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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)

### **DISCLOSEABLE TRANSACTION IN RELATION TO THE DISPOSAL OF SALE ASSET**

#### **THE CONDITIONAL AGREEMENT**

The Board announces that, on 18 September 2012 (after trading hours), the Vendor, a wholly-owned subsidiary of the Company, entered into the Conditional Agreement with the Purchaser pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agree to purchase the Sale Assets at a consideration of RMB38,000,000 (equivalent to approximately HK\$46,360,000). The Consideration shall be paid by the Purchaser to the Vendor within 15 working days upon the execution of the Conditional Agreement by way of cash.

#### **IMPLICATION UNDER GEM LISTING RULES**

Since the relevant percentage ratios (as defined under the GEM Listing Rules) in respect of the Disposal are greater than 5% but less than 25%, the Disposal constitutes a discloseable transaction on the part of the Company under Chapter 19 of the GEM Listing Rules.

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## **THE CONDITIONAL AGREEMENT**

### **Date:**

18 September 2012 (after trading hours)

### **Parties:**

Vendor : The Vendor

Purchaser : The Purchaser

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the GEM Listing Rules).

### **Assets to be disposed of**

A Chinese language motion picture, currently titled as "Journey to the West – 除魔傳奇" and headed by the Vendor as a project manager, is undergoing its post-production stage as at the date of this announcement. With Stephen Chow's special brand of comedy and signature humor, this is a masterpiece of fantasy involving magic and supernatural events for family entertainment, boasting numerous spectacular high-tech CG visual effects. The Picture was directed, written and produced by Mr. Stephen Chow, starring well-known actors and actresses in the Greater China region, such as Shu Qi, Wen Zhang, Huang Bo and Lo Chih Hsiang. The Sale Asset was the assignment of 50% of the Vendor's equity interest in the Picture (equivalent to 30% of the entire equity interest in the Picture) from the Vendor to the Purchaser.

### **Consideration**

The Consideration of RMB38,000,000 (equivalent to approximately HK\$46,360,000) shall be paid by the Purchaser to the Vendor within 15 working days upon the execution of the Conditional Agreement by way of cash.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser, after taking into consideration of a premium of approximately 20% over the share of estimated production cost of the Sale Asset in the Picture by the Vendor.

## Conditions precedent

The assignment of the Sale Asset is conditional upon the satisfaction of the following conditions:

- (a) Mr. Chiau is the rights owner of the original screenplay of the Picture and shall enter into a one-picture license with the Vendor in connection with the Picture and Mr. Chiau taking the role as the principal producer of the Picture. The Vendor and the Purchaser acknowledge that the Picture upon its completion is a work under a single picture restrictive license and Mr. Chiau reserves all other rights in connection with the original screenplay. All rights, other than the rights to produce, market, and distribute the Picture in its original linear form for viewing from beginning to end, have been reserved by and shall be owned by Mr. Chiau, including without limitation, remake, sequel, prequel, adaptation, merchandising, gaming and screenplay publishing rights in connection with the Original Screenplay and in relation to the Picture and that no such rights can be exploited without an express agreement by Mr. Chiau (the “Chiau’s Reserved Rights”);
- (b) The Purchaser approves Mr. Chiau as the principal director of the Picture;
- (c) The Purchaser agrees the detailed casting plan for the Picture;
- (d) The current estimated total production budget for the Picture is approximately RMB106,000,000 (approximately HK\$129,320,000) plus a contingency provision for production coverage of 10% (the “Budget”) has been pre-approved by the Vendor, the Purchaser and other existing Equity Investors. Should the actual total production cost to complete the Picture is more than 10% of the Budget, any additional production cost over the provisioned contingency shall be borne by the Vendor;
- (e) The Purchaser acknowledges that the Picture upon its completion is a work under a single picture restrictive license and the Purchaser together with the existing Equity Investors shall only own the rights to produce, market, and distribute the Picture in its original linear form for viewing from beginning to end during the term of fifteen years following the initial release of the Picture in the Mainland China subject to the provision of the extended term, and provided that the Equity Investors’ respective investment in the Picture plus an interest charge of ten percent per annum shall have been fully recouped; otherwise an extension of the rights ownership of the Picture shall be extended for a period of another five years, following which all approvals, consultations and controls granted to the Equity Investors pursuant to the Conditional Agreement will terminate and revert to Mr. Chiau. The Purchaser acknowledges that Mr. Chiau’s Reserved Rights cannot be exploited without an express agreement by Mr. Chiau;
- (f) The Purchaser confirms that it has reviewed the rough cut of the Picture to its satisfaction;
- (g) The Purchaser acknowledges and accepts that the Vendor, Village Asia and Edko Films hold 60%, 30%, and 10% of the equity interest in the Picture respectively; and

- (h) The Vendor and the Purchaser acknowledge that the principal photography of the Picture has been completed and the production has entered into the final post-production stage.

After satisfaction of all the Conditions Precedent, the Vendor and the Purchaser may enter into a formal agreement incorporating the terms hereof, and such additional business terms as the parties may agree to incorporate, and customary force majeure accounting and audit provisions. Until a formal agreement, if any, is entered into between the Vendor and the Purchaser, the Conditional Agreement will be legally binding upon the parties after satisfaction of all the Conditions Precedent, provided that any modifications, alterations or amendments to the terms hereof will be effective upon written agreement by the parties.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

The existing Equity Investors of the Picture are the Vendor, Village Asia and Edko Films. The Vendor also acts as the project manager of the Picture and Village Asia and Edko Films will act as distributors of the Picture. Huayi Brothers Media Corporation (“Huayi Brothers”) will be responsible for the distribution of the Picture in Mainland China. By entering into the Conditional Agreement with the Purchaser prior to the completion of the production of the Picture, the Vendor is able to share and cooperate the right to product, market and distribute the Picture with the Purchaser and other Equity Investors of the Picture on a worldwide basis.

To enhance the cooperation relationship between the Group and the Purchaser in production of pictures in future, Mr. Chiau has granted the Purchaser within seven years from the date of the agreement, under the Motion Pictures Development Agreement entered into between Mr. Chiau and the Vendor on 18 September 2012, an option to invest in the production of five motion pictures in which Mr. Chiau has the ultimate decision on the role he is going to play. The Company will base on its first right of refusal to invest in the production of the five motion pictures with Mr. Chiau according to the service agreement dated 22 February 2010 entered into between the Company and Mr. Chiau.

The Company estimates that the net proceeds from the Disposal are approximately HK\$46,360,000. The net proceeds will be used for general working capital of the Group and funding of any potential investments available to the Group in future.

In view of the above, the Directors are of the opinion that the terms of the Conditional Agreement are fair and reasonable and the Disposal is on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

## **INFORMATION OF THE GROUP**

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

## **INFORMATION OF THE PURCHASER**

The Purchaser is a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of ChinaVision Media Group Limited. ChinaVision Media Group Limited is a company incorporated in Bermuda with limited liability and its shares are listed on the Main Board of the Stock Exchange as primary listing and The Singapore Exchange Securities Trading Limited as secondary listing. ChinaVision Media Group Limited and its subsidiaries are primarily engaged in two businesses, namely, (i) media related businesses; and (ii) securities trading and investments. Media related businesses mainly include the planning, production, publication, investment, distribution and licensing of television drama and film and organizing cultural and artistic exchange activities, television advertising, mobile value-added services, mobile game business, mobile TV business, sales and distribution of newspapers and magazines, advertising agency and packaging services for TV programmes. A majority of these businesses are conducted in the PRC.

## **INFORMATION OF VILLAGE ASIA**

Village Roadshow Entertainment Group (“VREG”) is one of the world’s leading independent global entertainment companies operating in the film and music industries. VREG consists principally of Village Roadshow Pictures Group, Concord Music Group and Village Roadshow Entertainment Group Asia. Through its film business arm, Village Roadshow Pictures Group, VREG co-produces and co-finances major Hollywood motion pictures that reach a broad worldwide audience. They hold distribution rights for 72 films, many of which were international blockbusters. The Asia-Pacific region has become an increasingly important market for VREG over recent years. VREG is taking the initiative to expand its film and music business into local production in China through the recent establishment of Village Asia in Hong Kong in 2011.

## **INFORMATION OF EDKO FILMS**

Edko Films, established in 1959 in Hong Kong, always strives to bring entertainment and fun to the public. Besides producing and distributing films, Edko Films operates cinema circuits and TV movie channels and carry out movie promotion, including print and outdoor advertisements, TV commercials and promotional activities. Edko Films has distributed nearly 300 film titles for Hong Kong and China, counting box office successes such as *3 Idiots*, *Sanctum*, *Resident Evil series*, *Ong Bak*, *My Sassy Girl* and *Brokeback Mountain*; as well as celebrated art house movies like *The Artist*, *The Secret in Their Eyes*, *Uncle Boonmee who can Recall his Past Lives*, *Poetry*, *Incendies*, *Slumdog Millionaire*, *Pan’s Labyrinth* and *Crash*. Edko Films has produced many internationally acclaimed movies and handled their local and overseas distribution. These include *Crouching Tiger*, *Hidden Dragon*, *Hero*, *House of the Flying Daggers*, *Fearless*, *Curse of the Golden Flower*, *Secret*, *Lust*, *Caution*, *Claustrophobia*, *Crossing Hennessy*, *Under the Hawthorn Tree*, *Lovers’ Discourse*, *Love for Life*, and, *The Flowers of War*.

## **INFORMATION OF HUAYI BROTHERS**

Huayi Brothers is one of the largest private film and television producers and distributors in the PRC. In 1998, Huayi Brothers officially entered into the filmmaking industry through investments in 「沒完沒了」 (Sorry Baby) and 「鬼子來了」 (Devils on the Doorstep), two movies respectively directed by the famous directors Mr. Feng Xiaogang and Mr. Jiang Wen. Since then Huayi Brothers has set its footprints in the media sector with investments and operations in movies, television dramas, artist brokerage, music records and entertainment marketing, making remarkable achievements in these areas. It was listed on the GEM Board of the Shenzhen Stock Exchange in 2009 (stock name: Huayi Brothers, stock code: 300027).

## **IMPLICATION UNDER GEM LISTING RULES**

Since the relevant percentage ratios (as defined under the GEM Listing Rules) in respect of the Disposal are greater than 5% but less than 25%, the Disposal constitutes a discloseable transaction on the part of the Company under Chapter 19 of the GEM Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Board”	the board of Directors
“Company”	Bingo Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the GEM
“Conditional Agreement”	the conditional agreement dated 18 September 2012 entered into between the Vendor and the Purchaser in relation to the Disposal
“connected person(s)”	has the meaning as defined in the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Asset under the Conditional Agreement
“Edko Films”	Edko Film Limited, a limited company incorporated in Hong Kong and is one of the Equity Investors in the Picture

“Equity Investor(s)”	The Vendor, Village Asia and Edko Films are the investors holding 60%, 30%, and 10% of the equity interest in the Picture respectively before entering into of the Conditional Agreement
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huayi Brothers”	Huayi Brothers Media Corporation is one of the largest private film and television producers and distributors in the PRC
“Motion Pictures Development Agreement”	a Chinese motion pictures development co-operation agreement dated 18 September 2012 entered into between the Purchaser and Mr. Chiau conferring an option on the Purchaser to invest in the production of five motion pictures in which Mr. Chiau would play a significant role as filmmaker, producer, director, script writer, protagonist or other leading role within seven years from the date of the agreement
“Mr. Chiau”	Mr. Chiau Sing Chi also known as Stephen Chow (周星馳), an executive Director of the Company
“Picture”	A Chinese language motion picture, currently titled as “Journey to the West – 除魔傳奇” and headed by the Vendor as a project manager, is undergoing its post-production stage as at the date of this announcement
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	West Gold Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of ChinaVision Media Group Limited
“Sale Asset”	the assignment of 50% of the Vendor’s equity interest in the Picture (equivalent to 30% of the entire equity interest in the Picture)

“Share(s)”	ordinary share(s) of HK\$0.04 par value each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Vendor”	Bingo Movie Development Limited, a limited company incorporated in Hong Kong and is a wholly-owned subsidiary of the Company
“Village Asia”	Village Roadshow Pictures Asia Limited, a limited company incorporated in Hong Kong and is one of the Equity Investors in the Picture
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

*Unless otherwise specified in this announcement, translation of RMB into HK\$ are made in this announcement, for illustration only, at the rate of RMB1.00 to HK\$1.22. No representation is made that any amounts in RMB or HK\$ could have been or could be converted at that rate or at any other rate.*

By order of the Board  
**BINGO GROUP HOLDINGS LIMITED**  
**Chan Cheong Yee**  
*Executive Director*

Hong Kong, 18 September 2012

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



*This announcement, for which the directors of the Company 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 of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

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