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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)

**(i) CONNECTED TRANSACTION IN RELATION TO
SUBSCRIPTION OF NEW SHARES
BY A SUBSTANTIAL SHAREHOLDER;**

**(ii) CONNECTED TRANSACTION IN RELATION TO
CAPITALISATION OF LOANS;**

(iii) APPLICATION FOR WHITEWASH WAIVER;

(iv) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL;

AND

(v) RESUMPTION OF TRADING

THE SUBSCRIPTION

The Board is pleased to announce that after the Stock Exchange trading hours on 12 January 2012, the Company and Beglobal entered into the Subscription Agreement pursuant to which Beglobal conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, 1,300,000,000 Subscription Shares at the Subscription Price of HK\$0.03 per Subscription Share.

Assuming that there is no change in the issued share capital of the Company other than the issue of the Subscription Shares and the Capitalisation Shares since the date of this announcement up to completion of the Subscription Agreement and the Capitalisation Agreements, the 1,300,000,000 Subscription Shares represent (i) approximately 42.10% of the issued share capital of the Company as at the date of this announcement; (ii) approximately 29.63% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares; and (iii) approximately 21.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and the Capitalisation Shares.

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

THE CAPITALISATION

After the Stock Exchange trading hours on 12 January 2012, the Company and each of the Creditors entered into the Capitalisation Agreements pursuant to which the Creditors conditionally agreed to capitalise the Loans in the aggregate amount of HK\$51,187,500 owed by the Company to the Creditors. The Company shall allot and issue an aggregate of 1,706,249,999 Capitalisation Shares to the Creditors (pro rata to the amount owed to each Creditors) at the Capitalisation Price of HK\$0.03 per Capitalisation Share as full and final settlement of the Loans. Each of the Creditors conditionally agreed to waive all its rights in the unpaid interest accrued on the Loans from 7 October 2011 up to the date of completion of the Capitalisation.

Assuming that there is no change in the issued share capital of the Company other than the issue of the Subscription Shares and the Capitalisation Shares since the date of this announcement up to completion of the Subscription Agreement and the Capitalisation Agreements, the 1,706,249,999 Capitalisation Shares represent (i) approximately 55.26% of the issued share capital of the Company as at the date of this announcement; (ii) approximately 35.59% of the issued share capital of the Company as enlarged by the allotment and issue of the Capitalisation Shares; and (iii) approximately 28.00% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and the Capitalisation Shares.

THE WHITEWASH WAIVER

As at the date of this announcement, (i) Beglobal holds 905,000,000 Shares, representing approximately 29.31% of the issued share capital of the Company; and (ii) the Loan owed by the Company to Beglobal amounts to HK\$30,359,097.78. As at the date hereof, Mr. Chiau holds the Service CBs in the aggregate principal amount of HK\$30 million, of which HK\$25,000,000 was issued on 1 June 2010 and HK\$5,000,000 was issued on 1 June 2011. The Service CBs bear no interest, are convertible into new Shares at the prevailing conversion price of HK\$0.10 per Share (subject to adjustments) and shall mature on the day falling the 10th anniversary after the date of their respective issue. Mr. Chiau also holds the Service Options which entitle him to subscribe for 250,000,000 new Shares at an exercise price of HK\$0.10 per Share during the exercise period from 1 December 2011 to 30 September 2013. Save for the aforesaid, as at the date of this announcement, Mr. Chiau and his family, the Trust, SMP Trustees, Beglobal and parties acting in concert with any of them do not hold any other Shares, warrants, options or other convertible or exchangeable securities of the Company.

Immediately after completion of the Subscription, Mr. Chiau and his family, the Trust, SMP Trustees, Beglobal and parties acting in concert with any of them will be interested in an aggregate of 2,205,000,000 Shares, representing approximately 50.26% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares. Taking into account the 1,011,969,926 Capitalisation Shares to be issued to Beglobal pursuant to the Capitalisation Agreement, Mr. Chiau and his family, the Trust, SMP Trustees, Beglobal and parties acting in concert with any of them will be interested in 3,216,969,926 Shares, representing approximately 52.79% of the issued share capital of the Company upon completion of the Subscription and the Capitalisation. In the circumstances, an obligation on the part of Beglobal to make a general offer for all the issued securities in the Company not already owned or agreed to be acquired by Mr. Chiau and his family, the Trust, SMP Trustees, Beglobal and parties acting in concert with any of them will arise under Rule 26 of the Takeovers Code as a result of the issue of the Subscription Shares to Beglobal.

Beglobal will make an application to the Executive for the Whitewash Waiver. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, the approval of the Independent Shareholders at the EGM by way of poll. It is one of the conditions of the Subscription Agreement that the Whitewash Waiver be granted by the Executive and approved by the Independent Shareholders at the EGM. The aforesaid condition is not capable of being waived. If the Whitewash Waiver is not granted, the Subscription will not proceed. As completion of the Capitalisation is conditional upon, among other things, the Subscription Agreement having become unconditional, if the Subscription does not proceed, completion of the Capitalisation will not take place.

Mr. Chiau and his family, the Trust, SMP Trustees, Beglobal and parties acting in concert with any of them, their respective associates, the Creditors and those Shareholders who are interested in or are involved in the Subscription and/or the Whitewash Waiver shall abstain from voting in respect of the resolution approving the Whitewash Waiver at the EGM. Mr. Chiau, Mr. Chan Cheong Yee and Mr. Yik Chok Man who are the Directors involved in the negotiations of the Subscription and/or the Capitalisation shall also abstain from voting in respect of the resolution approving the Whitewash Waiver at the EGM.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

As at the date hereof, the authorised share capital of the Company is HK\$100,000,000 divided into 5,000,000,000 Shares, of which 3,087,559,126 Shares are in issue. In order to facilitate the allotment and issue of the Subscription Shares and the Capitalisation Shares and to accommodate the Company's future growth and expansion, the Company proposes to increase its authorised share capital from HK\$100,000,000 divided into 5,000,000,000 Shares to HK\$200,000,000 divided into 10,000,000,000 Shares by the creation of an additional 5,000,000,000 unissued Shares which will rank pari passu in all respects with the existing Shares.

GEM LISTING RULES IMPLICATIONS

Beglobal is a substantial Shareholder and is therefore a connected person of the Company. Accordingly, the Subscription and the Capitalisation both constitute connected transactions of the Company under Chapter 20 of the GEM Listing Rules and are subject to the approval of the Independent Shareholders by way of poll. Mr. Chiau and his family, the Trust, SMP Trustees, Beglobal, their respective associates and parties acting in concert with any of them shall abstain from voting in respect of the resolution approving the Subscription Agreement and the transactions contemplated thereunder at the EGM. Mr. Chan Cheong Yee and Mr. Yik Chok Man who have been involved in the negotiations of the Subscription and/or the Capitalisation shall also abstain from voting in respect of the resolutions approving the Subscription Agreement and the transactions contemplated thereunder at the EGM. Beglobal, the Creditors and their respective associates shall abstain from voting in respect of the resolution approving the Capitalisation Agreements and the transactions contemplated thereunder at the EGM. The proposed increase in the authorised share capital of the Company is also subject to the approval of the Shareholders at the EGM pursuant to the GEM Listing Rules.

GENERAL

The Whitewash IBC comprising all the non-executive Directors and independent non-executive Directors, namely Mr. Chong Lee Chang, Mrs. Chin Chow Chung Hang, Roberta, Mrs. Chen Chou Mei Mei, Vivien, Mr. Wong Chak Keung and Mr. Chum Kwan Yue Desmond, has been established to advise the Independent Shareholders in respect of the Subscription and the Whitewash Waiver. Messis Capital has been appointed by the Company with the approval of the Whitewash IBC as independent financial adviser to advise the Whitewash IBC and the Independent Shareholders in this regard. None of the members of the Whitewash IBC has been involved in, or are interested in (other than as a Shareholder), the Subscription, the Capitalisation and the Whitewash Waiver.

The GEM Listing Rules IBC 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 in respect of the terms of the Subscription Agreement and the Capitalisation Agreements, the transactions contemplated under the respective agreements. Messis Capital has been appointed by the Company as independent financial adviser to advise the GEM Listing Rules IBC and the Independent Shareholders in this regard.

The circular containing, among other things, (i) details of the Subscription, the Capitalisation, the Whitewash Waiver and the proposed increase in authorised share capital of the Company; (ii) the financial information of the Group; (iii) a letter of recommendation from the Whitewash IBC to the Independent Shareholders in respect of the Subscription and the Whitewash Waiver; (iv) a letter of recommendation from the GEM Listing Rules IBC to the Independent Shareholders in respect of the terms of the Subscription Agreement, the Capitalisation Agreements and the transactions contemplated thereunder; (v) a letter from Messis Capital to the Whitewash IBC, the GEM Listing Rules IBC and the Independent Shareholders in respect of the terms of the Subscription Agreement, the Capitalisation Agreements and the Whitewash Waiver; (vi) the notice convening the EGM; and (vii) other information as required under the GEM Listing Rules and the Takeovers Code will be despatched to the Shareholders within 21 days of the date of this announcement.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was suspended with effect from 9:00 a.m. on 13 January 2012 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 20 January 2012.

The Board is pleased to announce that after the Stock Exchange trading hours on 12 January 2012, the Company and Beglobal entered into the Subscription Agreement pursuant to which Beglobal conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, 1,300,000,000 Subscription Shares at the Subscription Price of HK\$0.03 per Subscription Share. The Board also announces that after the Stock Exchange trading hours on 12 January 2012, the Company and each of the Creditors entered into the Capitalisation Agreements pursuant to which the Company conditionally agreed to capitalise the Loans in the aggregate amount of HK\$51,187,500 owed by the Company to the Creditors by way of allotment and issue of an aggregate of 1,706,249,999 Capitalisation Shares to the Creditors at the Capitalisation Price of HK\$0.03 per Capitalisation Share. The principal terms of the Subscription Agreement and the Capitalisation Agreements are set out below.

THE SUBSCRIPTION AGREEMENT

Date

12 January 2012 (after the Stock Exchange trading hours)

Parties

Issuer: the Company

Subscriber: Beglobal

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

The Subscription

Pursuant to the Subscription Agreement, Beglobal conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, 1,300,000,000 Subscription Shares at the Subscription Price of HK\$0.03.

The Subscription Price of HK\$0.03 per Subscription Share was determined after arm's length negotiations between the Company and Beglobal taking into account, among other things, (i) the recent market price of the Shares; (ii) the prevailing market condition; and (iii) the unaudited consolidated net asset value of the Group as at 30 September 2011.

As at the date of this announcement, the Company has 3,087,559,126 Shares in issue. Assuming that there is no change in the issued share capital of the Company other than the issue of the Subscription Shares and the Capitalisation Shares since the date of this announcement up to completion of the Subscription Agreement and the Capitalisation Agreements, the 1,300,000,000 Subscription Shares represent (i) approximately 42.10% of the issued share capital of the Company as at the date of this announcement; (ii) approximately 29.63% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares; and (iii) approximately 21.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and the Capitalisation Shares. The aggregate nominal value of the Subscription Shares is HK\$26,000,000.

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

The Subscription Shares will be allotted and issued under a specific mandate to be sought for approval from the Independent Shareholders at the EGM.

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

Conditions precedent

Completion of the Subscription Agreement is conditional upon:

- (i) trading in the Shares on GEM not being revoked or withdrawn at any time prior to completion of the Subscription; the Shares continuing to be traded on the Stock Exchange (save for any temporary suspension pending any announcement in connection with the Subscription Agreement and/or the Capitalisation Agreements) at all times up to the date of completion of the Subscription;

- (ii) there being no indication from the Stock Exchange or the Securities and Futures Commission of Hong Kong or any other relevant regulatory authorities that listing of the Shares will be revoked or withdrawn at any time after completion of the Subscription, whether in connection with any of the transactions contemplated by the Subscription Agreement or otherwise;
- (iii) the warranties set out in the Subscription Agreement remaining true and accurate in all material respects at completion of the Subscription, as if repeated at all times between the date of the Subscription Agreement and up to completion of the Subscription;
- (iv) all necessary consents and approvals required to be obtained in respect of the Subscription Agreement and the transactions contemplated thereunder, including but not limited to the Subscription, having been obtained;
- (v) the passing by the Independent Shareholders who are entitled to vote and not required to abstain from voting under the GEM Listing Rules and/or the Takeovers Code at the EGM to approve the Subscription Agreement and the transactions contemplated thereunder including, among others, the allotment and issue of the Subscription Shares to Beglobal and the grant of the Whitewash Waiver;
- (vi) the Listing Committee of the Stock Exchange granting, and not having withdrawn or revoked up to completion of the Subscription, the listing of and permission to deal in the Subscription Shares on GEM;
- (vii) the granting of the Whitewash Waiver by the Executive; and
- (viii) the increase in authorised share capital of the Company to facilitate the allotment and issue of the Subscription Shares.

None of the conditions set out above can be waived by the Company or Beglobal.

In the event that not all the conditions set out above are fulfilled by 12:00 noon on 31 March 2012 (or such other date and time as may be agreed between the Company and Beglobal in writing), all rights, obligations and liabilities of the Company and Beglobal under the Subscription Agreement shall cease and terminate and neither of them shall have any claim against the other, save for any antecedent breaches of the terms of the Subscription Agreement.

Completion

Completion of the Subscription Agreement shall take place within three Business Days following the fulfillment of all the conditions set out above (or such other date and time as the Company and Beglobal may agree in writing).

THE CAPITALISATION AGREEMENTS

Date

12 January 2012 (after the Stock Exchange trading hours)

Parties

- (i) the Company; and
- (ii) each of the Creditors

As at the date of this announcement, as a result of non-redemption of the 2011 CBs, the Company is indebted to the Creditors in the following amounts:

Creditors	Principal amount (HK\$)	Interest accrued up to	Subtotal (HK\$)
		6 October 2011 (HK\$)	
Beglobal	28,913,426.46	1,445,671.32	30,359,097.78
Ms. Fung	24,709.86	1,235.49	25,945.35
Ms. Wong	311,863.68	15,593.19	327,456.87
Mr. Lee	10,500,000.00	525,000.00	11,025,000.00
Mr. Asvaintra	9,000,000.00	450,000.00	9,450,000.00
Total	<u>48,750,000.00</u>	<u>2,437,500.00</u>	<u>51,187,500.00</u>

Ms. Fung is a director of a wholly-owned subsidiary of the Company and is therefore a connected person of the Company. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Creditors (other than Beglobal and Ms. Fung) are third parties independent of the Company and its connected persons. As at the date hereof, the Other Creditors do not hold any Shares. The Other Creditors are not parties acting in concert with Mr. Chiau and his family, the Trust, SMP Trustees or Beglobal.

The Capitalisation

Pursuant to the Capitalisation Agreements, the Creditors conditionally agreed to capitalise the Loans in the aggregate amount of HK\$51,187,500 owed by the Company to the Creditors. The Company shall allot and issue an aggregate of 1,706,249,999 Capitalisation Shares to the Creditors (pro rata to the amount of the Loans owed to each Creditors) at the Capitalisation Price of HK\$0.03 per Capitalisation Share as the full and final settlement of the Loans. Each of the Creditors conditionally agreed to waive all its rights in the unpaid interest accrued on the Loans from 7 October 2011 up to the date of completion of the Capitalisation.

The Capitalisation Price of HK\$0.03 per Capitalisation Share was determined after arm's length negotiations between the Company and the Creditors taking into account, among other things, (i) the recent market price of the Shares; (ii) the prevailing market condition; and (iii) the unaudited consolidated net asset value of the Group as at 30 September 2011.

Assuming that there is no change in the issued share capital of the Company other than the issue of the Subscription Shares and the Capitalisation Shares since the date of this announcement up to completion of the Subscription Agreement and the Capitalisation Agreements, the 1,706,249,999 Capitalisation Shares represent (i) approximately 55.26% of the issued share capital of the Company as at the date of this announcement; (ii) approximately 35.59% of the issued share capital of the Company as enlarged by the allotment and issue of the Capitalisation Shares; and (iii) approximately 28.00% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and the Capitalisation Shares. The aggregate nominal value of the Capitalisation Shares is approximately HK\$34,125,000.

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

The Capitalisation Shares will be allotted and issued under a specific mandate to be sought for approval from the Independent Shareholders at the EGM.

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Capitalisation Shares.

Conditions precedent

Completion of the Capitalisation Agreements is conditional upon:

- (i) the passing by the Independent Shareholders at the EGM of the necessary resolution(s) to approve the Capitalisation Agreements and the transactions contemplated thereunder including, among others, the allotment and issue of the Capitalisation Shares to the Creditors;
- (ii) the Listing Committee of the Stock Exchange granting, and not having withdrawn or revoked up to completion of the Capitalisation, the listing of and permission to deal in the Capitalisation Shares on GEM;
- (iii) all necessary consents and approvals required to be obtained in respect of the Capitalisation Agreements and the transactions contemplated thereby having been obtained;
- (iv) the Subscription Agreement having become unconditional; and
- (v) the increase in authorised share capital of the Company to facilitate the allotment and issue of the Capitalisation Shares.

None of the conditions set out above can be waived by the Company or any of the Creditors. The Capitalisation Agreements are conditional on the Subscription Agreement. Each of the Capitalisation Agreements is not conditional on each other. Completion of the Capitalisation Agreements will take place as soon as practicable after completion of the Subscription Agreement.

In the event that not all the conditions set out above are fulfilled by 31 March 2012 (or such other date as may be agreed between the Company and the Creditors in writing), all rights, obligations and liabilities of the Company and each of the Creditors under the respective Capitalisation Agreements shall cease and terminate and neither of them shall have any claim against the other, save for any antecedent breaches of the terms of the Capitalisation Agreements.

Completion

Completion of the Capitalisation Agreements shall take place within three Business Days following the satisfaction of all the conditions set out above (or such other date and time as the Company and the Creditors may agree in writing).

COMPARISON OF VALUES

The Subscription Price and the Capitalisation Price of HK\$0.03 represents:

- (i) a discount of approximately 59.46% to the closing price of HK\$0.074 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 58.90% to the average of the closing prices of the Share as quoted on the Stock Exchange over the last 5 trading days up to and including the Last Trading Day of approximately HK\$0.073 per Share;
- (iii) a discount of approximately 58.33% to the average of the closing prices of the Share as quoted on the Stock Exchange over the last 10 trading days up to and including the Last Trading Day of approximately HK\$0.072 per Share;
- (iv) a discount of approximately 62.03% to the average of the closing prices of the Share as quoted on the Stock Exchange over the last 30 trading days up to and including the Last Trading Day of approximately HK\$0.079 per Share;
- (v) a premium of approximately 36.36% over the unaudited net asset value of approximately HK\$0.022 per Share as at 30 September 2011 (based on the unaudited consolidated net assets of the Group of approximately HK\$66,449,000 as at 30 September 2011 as shown in the Company's interim report for the six months ended 30 September 2011 and 3,087,559,126 Shares in issue as at the date of this announcement); and
- (vi) a premium of 20.0% over the audited net asset value of approximately HK\$0.025 per Share as at 31 March 2011 (based on the audited consolidated net assets of the Group of approximately HK\$78,725,000 as at 31 March 2011 as shown in the Company's annual report for the year ended 31 March 2011 and 3,087,559,126 Shares in issue as at the date of this announcement).

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below are the shareholding structures of the Company (i) as at the date of this announcement; (ii) immediately after the allotment and issue of the Subscription Shares; (iii) immediately after the allotment and issue of the Subscription Shares and the Capitalisation Shares; and (iv) immediately after the allotment and issue of the Subscription Shares and the Capitalisation Shares, the full conversion of the Service CBs and the full exercise of the Service Options and the Share Options:

Shareholders	As at the date of this announcement		Immediately after the allotment and issue of the Subscription Shares		Immediately after the allotment and issue of the Subscription Shares and the Capitalisation Shares		Immediately after the allotment and issue of the Subscription Shares and the Capitalisation Shares, the full conversion of the Service CBs and the full exercise of the Service Options and the Share Options (Note 5)	
	Number of Shares	Approx. %	Number of Shares	Approx. %	Number of Shares	Approx. %	Number of Shares	Approx. %
Beglobal	905,000,000	29.31	2,205,000,000	50.26	3,216,969,926	52.79	3,216,969,926	47.89
Mr. Chiau	—	—	—	—	—	—	550,000,000	8.19
Mr. Chiau and his family, the Trust, SMP Trustees, Beglobal and parties acting in concert with any of them	905,000,000	29.31	2,205,000,000	50.26	3,216,969,926	52.79	3,766,969,926	56.08
Mr. Chan Cheong Yee (Note 1)	10,000	0.00	10,000	0.00	10,000	0.00	10,010,000	0.15
Mr. Yik Chok Man (Note 1)	564,000	0.02	564,000	0.01	564,000	0.01	564,000	0.01
Mr. Chong Lee Chang (Notes 1 and 2)	90,631,999	2.94	90,631,999	2.07	90,631,999	1.49	90,631,999	1.35
Ms. Chen Chou Mei Mei, Vivien (Note 1)	5,500,000	0.18	5,500,000	0.13	5,500,000	0.09	5,500,000	0.08
Ms. Fung (Note 3)	—	—	—	—	864,845	0.01	864,845	0.01
Public Shareholders (Note 4)	2,085,853,127	67.55	2,085,853,127	47.53	2,779,268,355	45.61	2,843,268,355	42.32
Total	3,087,559,126	100.00	4,387,559,126	100.00	6,093,809,125	100.00	6,717,809,125	100.00

Notes:

1. Mr. Chan Cheong Yee, Mr. Yik Chok Man, Mr. Chong Lee Chang and Ms. Chen Chou Mei Mei, Vivien are Directors and thus their shareholdings in the Company are not counted as public.
2. Mr. Chong Lee Chang had personally owned 16,131,952 Shares and is deemed to be interested in 74,500,047 Shares through his beneficial interest in 100% of the entire issued share capital of Shieldman Limited.
3. Ms. Fung is a director of a wholly-owned subsidiary of the Company and thus her shareholding in the Company after completion of the Capitalisation will not be counted as public.
4. The shareholdings of the Creditors (other than Beglobal and Ms. Fung) will be counted as public after completion of the Capitalisation as their respective shareholding in the Company will be less than 10% upon completion of the Subscription and the Capitalisation.
5. This shareholdings illustrated under this column is calculated based on the prevailing conversion price of the Service CBs and the prevailing exercise price of the Service Options and the Share Options. Adjustments to the conversion price of the Service CBs and/or the exercise price and numbers of the Service Options and the Share Options may have to be made upon completion of the Subscription and the Capitalisation.

FUND RAISING ACTIVITIES OVER THE PAST 12 MONTHS

The Company has not conducted any fund raising activities in the 12 months immediately preceding the date of this announcement.

REASONS FOR THE SUBSCRIPTION

The Group is principally engaged in sales and trading of coal and palm oil, movie production, licensing and derivatives, crossover marketing, provision of interactive contents and cinema investment and management.

With a view to capitalising on the highly promising prospects of the cinema industry in the PRC, it has been the business strategy of the Group to put more focus on its cinema business since 2011. On 17 May 2011, the Group entered into certain agreements in relation to the acquisition of four cinemas in Chongqing, Chengdu and Shanghai, the PRC at an aggregate consideration of approximately RMB29.9 million (equivalent to approximately HK\$36.7 million), of which approximately RMB13.8 million (equivalent to approximately HK\$16.9 million) is still outstanding as at the date hereof. The aforesaid cinemas have an aggregate operating area of 11,537 square meters and 25 movie screens with nearly 4,000 seats. On 9 June 2011, the Group also entered into a formal agreement with CineChina Limited in relation to the formation a joint venture for the purpose of identifying suitable investment opportunities in high-end digital cinemas in the PRC. To further strengthen the Group's portfolio of cinemas in the PRC, on 9 June 2011, Bingo Cinema Investment Company Limited (formerly known as Shine Wisdom Limited), a wholly-owned subsidiary of the Company, entered into certain leasing agreements in relation to the leasing of premises for development into four cinemas located in Linan, Hangzhou, Zhongshan and Tianjin, the PRC. The four cinemas under the aforesaid leasing agreements are all located in central commercial districts in the respective cities with steady stream of people.

On 12 July 2011, the Group also entered into two memorandum of understandings in relation to potential development of two cinema projects in Tieling and Dongguan, the PRC. It is the vision of the Group to become one of the leading cinema investment and management companies in the PRC in the future. As at the date of this announcement, the total estimated construction and development costs for the cinema projects in Linan and Hangzhou is approximately RMB33.5 million (equivalent to approximately HK\$41.1 million), of which RMB12.5 million (equivalent to approximately HK\$15.4 million) remain outstanding. In order to meet the financial obligations of the Group, at the request by the Company, Beglobal agreed to advance a bridging loan of HK\$5,000,000 for certain capital expenditures of the Group's aforesaid cinema projects which will become due by the end of January 2012. The Company intends to settle the aforesaid bridging loan by setting off the equivalent amount of payment obligation of Beglobal under the Subscription upon completion of the Subscription with a view to reducing the financing cost of the Company. The Company may continue to seek short-term financing from Beglobal pending completion of the Subscription. For the avoidance of doubt, save for the 1,300,000,000 Subscription Shares and the 1,011,969,926 Capitalisation Shares to be issued to Beglobal under the Subscription and the Capitalisation respectively, no new Shares will be issued to Beglobal for the repayment of the aforesaid bridging loan.

In view of the forthcoming capital requirements of the Group, particularly for its capital-intensive cinema and filmed entertainment businesses, the Company has been actively searching for equity fund raising opportunities over the past few months. However, the Company has been unable to secure any interest from financial institutions given the current highly volatile market condition. Apart from equity financing, the Board has also considered other financing options such as debt financing and bank borrowings to finance the capital requirements of the Group. Having considered the interest expenses which would have imposed additional interest burden to the Group and increased the gearing level of the Group, the Board is of the view that such financing means may not be appropriate to the Group given its current financial position.

The Directors are of the view that the Subscription will provide an opportunity to the Group to raise the necessary capital for the ongoing development of its core businesses without imposing additional interest burden to or deteriorating the gearing position of the Group had such capital been funded by borrowings. As such, the Directors (excluding the non-executive Directors and the independent non-executive Directors who will express their view after considering the advice from Messis Capital) consider that the terms of the Subscription Agreement are fair and reasonable and on normal commercial terms and the Subscription is in the interests of the Company and the Shareholders as a whole.

The gross proceeds from the Subscription amounts to HK\$39 million and the net proceeds from the Subscription after deducting related fees and expenses is estimated to be approximately HK\$37 million. Accordingly, the net subscription price per Subscription Share is estimated to be approximately HK\$0.03. The Group intends to apply the net proceeds from the Subscription as to (i) approximately HK\$32 million for the aforesaid acquisitions and development of cinema projects; and (ii) the remaining HK\$5 million for general working capital of the Group.

REASONS FOR THE CAPITALISATION

On 7 October 2009, the Company issued the 2011 CBs in an aggregate principal amount of HK\$78 million, which accrued interest since the first anniversary of its issuance at the rate of 5% per annum. The 2011 CBs entitled the holders thereof to convert the outstanding principal amount into new Shares at the conversion price of HK\$0.90 per Share and were redeemable by the Company on 7 October 2011 at its principal amount. As at 7 October 2011, the 2011 CBs in the principal amount of HK\$48,750,000 were still outstanding and the Company is obliged to redeem such convertible bonds. As disclosed in the Company's interim report for the six months ended 30 September 2011, the Group had unaudited cash and bank balances of approximately HK\$46.6 million. Taking into account the financial position of the Group, the capital expenditures for the Group's cinema project and administrative and overhead costs of the Group, the Group was not able to redeem the 2011 CBs and pay the accrued interest thereon at the maturity date unless the Group obtains new funds from equity fund raising or borrowings. The Company therefore has not redeemed the 2011 CBs at their maturity. The non-redemption of the 2011 CBs upon their maturity technically constituted an event of default on the part of the Company and the Loans become due for repayment if any of the Creditors serves a notice on the Company.

After arm's length negotiations with the Creditors, the Company and the Creditors entered into the Capitalisation Agreements on 12 January 2012 pursuant to which the Loans will be capitalised by way of allotment and issue of the Capitalisation Shares by the Company to the Creditors. The Directors believe that the Capitalisation will enable the Group to (i) remove entirely the repayment pressure of the Loans on the Group; (ii) retain cashflow of the Group for the continuous development of its cinema projects; and (iii) enlarge the capital base of the Company and reduce the gearing level of the Group. The Directors (excluding the independent non-executive Directors who will express their view after considering the advice from Messis Capital) consider that the terms of the Capitalisation Agreements are fair and reasonable and on normal commercial terms and the Capitalisation is in the interests of the Company and the Shareholders as a whole.

TAKEOVERS CODE IMPLICATIONS

Whitewash Waiver

As at the date of this announcement, (i) Beglobal holds 905,000,000 Shares, representing approximately 29.31% of the issued share capital of the Company; and (ii) the Loan owed by the Company to Beglobal amounts to HK\$30,359,097.78. As at the date hereof, Mr. Chiau holds the Service CBs in the aggregate principal amount of HK\$30 million, of which HK\$25,000,000 was issued on 1 June 2010 and HK\$5,000,000 was issued on 1 June 2011. The Service CBs bear no interest, are convertible into new Shares at the prevailing conversion price of HK\$0.10 per Share (subject to adjustments) and shall mature on the day falling the 10th anniversary after the date of their respective issue. Mr. Chiau also holds the Service Options which entitle him to subscribe for 250,000,000 new Shares at an exercise price of HK\$0.10 during the exercise period from 1 December 2011 to 30 September 2013. Save for the aforesaid, as at the date of this announcement, Mr. Chiau and his family, the Trust, SMP Trustees, Beglobal and parties acting in concert with any of them do not hold any other Shares, warrants, options or other convertible or exchangeable securities of the Company.

Immediately after completion of the Subscription, Mr. Chiau and his family, the Trust, SMP Trustees, Beglobal and parties acting in concert with any of them will be interested in an aggregate of 2,205,000,000 Shares, representing approximately 50.26% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares. Taking into account the 1,011,969,926 Capitalisation Shares to be issued to Beglobal pursuant to the Capitalisation Agreement, Mr. Chiau and his family, the Trust, SMP Trustees, Beglobal and parties acting in concert with any of them will be interested in 3,216,969,926 Shares, representing approximately 52.79% of the issued share capital of the Company upon completion of the Subscription and the Capitalisation. In the circumstances, an obligation on the part of Beglobal to make a general offer for all the issued securities in the Company not already owned or agreed to be acquired by Mr. Chiau and his family, the Trust, SMP Trustees, Beglobal and parties acting in concert with any of them will arise under Rule 26 of the Takeovers Code as a result of the issue of the Subscription Shares to Beglobal.

Beglobal will make an application to the Executive for the Whitewash Waiver. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, the approval of the Independent Shareholders at the EGM by way of poll. It is one of the conditions of the Subscription Agreement that the Whitewash Waiver be granted by the Executive and approved by the Independent Shareholders at the EGM. The aforesaid condition is not capable of being waived. If the Whitewash Waiver is not granted, the Subscription will not proceed. As completion of the Capitalisation is conditional upon, among other things, the Subscription Agreement having become unconditional, if the Subscription does not proceed, completion of the Capitalisation will not take place.

Mr. Chiau and his family, the Trust, SMP Trustees, Beglobal and parties acting in concert with any of them, their respective associates, the Creditors and those Shareholders who are interested in or are involved in the Subscription and/or the Whitewash Waiver shall abstain from voting in respect of the resolution approving the Whitewash Waiver at the EGM. Mr. Chiau, Mr. Chan Cheong Yee and Mr. Yik Chok Man who are the Directors involved in the negotiations of the Subscription and/or the Capitalisation shall also abstain from voting in respect of the resolution approving the Whitewash Waiver at the EGM.

If the Whitewash Waiver is approved by the Independent Shareholders, the aggregate shareholding of Mr. Chiau and his family, the Trust, SMP Trustees, Beglobal and parties acting in concert with any of them in the Company will exceed 50%. Mr. Chiau and his family, the Trust, SMP Trustees, Beglobal and parties acting in concert with any of them may further increase their shareholdings in the Company without incurring any further obligations under Rule 26 of the Takeovers Code to make a general offer.

Mr. Chiau and his family, the Trust, SMP Trustees, Beglobal and parties acting in concert with any of them have confirmed to the Company that they have not dealt in any securities of the Company for the six months preceding the date of this announcement. As at the date of this announcement, neither Mr. Chiau and his family, the Trust, SMP Trustees, Beglobal nor any parties acting in concert with any of them has received any irrevocable commitment from any Independent Shareholders as to whether they will vote for or against the resolution approving the Subscription and/or the Whitewash Waiver at the EGM.

As at the date of this announcement, the Company has 3,087,559,126 Shares, the Service CBs in the aggregate principal amount of HK\$30 million which are convertible into 300,000,000 new Shares at the prevailing conversion price of HK\$0.10 per Share, the Service Options which entitle Mr. Chiau to subscribe for 250,000,000 new Shares, the 74,000,000 Share Options outstanding which entitle holders thereof to subscribe for an aggregate of 74,000,000 new Shares at various exercise prices of HK\$0.1012 per Share (for 45,500,000 Shares), HK\$0.246 per Share (for 25,500,000 Shares) and HK\$0.072 per Share (for 3,000,000 Shares). Save for the 10,000,000 Share Options held by Mr. Chan Cheong Yee, an executive Director, the other holders of the Share Options are third parties independent of the Company and its connected persons. Save for the aforesaid, the Company does not have any outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

Other arrangements

As at the date of this announcement,

- (i) save for Beglobal's interest in 905,000,000 Shares, neither Mr. Chiau and his family, the Trust, SMP Trustees, Beglobal nor any parties acting in concert with any of them owns or has control or direction over any Shares or voting rights of the Company;
- (ii) save for the Loan in the amount of HK\$30,359,097.78 owed by the Company to Beglobal, Mr. Chiau's holding of the Service CBs with an aggregate principal amount of HK\$30,000,000 and the Service Options, neither Mr. Chiau and his family, the Trust, SMP Trustees, Beglobal nor any parties acting in concert with any of them holds any convertible securities, warrants or options of the Company nor has entered into any outstanding derivative in respect of the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (iii) there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the Shares or the shares of Beglobal and which might be material to the Subscription, the Capitalisation or the Whitewash Waiver;
- (iv) save for the Subscription Agreement and the Capitalisation Agreement, there is no other agreement or arrangement to which Mr. Chiau and his family, the Trust, SMP Trustees, Beglobal or any of the parties acting in concert with any of them is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Subscription, the Capitalisation or the Whitewash Waiver; and
- (v) neither Mr. Chiau and his family, the Trust, SMP Trustees, Beglobal nor any parties acting in concert with any of them has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

As at the date hereof, the authorised share capital of the Company is HK\$100,000,000 divided into 5,000,000,000 Shares, of which 3,087,559,126 Shares are in issue. In order to facilitate the allotment and issue of the Subscription Shares and the Capitalisation Shares and to accommodate the Company's future growth and expansion, the Company proposes to increase its authorised share capital from HK\$100,000,000 divided into 5,000,000,000 Shares to HK\$200,000,000 divided into 10,000,000,000 Shares by the creation of an additional 5,000,000,000 unissued Shares which will rank *pari passu* in all respects with the existing Shares. The proposed increase in the authorised share capital of the Company is subject to the approval of the Shareholders by way of an ordinary resolution at the EGM.

GEM LISTING RULES IMPLICATIONS

Beglobal is a substantial Shareholder and is therefore a connected person of the Company. Ms. Fung is a director of a wholly-owned subsidiary of the Company. Accordingly, the Subscription and the Capitalisation both constitute connected transactions of the Company under Chapter 20 of the GEM Listing Rules and are subject to the approval of the Independent Shareholders by way of poll. Mr. Chiau and his family, the Trust, SMP Trustees, Beglobal, their respective associates and parties acting in concert with any of them shall abstain from voting in respect of the resolution approving the Subscription Agreement and the transactions contemplated thereunder at the EGM. Mr. Chan Cheong Yee and Mr. Yik Chok Man who have been involved in the negotiations of the Subscription and/or the Capitalisation shall also abstain from voting in respect of the resolutions approving the Subscription Agreement and the transactions contemplated thereunder at the EGM. Beglobal, the Creditors and their respective associates shall abstain from voting in respect of the resolution approving the Capitalisation Agreements and the transactions contemplated thereunder at the EGM. The proposed increase in the authorised share capital of the Company is also subject to the approval of the Shareholders at the EGM pursuant to the GEM Listing Rules.

ADJUSTMENTS TO THE SERVICE CBs, THE SERVICE OPTIONS AND THE SHARE OPTIONS

The allotment and issue of the Subscription Shares and the Capitalisation Shares may cause adjustment(s) to the exercise price and the number of Shares to be issued under the Service Options and the Share Options and the conversion price and the number of Shares to be issued upon conversion of the Service CBs. The Company will instruct its auditors or financial adviser to review and certify the basis of such adjustments as soon as possible. Further announcement will be made by the Company in respect of such adjustments as and when appropriate.

GENERAL

The Whitewash IBC comprising all the non-executive Directors and independent non-executive Directors, namely Mr. Chong Lee Chang, Mrs. Chin Chow Chung Hang, Roberta, Mrs. Chen Chou Mei Mei, Vivien, Mr. Wong Chak Keung and Mr. Chum Kwan Yue Desmond, has been established to advise the Independent Shareholders in respect of the Subscription and the Whitewash Waiver. Messis Capital

has been appointed by the Company with the approval of the Whitewash IBC as independent financial adviser to advise the Whitewash IBC and the Independent Shareholders in this regard. None of the members of the Whitewash IBC has been involved in, or are interested in (other than as a Shareholder), the Subscription, the Capitalisation and the Whitewash Waiver.

The GEM Listing Rules IBC 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 in respect of the terms of the Subscription Agreement and the Capitalisation Agreements and the transactions contemplated under the respective agreements. Messis Capital has been appointed by the Company as independent financial adviser to advise the GEM Listing Rules IBC and the Independent Shareholders in this regard.

The circular containing, among other things, (i) details of the Subscription, the Capitalisation, the Whitewash Waiver and the proposed increase in authorised share capital of the Company; (ii) the financial information of the Group; (iii) a letter of recommendation from the Whitewash IBC to the Independent Shareholders in respect of the Subscription and the Whitewash Waiver; (iv) a letter of recommendation from the GEM Listing Rules IBC to the Independent Shareholders in respect of the terms of the Subscription Agreement and the Capitalisation Agreements and the transactions contemplated thereunder; (v) a letter from Messis Capital to the Whitewash IBC, the GEM Listing Rules IBC and the Independent Shareholders in respect of the terms of the Subscription Agreement, the Capitalisation Agreements and the Whitewash Waiver; (vi) the notice convening the EGM; and (vii) other information as required under the GEM Listing Rules and the Takeovers Code will be despatched to the Shareholders within 21 days of the date of this announcement.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was suspended with effect from 9:00 a.m. on 13 January 2012 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 20 January 2012.

DEFINITIONS

Unless the context requires otherwise, the following expressions shall have the following meanings in this announcement:

“2011 CBs”	convertible bonds of the Company in the aggregate principal amount of HK\$78 million which became due and mature on 6 October 2011
“acting in concert”	has the meanings ascribed to it under the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules

“Beglobal”	Beglobal Investments Limited, a company incorporated in the British Virgin Islands and a substantial Shareholder
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which banks are open for business in Hong Kong
“Capitalisation”	the capitalisation of the Loans by way of allotment and issue of the Capitalisation Shares pursuant to the Capitalisation Agreements
“Capitalisation Agreement(s)”	the conditional agreement(s) dated 12 January 2012 entered into among the Company and each of the Creditors in relation to the Capitalisation
“Capitalisation Price”	the issue price of HK\$0.03 per Capitalisation Share pursuant to the Capitalisation Agreements
“Capitalisation Shares”	the 1,706,249,999 new Shares to be allotted and issued by the Company to the Creditors pursuant to the Capitalisation Agreements
“Company”	Bingo Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on GEM (stock code: 8220)
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Creditor(s)”	the creditor(s) of the Company, being Beglobal, Ms. Fung, Ms. Wong, Mr. Lee and Mr. Asvaintra, to whom the Company owes the Loans
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, to approve the Subscription Agreement, the Capitalisation Agreements and the transactions contemplated under the respective agreement, the Whitewash Waiver and the proposed increase in authorised share capital of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any of his delegates

“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“GEM Listing Rules IBC”	the independent committee of the Board, comprising all the independent non-executive Directors, namely Mrs. Chen Chou Mei Mei, Vivien, Mr. Wong Chak Keung and Mr. Chum Kwan Yue Desmond, established to advise the Independent Shareholders in respect of the terms of the Subscription Agreement, the Capitalisation Agreements and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	(i) in respect of the Subscription and the Capitalisation, the Shareholders other than Beglobal, the Creditors and their respective associates; and (ii) in respect of the Subscription and the Whitewash Waiver, the Shareholders other than Mr. Chiau and his family, the Trust, SMP Trustees, Beglobal and parties acting in concert with any of them, the Creditors, the Directors who were involved in the Subscription and the Whitewash Waiver and those who are interested in or involved in the Subscription and the Whitewash Waiver
“Last Trading Day”	12 January 2012, being the last trading day prior to the suspension of trading in the Shares on the Stock Exchange pending the release of this announcement
“Loan(s)”	the outstanding principal amount of loan(s), together with unpaid interest accrued thereon up to and including 6 October 2011, in the aggregate amount of HK\$51,187,500, owed by the Company to the Creditors
“Messis Capital”	Messis Capital Limited, a licensed corporation under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to carry on Type 6 regulated activity (advising on corporate finance) and the independent financial adviser appointed to advise (i) the GEM Listing Rules IBC and the Independent Shareholders in respect of the Subscription and the Capitalisation; and (ii) the Whitewash IBC and the Independent Shareholders in respect of the Subscription and the Whitewash Waiver

“Mr. Asvaintra”	Mr. Bhanusak Asvaintra, one of the Creditors to whom the Company owes the Loan in the amount of HK\$9,450,000.00
“Mr. Chiau”	Mr. Chiau Sing Chi, an executive Director
“Mr. Lee”	Mr. Sherman Lee, one of the Creditors to whom the Company owes the Loan in the amount of HK\$11,025,000.00
“Ms. Fung”	Ms. Fung See Mun Catherine, a director of a wholly-owned subsidiary of the Company and one of the Creditors to whom the Company owes the Loan in the amount of HK\$25,945.35
“Ms. Wong”	Ms. Wong Ching Kuen, one of the Creditors to whom the Company owes the Loan in the amount of HK\$327,456.87
“Other Creditors”	collectively, Ms. Fung, Ms. Wong, Mr. Lee and Mr. Asvaintra
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Service CB(s)”	the zero-coupon convertible bonds in the aggregate outstanding principal amount of HK\$30,000,000 issued by the Company to Mr. Chiau
“Service Options”	the outstanding share options granted by the Company to Mr. Chiau which entitle him to subscribe for 250,000,000 new Shares
“Share(s)”	share(s) of HK\$0.02 each in the share capital of the Company
“Share Options”	the outstanding share options granted by the Company pursuant to the share option scheme of the Company adopted on 19 October 2002
“Shareholder(s)”	holder(s) of the Shares
“SMP Trustees”	SMP Trustees Limited, the present trustee of the Trust
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares by Beglobal pursuant to the Subscription Agreement

“Subscription Agreement”	the conditional agreement dated 12 January 2012 entered into between the Company and Beglobal in relation to the Subscription
“Subscription Price”	the issue price of HK\$0.03 per Subscription Share pursuant to the Subscription Agreement
“Subscription Shares”	the 1,300,000,000 new Shares to be allotted and issued by the Company to Beglobal pursuant to the Subscription Agreement
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Trust”	The Sino Star Trust, a discretionary trust founded by Mr. Chiau, the discretionary objects of which are Mr. Chiau and his family
“Whitewash IBC”	the independent board committee, comprising all the non-executive Directors and independent non-executive Directors, namely Mr. Chong Lee Chang, Mrs. Chin Chow Chung Hang, Roberta, Mrs. Chen Chou Mei Mei, Vivien, Mr. Wong Chak Keung and Mr. Chum Kwan Yue Desmond, established to advise the Independent Shareholders in respect of the Subscription and the Whitewash Waiver
“Whitewash Waiver”	a waiver from the Executive pursuant to Note 1 on Dispensations from Rule 26 of the Takeovers Code to waive the obligation of Beglobal to make a mandatory general offer for all the issued securities of the Company not already owned or agreed to be acquired by Mr. Chiau and his family, the Trust, SMP Trustees, Beglobal and parties acting in concert with any of them which would otherwise arise as a result of the issue of the Subscription Shares to Beglobal pursuant to the Subscription Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

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

Hong Kong, 19 January 2012

Throughout this announcement, amounts in RMB have been translated, for illustration only, into HK\$ at the exchange rate of RMB1.0 = HK\$1.228. No representation is made that any amounts in RMB or HK\$ have been, could have been or could be converted at the above rate or at any other rates or at all.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement contained in this announcement misleading.

This announcement, 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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

As at the date of this announcement, the executive Directors are Mr. Chiau Sing Chi, Mr. Chan Cheong Yee, Mr. Yik Chok Man and Mr. Fok Wai Ming Jackie, the non-executive Directors are Mr. Chong Lee Chang, Mrs. Chin Chow Chung Hang, Roberta, and the independent non-executive Directors are Mrs. Chen Chou Mei Mei, Vivien, Mr. Wong Chak Keung and Mr. Chum Kwan Yue Desmond.

This announcement will remain on GEM website on the “Latest Company Announcements” page for at least 7 days from the date of its posting and the Company website at www.bingogroup.com.hk.