



# **BINGO GROUP HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

Stock Code: 8220

**THIRD QUARTERLY REPORT 2016/17**

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# CONTENTS

	Pages
Corporate Information	3
Management Discussion and Analysis	4
Condensed Consolidated Statement of Profit or Loss	6
Condensed Consolidated Statement of Other Comprehensive Income	7
Notes to the Condensed Quarterly Financial Information	8
Other Information	15

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Chiau Sing Chi  
Chow Man Ki Kelly  
Chan Cheong Yee  
Lau Man Kit

### Non-Executive Director

Chin Chow Chung Hang Roberta

### Independent Non-Executive Directors

Choi Mei Ping  
Tsoi Chiu Yuk  
Ong King Keung

## COMPANY SECRETARY

Chan Ka Yin

## COMPLIANCE OFFICER

Chan Cheong Yee

## AUDIT COMMITTEE

Ong King Keung (Chairman)  
Choi Mei Ping  
Tsoi Chiu Yuk

## REMUNERATION COMMITTEE

Choi Mei Ping (Chairman)  
Chow Man Ki Kelly  
Tsoi Chiu Yuk  
Ong King Keung

## NOMINATION COMMITTEE

Chow Man Ki Kelly (Chairman)  
Choi Mei Ping  
Tsoi Chiu Yuk  
Ong King Keung

## AUTHORIZED REPRESENTATIVES

Chan Cheong Yee  
Chan Ka Yin

## AUDITORS

Cheng & Cheng Limited  
*Certified Public Accountants*

## PRINCIPAL BANKERS

Fubon Bank Limited  
The Hongkong and Shanghai Banking  
Corporation Limited  
Dah Sing Bank

## REGISTERED OFFICE

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

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Units A&F, 10/F  
Ho Lee Commercial Building  
No. 40 D'Aguiar Street  
Central, Hong Kong

## SHARE REGISTRARS AND TRANSFER OFFICES

### Principal Registrar

Codan Trust Company (Cayman) Limited  
Cricket Square, Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

### Branch Registrar

Tricor Tengis Limited  
Level 22, Hopewell Centre  
183 Queen's Road East  
Wanchai, Hong Kong

## STOCK CODE

8220

## WEBSITE

[www.bingogroup.com.hk](http://www.bingogroup.com.hk)

# MANAGEMENT DISCUSSION AND ANALYSIS

## GENERAL

During the nine months ended 31 December 2016 (the “Period”), Bingo Group Holdings Limited (the “Company”) and its subsidiaries (collectively, the “Group”) was principally engaged in movie production, licensing and derivatives, crossover marketing and provision of interactive contents (“Filmed Entertainment, New Media Exploitations and Licensing Businesses”) and cinema investment and management (“Cinema Business”).

## OPERATION REVIEW

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

In view of the on-going development of the Cinema Business, this segment has become the prime revenue generator of the Group in the Period. Approximately revenue of HK\$33.4 million and gross profit of HK\$19.4 million were generated during the Period. The Group’s revenue and gross profit from the Cinema Business for the Period declined as compared to revenue of HK\$55.1 million and gross profit of HK\$31.5 million generated in the nine months ended 31 December 2015 (the “Corresponding Period”). The lack of box office success blockbuster in the Period is the major reason for the decline. The Group will continue to focus on expanding the audience headcount and improve the financial performance of the Cinema Business accordingly.

In the segment of Filmed Entertainment Business, the Group continued to locate suitable business opportunities. However, no appropriate target was spotted in the Period. Accordingly, no revenue was generated in this sector during the Period.

In the area of animation, the Group has completed an animation film — CJ7 Super Q Team, which is derived from the intellectual property right (“IP”) of CJ7 (長江7號), during the fiscal year 2015/16. The Group was still in progress of the distribution and promotion of this animation, and developing CJ7 IP products during the Period.

In September 2015, the Group commenced to co-operate with a PRC company to develop short movies of CJ7 (“CJ7 7D Movies”) released in shopping malls in China providing audiences with 7D viewing experience. During the Period, the Group generated licensing income from CJ7 7D Movies of approximately HK\$230,000, which represented a decrease of approximately HK\$49,000 as compared with the amount of approximately HK\$279,000 recorded in the Corresponding Period.

During the Period, the Group took the chances in providing consultancy services on investments in cinemas and theme parks in the PRC. Net income of approximately HK\$3.6 million was recorded during the Period in total. The Group is proactively considering the feasibility in developing the consultancy services as one of its major businesses.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

During the Period, the Group recorded a total turnover of approximately HK\$33.8 million, representing a decrease of approximately HK\$21.6 million compared with the Corresponding Period. The turnover of the Group for the Period and the Corresponding Period principally represented revenue from Cinema Business. Loss for the Period of approximately HK\$45.9 million was recorded. As compared with the loss of HK\$36.8 million for the Corresponding Period, there was increase in loss of approximately HK\$9.1 million.

The increase in loss for the Period was mainly attributable to the net effect of the decline in the revenue from Cinema Business, increase in government grants obtained, recognition of revenue from consultancy services, increase in expenses for business purposes and increase in non-cash share-based payments, during the Period.

## OUTLOOK

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

The board of Directors (the “Board”) of the Company presents the unaudited consolidated results of the Group for the three months and nine months ended 31 December 2016, together with the unaudited comparative figures for the corresponding period in 2015 were as follows:

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	Three months ended 31 December		Nine months ended 31 December	
		2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Turnover	2	8,774	15,487	33,779	55,398
Cost of sales		(3,691)	(6,506)	(14,028)	(23,652)
Gross profit		5,083	8,981	19,751	31,746
Other revenue and other net income	3	1,159	474	8,506	1,668
Selling and marketing expenses		(2,990)	(5,778)	(10,465)	(8,868)
Administrative expenses		(11,835)	(12,054)	(34,417)	(36,181)
Share-based payments	4	-	-	(26,600)	(21,600)
Finance costs	5	(696)	(587)	(2,002)	(1,917)
Loss before taxation	6	(9,279)	(8,964)	(45,227)	(35,152)
Taxation	7	(419)	(324)	(684)	(1,652)
<b>Loss for the period</b>		<b>(9,698)</b>	<b>(9,288)</b>	<b>(45,911)</b>	<b>(36,804)</b>
<b>Loss attributable to:</b>					
Owners of the Company		(9,292)	(9,486)	(46,296)	(38,645)
Non-controlling interests		(406)	198	385	1,841
		<b>(9,698)</b>	<b>(9,288)</b>	<b>(45,911)</b>	<b>(36,804)</b>
Dividend	8	-	-	-	-
<b>Loss per share (cents per share)</b>	9				
Basic		(0.27)	(0.28)	(1.35)	(1.15)
Diluted		N/A	N/A	N/A	N/A

## CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Three months ended 31 December		Nine months ended 31 December	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
<b>Loss for the period</b>	<b>(9,698)</b>	(9,288)	<b>(45,911)</b>	(36,804)
<b>Other comprehensive loss</b>				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations				
— Exchange differences arising during the period	<b>(1,104)</b>	(581)	<b>(2,115)</b>	(1,641)
Other comprehensive loss for the period, net of tax	<b>(1,104)</b>	(581)	<b>(2,115)</b>	(1,641)
<b>Total comprehensive loss for the period</b>	<b>(10,802)</b>	(9,869)	<b>(48,026)</b>	(38,445)
<b>Total comprehensive income/(loss) attributable to:</b>				
Owners of the Company	<b>(10,419)</b>	(10,072)	<b>(48,444)</b>	(40,308)
Non-controlling interests	<b>(383)</b>	203	<b>418)</b>	1,863
	<b>(10,802)</b>	(9,869)	<b>(48,026)</b>	(38,445)

# NOTES TO THE CONDENSED QUARTERLY FINANCIAL INFORMATION

## 1. BASIS OF PREPARATION

These unaudited consolidated results have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants and accounting principles generally accepted in Hong Kong. These unaudited consolidated results also comply with the applicable disclosure provisions of the GEM Listing Rules and the disclosure requirements of the Hong Kong Companies Ordinance. These unaudited consolidated results have been prepared under historical cost convention except for certain financial instruments which are 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 2016.

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

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

## 2. TURNOVER

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

	Three months ended		Nine months ended	
	31 December		31 December	
	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue from cinema business	8,573	15,264	33,361	55,109
Production and distribution of film right	147	-	188	-
Royalties and licensing income	54	223	230	289
	8,774	15,487	33,779	55,398

# NOTES TO THE CONDENSED QUARTERLY FINANCIAL INFORMATION

## 3. OTHER REVENUE AND OTHER NET INCOME

	Three months ended 31 December		Nine months ended 31 December	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Interest income	215	57	386	174
Consultancy fee income <i>(Note 1)</i>	-	-	3,554	-
Gain on disposal of equity interests in the film in progress	-	-	-	248
Government grants <i>(Note 2)</i>	343	256	3,326	418
Others	601	161	1,240	828
	<b>1,159</b>	474	<b>8,506</b>	1,668

*Note 1:* The amount represented service income for consultancy on investments in cinemas and theme parks in the PRC, net of direct costs incurred.

*Note 2:* The government grants represent the subsidies received by the Group from the government of the PRC for the operation of cinemas in the PRC. There are no unfulfilled conditions or contingencies relating to these grants.

## 4. SHARE-BASED PAYMENTS

The Company has the convertible bonds and share option scheme for the directors, employees and advisers of the Group. Details of the convertible bonds and share options are as follows:

### Convertible bonds

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

## NOTES TO THE CONDENSED QUARTERLY FINANCIAL INFORMATION

The fair values of the HK\$45 million convertible bonds determined on 1 June 2010 using binomial option pricing model was HK\$124,360,000. The following assumptions were used to calculate the fair value of HK\$45 million convertible bonds:

Principle amount:	HK\$45 million
Expected life:	10 years
Interest:	Nil
Redemption price:	100% of the principal amount
Conversion price:	HK\$0.136 (Note 1)
Risk-free rate:	2.47%
Effective interest rate:	16.73%
Share price:	HK\$0.27
Expected dividend yield:	0%
Expected volatility:	84.09%

### Share Option Scheme

Details of specific categories of options are as follow:

Option type:	2011B	2012A	2013A	2013B	2014A	2015A	2015B	2016A
				(Note 2)				
Grant date:	20-8-2010	23-8-2012	4-10-2013	4-10-2013	17-4-2014	13-7-2015	11-9-2015	7-7-2016
Number of options granted:	21,000,000	294,840,000	2,000,000	125,000,000	304,140,000	161,000,000	50,000,000	342,000,000
Exercise period:	15-6-2011- 19-8-2016	23-8-2012- 22-8-2017	4-10-2013- 3-10-2018	4-10-2013- 3-10-2016	17-4-2014- 16-4-2019	13-7-2015- 12-7-2020	11-9-2015- 10-9-2020	7-7-2016- 6-7-2021
Exercise price:	HK\$0.492 (Note 1)	HK\$0.156 (Note 1)	HK\$0.1814	HK\$0.1814	HK\$0.364	HK\$0.235	HK\$0.200	HK\$0.180
Fair value:	HK\$5,324,000	HK\$22,921,000	HK\$110,000	HK\$6,000,000	HK\$45,500,000	HK\$16,800,000	HK\$4,800,000	HK\$26,600,000

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

Option type:	2011B	2012A	2013A	2013B	2014A	2015A	2015B	2016A
Share price as at grant date:	HK\$0.24	HK\$0.076	HK\$0.181	HK\$0.181	HK\$0.355	HK\$0.23	HK\$0.2	HK\$0.18
Nature of the options:	Call	Call	Call	Call	Call	Call	Call	Call
Risk-free rate:	1.28%	0.284%	0.54%	1.15%	1.38%	1.15%	1.02%	0.59%
Expected life of the options:	6 years	5 years	5 years	3 years	5 years	5 years	5 years	5 years
Expected volatility:	91.85%	81.86%	65%	70%	62%	65%	66%	65%
Expected dividend yield:	0%	0%	0%	0%	0%	0%	0%	0%
Exercise multiple:	2.2	2.2	1.4	1.4	2.4	2.45	2.49	2.4

## NOTES TO THE CONDENSED QUARTERLY FINANCIAL INFORMATION

During the Period, 342,000,000 share options were granted and the Company recognized the total expenses of HK\$26,600,000 as share-based payments for the nine months ended 31 December 2016 (nine months ended 31 December 2015: HK\$21,600,000).

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

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

### 5. FINANCE COSTS

	Three months ended 31 December		Nine months ended 31 December	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Imputed interest on convertible bonds	696	587	2,002	1,917

### 6. LOSS BEFORE TAXATION

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

	Three months ended 31 December		Nine months ended 31 December	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Direct expenses of movie and licensing businesses	-	23	-	31
Direct expenses of cinema business	3,691	6,483	14,028	23,621
Depreciation	2,121	2,311	6,589	7,020
Exchange loss	1,715	380	2,406	1,285
Fixed assets written off	84	-	84	-
Operating lease rental in respect of rented premises	1,114	1,720	4,022	5,700
Staff costs (including directors' remuneration)				
Salaries and allowance	3,582	4,071	10,675	11,166
Share-based payments	-	-	3,733	3,026
Retirement scheme contributions	371	415	1,259	1,235
Equity settled share-based payments paid to advisors	-	-	22,867	18,574

# NOTES TO THE CONDENSED QUARTERLY FINANCIAL INFORMATION

## 7. TAXATION

	Three months ended 31 December		Nine months ended 31 December	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
The taxation charge comprises:				
Current tax				
The PRC	419	324	684	1,652

No provision for Hong Kong profits tax was made by the Group as the Group did not derive any assessable profits in Hong Kong for the nine months ended 31 December 2016 and 2015.

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% for the nine months ended 31 December 2016 and 2015.

## 8. DIVIDEND

The Directors do not recommend the payment of any dividend for the nine months ended 31 December 2016 (nine months ended 31 December 2015: Nil).

# NOTES TO THE CONDENSED QUARTERLY FINANCIAL INFORMATION

## 9. LOSS PER SHARE

### (a) Basic loss per share

	Three months ended 31 December		Nine months ended 31 December	
	2016 HK Cent (Unaudited)	2015 HK Cent (Unaudited)	2016 HK Cent (Unaudited)	2015 HK Cent (Unaudited)
Basic loss per share	0.27	0.28	1.35	1.15

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

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

	Three months ended 31 December		Nine months ended 31 December	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Loss for the period attributable to owners of the Company	9,292	9,486	46,296	38,645
Weighted average number of ordinary shares for the purpose of basis loss per share	3,421,538,679	3,421,538,679	3,421,538,679	3,363,364,305

### (b) Diluted loss per share

No diluted loss per share has been presented for the nine months ended 31 December 2016 and 2015. The computation of diluted loss per share for the periods did not assume the conversion of the Company's outstanding convertible bonds and the exercise of share options as their assumed conversion and exercise would decrease the loss per share in the periods.

# NOTES TO THE CONDENSED QUARTERLY FINANCIAL INFORMATION

## 10. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Equity component of convertible bonds HK\$'000	Share option reserve HK\$'000	Exchange reserve HK\$'000	Accumulated losses HK\$'000	Attributable to owners of the Company HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
At 1 April 2015 (Audited)	128,518	360,939	3,930	114,781	63,572	(611)	(537,374)	133,755	9,440	143,195
Profit/(Loss) for the period	-	-	-	-	-	-	(38,645)	(38,645)	1,841	(36,804)
Other comprehensive income/(loss) for the period	-	-	-	-	-	(1,663)	-	(1,663)	22	(1,641)
Total comprehensive income/(loss) for the period	-	-	-	-	-	(1,663)	(38,645)	(40,308)	1,863	(38,445)
Issue of new shares upon conversion of convertible bonds	4,411	40,821	-	(38,261)	-	-	-	6,971	-	6,971
Issue of new shares under share option scheme	3,932	19,050	-	-	(7,536)	-	-	15,386	-	15,386
Equity settled share option arrangement	-	-	-	-	21,600	-	-	21,600	-	21,600
Lapse of share options	-	-	-	-	(1,211)	-	1,211	-	-	-
At 31 December 2015 (Unaudited)	136,861	420,810	3,930	76,520	76,365	(2,274)	(574,808)	137,404	11,303	148,707
At 1 April 2016 (Audited)	<b>136,861</b>	<b>420,810</b>	<b>3,930</b>	<b>76,520</b>	<b>76,365</b>	<b>(2,102)</b>	<b>(585,509)</b>	<b>126,875</b>	<b>11,773</b>	<b>138,648</b>
Profit/(Loss) for the period	-	-	-	-	-	-	(46,296)	(46,296)	385	(45,911)
Other comprehensive income/(loss) for the period	-	-	-	-	-	(2,148)	-	(2,148)	33	(2,115)
Total comprehensive income/(loss) for the period	-	-	-	-	-	(2,148)	(46,296)	(48,444)	418	(48,026)
Equity settled share option arrangement	-	-	-	-	26,600	-	-	26,600	-	26,600
Lapse of share options	-	-	-	-	(9,510)	-	9,510	-	-	-
At 31 December 2016 (Unaudited)	<b>136,861</b>	<b>420,810</b>	<b>3,930</b>	<b>76,520</b>	<b>93,455</b>	<b>(4,250)</b>	<b>(622,295)</b>	<b>105,031</b>	<b>12,191</b>	<b>117,222</b>

## 11. COMPARATIVE FIGURES

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

## OTHER INFORMATION

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

As at 31 December 2016, the following Directors of the Company had or were deemed to have interests or short positions in the shares (the "Shares"), underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to herein; or (iii) which were, pursuant to rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors to be notified to the Company and the Stock Exchange:

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

Name of Directors	Nature of interest	Number of Shares held	Approximate percentage of issued share capital of the company
Mr. Chan Cheong Yee	Beneficial owner	5,000	0.00%
Mr. Chiau Sing Chi	Beneficial owner	110,294,117	3.22%
	Held by trust ( <i>Note 1</i> )	1,608,484,963	47.01%
Ms. Chow Man Ki Kelly	Held by trust ( <i>Note 1</i> )	1,608,484,963	47.01%

#### Notes:

1. These shares are registered in the name of Beglobal Investments Limited and Golden Treasure Global Investment Limited. Beglobal Investments Limited and Golden Treasure Global Investment Limited are companies indirectly owned by the trust, the discretionary objects of which are Mr. Chiau Sing Chi, Ms. Chow Man Ki Kelly and their family.
2. The total number of the issued share capital of the Company as at 31 December 2016 was 3,421,538,679.

## OTHER INFORMATION

### Long positions in the underlying Shares

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

Details of share options granted to the Directors as at 31 December 2016 were as follows:

Name of Directors	Option type <i>(Note 1)</i>	Number of options held as at 1 April 2016 '000	Number of options granted during the Period '000	Number of options exercised during the Period '000	Number of options cancelled/lapsed during the Period '000	Number of options held as at 31 December 2016 '000
Mr. Chiau Sing Chi	2012A	3,000	-	-	-	3,000
	2013B	125,000	-	-	(125,000)	-
	2014A	3,000	-	-	-	3,000
Ms. Chow Man Ki Kelly	2015A	8,000	-	-	-	8,000
	2014A	3,000	-	-	-	3,000
	2015A	3,000	-	-	-	3,000
Mr. Chan Cheong Yee	2016A	-	30,000	-	-	30,000
	2012A	15,000	-	-	-	15,000
	2014A	3,000	-	-	-	3,000
Mr. Lau Man Kit	2015A	3,000	-	-	-	3,000
	2016A	-	3,000	-	-	3,000
	2014A	3,000	-	-	-	3,000
Mrs. Chin Chow Chung Hang Roberta	2015A	3,000	-	-	-	3,000
	2016A	-	3,000	-	-	3,000
	2012A	3,000	-	-	-	3,000
Mr. Wong Chek Keung <i>(Note 2)</i>	2014A	3,000	-	-	(3,000)	-
	2015A	3,000	-	-	(3,000)	-
	2016A	-	3,000	-	(3,000)	-
Ms. Choi Mei Ping	2015A	3,000	-	-	-	3,000
	2016A	-	3,000	-	-	3,000
Mr. Tsoi Chiu Yuk	2016A	-	3,000	-	-	3,000
<b>Total</b>		<b>193,000</b>	<b>48,000</b>	<b>-</b>	<b>(137,000)</b>	<b>104,000</b>

*Note 1:* Details of specific categories of share options are disclosed in note 4 to the condensed quarterly financial information.

*Note 2:* Resigned on 23 September 2016.

In addition to 14,000,000 number of Shares which would be allotted and issued upon the exercise in full of the options offered to Mr. Chiau Sing Chi under the share option scheme of the Company above, 220,588,235 number of Shares which would be allotted and issued upon the exercise in full of the convertible bonds held by Mr. Chiau Sing Chi.

## OTHER INFORMATION

Save as disclosed above, as at 31 December 2016, 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); (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 31 December 2016, the following person (not being Directors or chief executive of the Company) had, or was deemed to have, interests or short in the Shares or underlying Shares (i) which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO; or (ii) who is expected, directly and indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group or (iii) which were required, pursuant to section 336 of the SFO, to be entered in the register referred to therein:

#### Long positions in the Shares and underlying Shares

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

## OTHER INFORMATION

### Notes:

1. Mr. Chiau Sing Chi, Ms. Chow Man Ki, Kelly and their family are the beneficiaries of a discretionary trust of which Sinostar FE (PTC) Limited (“Sinostar”) is the trustee. Sinostar as the trustee of the discretionary trust is the sole shareholder of Treasure Offshore Holdings Limited, which is the sole shareholder of Beglobal Investments Limited.
2. Beglobal Investments Limited directly holds 1,318,484,963 shares of the Company (representing approximately 38.53% of the issued share capital of the Company) and indirectly holds 290,000,000 shares of the Company (representing approximately 8.48% of the issued share capital of the Company) through Golden Treasure Global Investment Limited as at 31 December 2016.

Save as disclosed above, as at 31 December 2016, 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 A”) for the primary purpose of providing incentives to directors, eligible employees and participants who have contributed to the Group, and has expired on 12 November 2012. Pursuant to resolution passed on 15 August 2012, a new share option scheme (the “Scheme B”) was adopted under the same conditions of the original scheme and will expire on 14 August 2022. Under Schemes A and B (collectively, the “Schemes”), 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 share in the Company.

## OTHER INFORMATION

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

Category	Option type	Number of options held as at 1 April 2016 '000	Number of options granted during the Period '000	Number of options exercised during the Period '000	Number of options cancelled/ lapsed during the Period '000	Number of options held as at 31 December 2016 '000
Directors	2012A	24,000	-	-	(3,000)	21,000
	2013B	125,000	-	-	(125,000)	-
	2014A	18,000	-	-	(3,000)	15,000
	2015A	26,000	-	-	(3,000)	23,000
	2016A	-	48,000	-	(3,000)	45,000
Employees	2012A	10,000	-	-	-	10,000
Advisors	2011B	9,000	-	-	(9,000)	-
	2014A	277,140	-	-	-	277,140
	2015A	132,000	-	-	-	132,000
	2015B	50,000	-	-	-	50,000
	2016A	-	294,000	-	-	294,000
Total		671,140	342,000	-	(146,000)	867,140

*Note:* Details of specific categories of share options are disclosed in note 4 to the condensed quarterly financial information.

## 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 2016.

## **OTHER INFORMATION**

### **PURCHASE, SALE OR REDEMPTION OF SHARES**

For the nine months ended 31 December 2016, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

### **AUDIT COMMITTEE**

The Company has established its audit committee (the "Committee") with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules. The primary duties of the Committee are to review and supervise the financial reporting process and internal control system of the Group. The Committee comprises three independent non-executive Directors, namely Mr. Ong King Keung (Chairman), Ms. Choi Mei Ping and Mr. Tsoi Chiu Yuk. The Group's unaudited results for the nine months ended 31 December 2016 have been reviewed by the Committee, with the opinion of the Committee that the preparation of such results complied with the applicable accounting standards, the GEM Listing Rules and legal requirements and that adequate disclosures have been made.

### **COMPLIANCE OF CODE FOR DIRECTORS' SECURITIES TRANSACTION**

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no exacting than the required standard of dealings set out in Rule 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors have complied with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company throughout the nine months ended 31 December 2016.

### **CODE ON CORPORATE GOVERNANCE PRACTICES**

The Company endeavors to maintain a high standard of corporate governance for the enhancement of shareholders' value. The Company has complied with the required code provisions set out in the Corporate Governance Code ("Code") contained in Appendix 15 to the GEM Listing Rules for the nine months ended 31 December 2016, except for the following deviation:

#### **Chairman and Chief Executive Officer**

The Company does not have the Chairman of the Board and the Chief Executive Officer during the 9 months ended 31 December 2016. The Board is in the process of locating appropriate persons to fill the vacancies of the Chairman and Chief Executive Officer. Even so, the Board considers that the existing Board members are able to share the power and responsibilities of Chairman and Chief Executive Officer among themselves, as detailed below.

## OTHER INFORMATION

Based on Code A.2.1, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. The Board's current significant decisions are made in Board meetings. Every Board member has the rights and responsibility to propose Board meetings to discuss significant issues he/she concerns, and has the power to make the decisions among other Board members.

With reference to Code A.2.2, in each Board meeting, the director who proposes that meeting (the "Convenor") would generally be appointed as the chairman of the meeting in accordance with the articles of association of the Company, and he/she has to ensure all directors briefed on issues arising at board meeting.

With reference to Code A.2.3, the Convenor has to provide the meeting agenda and materials (the "Board Papers") to the company secretary, and the company secretary will then pass the Board Papers to other Board members for their review. Unless urgent matters to be discussed, it is the Board's practice that the Board Papers have to be given to the Board at least 3 days in advance of the Board meetings. Other Board members should have enough time to read the Board Papers and raise questions and/or request more information before holding the Board meetings. For the urgent Board meetings, the Convenor and/or company secretary have to contact individual Director about the details of the agenda meeting and the reasons of urgency. Every Board member has the right to request additional time to understand the agenda details and delay the Board meeting.

With reference to Code A.2.4, the executive Directors jointly provide leadership of the Board, and ensure the Board works effectively and perform its responsibilities, and that all key and appropriate issues are discussed by it in a timely manner. As mentioned above, all Directors have the rights to propose Board meetings. The company secretary has to summarise all agenda items and circulate the agenda to all Board members.

With reference to Code A.2.5, the Board members share the responsibility to ensure good corporate governance practices and procedures are established. It is the practice of the Board to discuss corporate governance issues in the meetings to approve the interim and annual results.

With reference to Code A.2.6, the executive Directors share the responsibility of encouraging all directors to make a full and active contribution to the Board's affairs and take the lead to ensure that it acts in the best interest of the Company. The Convenor has the responsibility to encourage other Directors with different views to voice their concerns, allow sufficient time for discussion of issues and ensure the Board decisions fairly reflected Board consensus.

## OTHER INFORMATION

With reference to Code A.2.7, the non-executive Directors (including independent non-executive Directors) hold at least a meeting among themselves annually, to consider and discuss any significant issues of the Company and the Board, without influence from the executive Directors.

With reference to Code A.2.8, the executive Directors share the responsibility of ensuring that appropriate steps are taken to provide effective communication with shareholders and that their views are communicated to the Board as a whole. It is a general practice that the executive Directors will discuss the shareholder's viewpoints with non-executive Directors in the Board meeting following a shareholders' meeting.

With reference to Code A.2.9, the executive Directors share the responsibility of promoting a culture of openness and debate by facilitating the effective contribution of non-executive Directors in particular and ensuring constructive relations between executive and non-executive Directors. As mentioned above, all directors, including non-executive Directors, have the right to propose a board meeting to discuss the issues they consider important, and enough time is reserved for all Directors to read the Board Papers and raise questions. It is the Board's practice to encourage the non-executive Directors to raise their viewpoints in Board meetings.

Code A.5.1 states that an issuer should establish a nomination committee which is chaired by the chairman of the board or an independent non-executive director and comprises a majority of independent non-executive directors. It is the Board's practice to appoint an executive Director as the chairman of the nomination committee of the Board, as the Board considers that executive Directors have to lead the business development of the Company and need to have appropriate Board members and senior management to assist them. In addition, the nomination committee of the Board consists of majority of independent non-executive Directors, who have the veto power jointly if they consider the nomination is inappropriate.

With reference to Code B.1.1, the remuneration committee of the Board would consult Ms. Chow Man Ki Kelly, an executive Director and the major shareholder of the Company about their remuneration proposals for other executive Directors.

With reference to Code E.1.2, the Board appoints as least one executive Director to attend the annual general meeting, due to the chairmanship vacancy. The executive Directors have to invite the chairman of the audit, remuneration and nomination committees of the Board to attend the annual general meeting.

With reference to Code F.1.3, it is the Company's practice that the company secretary report to the executive Directors.

## OTHER INFORMATION

### *Relevant provisions of the Company's Articles of Association*

In accordance with Article 63, the chairman of the Company shall preside a chairman at every general meeting. If at any meeting the chairman, is not present within fifteen (15) minutes after the time appointed for holding the meeting, or is not willing to act as chairman, the Directors present shall choose one of their members to act, or if one Director only is present, he shall preside as chairman if willing to act. In practice, as the Board does not have the chairman, the Directors presenting at the general meetings choose one of them as the chairman of the meeting.

In accordance with Article 124, the officers of the Company shall consist of a chairman, the Directors and Secretary and such additional officers as the Board may from time to time determine, and the Directors shall, as soon as may be after each appointment or election of Directors, elect amongst the Directors a chairman. As mentioned above, the Board is in the process of locating an appropriate person to fill the vacancy of the Chairman.

### *Explanation of Chairman position vacancy for the past seven years*

Mr. Yong Wai Hong, who was a then major shareholder of the Company, has resigned as the Chairman with effect 18 April 2009 and since then, the position of Chairman has remained vacant. Following Mr. Yong's resignation, the Group's businesses have been migrating from trading of telecommunication and electronic equipment, commodities, and computer hardware and relevant peripherals, and provision of property management services, to current cinema business, film entertainment, new media exploration and licensing businesses (the "Current Businesses"). The Board has been locating an appropriate person to fill in the vacancy of the Chairman. The result is, however, not satisfactory and the candidates' qualification and experience and the Company's budget are not matched. As mentioned above, the responsibilities of the Chairman are principally shared among the Board members and the Board considers that the Company runs smoothly. Accordingly, the Board considers to propose a shareholders' resolution in the coming annual general meeting to amend the Articles of the Association of the Company to allow that there is no Chairman in the Board, if no appropriate candidate can be identified and located by the Board in the forthcoming few months.

### *Attempts made in identifying the potential chairman candidate*

The Company has contacted certain headhunters before to locate an appropriate person as the Chairman of the Company. After preliminary discussion between those headhunters and the Company about its requirements and budget, no positive feedback was obtained. In addition, the Board members have also approached their business partners to see if there is any appropriate person in the industry of Current Businesses interested in joining the Group as the Chairman but the results were not satisfactory.

The Company will continue to exercise its best effort to identify and locate an appropriate person in the forthcoming few months to fill the vacancy as disclosed in its previous corporate governance reports. However, there is no fixed timetable for the appointment of the chairman and the Board is considering alternatives as mentioned above.

## OTHER INFORMATION

### Appointment and Re-election of the Directors

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

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

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

### Attendance in General Meetings

Pursuant to Provision A.6.7 of the Code, independent non-executive directors and other non-executive directors should attend general meetings. The non-executive Director and the independent non-executive Directors could not attend the annual general meeting held on 23 September 2016 due to other business commitments.

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

Hong Kong, 10 February 2017

As at the date of this report, the Board comprises Mr. Chiau Sing Chi, Ms. Chow Man Ki Kelly, Mr. Chan Cheong Yee and Mr. Lau Man Kit as executive Directors; Mrs. Chin Chow Chung Hang Roberta as non-executive Director; and Ms. Choi Mei Ping, Mr. Tsoi Chiu Yuk and Mr. Ong King Keung as independent non-executive Directors.