



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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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This announcement, for which the directors of Bingo Group Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The directors of the Company (the “Directors”), having made all reasonable enquiries, confirm that, to the best of their knowledge and belief. The information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

The board of Directors (the “Board”) of the Company presents the unaudited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 September 2012, together with the comparative unaudited figures for the corresponding period in 2011 were as follows -:

		For the six months ended 30 September	
		2012	2011
	<i>Notes</i>	HK\$’000	HK\$’000
		(Unaudited)	(Unaudited)
Turnover	2	75,792	120,972
Cost of sales		<u>(73,628)</u>	<u>(112,072)</u>
Gross profit		2,164	8,900
Other revenue and other net income		15	133
Gain on disposal of subsidiaries	3	–	714
Administrative expenses		(14,370)	(20,084)
Share-based payments		(28,364)	(27,293)
Share of results of jointly-controlled entities		–	(373)
Finance cost	5	<u>–</u>	<u>(1,218)</u>
Loss before taxation	3	(40,555)	(39,221)
Taxation		<u>–</u>	<u>–</u>
Loss for the period		<u>(40,555)</u>	<u>(39,221)</u>
Loss attributable to:			
Equity holders of the Company		(40,251)	(38,608)
Non-controlling interests		<u>(304)</u>	<u>(613)</u>
		<u>(40,555)</u>	<u>(39,221)</u>

		For the six months ended 30 September	
	<i>Notes</i>	2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)
Dividend	7	–	–
Loss per share (cents per share)			
Basic	8	(1.33)	(2.54)
Diluted	8	<u>N/A</u>	<u>N/A</u>
Other comprehensive loss			
Exchange differences on translating foreign operations			
– Exchange differences arising during the period		<u>306</u>	<u>(286)</u>
Other comprehensive loss for the period, net of tax		306	(286)
Loss for the period		<u>(40,555)</u>	<u>(39,221)</u>
Total comprehensive loss for the period		<u>(40,249)</u>	<u>(39,507)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30 September 2012 <i>HK\$'000</i> (Unaudited)	As at 31 March 2012 <i>HK\$'000</i> (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		496	593
Deposit paid for acquisition of equity interests and assets in cinema business		18,322	18,322
Goodwill		8,295	8,295
		<u>27,113</u>	<u>27,210</u>
CURRENT ASSETS			
Trade receivables	9	46,360	–
Other receivables, deposits and prepayments		2,851	2,115
Payments to parties for procurement for investment of cinema business	10	44,404	34,854
Film in progress		34,717	52,762
Bank balance and cash		33,070	39,078
		<u>161,402</u>	<u>128,809</u>
CURRENT LIABILITIES			
Deposits received, other payables and accruals		56,986	12,614
Tax payables		739	730
		<u>57,725</u>	<u>13,344</u>
NET CURRENT ASSETS		<u>103,677</u>	<u>115,465</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>130,790</u>	<u>142,675</u>
NON-CURRENT LIABILITIES			
Convertible bonds		11,315	10,916
		<u>11,315</u>	<u>10,916</u>
NET ASSETS		<u>119,475</u>	<u>131,759</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30 September 2012 <i>HK\$'000</i> (Unaudited)	As at 31 March 2012 <i>HK\$'000</i> (Audited)
CAPITAL AND RESERVES			
Share capital	<i>11</i>	121,936	121,936
Reserves		<u>(943)</u>	<u>11,051</u>
		120,993	132,987
Non-controlling interests		<u>(1,518)</u>	<u>(1,228)</u>
TOTAL EQUITY		<u>119,475</u>	<u>131,759</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Contributed surplus <i>HK\$'000</i>	Equity component of convertible bonds <i>HK\$'000</i>	Share option reserve <i>HK\$'000</i>	Exchange reserve <i>HK\$'000</i>	Accumulated Loss <i>HK\$'000</i>	Sub-total <i>HK\$'000</i>	Non controlling interests <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2011	61,431	250,641	3,930	91,036	34,307	(53)	(362,567)	78,725	-	78,725
Issue of ordinary shares under convertible bonds	-	-	-	9,034	-	-	-	9,034	-	9,034
Issue of new shares of HK\$0.02 each under share option scheme	320	1,399	-	-	(422)	-	-	1,297	-	1,297
Non-controlling interest	-	-	-	-	-	-	-	-	(605)	(605)
Exchange different arising from translation of financial statements	-	-	-	-	-	(286)	-	(286)	-	(286)
Equity settled share option arrangement	-	-	-	-	17,505	-	-	17,505	-	17,505
Loss for the period	-	-	-	-	-	-	(39,221)	(39,221)	-	(39,221)
At 30 September 2011	<u>61,751</u>	<u>252,040</u>	<u>3,930</u>	<u>100,070</u>	<u>51,390</u>	<u>(339)</u>	<u>(401,788)</u>	<u>67,054</u>	<u>(605)</u>	<u>66,449</u>

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Contributed surplus <i>HK\$'000</i>	Equity component of convertible bonds <i>HK\$'000</i>	Share option reserve <i>HK\$'000</i>	Exchange reserve <i>HK\$'000</i>	Accumulated Loss <i>HK\$'000</i>	Sub-total <i>HK\$'000</i>	Non controlling interests <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2012	121,936	329,062	3,930	101,851	56,886	(423)	(480,255)	132,987	(1,228)	131,759
Issue of convertible bonds	-	-	-	4,783	-	-	-	4,783	-	4,783
Equity settled share option arrangement	-	-	-	-	23,182	-	-	23,182	-	23,182
Lapse of share option	-	-	-	-	(248)	-	248	-	-	-
Loss for the period	-	-	-	-	-	-	(40,251)	(40,251)	(304)	(40,555)
Other comprehensive loss for the period	-	-	-	-	-	292	-	292	14	306
At 30 September 2012	<u>121,936</u>	<u>329,062</u>	<u>3,930</u>	<u>106,634</u>	<u>79,820</u>	<u>(131)</u>	<u>(520,258)</u>	<u>120,993</u>	<u>(1,518)</u>	<u>119,475</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the six months ended 30 September	
	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Net cash generated from/(used in) operating activities	3,233	(38,614)
Net cash used in investing activities	(9,547)	(18,088)
Net cash used in financing activities	—	(13,128)
	<hr/>	<hr/>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(6,314)	(69,830)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	39,078	116,765
EFFECT OF FOREIGN RATE EXCHANGES	306	(286)
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>33,070</u>	<u>46,649</u>
ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS		
Cash at bank and on hand	<u>33,070</u>	<u>46,649</u>

NOTES:

1. BASIS OF PREPARATION

The Group's unaudited consolidated results have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosures requirements of the GEM Listing Rules and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for an investment property, derivative financial instruments and equity investments, which have been measured at fair value. The unaudited consolidated results are presented in Hong Kong dollars ("HK\$") and all values are rounded to the nearest thousand except when otherwise indicated.

The principal accounting policies applied in the preparation of the unaudited consolidated results are consistent with those adopted in the preparation of the annual consolidated financial statements of the Group for the year ended 31 March 2012.

In the current period, the Group has adopted a number of new and revised HKFRSs, which are effective for the accounting periods beginning on or after 1 April 2012. The adoption of these new and revised HKFRSs have no material effect on the results of financial position of the Group for the current and/or prior accounting periods. Accordingly, no prior period adjustment has been required.

The Group has not applied the new and revised HKFRSs, which have been issued but are not yet effective, in the unaudited consolidated results. The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, it has anticipated that these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and its financial position.

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

2. TURNOVER AND SEGMENT INFORMATION

Turnover represents amounts receivable for goods sold and services provided and royalty income generated in the normal course of business, net of sales-related taxes.

Share of jointly controlled entity represents the net amount receivable shared from jointly controlled entity for cinema business.

Turnover and results

For the six months ended 30 September 2012

	Trading HK\$'000	Filmed entertainment, online games and licensing business HK\$'000	Cinema business HK\$'000	Consolidation HK\$'000
Turnover				
External	73,824	52	1,916	75,792
Share of jointly controlled entity	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Segment result	<u>202</u>	<u>52</u>	<u>1,910</u>	<u>2,164</u>
Interest income				15
Gain from disposal of subsidiary				—
Share-based payments				(28,364)
Unallocated corporate expenses				<u>(14,370)</u>
Loss from operation				(40,555)
Finance cost				<u>—</u>
Loss before taxation				(40,555)
Taxation				<u>—</u>
Loss for the period				<u><u>(40,555)</u></u>

For the six months ended 30 September 2011

	Trading HK\$'000	Filmed entertainment, Online games and licensing business HK\$'000	Cinema business HK\$'000	Consolidation HK\$'000
Turnover				
External	112,162	8,810	–	120,972
Share of results of jointly controlled entities	<u>–</u>	<u>–</u>	<u>(373)</u>	<u>(373)</u>
Segment result	<u>(686)</u>	<u>1,406</u>	<u>(373)</u>	<u>347</u>
Interest income				133
Gain from disposal of subsidiary				714
Share-based payments				(27,293)
Unallocated corporate expenses				<u>(11,904)</u>
Loss from operation				(38,003)
Finance cost				<u>(1,218)</u>
Loss before taxation				(39,221)
Taxation				<u>–</u>
Loss for the period				<u>(39,221)</u>

Consolidated Assets and Liabilities

At 30 September 2012

	Trading <i>HK\$'000</i>	Filmed entertainment, Online games and licensing business <i>HK\$'000</i>	Cinema business <i>HK\$'000</i>	Consolidation <i>HK\$'000</i>
ASSETS				
Segment assets	602	106,016	67,647	174,265
Unallocated corporate assets				<u>14,250</u>
Consolidated total assets				188,515
LIABILITIES				
Segment liabilities	1,196	53,738	698	55,632
Unallocated corporate liabilities				<u>13,408</u>
Consolidated total liabilities				69,040
OTHER INFORMATION				
Segment depreciation and amortization		20	41	61
Unallocated corporate depreciation				<u><u>33</u></u>

At 30 September 2011

	Trading HK\$'000	Filmed entertainment, Online games and licensing business HK\$'000	Cinema business HK\$'000	Consolidation HK\$'000
ASSETS				
Segment assets	45,651	90,886	42,926	179,463
Unallocated corporate assets				<u>42,613</u>
Consolidated total assets				222,076
LIABILITIES				
Segment liabilities	45,162	37,399	10,171	92,732
Unallocated corporate liabilities				<u>62,895</u>
Consolidated total liabilities				155,627
OTHER INFORMATION				
Segment depreciation and amortization		24	39	63
Unallocated corporate depreciation				<u><u>29</u></u>

3. LOSS BEFORE TAXATION

Loss before taxation is stated after charging/(crediting) the following:

	For the six months ended 30 September	
	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Depreciation	94	92
Operating leases rental in respect of rented premises	1,000	270
Staff costs (including directors' remuneration)	6,713	7,105
Share – based payments	28,364	27,293
Gain on disposal of subsidiary	<u>–</u>	<u>(714)</u>

4. SHARE-BASED PAYMENTS

- (i) The Company has provided the convertible bonds and share option for Mr. Chiau Sing Chi as his remuneration package to the services provided by him. Details of the convertible bonds and share options are as follows:

Convertible bonds

Issuer:	The Company
Principal amount:	HK\$45 million in aggregate. The Convertible Bonds in the amount of HK\$25 million issued on 1 June 2010 (“commencement date”) and the remaining four tranches (each worth HK\$5 million, and HK\$20 million in aggregate) of the Convertible Bonds issued on the dates being the first, second, third and fourth anniversaries of the date of commencement date.
Issue date:	1 June 2010
Maturity date:	Ten years from the date of issue
Interest:	Zero coupon
Conversion price:	HK\$0.10 per share

Share Option Scheme

Grant date:	1 June 2010
Maturity date:	the date falling on the expiry of the fortieth month from the date of grant of the options
Number of Options granted:	250,000,000
Exercise price:	HK\$0.10 per share
Exercisable period:	Any time during the period commencing from the date of expiry of the eighteenth month from the date of grant of Options to the date falling on the expiry of the fortieth month from the date of grant of the Options.

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

The following assumptions were made by DTZ Debenham Tie Leung Limited, independent qualified professional valuers not connected with the Group who have appropriate qualification, to calculate the fair value of HK\$45 million convertible bonds:

Principle amount:	HK\$45 million
Expected life:	10 years
Interest:	Nil
Redemption price:	100% of the principal amount
Conversion price:	HK\$0.10
Risk-free rate:	2.47%
Effective interest rate:	16.73%
Share price:	HK\$0.27
Expected dividend yield:	0%
Expected volatility:	84.09%

The following assumptions were made by DTZ Debenham Tie Leung Limited, independent qualified professional valuers not connected with the Group who have appropriate qualification, to calculate the fair value of 250,000,000 share options granted to Mr. Chiau Sing Chi on 1 June 2010.

Share price:	HK\$0.27
Exercise price:	HK\$0.10
Nature of the options:	Call
Risk-free rate:	1.08%
Expected life of the options:	40 months
Expected volatility:	94.74%
Expected dividend yield:	0%
Early exercise behavior:	280%

The following assumptions were made by DTZ Debenham Tie Leung Limited, independent qualified professional valuers not connected with the Group who have appropriate qualification, to calculate the fair value of 294,840,000 share options (after share consolidation) granted to certain Directors, advisors and employees on 23 August 2012.

Share price:	HK\$0.076
Exercise price:	HK\$0.078
Nature of the options:	Call
Risk-free rate:	0.284%
Expected life of the options:	5 years
Expected volatility:	81.86%
Expected dividend yield:	0%
Early exercise behavior:	220%

- (ii) The Company has share option scheme for directors, employees and advisors of the Group. 589,680,000 share options (before share consolidation) were granted to directors, employees and advisors on 23 August 2012 with fair value of certain approximately HK\$22,921,000 using binomial option pricing model.

During the period, 53,000,000 share options were lapsed and HK\$5 million convertible bonds and 589,680,000 share options were issued/granted and the Company recognised the total expenses of HK\$28,364,000 as share-based payments for the six months ended 30 September 2012.

5. FINANCE COST

	For the six months ended 30 September	
	2012 <i>HK\$'000</i> (Unaudited)	2011 <i>HK\$'000</i> (Unaudited)
Finance cost		
Effective interest on convertible bonds	—	1,218
	<u>—</u>	<u>1,218</u>

6. INTEREST IN THE JOINTLY CONTROLLED ENTITIES

	For the six months ended 30 September	
	2012 <i>HK\$'000</i> (Unaudited)	2011 <i>HK\$'000</i> (Unaudited)
Cost of investment, unlisted	—	28,259
Share of post-acquisition loss and reserves	—	(373)
	<u>—</u>	<u>27,886</u>

7. DIVIDEND

The Directors do not recommend the payment of any dividend for the six months ended 30 September 2012 (six months ended 30 September 2011: Nil).

8. LOSS PER SHARE

(a) Basic

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

Basic loss per share is calculated as follows:

	For the six months ended 30 September	
	2012 <i>HK Cent</i> (Unaudited)	2011 <i>HK Cent</i> (Unaudited) (restated)
Basic loss per share from operation	<u>(1.33)</u>	<u>(2.54)</u>

Weighted average number of ordinary shares used in the calculation of basic loss per share is as follows:

	For the six months ended 30 September	
	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Loss for the period attributable to equity Holders of the Company	<u><u>(40,555)</u></u>	<u><u>(39,221)</u></u>
	2012	2011
		(restated)
Weighted average number of ordinary shares for the purpose of basic loss per share	<u><u>3,048,404,562</u></u>	<u><u>1,543,779,563</u></u>

Weighted average number of ordinary shares for the period ended 30 September 2011 is restated by share consolidation on the basis of 2 ordinary shares consolidated into 1 share.

(b) Diluted

No diluted loss per share has been presented by the Company for the six months ended 30 September 2012 as the exercise of the share options and convertible bonds will give rise to an anti-dilutive effect.

9. TRADE RECEIVABLES

The credit period granted by the Group to its customers is normally 60-90 days.

The aging of the Group's trade receivables is analysed as follows:

	As at 30 September 2012	As at 31 March 2012
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Within 30 days	46,360	20
31-60 days	-	20
61-90 days	-	20
Over 90 days	<u>-</u>	<u>381</u>
	46,360	441
Provision	<u>-</u>	<u>(441)</u>
	<u><u>46,360</u></u>	<u><u>-</u></u>

10. PAYMENTS TO PARTIES FOR PROCUREMENT FOR INVESTMENT OF CINEMA BUSINESS

Pursuant to an announcement of the Company on 9 June 2011 in relation to, among others, the joint venture agreement (“JV Agreement”), a subsidiary of the Company entered into a JV Agreement with CineChina Limited (“CineChina”) for the investment of cinemas business in the PRC.

The payments were made to a director of a 70% owned subsidiary, who is also a director and a shareholder of CineChina, and to CineChina, a 30% shareholder of the abovementioned subsidiary, and a third party as follows for the purpose of materializing the JV Agreement:

	As at 30 September 2012 <i>HK\$'000</i> (Unaudited)	As at 31 March 2012 <i>HK\$'000</i> (Audited)
Amount paid to a director of a subsidiary	12,513	12,513
Amount paid to CineChina	28,646	22,341
Amount paid to a third party	3,245	—
	<u>44,404</u>	<u>34,854</u>

Under the prevailing legal requirements in the PRC, certain restrictions are imposed on foreign investors for taking up majority stakes in cinema business in the PRC. In accordance with legal opinion from PRC lawyer, the approval for engaging in the foregoing business by the subsidiaries of the Company has not been obtained from the respective PRC authorities and the organising of the above Cinemas Business has not been completed as at 30 September 2012.

11. SHARE CAPITAL

	As at 30 September 2012 (Unaudited)		As at 31 March 2012 (Audited)	
	No of shares '000	Amount HK\$'000	No of shares '000	Amount HK\$'000
Ordinary shares of HK\$0.04 (2011: HK\$0.02) each				
Authorised:				
At the beginning of the period/year	10,000,000	200,000	10,000,000	200,000
Share consolidation from two shares into one consolidated share	<u>(5,000,000)</u>	<u>—</u>	<u>—</u>	<u>—</u>
At the end of the period/year	<u>5,000,000</u>	<u>200,000</u>	<u>10,000,000</u>	<u>200,000</u>
Ordinary shares of HK\$0.04 (2011: HK\$0.02) each				
Issued and fully paid:				
At the beginning of the period/year	6,096,809	121,936	3,071,559	61,431
Share consolidation	<u>(3,048,404)</u>	<u>—</u>	<u>—</u>	<u>—</u>
Capitalisation of convertible bonds	—	—	1,706,250	34,125
Share subscription	—	—	1,300,000	26,000
Share allotment under share option scheme after share consolidation	<u>—</u>	<u>—</u>	<u>19,000</u>	<u>380</u>
At the end of the period/year	<u>3,048,405</u>	<u>121,936</u>	<u>6,096,809</u>	<u>121,936</u>

12. OPERATING LEASE COMMITMENTS

	As at 30 September 2012 <i>HK\$'000</i> (Unaudited)	As at 31 March 2012 <i>HK\$'000</i> (Audited)
Within one year	507	225
In the second to fifth year, inclusive	<u>1,577</u>	<u>–</u>
	<u>2,084</u>	<u>225</u>

13. CAPITAL COMMITMENTS

	As at 30 September 2012 <i>HK\$'000</i> (Unaudited)	As at 31 March 2012 <i>HK\$'000</i> (Audited)
Contracted but not provide for		
– Additional cost to be incurred for animation under production	3,876	1,840
– Acquisition of equity interest in cinema business	6,734	6,734
– Acquisition of assets used in cinema management segment	11,746	11,746
– Additional capital injection in a subsidiary, 輝馳(上海)投資諮詢有限公司	<u>–</u>	<u>3,106</u>
	<u>22,356</u>	<u>23,426</u>

14. EVENTS AFTER THE REPORTING PERIOD

On 12 October 2012, West Gold and Mr. Chiau Sing Chi entered into legally binding framework agreements in respect of framework agreement for a “Journey to the West” – inspired theme park project and the Cooperation Framework Agreement.

Pursuant to the Cooperation Framework Agreement, West Gold and Mr. Chiau will jointly invest in three projects, namely a cultural tourist attraction project in operation, a “Journey to the West” – inspired theme park project under preparation and a Minguo cultural street project under preparation through a cultural tourism investment company.

Pursuant to the Cooperation Framework Agreement, West Gold shall assign the subscription rights for 20% of the initial shares of the Investment Company to Mr. Chiau upon its formation. The subscription rights shall be subject to the same conditions as that of West Gold on a pro rata basis.

On 12 October 2012, Mr. Chiau notified the Board of the Company that he unconditionally assigned his subscription rights for up to 10% of the initial shares of the Investment Company to the Company. The subscription rights shall be subject to the same conditions as that of West Gold on a pro rata basis.

15. CONNECTED PARTY TRANSACTIONS

Name of connected persons	Nature of transactions	For the six months ended 30 September	
		2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)
Loch Holdings (HK) Limited (Note 1)	Handling fee in relation to the promotion payment to an independent third party	–	454
CineChina Limited (Note 2)	Payment for procurement for investment of Cinema Business	28,646	22,341
Mr. Yin Gang (Note 3)	Payment for procurement for investment of Cinema Business	12,513	12,513

Note 1: Ms. Kelly Chow, a director of Loch Holdings, is a sister of Mr. Chiau Sing Chi who is a director of the Company and Ms. Kelly Chow is defined as connected person under GEM Listing Rules.

Note 2: CineChina Limited holds 30% equity interest in a subsidiary of the Company and it is defined as connected person under the GEM Listing Rules.

Note 3: Mr. Yin Gang is a director of a subsidiary of the Company. He is defined as connected person under the GEM Listing Rules.

MANAGEMENT DISCUSSION AND ANALYSIS

General

During the six months ended 30 September 2012 (the “Period”), Bingo Group Holdings Limited (the “Company”) and its subsidiaries (collectively, the “Group”) was principally engaged in sales and trading of coal and palm oil (“Trading”), 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”).

Financial Review

During the Period, the Group recorded a decrease of turnover to HK\$75,792,000, representing a decrease of approximately 37% as compared with HK\$120,972,000 for the period ended 30 September 2011. In 2012, the Group is shifting more focus onto the Filmed Entertainment, New Media Exploitations and Licensing Business and Cinema Business, so the Group started to put less focus on trading business, which generated 93% of turnover for the period ended 30 September 2011.

Loss attributable to shareholders for the Period was approximately HK\$40,555,000 compared with a loss of HK\$39,221,000 for the period ended 30 September 2011.

During the period, the Group disposed 30% equity interest in a Chinese language motion picture, currently titled as “Journey to the West – 除魔傳奇” (the “Picture”) to an independent third party at the consideration of HK\$46,360,000. The Picture is headed by a subsidiary of the Company as a project manager and is undergoing its post-production stage as at the date of this announcement (for result announcement).

The negative effect on the results of the Group for the period ended 30 September 2012 is mainly attributable to the increase in share-based payments recognized during the period. During the Period, the share-based payments was HK\$28,364,000, representing an increase of approximately 4% as compared with HK\$27,293,000 for the period ended 30 September 2011.

Liquidity

As at 30 September 2012, the Group had total assets of approximately HK\$188,515,000 (31 March 2012: approximately HK\$156,019,000), including cash and cash equivalents of approximately HK\$33,070,000 (31 March 2012: approximately HK\$39,078,000). There was no pledged bank deposit as at 30 September 2012 (31 March 2012: Nil).

During the Period, the Group financed its operations mainly with its own working capital. As at 30 September 2012, the Group did not have any bank overdraft (31 March 2012: Nil) and there was no other charge on the Group’s assets (31 March 2011: Nil).

As at 30 September 2012, the debt ratio (defined as the ratio between total liabilities over total assets) was approximately 0.37 (31 March 2012: approximately 0.16).

Foreign Exchange Exposure

The Group’s transactions during the Period were mainly denominated in Renminbi, HK Dollars and US Dollars. Risk on exposure to fluctuation in exchange rates was insignificant to the Group.

Employees

As at 30 September 2012, the Group had 43 (31 March 2012: 41) staff in the PRC and Hong Kong. Total staff costs including directors’ remuneration were approximately HK\$35,077,000 during the Period (31 March 2012: HK\$55,455,000), of which HK\$28,364,000 was share-based payments to directors (31 March 2012: HK\$40,246,000).

Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. Year-end bonus based on individual performance will be paid to employees as recognition of and reward for their contributions. Other benefits include contributions to statutory mandatory provident fund scheme to its employees. During the Period, total 294,840,000 share options (after share consolidation) have been granted to certain directors, employees and advisors.

Contingent Liabilities

As at 30 September 2012, the Group did not have any significant contingent liabilities (31 March 2012: Nil).

Commitments

As at 30 September 2012, the Group had capital commitments of approximately HK\$22,356,000 (31 March 2012: approximately HK\$23,426,000).

Details of the Group's operating lease commitments are set out in note 12 to the condensed consolidated interim information of the Group for the six months ended 30 September 2012.

Operation Review and Prospects

In active pursuit of the movie business, one of the Group's core businesses, the Company has completed the principal photography on a full length feature film, working title as "Journey to the West – 除魔傳奇" formerly known as "Journey to the West – 西遊記". This is a fantasy movie involving magic, supernatural events and make-believe creatures with arresting visual effects and Stephen Chow's special brand of humour/comedy.

Bingo Animation Limited ("Bingo Animation"), a subsidiary of the Company, has entered into the Film Production Agreement ("Agreement") with 青島廣電動畫有限公司 in relation to the production of animation film and TV cartoon entitled of CJ7 (長江七號). Pursuant to the Agreement, Bingo Animation worked with 青島廣電動畫有限公司 to develop, produce and distribute the animation film and TV cartoon derived from the intellectual property right of CJ7 (長江七號) during the period.

Outlook

While the Group has continued its existing businesses, the Group will put more focus onto the newly developing Filmed Entertainment, Online Games and Licensing Business and Cinema Business in sustaining its core competitiveness through intensive execution of the following strategies:

- The Board is commencing a series of reorganization exercises in relation to a series of arrangement of Cinema Business. Subject to the completion of reorganization, the Group will own beneficially the equity interest in the existing operating cinemas in Chengdu, Chongqing, Shanghai, Hangzhou and Linan in PRC.
- The Board is cooperating with various experts in filmed entertainment and cinema operation and development to create a synergistic effect to the Group which allows the Group to expand its operations and businesses in the areas of cinemas related businesses in the PRC.

OTHER INFORMATION

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

As at 30 September 2012, the following Directors of the Company had or were deemed to have interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures 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 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. Yik Chok Man	Beneficial owner	282,000	0.01%
Mr. Chong Lee Chang (<i>Note 1</i>)	Beneficial owner and corporate interests	45,315,999	1.49%
Ms. Chen Chou Mei Mei Vivien	Beneficial owner	2,750,000	0.09%
Mr. Chiau Sing Chi (<i>Note 2</i>)	Held by trust	1,611,234,963	52.86%

Note:

1. Mr. Chong Lee Chang, a Non-Executive Director of the Company, had personally owned 8,065,976 Shares and had been deemed to be interested in 37,250,023 shares through his beneficial interest in 100% of the entire issued share capital of Shieldman Limited.
2. These shares are registered in the name of Beglobal Investments Limited, Golden Treasure Investments Limited and Barco Investments Limited. Beglobal Investments Limited and Golden Treasure Investments Limited are companies indirectly owned by a trust the discretionary objects of which are Mr. Chiau and his family. And Barco Investments Limited had been deemed to be owned by Mr. Chiau and his family.
3. The total number of the issued share capital of the Company as at 30 September 2012 was 3,048,404,562.

Long positions in the underlying shares of the Company

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 30 September 2012 were as follows:

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

Notes:

1. appointed as an executive director of the Company on 4 October 2012
2. adjustment for share consolidation effective from 18 September 2012

Convertible Bonds

Pursuant to the service agreement dated 1 June 2010, the company shall issue zero coupon convertible bonds of HK\$45 million in total to Mr. Chiau. Convertible bonds in the amount of HK\$25 million, HK\$5 million and HK\$5 million had been issued on 1 June 2010, 1 June 2011 and 10 July 2012 respectively and remaining two tranches (each worth HK\$5 million, and HK10 million in aggregate) of the convertible bonds will be issued. For detail regarding the convertible bond, please refer to the service agreement mentioned in the circular dated on 3 May 2010.

Save as disclosed above, as at 30 September 2012, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares of debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which were taken or deemed to have under such provisions of the SFO); or (iii) which were, pursuant to rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange.

Substantial Shareholders' and Other Persons' Interests in Shares and Underlying Shares

So far as known to the Directors, as at 30 September 2012, the following persons (not being Directors or chief executive of the Company) had, or was deemed to have, interests or short in the Shares or underlying Shares (i) which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO; or (ii) who is expected, directly and indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group or (iii) which were required, pursuant to section 336 of the SFO, to be entered in the register referred to therein:

Long position in the shares and underlying shares of the Company

Name of Shareholder	Number of Shares held	Position	Approximate percentage of issued share capital of the company
Beglobal Investments Limited (<i>Note 1</i>)	1,611,234,963	Long	52.86%
Lee Sherman	183,750,000	Long	6.03%
Bhanusak Asvaintra	157,500,000	Long	5.17%

Notes:

1. 1,318,484,963 Shares are held by Beglobal Investments Limited, 290,000,000 Shares are held by Golden Treasure Investments Limited and 2,750,000 Shares are held by Barco Investments Limited. Beglobal is ultimately owned by the trustee of a discretionary trust, The Sino Star Trust. The discretionary objects of The Sino Star Trust include Mr. Chiau Sing Chi and his family. Beglobal is the sole beneficial owner of Golden Treasure Global Investment.

Save as disclosed above, as at 30 September 2012, 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 15 August 2012 (the "Scheme") for the primary purpose of providing incentives to directors, eligible employees and participants who have contributed to the Group, and will expire in 14 August 2022. Under the Scheme, the board of directors of the Company may grant options to full-time or part-time employees including directors (executive and non-executive) and any advisor, consultant, supplier, distributor, contractor, agent, business partner, promoter, service provider or customer of the Company or any of its subsidiaries, to subscribe for shares in the Company.

The following share options were outstanding under the Scheme during the period:

Category	Date of grant	Number of options held as at 1 April 2012 '000	Number of options granted during the period '000	Adjustment '000 (note)	Number of options exercised/ lapsed during the period '000	Number of options held as at 30 September 2012 '000	Adjusted exercise price HK\$	Exercise period
Directors	26 Aug 2009	10,000	–	–	(10,000)	–	0.2024	26 Aug 2009 – 25 Aug 2012
	1 Jun 2010	250,000	–	(125,000)	–	125,000	0.2000	1 Dec 2011 – 30 Sep 2013
	23 Aug 2012	–	66,500	(33,250)	–	33,250	0.156	23 Aug 2012 – 22 Aug 2017
Employees	26 Aug 2009	500	–	–	(500)	–	0.2024	26 Aug 2009 – 25 Aug 2012
	14 Apr 2011	7,500	–	–	(7,500)	–	0.492	12 Oct 2011 – 19 Aug 2016
	23 Aug 2012	–	41,580	(20,790)	–	20,790	0.156	23 Aug 2012 – 22 Aug 2017
Advisor	26 Aug 2009	35,000	–	–	(35,000)	–	0.2024	26 Aug 2009 – 25 Aug 2012
	20 Aug 2010	18,000	–	(9,000)	–	9,000	0.492	20 Aug 2010 – 19 Aug 2016
	23 Aug 2012	–	481,600	(240,800)	–	240,800	0.156	23 Aug 2012 – 22 Aug 2017
Total		<u>321,000</u>	<u>589,680</u>	<u>(428,840)</u>	<u>(53,000)</u>	<u>428,840</u>		

Note: adjustment for share consolidation effective from 18 September 2012

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 30 September 2012.

Competing Interest

None of the Directors, the management shareholders or the substantial shareholders of the Company, or any of their respective associates, has engaged in any business that competes or may compete with the business of the Group or has any other conflict of interest with the Group.

RELATED PARTY TRANSACTION

For the six months ended 30 September 2012, save for those disclosed in note 15 to the unaudited condensed consolidated financial statements, the Group had no other material transactions entered into with related parties (six months ended 30 September 2011: Nil).

Purchase, Sale or Redemption of Shares

For the six months ended 30 September 2012, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

Audit Committee

The Company has established its audit committee (the "Committee") on 19 October 2002 with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the Committee are to review and supervise the financial reporting process and internal control system of the Group. The Committee comprises three independent non-executive Directors, namely Mr. Wong Chak Keung (Chairman), Mrs. Chen Chou Mei Mei Vivien and Mr. Chum Kwan Yue Desmond. The Group's unaudited results for the six months ended 30 September 2012 have been reviewed by the Committee who was of the opinion that the preparation of such results complied with the applicable accounting standards, the GEM Listing Rules and legal requirements and that adequate disclosures have been made.

Compliance of Code for Directors' Securities Transaction

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no 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 six months ended 30 September 2012.

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

Hong Kong, 14 November 2012

As at the date of this announcement, the executive Directors are Mr. Chiau Sing Chi, Mr. Chan Cheong Yee, Mr. Yik Chok Man, and Ms. Zhang Yibo, 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.