



BINGO GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8220)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2016

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

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (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.

The board of Directors (the “Board”) of the Company is pleased present the audited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 March 2016, together with the audited comparative figures for the corresponding year in 2015, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2016

	<i>Notes</i>	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Turnover	3	74,774	76,961
Cost of sales		(31,460)	(32,818)
Gross profit		43,314	44,143
Other revenue and other net income		2,819	4,322
Selling expenses		(2,321)	(1,850)
Administrative expenses		(55,775)	(49,177)
Share-based payments		(21,600)	(46,076)
Impairment losses	4	(8,653)	(8,591)
Finance costs		(2,529)	(2,908)
Loss before taxation	4	(44,745)	(60,137)
Taxation	5	(2,143)	(2,839)
Loss for the year		(46,888)	(62,976)
Loss attributable to:			
Owners of the Company		(49,346)	(65,947)
Non-controlling interests		2,458	2,971
		(46,888)	(62,976)
		<i>HK cents</i>	<i>HK cents</i>
Loss per share	6		
Basic		(1.46)	(2.06)
Diluted		N/A	N/A

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2016

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Loss for the year	<u>(46,888)</u>	<u>(62,976)</u>
Other comprehensive (loss)/income		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translating foreign operations		
— Exchange differences arising during the year	<u>(1,472)</u>	<u>61</u>
Other comprehensive (loss)/income for the year, net of tax	<u>(1,472)</u>	<u>61</u>
Total comprehensive loss for the year	<u><u>(48,360)</u></u>	<u><u>(62,915)</u></u>
Total comprehensive loss attributable to:		
Owners of the Company	(50,837)	(65,896)
Non-controlling interests	<u>2,477</u>	<u>2,981</u>
	<u><u>(48,360)</u></u>	<u><u>(62,915)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2016

	<i>Notes</i>	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		27,120	37,856
Goodwill	8	950	950
		<hr/>	<hr/>
		28,070	38,806
CURRENT ASSETS			
Trade receivables	9	1,834	3,831
Other receivables, deposits and prepayments	10	18,703	17,370
Payments to parties for procurement for investment of cinema business	11	47,010	47,010
Films in progress and film rights	12	–	2,473
Tax recoverable		–	4
Cash and cash equivalents		131,913	128,974
		<hr/>	<hr/>
		199,460	199,662
CURRENT LIABILITIES			
Trade payables	13	1,896	2,141
Deposits received, other payables and accruals	14	70,063	71,700
Tax payables		2,034	2,101
		<hr/>	<hr/>
		73,993	75,942
NET CURRENT ASSETS			
		125,467	123,720
TOTAL ASSETS LESS CURRENT LIABILITIES			
		153,537	162,526

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
NON-CURRENT LIABILITIES		
Convertible bonds	<u>14,889</u>	<u>19,331</u>
NET ASSETS	<u>138,648</u>	<u>143,195</u>
CAPITAL AND RESERVES		
Share capital	136,861	128,518
Reserves	<u>(9,986)</u>	<u>5,237</u>
	126,875	133,755
Non-controlling interests	<u>11,773</u>	<u>9,440</u>
TOTAL EQUITY	<u>138,648</u>	<u>143,195</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2016

	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 options reserve <i>HK\$'000</i>	Exchange reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Attributable to owners of the Company <i>HK\$'000</i>	Non- controlling interests <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 31 March 2014	123,288	335,607	3,930	114,249	28,686	(662)	(471,875)	133,223	5,102	138,325
(Loss)/profit for the year	-	-	-	-	-	-	(65,947)	(65,947)	2,971	(62,976)
Other comprehensive income for the year	-	-	-	-	-	51	-	51	10	61
Total comprehensive income/(loss) for the year	-	-	-	-	-	51	(65,947)	(65,896)	2,981	(62,915)
Issue of convertible bonds	-	-	-	532	-	-	-	532	-	532
Issue of new shares under share option scheme	5,230	25,332	-	-	(10,166)	-	-	20,396	-	20,396
Equity settled share option arrangement	-	-	-	-	45,500	-	-	45,500	-	45,500
Lapse of share options	-	-	-	-	(448)	-	448	-	-	-
Contribution from non-controlling interests	-	-	-	-	-	-	-	-	1,357	1,357
At 31 March 2015	<u>128,518</u>	<u>360,939</u>	<u>3,930</u>	<u>114,781</u>	<u>63,572</u>	<u>(611)</u>	<u>(537,374)</u>	<u>133,755</u>	<u>9,440</u>	<u>143,195</u>
(Loss)/profit for the year	-	-	-	-	-	-	(49,346)	(49,346)	2,458	(46,888)
Other comprehensive (loss)/income for the year	-	-	-	-	-	(1,491)	-	(1,491)	19	(1,472)
Total comprehensive (loss)/income for the year	-	-	-	-	-	(1,491)	(49,346)	(50,837)	2,477	(48,360)
Issue of new shares upon conversion of convertible bonds	4,411	40,821	-	(38,261)	-	-	-	6,971	-	6,971
Issue of new shares under share option scheme	3,932	19,050	-	-	(7,596)	-	-	15,386	-	15,386
Equity settled share option arrangement	-	-	-	-	21,600	-	-	21,600	-	21,600
Lapse of share options	-	-	-	-	(1,211)	-	1,211	-	-	-
Dividend payment to non-controlling interests	-	-	-	-	-	-	-	-	(144)	(144)
At 31 March 2016	<u>136,861</u>	<u>420,810</u>	<u>3,930</u>	<u>76,520</u>	<u>76,365</u>	<u>(2,102)</u>	<u>(585,509)</u>	<u>126,875</u>	<u>11,773</u>	<u>138,648</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2016

1. BASIS OF PREPARATION AND IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

Statement of compliance

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and accounting principles generally accepted in Hong Kong. These consolidated financial statements also comply with the applicable disclosure provisions of The Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) and the disclosure requirements of the Hong Kong Companies Ordinance. A summary of the significant accounting policies adopted by the Group is set out below. These consolidated financial statements have been prepared under historical cost convention except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out in annual report.

The Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time in the current year:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2010–2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011–2013 Cycle
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions

The application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior year and/or on the disclosures set out in these consolidated financial statements.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial Instruments ²
HKFRS 14	Regulatory Deferred Accounts ¹
HKFRS 15	Revenue from Contracts with Customers ²
HKFRS 16	Leases ³
Amendments to HKAS 1	Disclosure Initiative ¹
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation ¹
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants ¹
Amendments to HKAS 27	Equity Method in Separate Financial Statements ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012–2014 Cycle ¹
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception ¹

¹ Effective for annual periods beginning on or after 1 January 2016

² Effective for annual periods beginning on or after 1 January 2018

³ Effective for annual periods beginning on or after 1 January 2019

⁴ Effective for annual periods beginning on or after a date to be determined

The Group is in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. So far the Group is not yet in a position to state whether they would have a significant impact on the Group’s results and/or financial position.

2. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the executive directors that are used to make strategic decisions. The Group's operating businesses are structured and managed separately according to the nature of their operations.

For management purposes, the Group is organised into two operating segments for the year:

Cinema investment and management — cinema investment and provision of cinema management service.

Filmed entertainment, new media exploitations and licensing businesses — movie production, licensing and derivatives, crossover marketing, provision of interactive contents, artist development and last miles engagement.

The revenue from external customers reported to the management is measured in a manner consistent with that in the consolidated statement of profit or loss. Revenue between segments are carried out on terms equivalent to those that prevail in arm's length transactions.

Segment result represents the profit or loss by each segment without allocation of central administration costs including directors' salaries, investment and other income, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

The following is an analysis of the Group's revenue, results, assets and liabilities by reportable and operating segment.

	Year ended 31 March 2016			Year ended 31 March 2015		
	Cinema investment and management HK\$'000	Filmed entertainment new media exploitations and licensing businesses HK\$'000	Total HK\$'000	Cinema investment and management HK\$'000	Filmed entertainment new media exploitations and licensing businesses HK\$'000	Total HK\$'000
Segment Revenue	73,441	1,333	74,774	76,820	141	76,961
Segment Results						
Reportable segment result	5,633	(7,814)	(2,181)	11,469	(9,259)	2,210
Interest income	178	50	228	132	73	205
Unallocated corporate expenses			(18,663)			(13,568)
Share-based payments			(21,600)			(46,076)
Finance costs			(2,529)			(2,908)
Loss before taxation			(44,745)			(60,137)
Segment Assets						
Reportable segment assets	146,724	71,516	218,240	150,813	73,594	224,407
Unallocated corporate assets			9,290			14,061
Consolidated total assets			227,530			238,468
Segment Liabilities						
Reportable segment liabilities	53,758	14,598	68,356	58,695	11,740	70,435
Tax payables			2,034			2,101
Convertible bonds			14,889			19,331
Unallocated corporate liabilities			3,603			3,406
Consolidated total liabilities			88,882			95,273

For the purposes of monitoring segment information and allocating resources between segment:

- all assets are allocated to reportable segments other than unallocated corporate assets.
- all liabilities are allocated to reportable segments other than tax liabilities, convertible bonds and unallocated corporate liabilities.

Other segment information:

	Year ended 31 March 2016			Total <i>HK\$'000</i>
	Cinema investment and management <i>HK\$'000</i>	Filmed entertainment new media exploitations and licensing businesses <i>HK\$'000</i>	Corporate level <i>HK\$'000</i>	
Additions to non-current assets	153	–	41	194
Interest income	178	50	–	228
Depreciation	8,785	–	502	9,287
Impairment losses	–	8,653	–	8,653

	Year ended 31 March 2015			Total <i>HK\$'000</i>
	Cinema investment and management <i>HK\$'000</i>	Filmed entertainment new media exploitations and licensing businesses <i>HK\$'000</i>	Corporate level <i>HK\$'000</i>	
Additions to non-current assets	1,559	–	12	1,571
Interest income	132	73	–	205
Depreciation	9,068	23	518	9,609
Impairment losses	–	8,591	–	8,591

Revenue from major products and services:

The Group's revenue from its major products and services were as follows:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Cinema business	73,441	76,820
Production and distribution of film rights, royalty and licensing income	1,333	141
	<u>74,774</u>	<u>76,961</u>

Geographical information:

The Group mainly operates in Hong Kong and the People's Republic of China (excluding Hong Kong). The geographical location of customers is based on the location of the customers, irrespective of the origin of the goods or services. The geographical location of the non-current assets is based on the physical location of assets in the case of property, plant and equipment, and the location of the operation to which they are allocated in the case of goodwill. Revenue from external customers and information about non-current assets by geographical location are detailed below:

	Revenue from external customers		Non-current assets	
	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Hong Kong	–	125	830	1,292
PRC (excluding Hong Kong)	74,659	76,820	27,240	37,514
Others	115	16	–	–
	<u>74,774</u>	<u>76,961</u>	<u>28,070</u>	<u>38,806</u>

Revenue from major customers:

There are no major customers contributing over 10% of the Group's revenue for the year ended 31 March 2016 (2015: Nil).

3. TURNOVER

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

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Revenue from cinema business	73,441	76,820
Production and distribution of film rights	572	–
Royalty and licensing income	761	141
	<u>74,774</u>	<u>76,961</u>

4. LOSS BEFORE TAXATION

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

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Auditor's remuneration	700	700
Direct expenses of movie and licensing businesses	26	64
Direct expenses of cinema business	31,434	32,754
Depreciation	9,287	9,609
Exchange loss/(gain)	1,208	(99)
Impairment losses	8,653	8,591
— Impairment on trade receivables	649	7,489
— Impairment on films in progress	—	792
— Impairment on film rights	8,004	310
Fixed assets written off	34	634
Operating lease rental in respect of rented premises	7,616	7,847
Staff costs (including directors' remuneration)		
— Salaries and allowances	15,412	13,724
— Equity settled share-based payments	3,026	4,615
— Retirement scheme contributions	2,220	2,113
Equity settled share-based payments paid to advisors	18,574	41,461

5. TAXATION

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
The taxation charge recognised in profit or loss comprises:		
Current tax		
The PRC	2,143	2,839

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

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% for the years ended 31 March 2016 and 2015.

The taxation for the year can be reconciled to the loss before taxation per the consolidated statement of profit or loss as follows:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Loss before taxation	<u>(44,745)</u>	<u>(60,137)</u>
Tax at the statutory tax rate	(7,383)	(9,923)
Income not subject to taxation	(780)	(527)
Expenses not deductible for tax purpose	9,796	12,533
Effect of different tax rates of subsidiaries operating in other jurisdictions	495	753
Tax effect of unrecognised tax loss	<u>15</u>	<u>3</u>
Taxation charged for the year	<u>2,143</u>	<u>2,839</u>

Deferred tax assets not recognised

At the end of the reporting period, the Group had unused tax losses arising in the PRC and Hong Kong of approximately HK\$7,058,000 (2015: HK\$6,044,000) and approximately HK\$40,090,000 (2015: HK\$40,090,000) respectively available for offset against future profits. No deferred tax asset has been recognised in respect of the unused tax losses due to the unpredictability of future profits stream. Under current tax regulation, tax losses arising in the PRC can be carried forward for five years from the year in which the respective loss arose while the tax losses arising in Hong Kong can be carried forward indefinitely.

Deferred tax liabilities not recognised

At the end of the reporting period, undistributed profits of subsidiaries amounted to approximately HK\$33,926,000 (2015: HK\$27,370,000). Withholding tax resulting from the distribution of such profits would amount approximately to HK\$8,481,000 (2015: HK\$6,842,000) if they are distributed to holding companies/shareholders outside of PRC. However, no deferred tax liabilities have been recognised in this respect as the Company controls the dividend policy of these subsidiaries and it has been determined that it is probable that these profits will not be distributed in the foreseeable future.

6. LOSS PER SHARE

(i) Basic loss per share

	2016 <i>HK cents</i>	2015 <i>HK cents</i>
Total basic loss per share	<u>(1.46)</u>	<u>(2.06)</u>

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

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Loss for the year attributable to owners of the Company	<u>(49,346)</u>	<u>(65,947)</u>
	2016	2015
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>3,377,828,425</u>	<u>3,202,308,809</u>

(ii) **Diluted loss per share**

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

7. DIVIDEND

The Directors do not recommend the payment of a dividend for the year ended 31 March 2016 (2015: Nil).

8. GOODWILL

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Cost		
At the beginning and at the end of the year	<u>20,718</u>	<u>20,718</u>
Accumulated impairment losses		
At the beginning and at the end of the year	<u>(19,768)</u>	<u>(19,768)</u>
Carrying amount		
At the end of the year	<u><u>950</u></u>	<u><u>950</u></u>

The carrying amount of goodwill (net of accumulated impairment losses) was allocated to cash-generating units as follows:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Cinema business — Cinema Group	<u><u>950</u></u>	<u><u>950</u></u>

Part of the goodwill arose from the acquisition of Raxco Assets Corp. (“Raxco”) during the year ended 31 March 2011, which was engaged in new media exploitations business. For Raxco, the management considers that it is difficult to set a concrete time-line for the development in this segment, and future revenue cannot be reliably projected, full impairment of the goodwill was made in the year ended 31 March 2014.

Part of the goodwill arose from the acquisition of 比高電影院（上海）有限公司 (“Shanghai Bingo”) together with its subsidiaries (“Cinema Group”) during the year ended 31 March 2013, which was engaged in cinema business.

During the year, the Group assessed the recoverable amount of goodwill associated with the Raxco and Cinema Group by reference to value-in-use. The calculations used cash flow projections based on financial budgets approved by the management of the Company covering a five-year period. For the Cinema Group, management believes that the recoverable amount would exceed its carrying amount as at 31 March 2016 and therefore, no impairment is necessary.

Key assumptions used for value-in-use calculations:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Growth rate	<u>3%</u>	<u>3%</u>
Discount rate	<u>15%</u>	<u>15%</u>

9. TRADE RECEIVABLES

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

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Within 30 days	1,617	1,828
31–60 days	174	81
61–90 days	7	–
Over 90 days	19,017	20,254
	20,815	22,163
Provision	(18,981)	(18,332)
	1,834	3,831

For cinema business and filmed entertainment, new media exploitations and licensing business segment, the credit terms granted by the Group to its customers normally ranged from COD (cash-on-delivery) to 120 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. All trade receivables are expected to be recovered within one year.

Impairment losses on trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly. Before impairment, there was approximately HK\$19,900,000 receivable from Huayi Brothers Media Corporation (“Huayi Brothers”) for the movie titled “Journey To The West: Conquering the Demons” (“JTTW”). Included in the aforesaid HK\$19,900,000 receivable was approximately HK\$18,332,000 recorded in the Group's books for the year ended 31 March 2013 and carried forward over the three years ended 31 March 2016. In preparation of the consolidated financial statements of the Group for the year ended 31 March 2014, the Group considered not to record the shortfall of approximately HK\$1,568,000 as revenue in its financial statements on the ground of recognition of the dispute with Huayi Brothers and the immateriality of the shortfall amount. Since the trade receivable balance was long outstanding and the Group has requested Huayi Brothers to settle the receivables but no positive feedback was obtained, the Group has taken legal actions to recover the receivable during the year ended 31 March 2015. Although 北京市第三中級人民法院 (Beijing No.3 Intermediate People's Court, (“the PRC Court”)) rejected all of the petitions by Lofty Gain Investments Limited (“Lofty Gain”), a wholly owned subsidiary of the Company, on 15 April 2015, the Company is of the opinion that, Huayi Brothers objectively failed to perform its commitment to sign the agreement and to perform a supplemental agreement thereto. After seeking legal opinions on the judgment, Lofty Gain determined to lodge an appeal against the judgment made by the PRC Court and the notice of appeal has been lodged already during the year ended 31 March 2016. As detailed in note 15 — Event After The Reporting Period, the Group has obtained a preliminary offer for the settlement from Huayi Brothers but the settlement is yet to be reached. The appeal has already been withdrawn by the Group subsequently. Although the Group still has confidence to recover the outstanding balance through continuing civil actions or negotiation with Huayi Brothers, in view of the long outstanding period of the corresponding receivable, the Group has impaired the remaining balance of approximately HK\$649,000 during the year ended 31 March 2016. The amount of receivables recovered, if any, in future will be recognized as other income. The movement in the allowance is as follows:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
At the beginning of year	18,332	10,843
Impairment	649	7,489
	18,981	18,332

The aging analysis of trade receivables that are neither individually nor collectively considered to be impaired are as follows:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Neither past due nor impaired	1,617	1,828
Past due but not impaired:		
Less than 1 month past due	174	81
1 to 3 months past due	7	–
More than 3 months past due	36	1,922
	<u>1,834</u>	<u>3,831</u>

Receivables at 31 March 2016 and 2015 that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables at 31 March 2016 and 2015 that were past due but not impaired related to a number of independent customers that had a good track record with the Group or with appropriate impairment allowance accounted for. Based on past experience, management believes that no further impairment allowance was necessary in respect of these balances as there had not been a significant change in credit quality and the balances were still considered fully recoverable. The Group did not hold any collateral over these balances.

10. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Other receivables (<i>Note</i>)	17,399	12,902
Deposits and prepayments	1,304	4,468
	<u>18,703</u>	<u>17,370</u>

Note:

Included in the balance was a deposit paid of approximately HK\$8,342,000 (2015: HK\$10,180,000) regarding the acquisition of assets for cinema business in Chengdu and Chongqing. The Group has terminated the acquisition plan and the vendor has agreed to repay the deposit. During the year, an amount of approximately HK\$1,838,000 (2015: approximately HK\$1,482,000) has been collected from the vendor.

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

Pursuant to the announcement for the joint venture agreement (“JV agreement”) dated 9 June 2011, a subsidiary of the Company entered into a JV agreement with CineChina Limited (“CineChina”) for the investment of cinema business in the PRC.

The payments were made to a director of a 70% owned subsidiary, who is also a director and shareholder of CineChina, and to CineChina, a 30% shareholder of the above-mentioned subsidiary for the purpose of materializing the JV agreement:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Amount paid to a director of a subsidiary	16,979	16,979
Amount paid to CineChina	26,786	26,786
Amount paid to an independent third party	3,245	3,245
	47,010	47,010

Under the prevailing legal requirements in the PRC, certain restrictions are imposed on foreign investors for taking up majority stake 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 during the year ended 31 March 2012 and the organising of the above cinema business had not been completed at 31 March 2012. The director of a subsidiary, CineChina and an Independent third party (collectively, “these parties”) held the fund for the Group and would settle the cost incurred in procurement of the investment of cinema business in the PRC.

By an internal group reorganization the capital of Shanghai Bingo was transferred from a domestic enterprise to a sino-foreign joint venture enterprise to comply with the relevant regulatory requirement for foreign investors to operate cinema business in the PRC during the year ended 31 March 2013. The Group legally owned 75% equity interests in Shanghai Bingo to operate the cinema business by mid-February 2013. The results of the cinema projects, including Linan and Hangzhou cinema projects, legally owned by Shanghai Bingo are consolidated into that of the Group after completion of the internal group reorganization. Pursuant to the agreement entered into between the Group and these parties on 6 December 2012, these parties in principle agreed to act as a conduit of payment on behalf of the Group for the development of the cinema business in the PRC. These parties have substantially utilized the funds for the cinema business through their connection (the “Connection”) in the PRC. As at 31 March 2016, approximately RMB33,372,000, equivalent to HK\$40,050,000 (2015: approximately RMB33,372,000, equivalent to HK\$42,132,000) have been settled by the Connection and is included in other payables of the Group. The Group, these parties and the Connection have principally agreed to offset the funds held by these parties with the amount payable to the Connection upon finalization of all the construction and decoration cost incurred and paid. The outstanding balances owed by these parties will deem to be settled upon the execution of the aforementioned offset.

12. FILMS IN PROGRESS AND FILM RIGHTS

(a) Films in progress

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
At the beginning of the year	583	3,046
Addition	5,531	3,575
Disposal	–	(5,246)
Impairment	–	(792)
Recognized as film rights	(6,114)	–
	<hr/>	<hr/>
At the end of the year	–	583
	<hr/> <hr/>	<hr/> <hr/>

The films in progress was measured at cost less any identifiable impairment loss.

During the year, there was approximately HK\$6,114,000 included in films in progress related to a CJ7 cartoon movie titled “CJ7 Super Q Team” was recognized as film rights.

Included in films in progress was approximately HK\$792,000 related to CJ7 cartoon drama and games invested in prior years. The management considers that it is difficult to set a solid time schedule to distribute and the expected income would be minimal. Therefore, the amount was impaired during the year ended 31 March 2015.

The estimated recoverable amount of the remaining films in progress as at 31 March 2015 was determined based on the present value of expected future revenue derived from discounting the projected cash flows by a discount rate of 15%.

(b) Film rights

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
At the beginning of the year	1,890	2,200
Transfer from films in progress	6,114	–
Impairment	(8,004)	(310)
	<hr/>	<hr/>
At the end of the year	–	1,890
	<hr/> <hr/>	<hr/> <hr/>

The film rights were related to the Group’s rights in JTTW and CJ7 Super Q Team. The Group has reassessed the economic value of its rights in JTTW and CJ7 Super Q Team on a prudent basis and made an impairment of approximately HK\$8,004,000 (2015: HK\$310,000).

The estimated recoverable amount as at 31 March 2015 was determined based on the present value of expected future revenue derived from discounting the projected cash flows by a discount rate of 15%.

13. TRADE PAYABLES

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

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Within 30 days	1,892	2,141
31–60 days	4	–
	<u>1,896</u>	<u>2,141</u>

Payment terms with suppliers are generally within 30 days.

14. DEPOSITS RECEIVED, OTHER PAYABLES AND ACCRUALS

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Customer's deposits and receipts in advance	16,127	18,925
Other payables and accruals (<i>Note</i>)	53,936	52,775
	<u>70,063</u>	<u>71,700</u>

Note:

The amount include payable to the Connection of approximately HK\$40,050,000 (2015: HK\$42,132,000) which is stated in note 11 for details.

15. EVENT AFTER THE REPORTING PERIOD

On 16 May 2016, the Board announces that the Group has obtained a preliminary offer for the settlement from Huayi Brothers. The negotiation between the Group and Huayi Brothers is still in progress and no settlement terms is reached as at 16 May 2016 and the date of this announcement. As further time is required for the mediation and settlement, the Group has already applied to withdraw the appeal, subsequent to the year-end date of 31 March 2016.

BUSINESS REVIEW

During the year ended 31 March 2016 (the “Year”), the Group continues to focus on 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”).

In view of the on-going development of the Cinema Business, this segment has become the prime revenue generator of the Group in the Year. Approximately revenue of HK\$73.4 million and gross profit of HK\$42.0 million were generated during the Year. The Group maintained steady revenue and gross profit in this sector as compared to revenue of HK\$76.8 million and gross profit of HK\$44.0 million generated in last year. The Group will continue to focus on expanding the audience headcount and improve the financial performance of the Cinema Business accordingly.

In the segment of Filmed Entertainment Business, the Group has been locating suitable business opportunities and a potential target was spotted before. In March 2014, the Group entered into an agreement with a company, which is an associate of Mr. Chiau Sing Chi (“Mr. Chiau”), to participate in the development of the feasibility study for a film production. The initial capital investment of the Group was HK\$2.5 million. The Group has completed the feasibility study in the Year. Having considered various factors including the budget and size of the film and the existing financial resources of the Group, the Board resolved not to proceed with further investment in the project. A 15% return on the initial investment amounting to approximately HK\$0.6 million was recognized as the Group’s other income during the Year.

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

In September 2015, the Group commenced to co-operate with a PRC company to develop short movies of CJ7 (“CJ7 7D Movies”) released in shopping malls in China providing audiences with 7D viewing experience. The Group generated licensing income of approximately HK\$0.6 million from CJ7 7D Movies during the Year.

FINANCIAL REVIEW

During the Year, the Group recorded a total turnover of approximately HK\$74.8 million, representing a decrease of approximately 2.9% as compared with HK\$77.0 million for 2015. Mild decrease in the Group's turnover was recorded during the Year. The HK\$74.8 million turnover for the Year (2015: HK\$77.0 million) mainly consisted of the gross revenue of the Cinema Business of HK\$73.4 million (2015: HK\$76.8 million).

There was no material change in the Group's turnover and expenses, except for share-based payments, for the Year, as compared to those recorded in last year. The decrease in the loss for the Year to approximately HK\$46.9 million from approximately HK\$63.0 million for the last year, is principally attributable to decrease in non-cash share-based payments from approximately HK\$46.1 million for the last year to approximately HK\$21.6 million for the Year.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 March 2016, the Group had total assets of approximately HK\$227.5 million (2015: HK\$238.5 million), including cash and cash equivalents of approximately HK\$131.9 million (2015: HK\$129.0 million). There was no pledged bank deposit as at 31 March 2016 (2015: Nil). As at 31 March 2016, the debt ratio (defined as total liabilities/total assets) was approximately 0.39 (2015: 0.40).

There is no material change of the Group's total assets and liabilities positions over the Year. The Group continued to hold strong cash and cash equivalents as at 31 March 2016 and the Board believes that the Group has sufficient resources to satisfy its working capital requirements. During the Year, the Group financed its operations with its own working capital. As at 31 March 2016, the Group did not have any bank overdraft (2015: Nil).

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

There was no material acquisition or disposal of subsidiaries during the year ended 31 March 2016.

FOREIGN EXCHANGE EXPOSURE

The Group's transactions during the Year 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 31 March 2016, the Group had 166 (2015: 168) staff in the People's Republic of China ("PRC") and Hong Kong. Total staff costs including directors' remuneration were approximately HK\$20.7 million during the Year (2015: HK\$20.5 million), in which approximately HK\$3.0 million was share-based payments to Directors (2015: HK\$4.6 million).

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 Year, total 29 million share options have been granted to certain Directors (2015: 27 million).

CONTINGENT LIABILITIES

As at 31 March 2016, the Group had no significant contingent liabilities (2015: Nil).

OUTLOOK

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

CODE ON CORPORATE GOVERNANCE PRACTICES

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

Chairman and Chief Executive Officer

Pursuant to the Provision A.2.1 of the Code, the roles of the chairman and the chief executive officer should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and the chief executive officer should be clearly established and set out in writing. The Board is in the process of locating an appropriate person to fill the vacancy of the chairman and chief executive officer of the Company as soon as practicable.

Appointment and Re-election of the Directors

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

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

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

Chairman of Nomination Committee

Pursuant to the Provision A.5.1 of the Code, the nomination committee should be chaired by the chairman of the board or an independent non-executive director. The Chairman of the Company's Nomination Committee is Ms. Chow Man Ki Kelly, who is an executive Director but not the Chairman of the Board.

As mentioned in the section "Chairman and Chief Executive Officer" above, the Board is in the process of locating appropriate persons to fill the vacancies of the chairman and chief executive officer of the Company as soon as practicable.

Attendance in General Meetings

Pursuant to Provision A.6.7 of the Code, independent non-executive directors and other non-executive directors should attend general meetings. The independent non-executive Directors could not attend the annual general meeting held in the year ended 31 March 2016 due to other business commitments.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 March 2016.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The audit committee has reviewed with the management about the Group's annual results for the year ended 31 March 2016, the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters in connection with the preparation of the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 March 2016.

SCOPE OF WORKS OF MESSRS. CHENG & CHENG LIMITED

The figures in respect of the Group's consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity and the related notes thereto for the year ended 31 March 2016 as set out in this announcement have been agreed by the Group's auditors, Messrs. Cheng & Cheng Limited to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by Messrs. Cheng & Cheng Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Cheng & Cheng Limited in this announcement.

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

Hong Kong, 17 June 2016

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

This announcement will remain on the "Latest Company Announcements" page of the GEM website (www.hkgem.com) for at least 7 days from its date of publication and on the website of the Company (www.bingogroup.com.hk).