subscribe for an aggregate of 125,000,000 Option Shares at the exercise price of HK\$0.1814 per Option Share.

LETTER FROM THE BOARD

OPTION AGREEMENT

The principal terms of the Option Agreement and the Options are as follows:

Date: 4 October 2013

Parties: (1) The Company
(2) Mr. Chiau

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, Mr. Chiau is an executive Director and together with his associates is also a substantial Shareholder.

Total number of Shares to be allotted and issued upon exercise of the Options in full: 125,000,000 Option Shares (subject to adjustments)

Issue price of the Options: HK\$1.00 in cash payable by Mr. Chiau on the date of the Option Agreement

Conditions precedent: Completion of the Option Agreement is conditional upon:

- (a) all necessary consents, approvals and permits having obtained by the Company;
- (b) the compliance by the Company with the announcement and Independent Shareholders' approval requirements under the GEM Listing Rules (including but not limited to Chapter 20 of the GEM Listing Rules) and other applicable procedures and regulations under the GEM Listing Rules in relation to the Option Agreement and the transactions contemplated thereunder;
- (c) the obtaining by the Company of the approval of the listing of and permission to deal in the Option Shares from the Stock Exchange; and
- (d) the Independent Board Committee of the Company being reasonably satisfied with the improvements to internal control of the Group and the implementation of such recommendations of the Independent Board Committee regarding internal control.

LETTER FROM THE BOARD

In the event that any of the above conditions are not fulfilled before 31 March 2014 (or such other date the parties to the Option Agreement may agree in writing), the Option Agreement shall lapse and terminate and no party to the Option Agreement shall have any claim against or liability to another party save for any antecedent breaches thereof.

As at the Latest Practicable Date, condition (d) has been fulfilled.

Exercise period: The Option to subscribe for 125,000,000 Option Shares is exercisable during the period commencing from the Grant Date to the day immediately prior to the third anniversary of the Grant Date.

Exercise Price per Option Share: HK\$0.1814

Transferability of the Options: The Option is personal to Mr. Chiau himself and is not transferrable.

The Option Shares to be allotted and issued upon the exercise of the Options shall be freely transferrable.

Adjustment: The Exercise Price and the number of Option Shares are subject to adjustment upon the occurrence of subdivision or consolidation of Shares.

The Exercise Price of HK\$0.1814 per Option Share represents:

- (a) a premium of approximately 0.22% over the closing price of HK\$0.181 per Share as quoted on the Stock Exchange on the date of the Option Agreement;
- (b) the average of the closing prices of approximately HK\$0.1814 per Share as quoted on the Stock Exchange over the last 5 consecutive trading days immediately preceding the date of the Option Agreement; and
- (c) a discount of approximately 26.85% to the closing price of HK\$0.248 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Option Shares, when issued upon the Options being exercised in full, represent approximately 4.08% existing issued share capital of the Company and approximately 3.92% of the total issued share capital of the Company as enlarged by the Option Shares.

LETTER FROM THE BOARD

The Option Shares, when allotted and issued, will rank pari passu in all respect among themselves and with the Shares in issue on the date of allotment and issue of the Option Shares.

The Option to be granted under the Option Agreement together with all outstanding shares options granted by the Company to other share option holders under the Share Option Scheme and yet to be exercised will not exceed 30% of the Shares in issue as at the Latest Practicable Date.

An application will be made to the Stock Exchange for the listing of and permission to deal in the Option Shares. The Option Shares will be allotted and issued under a specific mandate to be obtained from the Independent Shareholders at the EGM.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date and (ii) upon full exercise of the Option.

	As at the Latest Practicable Date		Upon full exercise of the Option and the allotment and issue of the Option Shares	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Mr. Chiau and his associates	1,611,234,963	52.62	1,736,234,963	54.48
Other Directors	48,070,999	1.57	48,070,999	1.51
Public Shareholders	<u>1,402,888,600</u>	<u>45.81</u>	<u>1,402,888,600</u>	<u>44.01</u>
 Total	 <u><u>3,062,194,562</u></u>	 <u><u>100.00</u></u>	 <u><u>3,187,194,562</u></u>	 <u><u>100.00</u></u>

REASONS FOR THE GRANT OF OPTIONS AND THE USE OF PROCEEDS

On 22 February 2010, Mr. Chiau and the Company entered into the conditional Service Agreement in relation to the appointment of Mr. Chiau as an executive Director. Pursuant to which the Company has granted Mr. Chiau the Service Options. Please refer to the circular of the Company dated 3 May 2010 for further details of the Service Agreement and the Service Options.

Since the appointment of Mr. Chiau as an executive Director, it is noted that the performance of the Group has improved. As disclosed in the circular of the Company dated 3 May 2010, with the appointment of Mr. Chiau as an executive Director in the year of 2010, the Group would have the opportunity to tap into the business of movie production, licensing and derivatives, crossover marketing and provision of interactive contents. The experience of Mr. Chiau in the entertainment industry, together with his management expertise in the film and entertainment production business, is a key factor for the success of the Chinese language motion picture titled “Journey to the West: Conquering the Demons” (the “Picture”).

LETTER FROM THE BOARD

In the financial year ended 31 March 2013, the Group recorded a profit of approximately HK\$13,720,000 for the year, which represents a significant turnaround and improvement in performance after years of losses. The improvement of performance of the Group is mainly attributable to, among others, the success of the Picture and Mr. Chiau is a key person for such improvement in performance.

In light of the lapse of the Service Options, after arm's length negotiations, the Company resolves to grant the Options to Mr. Chiau in accordance with the terms of the Option Agreement. The proposed grant of Options under the Option Agreement to Mr. Chiau is in recognition of his contribution to the growth of the Group in the past and also as an incentive for his continuing commitment and contribution to the Group in the future. The consideration payable by Mr. Chiau under the Option Agreement is HK\$1.00, which has been paid by Mr. Chiau, in accordance with the terms of the Option Agreement. The remuneration committee of the Company has considered the grant of the Options to Mr. Chiau in accordance with the terms of reference of the remuneration committee subject to, among other things, the advice of the Independent Financial Adviser and Independent Shareholders' approval requirements.

In relation to the number of the Option Shares to be allotted and issued, the total number of the Option Shares to be allotted and issued upon the exercise of the Options in full represents only approximately 4.08% of the existing issued share capital of the Company and it is expected that there will not be any significant dilutive effects on the shareholdings of the Shareholders. Moreover, the number of Shares to be issued and allotted under the Options is equivalent with the number of Shares which could be issued and allotted under the lapsed Service Options. After considering this fact, together with the exercise price of the Options is comparable to the market prices of the Shares, the Board is of the view that the number of Option Shares is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Based on the above, and having considered that the exercise price of the Options is equivalent and comparable to the market price of the Shares, the Directors (excluding the independent non-executive Directors whose views are set out on pages 12 to 13 of this circular after taking into account the advice of the Independent Financial Adviser) consider that the terms of the Option Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The gross proceeds from the exercise of the Options in full are estimated to be HK\$22,675,000. The net proceeds from the exercise of the Options in full and the net Exercise Price are estimated to be approximately HK\$22,455,000 and approximately HK\$0.180 per Option Share respectively. The Directors intend to utilize the net proceeds as general working capital of the Group.

LETTER FROM THE BOARD

EGM

The notice convening the EGM to be held at Conference Room, 3/F., Nexxus Building, 77 Des Voeux Central, Hong Kong on 17 December 2013 at 3:30 p.m. is set out on pages 31 to 32 of this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Company's Hong Kong branch share registrar, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or the adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned thereof should you so wish.

GEM LISTING RULES IMPLICATIONS

Since Mr. Chiau is an executive Director and together with his associates is also a substantial Shareholder, the Option Agreement and the transactions contemplated thereunder constitute a connected transaction on the part of the Company under Chapter 20 of the GEM Listing Rules and is subject to reporting, announcement and Independent Shareholders' approval requirements under the GEM Listing Rules. Mr. Chiau and his associates (including but not limited to Beglobal Investments Limited) shall be abstained from voting at the EGM approving the Option Agreement and the transactions contemplated thereunder.

As at the Latest Practicable Date, 1,318,484,963 Shares are held by Beglobal Investments Limited (representing approximately 43.05% of the existing issued share capital of the Company) and 290,000,000 Shares are held by Golden Treasure Investments Limited (representing approximately 9.47% of the existing issued share capital of the Company). Both Beglobal Investments Limited and Golden Treasure Investments Limited are ultimately owned by the trustee of a discretionary trust, The Sino Star Trust, and the discretionary objects of The Sino Star Trust include Mr. Chiau and his family. As such, each of Beglobal Investments Limited and Golden Treasure Investments Limited are associates to Mr. Chiau and shall abstain from voting at the EGM.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for Mr. Chiau and his associates, no other Shareholders have a material interest in the Option Agreement and no other Shareholders shall abstain from voting at the EGM.

Since Mr. Chiau, an executive Director, is the grantee under the Option Agreement, he had abstained from voting on the relevant resolutions at the board meeting of the Company approving the Option Agreement and the transactions contemplated thereunder.

LETTER FROM THE BOARD

RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee set out on pages 12 to 13 of this circular which contains its recommendation to the Independent Shareholders on transactions under the Option Agreement. Your attention is also drawn to the letter of advice from the Independent Financial Adviser as set out on pages 14 to 24 of this circular which contains, amongst other matters, its advice to the Independent Board Committee and the Independent Shareholders in relation to the Option Agreement and the transactions contemplated thereunder. Based on the advice from the Independent Financial Adviser and the Independent Board Committee, the Board is of the view that the Option Agreement and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole and recommends the Shareholders to vote in favour of the relevant resolution(s) approving the Option Agreement at the EGM.

FURTHER INFORMATION

Your attention is drawn to the information set out in the appendix to this circular.

Yours faithfully,
For and on behalf of the Board
Bingo Group Holdings Limited
Chong Lee Chang
Executive Director



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)

27 November 2013

To the Independent Shareholders

Dear Sir or Madam

**CONNECTED TRANSACTION:
OPTION AGREEMENT WITH MR. CHIAU**

We refer to the circular of the Company to the Shareholders dated 27 November 2013 (the “**Circular**”), in which this letter forms part. Unless the context requires otherwise, capitalized terms used in this letter will have the same meanings as defined in the Circular unless the context otherwise requires.

We have been appointed by the Board as the Independent Board Committee to advise the Independent Shareholders on whether the terms of the Option Agreement and the transactions contemplated thereunder are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Group and the Shareholders as a whole.

We wish to draw your attention to the letter of advice from the Independent Financial Adviser as set out on pages 14 to 24 of the Circular and the letter from the Board as set out on pages 4 to 11 of the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered, among other things, the factors and reasons considered by, and the opinion of the Independent Financial Adviser as stated in its letter of advice, we consider that the terms of the Option Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Group and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the Option Agreement and the transactions contemplated thereunder.

Yours faithfully
For and on behalf of the
Independent Board Committee
Bingo Group Holdings Limited

Mrs. Chen Chou Mei Mei
Vivien

Mr. Chum Kwan Yue
Desmond
Independent Non-executive Directors

Mr. Wang Chak Keung

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is the text of a letter received from Amasse Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders regarding the Option Agreement with Mr. Chiau, which has been prepared for the purpose of incorporation in this circular.

AMASSE CAPITAL
寶 積 資 本

27 November 2013

*To: The Independent Board Committee and
the Independent Shareholders of Bingo Group Holdings Limited*

Dear Sir/Madam,

CONNECTED TRANSACTION OPTION AGREEMENT WITH MR. CHIAU

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the entering into the Options Agreement with Mr. Chiau, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company to the Shareholders dated 27 November 2013 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

On 4 October 2013 (after trading hours of the Stock Exchange), the Company and Mr. Chiau entered into the Option Agreement pursuant to which, the Company has conditionally agreed to grant Mr. Chiau the Options to subscribe for an aggregate of 125,000,000 Option Shares at the exercise price of HK\$0.1814 per Option Share.

Since Mr. Chiau is an executive Director and, together with his associates, is also a substantial Shareholder, the Option Agreement and the transactions contemplated thereunder constitute a connected transaction on the part of the Company under Chapter 20 of the GEM Listing Rules and is subject to reporting, announcement and Independent Shareholders’ approval at the EGM by way of poll. Mr. Chiau and his associates (including but not limited to Beglobal Investments Limited) shall be abstained from voting at the EGM approving the Option Agreement and the transactions contemplated thereunder.

As at the Latest Practicable Date, 1,318,484,963 Shares (representing approximately 43.05% of the issued shares) are held by Beglobal Investments Limited and 290,000,000 Shares (representing approximately 9.47% of the issued shares) are held by Golden Treasure Investments Limited. Both Beglobal Investments Limited and Golden Treasure Investments Limited are ultimately owned by the trustee of a discretionary trust, The Sino Star Trust, and

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

the discretionary objects of The Sino Star Trust include Mr. Chiau and his family. As such, each of Beglobal Investments Limited and Golden Treasure Investments Limited are associates to Mr. Chiau and shall have to abstain from voting at the EGM.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for Mr. Chiau and his associates, no other Shareholders have a material interest in the Option Agreement and no other Shareholders shall have to abstain from voting at the EGM.

An Independent Board Committee comprising all the independent non-executive Directors, namely Mrs. Chen Chou Mei Mei, Vivien, Mr. Wong Chak Keung and Mr. Chum Kwan Yue, Desmond, has been established to advise the Independent Shareholders on (i) whether the entering into the Option Agreement is in the interests of the Company and the Shareholders as a whole; (ii) whether the terms of the Option Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (iii) how the Independent Shareholders should vote in respect of the relevant resolution(s) to approve the Option Agreement and the respective transactions contemplated thereunder at the EGM. We, Amasse Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

BASIS OF OUR OPINION AND RECOMMENDATION

In arriving at our recommendation, we have relied on the statements, information and representations contained or referred to in the Circular and the information and representations provided to us by the Directors and the management of the Company. We have assumed that all information and representations contained or referred to in the Circular and all information and representations which have been provided by the Directors and the management of the Company are true and accurate at the time they were made and will continue to be accurate as at the date of the despatch of the Circular. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the management of the Company.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular the omission of which would make any such statement contained in the Circular, including this letter, misleading. We consider that we have been provided with sufficient information on which to form a reasonable basis for our opinion. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any facts or circumstances which would render the information provided and representations made to us untrue, inaccurate or misleading. We consider that we have performed all the necessary steps to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our opinion.

We have not, however, carried out any independent verification of the information provided by the Directors and the management of the Company, nor have we conducted an independent investigation into the business and affairs of the Group.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our advice with regard of the Option Agreement, we have taken into consideration the following principal factors and reasons:

1. Reasons to enter into the Option Agreement with Mr. Chiau

Background

On 22 February 2010, Mr. Chiau and the Company entered into the conditional Service Agreement in relation to the appointment of Mr. Chiau as an executive Director, pursuant to which the Company has granted Mr. Chiau the Service Options. Please refer to the circular of the Company dated 3 May 2010 for further details of the Service Agreement and the Service Options.

The principal terms of the Service Agreement and the Service Options are summarised as follows:

Pursuant to the Service Agreement, Mr. Chiau shall:

- (a) serve the Company in the capacity of an executive director of the Company with such executive and management responsibilities and duties with regard to the filmed entertainment business;
- (b) devote a sufficient and reasonable part of his time to administer, supervise and manage the filmed entertainment business of the Group;
- (c) faithfully and diligently perform all such duties as shall be reasonably required by the Board and carry out all lawful and reasonable instructions of the Board according to the best of his skill and ability and in compliance with all resolutions and regulations from time to time passed or made by the Board; and
- (d) at all times keep the Board promptly and fully informed of all matters relating to or in connection with the performance and exercise of his duties and powers under the Service Agreement.

The responsibilities and duties of Mr. Chiau to administer, supervise and manage the filmed entertainment business includes (i) selection of movie themes with potential box office; (ii) screening of movie scripts; (iii) liaising and negotiating with the potential co-investors for new movies; (iv) selection of cast and crews of the movies; (v) budget control; (vi) setting strategic direction and targets of the entertainment businesses; (vii) opening up and developing strategic connection and partnership with key market players in Asia for the development of the filmed entertainment business; (viii) building up the management and execution teams; and (ix) transforming films into other entertainment production business and/or online games.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In consideration of the performance by Mr. Chiau of the above duties for the Company, the Company should, as a remuneration package:

- (a) Issue the convertible bonds to Mr. Chiau with an aggregate principal amount of HK\$45 million, in which the issuance would be divided into five tranches as follows:
 - (i) HK\$25 million on the commencement date; and
 - (ii) HK\$5 million annually on the anniversary of the commencement date in the next four years during the term of the Service Agreement.
- (b) The convertible bonds should be converted at the conversion price of HK\$0.10 per conversion share (subject to adjustments). Upon on the share consolidation in August 2012, the conversion price adjusted to HK\$0.136 per share.
- (c) Grant the Service Options to Mr. Chiau on the commencement date with the subscription right to subscribe up to 250,000,000 Shares at the initial Exercise Price of HK\$0.10 per Share. Upon on the share consolidation in August 2012, the share subscription amount and exercise price adjusted to 125,000,000 and HK\$0.20 per share respectively.

The subscription right was exercisable in whole or in part by the option holder at any time during the period commencing from the date of expiry of the eighteenth months from the date of grant of the options to the date falling on the expiry of the fortieth month from the date of grant of the options.

The Service Options have expired and lapsed on 1 October 2013. As confirmed by the Company, Mr. Chiau has not exercised any Service Options.

Since the appointment of Mr. Chiau as an executive Director, it is noted that the performance of the Group has improved and the Group has recorded a net profit of approximately HK\$13.7 million for the year ended 31 March 2013.

In light of the lapse of the Service Options, after arm's length negotiations, the Company resolves to grant the Options to Mr. Chiau in accordance with the terms of the Option Agreement. The proposed grant of Options under the Option Agreement to Mr. Chiau is in recognition of his contribution to the growth of the Group in the past and also as an incentive for his continuing commitment and contribution to the Group in the future.

Business overview of the Group

Before the appointment of Mr. Chiau as a Director in June 2010, the Group was principally engaged in sales and trading of telecommunication and electronic equipment, commodities and computer hardware and relevant peripherals, property holding and provision of property management services.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Currently, the Group is principally engaged in film production, licensing and derivatives, crossover marketing, provision of interactive contents and cinema investment and management.

Financial Information

The table below summaries the consolidated financial results of the Group for each of the two years ended 31 March 2013 and for the six months ended 30 September 2013:

Table A — Summary of the consolidated financial results of the Group

	For the six months ended		For the year ended	
	30 September		31 March	
	2013	2012	2013	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Turnover	44,209	1,968	198,797	279,998
— Trading	<i>Note</i>	<i>Note</i>	109,799	270,819
— Property holding and management	—	—	—	—
— Royalty and licensing income	110	52	393	9,179
— Production and distribution of film right	1,917	—	74,083	—
— Cinema	42,182	1,916	14,522	—
Gross profit	25,475	1,962	63,577	6,082
Profit/(Loss) before taxation	(1,601)	(40,286)	14,605	(124,581)
Profit/(Loss) after taxation	(3,573)	(40,555)	13,720	(125,384)

Note: Disclosed as discontinued operation and reclassified under a separate account in the consolidated financial results of the Group.

For the six months ended 30 September 2013, the Group recorded a total turnover under continuing operations of approximately HK\$44.2 million, representing a significant increase of approximately HK\$42.2 million compared with the six months ended 30 September 2012. Loss attributable to shareholders for the six months ended 30 September 2013 was approximately HK\$3.6 million as compared to a loss of approximately HK\$40.6 million for the six months ended 30 September 2012.

As explained in the 2013 Interim Report, the significant decrease in loss was mainly attributable to the developing operations of the Group's cinemas, which brought gross revenue of approximately HK\$42.2 million to the Group. In the six months ended 30 September 2012, only slim revenue of HK\$1.9 million was generated in this sector. In addition, the decrease in non-cash share-based payments by approximately HK\$25.9 million also led to the decrease in the Company's net loss during the six months ended 30 September 2013.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

For the year ended 31 March 2013, the Group recorded a total turnover of approximately HK\$198,797,000, representing decrease of approximately 29% as compared with HK\$279,998,000 for 2012, resulting from a shifting of the Group's principal business from mainly trading in nature to filmed entertainment, new media exploitations and licensing business, and cinema business. Profit for the financial year ended 31 March 2013 was approximately HK\$13,720,000, representing a significant turnaround from loss making of approximately HK\$125,384,000 for the financial year ended 31 March 2012. The profit of the Group is 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\$74,083,000 and approximately HK\$14,522,000 respectively; (ii) the decrease in share-based payments during the year ended 31 March 2013.

The table below shows the consolidated statement of financial position of the Group as at 31 March 2012 and 2013 and as at 30 September 2013:

Table B — Consolidated statement of financial position of the Group

	As at 30 September 2013	As at 31 March 2013	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)	(Audited)
Non-Current Assets			
Property, plants and equipment	49,024	52,580	593
Goodwill	9,245	9,245	8,295
Deposits paid for acquisition of equity interests and assets in cinema business	11,662	11,662	18,322
Sub-total	69,931	73,487	27,210
Current Assets			
Trade receivables	28,045	31,152	—
Other receivables, deposits and prepayments	6,639	7,529	2,115
Payments to parties for procurement for investment of cinema business	51,058	51,058	34,854
Film in progress	24,487	24,934	52,762
Bank balances and cash	84,787	108,696	39,078
Sub-total	195,016	223,369	128,809
Total Assets	264,947	296,856	156,019

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER
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	As at 30 September 2013 <i>HK\$'000</i> (Unaudited)	As at 31 March 2013 <i>HK\$'000</i> (Audited)	2012 <i>HK\$'000</i> (Audited)
Current Liabilities			
Trade payables	1,692	2,311	—
Deposits received, other payables and accruals	67,842	99,700	12,614
Tax payables	<u>2,772</u>	<u>2,333</u>	<u>730</u>
Sub-total	<u>72,306</u>	<u>104,344</u>	<u>13,344</u>
Non-Current Liabilities			
Convertible bonds	<u>14,966</u>	<u>13,614</u>	<u>10,916</u>
Net Assets	<u><u>177,675</u></u>	<u><u>178,898</u></u>	<u><u>131,759</u></u>

When comparing the financial position of the Group from the two years ended 31 March 2013, the following improvements have been identified:

1. Cash and bank balance was significantly increased owing to the strong cashflow from operating activities of approximately HK\$67,193,000 during the financial year ended 31 March 2013;
2. Total assets were increased by approximately HK\$140,837,000 or 90%. It is mainly attributable to the increase in assets of approximately HK\$84 million in the cinema operation which is operated under the joint venture agreement dated 9 June 2011 under the direction of Mr. Chiau; and
3. Net assets were increased by approximately HK\$47,139,000 or 36%. It is mainly attributable to the increase in net profits of approximately HK\$13.7 million within which the share-based payments of approximately HK\$32.4 million was no cashflow impact to the financial position of the Group.

With reference to the interim report 2013 for the six months period ended 30 September, although we observed fluctuations in individual items of the consolidated statement of financial position of the Group, the net assets value remained stable owing to the strong performance of the cinema business.

Based on the above financial figures of the Group, it is not difficult to appreciate that under the leadership of Mr. Chiau, both the financial performance and position of the Group has been hugely improved. Most importantly, the Group has successful shifting its previous business scope to a new focus with a firm foothold, which is able to generate decent profitability to Shareholders.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Further, according to the interim report 2013 for the six months period ended 30 September, 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**") (directed & produced by Mr. Chiau) was released principally in China, Hong Kong, Taiwan and certain South-Eastern regions, during the Spring Festival in 2013. It became number one in global box office receipts for the first two consecutive weekends after its opening. As of the date of the interim report 2013, its accumulated box office receipts in Mainland China has exceeded RMB1.24 billion.

More than that, 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).

Having considered that:

- (i) the Group had a substantial net cash inflow from its operating activities for the year ended 31 March 2013;
- (ii) the Group recorded a net profit for the year ended 31 March 2013 which was mainly attributable to the recognition of revenue from the Picture, and theatre operation and management in the amount of approximately HK\$74,083,000 and approximately HK\$14,522,000 respectively;
- (iii) the Group recorded the increase in both total assets and net assets comparing to the financial position as at 31 March 2012; and
- (iv) the Group's business strength has been recognised by other industry player and other business opportunities have been offered,

We are of the view that the granting of options under the Option Agreement to Mr. Chiau is in recognition of his contribution to the growth of the Group in these past years and also as an incentive for his continuing commitment and contribution to the Group in the future. Therefore, we consider that the entering into the Option Agreement is in the interests of the Company and the Shareholders as a whole.

2. Principal terms of the Option Agreement

The principal terms of the Option Agreement and the Options are as follows:

Date: 4 October 2013

Parties: The Company
Mr. Chiau

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- Total number of Shares to be allotted and issued upon exercise of the Options in full: 125,000,000 Option Shares (subject to adjustments).
- Issue price of the Options: HK\$1.00 in cash payable by Mr. Chiau on the date of the Option Agreement.
- Exercise period: The Option to subscribe for 125,000,000 Option Shares is exercisable during the period commencing from the Grant Date to the day immediately prior to the third anniversary of the Grant Date.
- Exercise Price per Option Share: HK\$0.1814
- Transferability of the Options: The Option is personal to Mr. Chiau himself and is not transferrable.
- The Option Shares to be issued and allotted upon the exercise of the Options shall be freely transferrable.
- Adjustment: The Exercise Price and the number of Option Shares are subject to adjustment upon the occurrence of subdivision or consolidation of Shares.

The Exercise Price of HK\$0.1814 per Option Share represents:

- (i) a premium of approximately 0.22% over the closing price of HK\$0.181 per Share as quoted on the Stock Exchange on the date of the announcement of the Company dated 4 October 2013; and
- (ii) the average of the closing prices of approximately HK\$0.1814 per Share as quoted on the Stock Exchange over the last 5 consecutive trading days immediately preceding the date of the Option Agreement.

The Option Shares, when issued upon the Options being exercised in full, amounts to 125,000,000, which was determined with reference to and the same as the number of Service Options which had been lapsed on 1 October 2013.

Under Chapter 23 of the GEM Listing Rules with respect to the requirements for Share Option Schemes, the exercise price of share option must be at least the higher of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant; and (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant. Further, Chapter 23 of the GEM Listing Rules also provide that the exercisable period of the share option must not be more than 10 years from the date of grant of the option.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Given that (i) the number of Options is the same as the Service Options; (ii) the Options is exercisable from the Grant Date to the day immediately prior to the third anniversary of the Grant Date; and (iii) the Exercise Price represents the closing price of HK\$0.1814 per Share as quoted on the the Stock Exchange over the last 5 consecutive trading days immediately preceding the date of the Option Agreement, we are of the opinion that the terms of the Option Agreement is fair and reasonable.

3. Effect on the shareholding structure of the Company

The effect of the Options on the shareholding structure of the Company is set out below:

	As at Latest Practicable Date		Upon exercise in full of the Options	
	<i>No. of Shares</i>	%	<i>No. of Shares</i>	%
Mr. Chiau (<i>Note 1</i>)	1,611,234,963	52.62%	1,736,234,963	54.48%
Mr. Chan Cheong Yee (<i>Note 3</i>)	5,000	0.00%	5,000	0.00%
Mr. Chong Lee Chang (<i>Note 2</i>)	45,315,999	1.48%	45,315,999	1.42%
Mrs. Chen Chou Mei Mei Vivien (<i>Note 3</i>)	2,750,000	0.09%	2,750,000	0.09%
Existing public shareholders	<u>1,402,888,600</u>	<u>45.81%</u>	<u>1,402,888,600</u>	<u>44.01%</u>
 Total	 <u><u>3,062,194,562</u></u>	 <u><u>100.00%</u></u>	 <u><u>3,187,194,562</u></u>	 <u><u>100.00%</u></u>

Notes:

1. 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.
2. Mr. Chong Lee Chang, a 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.
3. Mr. Chan is an executive Director and Mrs. Chen is an independent non-executive Director.

As shown in the above, the shareholding in the Company held by the existing public Shareholders will be diluted from approximately 45.81% as at the Latest Practicable Date to approximately 44.01% as a result of the full exercise of the Options. Taking into account (i) the entering into the Option Agreement is in the interest of the Company and Shareholders as a whole; and (ii) the terms of the Option Agreement are fair and reasonable, we are of the view that the aforementioned level of dilution to the shareholding interests of the existing public Shareholders is acceptable.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

4. Alternative incentive scheme

We have further enquired the Directors regarding the benefits of granting the Options as incentive scheme and are advised that a merit-based incentive scheme will further align the interests of Mr. Chiau with that of the Group. In this regard, the Directors have considered several methods of providing incentives to Mr. Chiau, including lump sum cash bonuses, remuneration increment, profit sharing schemes as well as the Options. After careful consideration of the various alternatives, the Directors consider that the granting of Options to be most appropriate given that, as opposed to the other alternatives, it will enable the Group to conserve its cash resources while allowing added incentives to Mr. Chiau. Since the economic benefits of the Options rely on improvement in the price of the Share, the economic benefits of the Options will only be realised when all the Shareholders are also in a position to benefit.

Given the above, we are of the opinion that the proposed grant of Options under the Option Agreement to Mr. Chiau is in the interest of the Company and the Shareholders as a whole.

RECOMMENDATION

Having taken into account the above principal factors and reasons, we consider that (i) the terms of the proposed grant of Options under the Option Agreement to Mr. Chiau are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the proposed grant of Options under the Option Agreement to Mr. Chiau is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the relevant resolution(s) to be proposed at the EGM to approve the Option Agreement and the respective transactions contemplated thereunder and we recommend the Independent Shareholders to vote in favour of the resolution(s) in this regard.

Yours faithfully,
For and on behalf of
Amasse Capital Limited
Michael Lam
Managing Director

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular 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 circular misleading.

2. DISCLOSURE OF INTERESTS

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

As at the Latest Practicable Date, the following Directors 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 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:

(a) 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 (Note 1)	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 (Note 2)	Held by trust	1,608,484,963	52.53%
	Held by family member	2,750,000	0.09%

Notes:

1. Mr. Chong Lee Chang, an executive Director, 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 the Latest Practicable Date was 3,062,194,562.

(b) Long positions in the underlying shares of the Company

The Company adopted the Share Options Scheme 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 during the period from 1 April 2012 to the Latest Practicable Date (the “Period”) were as follows:

Name of Director	Date of grant	Number of options held as at 1 April 2012	Number of options granted during the Period	Adjustment (Note 3)	Number of options exercised during the Period	Number of options cancelled/lapsed during the Period	Number of options held as at the Latest Practicable Date	Adjusted exercise price	Exercisable period
Mr. Chiau Sing Chi	1-6-2010	250,000,000	—	(125,000,000)	—	(125,000,000)	—	0.200	1-12-2011–30-9-2013
Mr. Chiau Sing Chi	23-8-2012	—	6,000,000	(3,000,000)	—	—	3,000,000	0.156	23-8-2012–22-8-2017
Mr. Chan Cheong Yee	26-8-2009	10,000,000	—	—	—	(10,000,000)	—	0.2024	26-8-2009–25-8-2012
Mr. Chan Cheong Yee	23-8-2012	—	30,000,000	(15,000,000)	—	—	15,000,000	0.156	23-8-2012–22-8-2017
Mr. Yik Chok Man (Note 1)	23-8-2012	—	6,000,000	(3,000,000)	(3,000,000)	—	—	0.156	23-8-2012–22-8-2017
Mr. Chong Lee Chang	23-8-2012	—	6,000,000	(3,000,000)	—	—	3,000,000	0.156	23-8-2012–22-8-2017
Mr. Chong Lee Chang	4-10-2013	—	2,000,000	—	—	—	2,000,000	0.1814	4-10-2013–3-10-2018
Mrs. Chin Chow Chung Hang Roberta	23-8-2012	—	6,000,000	(3,000,000)	—	—	3,000,000	0.156	23-8-2012–22-8-2017
Mrs. Chen Chou Mei Mei Vivien	23-8-2012	—	500,000	(250,000)	—	—	250,000	0.156	23-8-2012–22-8-2017
Mr. Chum Kwan Yue Desmond	23-8-2012	—	6,000,000	(3,000,000)	—	—	3,000,000	0.156	23-8-2012–22-8-2017
Mr. Wong Chak Keung	23-8-2012	—	6,000,000	(3,000,000)	—	—	3,000,000	0.156	23-8-2012–22-8-2017
Ms. Zhang Yibo (Note 2)	23-8-2012	—	20,000,000	(10,000,000)	(10,000,000)	—	—	0.156	23-8-2012–22-8-2017

Notes:

1. Resigned as an executive Director on 26 February 2013.
2. Appointed and resigned as an executive Director on 4 October 2012 and 5 February 2013 respectively.
3. Adjustment for share consolidation effective from 18 September 2012.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which were taken or deemed to have under such provisions of the SFO); or (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 the Latest Practicable Date, 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	Approximate percentage of issued share capital of the Company	Number of Underlying shares held
Beglobal Investments Limited (Note 1)	1,608,484,963	52.53%	—
Lee Sherman	183,750,000	6.00%	—

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.

3. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS

Save as previously disclosed, as at the Latest Practicable Date, none of the Directors is materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which is significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors or proposed Director had any direct or indirect interests in any assets which have been acquired or disposed of by, or leased to, or which are proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 March 2013, being the date to which the latest published audited accounts of the Group were made up.

4. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or the Controlling Shareholders or their respective associates have any business or interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

5. SERVICE CONTRACTS

As at the Latest Practicable Date, save for the Service Agreement, none of the Directors had any service contracts with the Company or any of its subsidiaries which does not expire or is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

6. LITIGATIONS

So far as the Directors are aware, as at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to the Directors to be pending or threatened against any member of the Group.

7. EXPERT AND CONSENT

The following sets out the qualifications of the expert who have given opinions or advices in this circular:

Name	Qualification
Amasse Capital Limited	A licensed corporation under the SFO to carry out type 6 (advising on corporate finance) regulated activity

As at the Latest Practicable Date, all the expert(s) above did not have any shareholding directly or indirectly in any member of Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group.

As at the Latest Practicable Date, all the expert(s) above did not have any direct or indirect interest in any assets which had been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 March 2013, being the date of which the latest published audited consolidated financial statements of the Group were made up.

The expert above has given and has not withdrawn its written consent to the issue of this circular with inclusion of its letter and references to its name in the form and context in which it appears.

8. GENERAL

- (a) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business and office of Company in Hong Kong is at Room 102–104, 1/F., Sea Bird House, 22–28 Wyndham Street, Central, Hong Kong.
- (b) The Hong Kong branch share registrar and transfer office of the Company is Tricor Tengis Limited, whose office is at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (c) The secretary of the Company is Chan Ka Yin.
- (d) In the event of any inconsistency, the English language text of this circular shall prevail over the Chinese language text.

9. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 March 2013, the date to which the latest published audited financial statements of the Group were made up.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the principal place of business of the Company in Hong Kong at Room 102–104, 1/F, Sea Bird House, 22–28 Wyndham Street, Central, Hong Kong during normal business hours from the date of this circular up to and including the date of EGM and will also be available for inspection at the EGM:

- (a) the Service Agreement;
- (b) the Option Agreement;
- (c) the memorandum and articles of association of the Company;
- (d) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out on pages 12 to 13 of this circular;

- (e) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 14 to 24 of this circular;
- (f) the written consent referred to in the section headed “Expert and Consent” in this Appendix; and
- (g) this circular.



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)

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the “**EGM**”) of Bingo Group Holdings Limited (the “**Company**”) will be held at Conference Room, 3/F., Nexxus Building, 77 Des Voeux Central, Hong Kong at 3:30 p.m. on 17 December 2013 for the following purpose of considering and, if thought fit, passing with or without amendments, the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT

- (a) the conditional option agreement dated 4 October 2013 (the “**Option Agreement**”) entered into between the Company and Mr. Chiau Sing Chi (“**Mr. Chiau**”) in relation to the grant of options (the “**Options**”) by the Company to Mr. Chiau to subscribe for an aggregate of up to 125,000,000 shares of HK\$0.04 each (the “**Option Shares**”) at the initial exercise price of HK\$0.1814 per Option Share (subject to adjustments) (a copy of which is marked “A” and produced to the EGM and signed by the chairman of the EGM for identification purpose) and the transactions contemplated thereunder be and are hereby ratified, confirmed and approved and the directors of the Company (the “**Directors**”) be and are hereby authorised to do all such acts and things and execute all such documents which they consider necessary, desirable or expedient for the implementation of and giving effect to the Option Agreement and the transactions contemplated thereunder, including but not limited to the allotment and issue of the Option Shares upon the exercise of the Options;
- (b) the grant of the Options and the allotment and issue of the Option Shares to Mr. Chiau pursuant to the Option Agreement be and is hereby approved and any Director be and is hereby authorised to allot and issue the Option Shares in accordance with the terms of the Option Agreement and to take all steps necessary, desirable or expedient in his/her opinion to implement or give effect to the allotment and issue of the Option Shares; and
- (c) any Director be and is hereby authorized for and on behalf of the Company to execute all such other documents, instruments and agreements (whether under common seal or not) and to do all such acts or things deemed by him/her/them to be incidental to, ancillary to or in connection with the matters contemplated in the

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Option Agreement and the transactions contemplated thereunder as he/she/they may in his/her/their absolute discretion consider necessary, desirable or expedient to give effect to the Option Agreement and the implementation of all transactions contemplated thereunder and to agree with such variation, amendment or waiver as, in the opinion of the Directors of the Company, in the interest of the Company and its shareholders as a whole.”

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

Hong Kong, 27 November 2013

Notes:

1. A form of proxy for use at the meeting is enclosed herewith.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorized in writing or, if the appointer is a corporation, either under its seal or under the hand of any officer, attorney or other person authorized to sign the same.
3. Any shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a shareholder of the Company.
4. In order to be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed must be deposited at the Company's branch share registrars, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the meeting.
5. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or at any adjourned meeting thereof (as the case may be) should you so wish, and in such an event, the form of proxy shall be deemed to be revoked.
6. Where there are joint registered holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such shares as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the meeting, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members of the Company in respect of the shares shall be accepted to the exclusion of the votes of the other registered holders.