BINGO GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8220)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2017

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.

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 2017, together with the audited comparative figures for the corresponding year in 2016, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2017

	Notes	**2017** **HK$'000**	2016 HK$'000
Turnover	3	**45,230**	74,774
Cost of sales		**(18,788)**	(31,460)
Gross profit		**26,442**	43,314
Other revenue and other net income		**8,393**	2,819
Selling and marketing expenses		**(11,436)**	(10,229)
Administrative expenses		**(44,046)**	(47,867)
Share-based payments		**(35,240)**	(21,600)
Impairment losses	4	**–**	(8,653)
Finance costs		**(2,728)**	(2,529)
Loss before taxation	4	**(58,615)**	(44,745)
Taxation	5	**(1,001)**	(2,143)
Loss for the year		**(59,616)**	(46,888)
Loss attributable to:			
Owners of the Company		**(60,139)**	(49,346)
Non-controlling interests		**523**	2,458
		(59,616)	(46,888)
		HK cents	*HK cents*
Loss per share	6		
Basic and diluted		**(1.76)**	(1.46)

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2017

	2017	2016
	HK$'000	*HK$'000*
Loss for the year	**(59,616)**	(46,888)
Other comprehensive loss		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign operations		
— Exchange differences arising during the year	**(1,896)**	(1,472)
Other comprehensive loss for the year, net of tax	**(1,896)**	(1,472)
Total comprehensive loss for the year	**(61,512)**	(48,360)
Total comprehensive loss attributable to:		
Owners of the Company	**(62,062)**	(50,837)
Non-controlling interests	**550**	2,477
	(61,512)	(48,360)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2017

	Notes	2017 HK$'000	2016 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**18,497**	27,120
Goodwill		**950**	950
		19,447	28,070
CURRENT ASSETS			
Trade receivables	*8*	**968**	1,834
Other receivables, deposits and prepayments		**4,335**	18,703
Payments to parties for procurement for investment of cinema business	*9*	**47,010**	47,010
Films in progress and film rights		**–**	–
Cash and cash equivalents		**125,021**	131,913
		177,334	199,460
CURRENT LIABILITIES			
Trade payables	*10*	**965**	1,896
Deposits received, other payables and accruals	*11*	**64,412**	70,063
Tax payables		**1,539**	2,034
		66,916	73,993
NET CURRENT ASSETS		**110,418**	125,467
TOTAL ASSETS LESS CURRENT LIABILITIES		**129,865**	153,537

	2017	2016
	HK$'000	*HK$'000*
NON-CURRENT LIABILITIES		
Convertible bonds	**17,617**	14,889
NET ASSETS	**112,248**	138,648
CAPITAL AND RESERVES		
Share capital	**136,861**	136,861
Reserves	**(36,808)**	(9,986)
	100,053	126,875
Non-controlling interests	**12,195**	11,773
TOTAL EQUITY	**112,248**	138,648

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2017

	Share capital	Share premium	Contributed surplus	Equity component of convertible bonds	Share options reserve	Exchange reserve	Accumulated losses	Attributable to owners of the Company	Non-controlling interests	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 31 March 2015	128,518	360,939	3,930	114,781	63,572	(611)	(537,374)	133,755	9,440	143,195
(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	136,861	420,810	3,930	76,520	76,365	(2,102)	(585,509)	126,875	11,773	138,648
(Loss)/profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**(60,139)**	**(60,139)**	**523**	**(59,616)**
Other comprehensive (loss)/income for the year	**–**	**–**	**–**	**–**	**–**	**(1,923)**	**–**	**(1,923)**	**27**	**(1,896)**
Total comprehensive (loss)/income for the year	**–**	**–**	**–**	**–**	**–**	**(1,923)**	**(60,139)**	**(62,062)**	**550**	**(61,512)**
Equity settled share option arrangement	**–**	**–**	**–**	**–**	**35,240**	**–**	**–**	**35,240**	**–**	**35,240**
Lapse of share options	**–**	**–**	**–**	**–**	**(9,510)**	**–**	**9,510**	**–**	**–**	**–**
Dividend payment to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(128)**	**(128)**
At 31 March 2017	**136,861**	**420,810**	**3,930**	**76,520**	**102,095**	**(4,025)**	**(636,138)**	**100,053**	**12,195**	**112,248**

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

a) 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 new and revised HKFRSs issued by the HKICPA for the first time in the current year:

HKFRS 14	Regulatory Deferral Accounts
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKAS 27	Equity Method in Separate Financial Statements
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012–2014 Cycle
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations

The application of these new and revised 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[1]
HKFRS 15	Revenue from contracts with customers[1]
HKFRS 16	Leases[2]
Amendments to HKFRS 2	Classification and measurement of share-based payment transactions[1]
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts[1]
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture[3]
Amendments to HKAS 7	Disclosure initiative[4]
Amendments to HKAS 12	Recognition of deferred tax assets for unrealised losses[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014–2016 Cycle[5]

1 Effective for annual periods beginning on or after 1 January 2018.
2 Effective for annual periods beginning on or after 1 January 2019.
3 Effective for annual periods beginning on or after a date to be determined.
4 Effective for annual periods beginning on or after 1 January 2017.
5 Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate.

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 2017			Year ended 31 March 2016		
	Cinema investment and management	**Filmed entertainment new media exploitations and licensing businesses**	**Total**	Cinema investment and management	Filmed entertainment new media exploitations and licensing businesses	Total
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*
Segment Revenue	**44,770**	**460**	**45,230**	73,441	1,333	74,774
Segment Results						
Reportable segment result	**(1,142)**	**(1,573)**	**(2,715)**	5,633	(7,814)	(2,181)
Interest income	**401**	**53**	**454**	178	50	228
Unallocated corporate expenses			**(18,386)**			(18,663)
Share-based payments			**(35,240)**			(21,600)
Finance costs			**(2,728)**			(2,529)
Loss before taxation			**(58,615)**			(44,745)
Segment Assets						
Reportable segment assets	**127,311**	**55,180**	**182,491**	146,724	71,516	218,240
Unallocated corporate assets			**14,290**			9,290
Consolidated total assets			**196,781**			227,530
Segment Liabilities						
Reportable segment liabilities	**48,262**	**10,921**	**59,183**	53,758	14,598	68,356
Tax payables			**1,539**			2,034
Convertible bonds			**17,617**			14,889
Unallocated corporate liabilities			**6,194**			3,603
Consolidated total liabilities			**84,533**			88,882

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 2017			
	Cinema investment and management	**Filmed entertainment new media exploitations and licensing businesses**	**Corporate level**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Additions to non-current assets	**1,526**	**276**	**–**	**1,802**
Interest income	**401**	**53**	**–**	**454**
Depreciation	**8,347**	**48**	**471**	**8,866**

	Year ended 31 March 2016			
	Cinema investment and management	Filmed entertainment new media exploitations and licensing businesses	Corporate level	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
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

Revenue from major products and services:

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

	2017	2016
	HK$'000	*HK$'000*
Cinema business	**44,770**	73,441
Production and distribution of film rights, royalty and licensing income	**460**	1,333
	45,230	74,774

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		**Specified non-current assets**	
	2017	2016	**2017**	2016
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**–**	–	**528**	830
PRC (excluding Hong Kong)	**45,230**	74,659	**18,919**	27,240
Others	**–**	115	**–**	–
	45,230	74,774	**19,447**	28,070

Revenue from major customers:

There are no major customers contributing over 10% of the Group's revenue for the year ended 31 March 2017 (2016: Nil).

3. TURNOVER

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

	2017	2016
	HK$'000	*HK$'000*
Revenue from cinema business	**44,770**	73,441
Production and distribution of film rights	**188**	572
Royalty and licensing income	**272**	761
	45,230	74,774

4. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

	2017 *HK$'000*	2016 *HK$'000*
Auditor's remuneration	**750**	700
Direct expenses of movie and licensing businesses	**–**	26
Direct expenses of cinema business	**18,788**	31,434
Depreciation	**8,866**	9,287
Exchange loss	**1,967**	1,208
Impairment losses	**–**	8,653
— Impairment on trade receivables	**–**	649
— Impairment on film rights	**–**	8,004
Fixed assets written off	**162**	34
Operating lease rental in respect of rented premises	**5,433**	7,616
Staff costs (including directors' remuneration)		
— Salaries and allowances	**14,142**	15,412
— Equity settled share-based payments	**5,581**	3,026
— Retirement scheme contributions	**1,645**	2,220
Equity settled share-based payments paid to advisors	**29,659**	18,574

5. TAXATION

	2017 *HK$'000*	2016 *HK$'000*
The taxation charge recognised in profit or loss comprises:		
Current tax		
The PRC	**1,001**	2,143

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 2017 and 2016.

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% for the years ended 31 March 2017 and 2016.

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

	2017	2016
	HK$'000	*HK$'000*
Loss before taxation	**(58,615)**	(44,745)
Tax at the respective applicable tax rate	**(9,591)**	(6,877)
Income not subject to taxation	**(136)**	(759)
Expenses not deductible for tax purpose	**9,423**	9,764
Tax effect of unrecognised tax loss	**1,828**	15
Tax effect of prior year's tax loss utilised in this year	**(603)**	–
Tax effect of temporary difference not recognised	**80**	–
Taxation charged for the year	**1,001**	2,143

6. LOSS PER SHARE

Basic and diluted loss per share

	2017	2016
	HK cents	*HK cents*
Total basic and diluted loss per share	**(1.76)**	(1.46)

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

	2017	2016
	HK$'000	*HK$'000*
Loss for the year attributable to owners of the Company	**(60,139)**	(49,346)

	2017	2016
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**3,421,538,679**	3,377,828,425

The incremental shares from assumed exercise of share options granted by the Company and conversion of the Company's outstanding convertible bonds are excluded in calculating the diluted loss per share during the year ended 31 March 2017 because they are antidilutive in calculating the diluted loss per share.

7. DIVIDEND

The Directors do not recommend the payment of a dividend for the year ended 31 March 2017 (2016: Nil).

8. TRADE RECEIVABLES

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

	2017	2016
	HK$'000	*HK$'000*
Within 30 days	**894**	1,617
31–60 days	**65**	174
61–90 days	**9**	7
Over 90 days	**–**	19,017
	968	20,815
Provision	**–**	(18,981)
	968	1,834

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 Mach 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 was 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. The Group has impaired the remaining balance of approximately HK$649,000 in that year. On 16 May 2016, 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 during the year ended 31 March 2017. In view of the long outstanding period of the corresponding receivable, during the year ended 31 March 2017, the outstanding amount of approximately HK$18,038,000, together with other long outstanding receivables of approximately HK$943,000, totalling HK$18,981,000 were fully written off. The movement in the allowance is as follows:

	2017	2016
	HK$'000	*HK$'000*
At the beginning of year	**18,981**	18,332
Impairment	**–**	649
Bad debts written-off	**(18,981)**	–
At the end of the year	**–**	18,981

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

	2017	2016
	HK$'000	*HK$'000*
Neither past due nor impaired	**894**	1,617
Past due but not impaired:		
Less than 1 month past due	**65**	174
1 to 3 months past due	**9**	7
More than 3 months past due	**–**	36
	968	1,834

Receivables at 31 March 2017 and 2016 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 2017 and 2016 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.

9. 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:

	2017	2016
	HK$'000	*HK$'000*
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 比高電影院（上海）有限公司("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 2017, approximately RMB33,372,000, equivalent to HK$37,590,000 (note 11) (2016: approximately RMB33,372,000, equivalent to HK$40,050,000) 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.

10. TRADE PAYABLES

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

	2017	2016
	HK$'000	*HK$'000*
Within 30 days	**965**	1,892
31–60 days	**–**	4
	965	1,896

Payment terms with suppliers are generally within 30 days.

11. DEPOSITS RECEIVED, OTHER PAYABLES AND ACCRUALS

	2017	2016
	HK$'000	*HK$'000*
Customer's deposits and receipts in advance	**15,017**	16,127
Other payables and accruals *(Note)*	**49,395**	53,936
	64,412	70,063

Note:

The amount include payable to the Connection of approximately HK$37,590,000 (2016: HK$40,050,000) which is stated in note 9 for details.

BUSINESS REVIEW

During the year ended 31 March 2017 (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$44.8 million and gross profit of HK$26.0 million were generated during the Year. Significant decrease in the revenue and gross profit were recorded, as compared to revenue of HK$73.4 million and gross profit of HK$42.0 million generated in last year. It was attributable to more cinemas established in China, which caused keen competition in the market, and the decrease in the growth of box office revenue in China for the Year, as compared to that for last year. The Group will implement various measures to focus on expanding the audience headcount and improve the financial performance of the Cinema Business accordingly.

In the segment of Filmed Entertainment Business, the Group continued to locate suitable business opportunities. However, no appropriate target was spotted in the Year. Accordingly, no revenue was generated in this sector 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 fiscal year 2015/16. The Group was still in progress of the distribution and promotion of this animation, and developing CJ7 IP products during the 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. During the Year, the Group generated licensing income from CJ7 7D Movies of approximately HK$0.3 million, which represented a decrease of approximately HK$0.3 million as compared with the amount of approximately HK$0.6 million recorded in last year.

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

FINANCIAL REVIEW

During the Year, the Group recorded a total turnover of approximately HK$45.2 million, representing a decrease of approximately 39.6% as compared with HK$74.8 million for last year. Significant decrease in the Group's turnover was recorded during the Year. The HK$45.2 million turnover for the Year (2016: HK$74.8 million) mainly consisted of the gross revenue of the Cinema Business of HK$44.8 million (2016: HK$73.4 million).

The increase in government grant from approximately HK$0.4 million in last year to approximately HK$3.3 million during the Year, and the consultancy service income of approximately HK$3.6 million generated in the Year as mentioned under the heading of Business Review above, led to the increase in other revenue and net income during the Year.

There was no material change in the Group's expenses for the Year as compared to those for fiscal year 2015/16, except for the increase in non-cash share-based payments by approximately HK$13.6 million and decrease in impairment on film rights by approximately HK$8.0 million.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 March 2017, the Group had total assets of approximately HK$196.8 million (2016: HK$227.5 million), including cash and cash equivalents of approximately HK$125.0 million (2016: HK$131.9 million). There was no pledged bank deposit as at 31 March 2017 (2016: Nil). As at 31 March 2017, the debt ratio (defined as total liabilities/total assets) was approximately 0.43 (2016: 0.39).

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 2017 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 2017, the Group did not have any bank overdraft (2016: Nil).

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

There was no material acquisition or disposal of subsidiaries during the year ended 31 March 2017.

FOREIGN EXCHANGE EXPOSURE

The Group's exposures to foreign currencies mainly arises from receivables from PRC customers and its investment in foreign subsidiaries which are financed internally in RMB, and payables to PRC suppliers. In order to mitigate the potential impact of currency fluctuations, the Group closely monitors its foreign currency exposures and will use suitable hedging instruments against significant foreign currency exposures, where necessary. No foreign currency hedge contract was entered into by the Group during the Year. As at 31 March 2017, the Group had no outstanding foreign currency hedge contracts (2016: Nil).

EMPLOYEES

As at 31 March 2017, the Group had 124 (2016: 166) staff in the People's Republic of China ("PRC") and Hong Kong. Total staff costs including directors' remuneration were approximately HK$21.4 million during the Year (2016: HK$20.7 million), in which approximately HK$5.6 million was share-based payments to Directors (2016: HK$3.0 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 82 million share options have been granted to certain Directors (2016: 29 million).

OUTLOOK

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

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company endeavors to maintain a high standard of corporate governance for the enhancement of shareholders' value. The Company has complied with the required code provisions set out in the Corporate Governance Code (the "Code") contained in Appendix 15 to the GEM Listing Rules for the year ended 31 March 2017, except for the following deviation:

Chairman and Chief Executive Officer

The Company does not have the Chairman of the Board and the Chief Executive Officer during the year ended 31 March 2017. The Board is in the process of locating appropriate persons to fill the vacancies of the Chairman and Chief Executive Officer. Even so, the Board considers that the existing Board members are able to share the power and responsibilities of Chairman and Chief Executive Officer among themselves, as detailed below.

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

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

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

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

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

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

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

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

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

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

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

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

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

Relevant provisions of the Company's Articles of Association

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

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

Explanation of Chairman position vacancy for the past seven years

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

Attempts made in identifying the potential chairman candidate

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

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

Appointment and Re-election of the Directors

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

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

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

Attendance in General Meetings

Pursuant to Provision A.6.7 of the Code, independent non-executive directors and other non-executive directors should attend general meetings. The independent non-executive Directors could not attend the annual general meeting held in the year ended 31 March 2017 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 2017.

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 2017, the accounting principles and practices adopted by the Group and discussed auditing, risk management and 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 2017.

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 2017 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, 26 May 2017

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 Ms. Choi Mei Ping, Mr. Tsoi Chiu Yuk and Mr. Ong King Keung 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).