



BINGO GROUP HOLDINGS LIMITED

比高集團控股有限公司

(Formerly known as Emcom International Limited)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8220)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2010

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

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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. 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 result of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 September 2010, together with the unaudited comparative figures for the corresponding period in 2009 were as follows:

		For the six months ended 30 September	
		2010	2009
	<i>Notes</i>	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Revenue	2	439,489	294,719
Cost of sales		(437,716)	(292,439)
Gross Profit		1,773	2,280
Reimbursement from licensor		3,828	3,003
Other revenue and other net income		39	21
Gain on disposal of subsidiaries	3(a)	3,535	19,073
Selling expenses		(22)	(28)
Administrative and operating expenses		(35,552)	(16,179)
Share-based payments	4	(90,173)	–
Share of result of an associate		(13)	(55)
Finance cost	5	(2,000)	(188)
(Loss)/profit before taxation	3	(118,585)	7,927
Income tax		–	(317)
Taxation credit	6	9,061	–
(Loss)/profit for the period from continuing operation		(109,524)	7,610
Discontinued operations			
Loss for the period from discontinued operations		–	(186)
(Loss)/profit for the period		(109,524)	7,424

		For the six months ended 30 September	
		2010	2009
		HK\$'000	HK\$'000
	<i>Notes</i>	(Unaudited)	(Unaudited)
(Loss)/profit attributable to:			
Equity holders of the Company		(109,524)	7,538
Non-controlling interests		<u>—</u>	<u>(114)</u>
		<u>(109,524)</u>	<u>7,424</u>
Dividend	7	—	—
(Loss)/profit per share (cents per share)			
From continuing and discontinued operations			
Basic	8	(3.57)	0.36
Diluted	8	<u>N/A</u>	<u>0.36</u>
From continuing operations			
Basic	8	(3.57)	0.37
Diluted	8	<u>N/A</u>	<u>0.37</u>
Other comprehensive loss			
Exchange differences on translating foreign operations			
– Exchange differences arising during the period		(58)	—
– Adjustment relating to foreign operations disposed during the period		<u>(32)</u>	<u>—</u>
Other comprehensive loss for the period, net of tax		(90)	—
(Loss)/profit for the period		<u>(109,524)</u>	<u>7,424</u>
Total comprehensive (loss)/income for the period		<u>(109,614)</u>	<u>7,424</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30 September 2010 HK\$'000 (Unaudited)	As at 31 March 2010 HK\$'000 (Audited)
	<i>Notes</i>		
NON-CURRENT ASSETS			
Property, plant and equipment		1,494	2,182
Goodwill		<u>15,222</u>	<u>7,556</u>
		<u>16,716</u>	<u>9,738</u>
CURRENT ASSETS			
Trade receivables	9	586	1,177
Other receivables, deposits and prepayments		8,253	54,245
Bank balances and cash		<u>148,405</u>	<u>9,796</u>
		157,244	65,218
Asset classified as held for sale	10	<u>–</u>	<u>320,000</u>
		<u>157,244</u>	<u>385,218</u>
CURRENT LIABILITIES			
Trade payables	11	1,615	8,236
Deposits received, other payables and accruals		27,699	61,589
Amount due to an associate		–	147
Amount due to non-controlling interests		–	483
Tax payables		718	631
Obligation under finance lease		49	83
Bank loans, secured		<u>–</u>	<u>78,200</u>
		<u>30,081</u>	<u>149,369</u>
NET CURRENT ASSETS		<u>127,163</u>	<u>235,849</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>143,879</u>	<u>245,587</u>

		As at 30 September 2010 <i>HK\$'000</i> (Unaudited)	As at 31 March 2010 <i>HK\$'000</i> (Audited)
	<i>Notes</i>		
NON-CURRENT LIABILITIES			
Obligation under finance lease		111	111
Bank loans, secured		–	76,800
Convertible bonds		51,464	72,645
Deferred tax liabilities	6	–	9,061
		<u>51,575</u>	<u>158,617</u>
NET ASSETS		<u>92,304</u>	<u>86,970</u>
CAPITAL AND RESERVES			
Share capital	12	61,411	54,231
Reserves		30,893	32,981
		<u>92,304</u>	<u>87,212</u>
Non-controlling interests		–	(242)
TOTAL EQUITY		<u>92,304</u>	<u>86,970</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Equity component of convertible bonds HK\$'000	Share option reserve HK\$'000	Exchange reserve HK\$'000	Accumulated Loss HK\$'000	Total HK\$'000	Non controlling interests HK\$'000	Total HK\$'000
At 1 April 2009	32,590	132,897	3,930	–	2,644	3,714	(172,730)	3,045	232	3,277
Share issued of HK\$0.02 each Under share option scheme	1,471	4,043	–	–	(1,542)	–	–	3,972	–	3,972
Share consideration of HK\$0.02 Each being the deposit for Acquisition of subsidiary on 7 August 2009	6,000	24,000	–	–	–	–	–	30,000	–	30,000
Exchange different arising from Translation of financial Statements	–	–	–	–	–	(134)	–	(134)	–	(134)
Profit for the period	–	–	–	–	–	–	7,538	7,538	8	7,546
At 30 September 2009	<u>40,061</u>	<u>160,940</u>	<u>3,930</u>	<u>–</u>	<u>1,102</u>	<u>3,580</u>	<u>(165,192)</u>	<u>44,421</u>	<u>240</u>	<u>44,661</u>
At 1 April 2010	54,231	221,512	3,930	8,202	4,925	58	(205,646)	87,212	(242)	86,970
Issue of ordinary shares under convertible bonds	6,500	23,817	–	(3,076)	–	–	–	27,241	–	27,241
Issue of new shares of HK\$0.02 each under share option scheme	680	4,401	–	–	(1,728)	–	–	3,353	–	3,353
Share-based payments	–	–	–	72,625	11,487	–	–	84,112	–	84,112
Disposal of foreign operations	–	–	–	–	–	(58)	–	(58)	242	184
Exchange difference arising from translation of financial statements	–	–	–	–	–	(32)	–	(32)	–	(32)
Loss for the period	–	–	–	–	–	–	(109,524)	(109,524)	–	(109,524)
At 30 September 2010	<u>61,411</u>	<u>249,730</u>	<u>3,930</u>	<u>77,751</u>	<u>14,684</u>	<u>(32)</u>	<u>(315,170)</u>	<u>92,304</u>	<u>–</u>	<u>92,304</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGE IN CASH FLOWS

	For the six months ended 30 September	
	2010	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Net cash used in operating activities	(28,363)	(8,542)
Net cash from/(used in) investing activities	320,709	(381)
Net cash generated (used in)/from financing activities	<u>(153,647)</u>	<u>3,072</u>
 NET INCREASE IN CASH AND CASH EQUIVALENTS	 138,699	 (5,851)
 CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	 9,796	 15,403
 EFFECT OF FOREIGN RATE EXCHANGES	 <u>(90)</u>	 <u>(136)</u>
 CASH AND CASH EQUIVALENTS AT END OF PERIOD	 <u><u>148,405</u></u>	 <u><u>9,416</u></u>
 ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS		
Cash at bank and on hand	<u><u>148,405</u></u>	<u><u>9,416</u></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 2010.

In the current period, the Group has adopted a number of new and revised HKFRSs, which are effective for accounting periods beginning on or after 1 January 2010. The adoption of these new and revised HKFRSs had 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 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 amount receivable for goods sold and services provided in the normal course of business.

Turnover and results

For the six months ended 30 September 2010

	Trading HK\$'000	Property management HK\$'000	Filmed entertainment, online games and licensing business HK\$'000	Consolidation HK\$'000
Turnover				
External	<u>432,578</u>	<u>5,464</u>	<u>1,447</u>	<u>439,489</u>
Segment result	<u>(6,033)</u>	<u>(13,806)</u>	<u>(267)</u>	<u>(20,106)</u>
Interest income				13
Gain from disposal of subsidiary				3,535
Unallocated corporate expenses				(100,014)
Loss from operation				(116,572)
Finance cost				(2,000)
Share of loss of an associate				(13)
Loss before taxation				(118,585)
Taxation Credit				9,061
Loss for the period				<u>(109,524)</u>

For the six months ended 30 September 2009

	Trading HK\$'000	Property management HK\$'000	Sub-total HK\$'000	Tele- communication HK\$'000	Sub-total HK\$'000	Consolidation HK\$'000
Turnover						
External	<u>293,783</u>	<u>936</u>	<u>294,719</u>	<u>–</u>	<u>–</u>	<u>294,719</u>
Segment result	<u>(1,586)</u>	<u>(3,217)</u>	<u>(4,803)</u>	<u>(186)</u>	<u>(186)</u>	<u>(4,989)</u>
Interest income			1		–	1
Gain from disposal of subsidiary			19,073		–	19,073
Unallocated corporate expenses			(6,101)		–	(6,101)
Gain/(Loss) from operation			8,170		(186)	7,984
Finance cost			(188)		–	(188)
Share of loss of an associate			(55)		–	(55)
Gain/(Loss) before taxation			7,927		(186)	7,741
Taxation			(317)		–	(317)
Gain/(Loss) for the period			<u>7,610</u>		<u>(186)</u>	<u>7,424</u>

Consolidated Assets and Liabilities

At 30 September 2010

	Trading HK\$'000	Property management HK\$'000	Filmed entertainment, Online games and licensing business HK\$'000	Other HK\$'000	Consolidation HK\$'000
ASSETS					
Segment assets	193	149,159	2,399	–	151,751
Unallocated corporate assets					<u>22,209</u>
Consolidated total assets					173,960
LIABILITIES					
Segment liabilities	993	16,364	8,968	–	26,325
Unallocated corporate liabilities					<u>55,331</u>
Consolidated total liabilities					81,656
OTHER INFORMATION					
Segment depreciation and amortization	–	670	46	–	716
Gain on disposal of subsidiary	–	–	–	(3,535)	<u>(3,535)</u>

At 30 September 2009

	Trading HK\$'000	Property management HK\$'000	Other HK\$'000	Sub-total HK\$'000	Tele- Communication HK\$'000	Sub-total HK\$'000	Consolidation HK\$'000
ASSETS							
Segment assets	29,021	7,406	–	36,427	3,898	3,898	40,325
Unallocated corporate assets				<u>34,152</u>		<u>–</u>	<u>34,152</u>
Consolidated total assets				70,579		3,898	74,477
LIABILITIES							
Segment liabilities	18,942	7,254	–	26,196	235	235	26,431
Unallocated corporate liabilities				<u>3,385</u>		<u>–</u>	<u>3,385</u>
Consolidated total liabilities				29,581		235	29,816
OTHER INFORMATION							
Segment capital expenditure	55	295	16	366	–	–	366
Segment depreciation and amortization	205	33	271	509	132	132	641
Loss/(gain) on disposal of property, plant and equipment	776	–	–	776	(9)	(9)	767
Gain on disposal of subsidiary	–	–	(19,073)	(19,073)	–	–	(19,073)
Impairment on other receivables, deposit and prepayment	–	–	123	<u>123</u>	–	<u>–</u>	<u>123</u>

3. (LOSS)/PROFIT BEFORE TAXATION

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

	For the six months ended 30 September	
	2010	2009
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Depreciation	716	641
Loss on disposal of property, plant and equipment	–	767
Impairment on receivables and deposits	–	123
Gain on disposal of subsidiary (<i>Note</i>)	(3,535)	(19,073)

(a) Gain on Disposal of Subsidiaries

On 20 August 2010, the Board of Directors agreed to dispose the entire 100% shareholding interest in Sparkle Success Investment Limited, Sinoeye Limited Investment Development Ltd and Emcom International (China) Investment Ltd. (“Subsidiaries”), at a gain on disposal of the Subsidiaries amounted to HK\$3,535,658.

4. SHARE-BASED PAYMENTS

The Company has the convertible bonds and share option scheme 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 date being the first, second, third and fourth anniversary 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 months 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\$45 million 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 followings assumptions were made by DTZ Debenham Tie Leung Limited, independent qualified professional valuers are not connected with the Group and 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 followings assumptions were made by DTZ Debenham Tie Leung Limited, independent qualified professional valuers are not connected with the Group and have appropriate qualification, to calculate the fair value of 250,000,000 share options:

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%

In the current period, HK\$25 million convertible bonds and 250,000,000 share options were granted/issued and the Group recognized the total expense of HK\$90,172,981 as share-based payments for the six months ended 30 September 2010 (six months ended 30 September 2009: Nil).

5. FINANCE COST

	For the six months ended 30 September	
	2010	2009
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Finance cost		
Continuing operations		
Interest on Bank loan	1,996	188
Finance lease charge	<u>4</u>	<u>—</u>
	<u>2,000</u>	<u>188</u>

6. TAXATION CREDIT

Deferred tax had been reversed for the Group because there were no significant timing differences at the balance dates.

7. DIVIDEND

The Directors do not recommend the payment of any dividend for the six months ended 30 September 2010 (six months ended 30 September 2009: Nil).

8. LOSS PER SHARE

(a) Basic

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

Basic (loss)/profit per share is calculated as follows:

	For the six months ended 30 September	
	2010	2009
	HK Cent	HK Cent
	(Unaudited)	(Unaudited)
Basic (loss)/profit per share		
From continuing operations	(3.57)	0.37
From discontinuing operations	N/A	(0.01)
Total basic (loss)/profit per share	<u>(3.57)</u>	<u>0.36</u>

Weighted average number of ordinary shares used in the calculation of basic (loss)/profit per share are as follows:

	For the six months ended 30 September	
	2010	2009
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
(Loss)/profit for the period from continuing operations used in the calculation of basic (loss)/profit per share	(109,524)	7,610
Loss for the period from discontinued operations used in the calculation of basic loss per share	N/A	(186)
(Loss)/profit for the period attributable to equity holders of the Company	<u>(109,524)</u>	<u>7,424</u>
	2010	2009
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>3,070,559,126</u>	<u>2,044,605,763</u>

(b) Diluted

No diluted loss per share has been presented by the Company for the six months ended 30 September 2010 as the exercise of the share options and convertible bonds will give rise to an anti-dilutive effect.

The earnings used in the calculation of diluted earnings per share in 2009 is the same as those for the basic earnings per share, as set out above. The weighted average number of ordinary shares for the purposes of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basis earnings per share as follows:

	2010	2009
Weighted average number of ordinary shares for the purpose of basic earnings per share	N/A	2,044,605,763
Effect of dilutive potential ordinary shares:	N/A	5,980,856
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>N/A</u>	<u>2,050,586,619</u>

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 in analysed as follows:

	As at 30 September 2010 HK\$'000 (Unaudited)	As at 31 March 2010 HK\$'000 (Audited)
Within 30 days	586	56
31-60 days	—	298
61-90 days	—	25
Over 90 days	—	950
Provision	<u>—</u>	<u>(152)</u>
	<u>586</u>	<u>1,177</u>

10. ASSETS CLASSIFIED AS HELD FOR SALE

During the Period, the Group disposed of the Property located in Kowloon at consideration of HK\$320,000,000.

11. TRADE PAYABLES

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

	As at 30 September 2010 <i>HK\$'000</i> (Unaudited)	As at 31 March 2010 <i>HK\$'000</i> (Audited)
Within 30 days	1,378	2,706
31-60 days	175	201
61-90 days	41	31
Over 90 days	21	5,298
	<u>1,615</u>	<u>8,236</u>

12. SHARE CAPITAL

	As at 30 September 2010 (Unaudited)		As at 31 March 2010 (Audited)	
	No of shares '000	Amount <i>HK\$'000</i>	No of shares '000	Amount <i>HK\$'000</i>
Authorised:				
Beginning of the period/year				
Shares of HK\$0.01 each	10,000,000	100,000	10,000,000	100,000
Consolidation of share from 2 old shares Into one consolidated share	<u>(5,000,000)</u>	<u>—</u>	<u>(5,000,000)</u>	<u>—</u>
End of the period/year				
Shares of HK\$0.02 each	<u>5,000,000</u>	<u>100,000</u>	<u>5,000,000</u>	<u>100,000</u>
Issued and fully paid:				
At the beginning of the period/year	2,711,559	54,231	3,258,980	32,590
Issue of ordinary shares under convertible bonds	325,000	6,500	—	—
Placing of new shares	—	—	150,000	3,000
Issue of new shares under share option scheme before share consolidation	—	—	66,898	669
Issue of new shares under share option scheme after share consolidation	34,000	680	148,620	2,972
Share allotment under share consolidation	—	—	(1,662,939)	—
Share consideration for the deposit of acquisition of subsidiary	<u>—</u>	<u>—</u>	<u>750,000</u>	<u>15,000</u>
At the end of the period/year	<u>3,070,559</u>	<u>61,411</u>	<u>2,711,559</u>	<u>54,231</u>

13. OPERATING LEASE COMMITMENTS

	As at 30 September 2010 HK\$'000 (Unaudited)	As at 31 March 2010 HK\$'000 (Unaudited)
Within one year	3,897	445
In the second to fifth year, inclusive	495	195
	<u>4,392</u>	<u>640</u>

MANAGEMENT DISCUSSION AND ANALYSIS

General

During the six months ended 30 September 2010 (the "Period"), Bingo Group Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") was principally engaged in property holding and provision of property management services ("Property Holding and Management"), sales and trading of telecommunication and electronic equipment, commodities and computer hardware and relevant peripherals ("Trading") and movie production, licensing and derivatives, crossover marketing and provision of interactive contents ("Filmed Entertainment, Online Games and Licensing Businesses").

Financial Review

During the Period, the Group recorded a total turnover of approximately HK\$439,489,000 representing increase of approximately 49% as compared with HK\$294,719,000 for the period ended 30 September 2009.

Loss attributable to shareholders for the Period was approximately HK\$109,524,000 compared with a profit of HK\$7,538,000 for the period ended 30 September 2009.

The negative effect on the results of the Group for the period ended 30 September 2010 is mainly attributable to (i) recognition of convertible bonds and shares options at fair values under share-based payments by HK\$90,172,981 during the period; and (ii) a significant decrease in gain of disposal of subsidiaries compared to same period in 2009. The profit for six months ended 30 September 2009 is mainly attributable to a gain of disposal of subsidiaries by approximately HK\$19,073,000.

Change of Company Name

The Board passed a special resolution by the shareholders by way of poll at the annual general meeting held on 6 August 2010 to change its name from “Emcom International Limited” to “Bingo Group Holdings Limited” and to adopt a new Chinese name “比高集團控股有限公司” to replace the Chinese name “帝通國際有限公司” with effect from 6 August 2010. The Certificate of Incorporation on change of name has been issued by the Registrar of Companies in the Cayman Islands. Following the change of name becoming effective, the stock short name for trading in the Shares on the Stock Exchange will be changed from “EMCOM INT’L” to “BINGO GROUP” in English and from “帝通國際” to “比高集團” in Chinese with effect from 8 September 2010.

Liquidity

As at 30 September 2010, the Group had total assets of approximately HK\$173,960,000 (31 March 2010: approximately HK\$394,956,000), including cash and cash equivalents of approximately HK\$148,405,000 (31 March 2010: approximately HK\$9,796,000). There was no pledged bank deposit as at 30 September 2010 (31 March 2010: Nil).

During the Period, the Group financed its operations mainly with its own working capital. As at 30 September 2010, the Group did not have any bank overdraft (31 March 2010: Nil) and there was no other charge on the Group’s assets (31 March 2010: Nil).

As at 30 September 2010, the debt ratio (defined as the ratio between total liabilities over total assets) was approximately 0.47 (31 March 2010: approximately 0.78).

Major Events

Power Alliance Investment Limited (“Vendor”), a wholly-owned subsidiary of the Company, entered into a provisional sale and purchase agreement with Success Build Limited (“Purchaser”) on 9 March 2010 and subsequently the Formal Sale and Purchase Agreement on 23 April 2010 (“Agreement”). Pursuant to the Agreement, the Vendor agreed to sell and the Purchaser agreed to acquire the whole of the ground floor, upper ground floor, 1st and 2nd floors, Listing Court, nos.34 & 36 Granville Road, Kowloon (“Property”) at a consideration of HK\$320,000,000. This transaction constitutes a very substantial disposal and is approved by the shareholders at an extraordinary general meeting held on 16 August 2010, pursuant to Rules 19.06 of the GEM Listing Rules.

On 22 February 2010, the Company entered into the Service Agreement with Mr. Chiau Sing Chi whereby the Company appointed Mr. Chiau as an executive director of the Company and Mr. Chiau accepted the appointment with prescribed duties for an initial term of five years from 1 June 2010. (“Commencement Date”)

Pursuant to the Service Agreement, Mr. Chiau shall:

- (a) serve the Company in the capacity of an executive director of the Company with such executive and management responsibilities and duties with regard to the Filmed Entertainment Business;
- (b) devote a sufficient and reasonable part of his time to administer, supervise and manage the Filmed Entertainment Business of the Group;
- (c) faithfully and diligently perform all such duties as shall be reasonably required by the Board and carry out all lawful and reasonable instructions of the Board according to the best of his skill and ability and in compliance with all resolutions and regulations from time to time passed or made by the Board; and
- (d) at all times keep the Board promptly and fully informed of all matters relating to or in connection with the performance and exercise of his duties and powers under the Service Agreement.

In consideration of the performance by Mr. Chiau of his duties for the Company, the Company shall, as a remuneration package:

- (a) issue the Convertible Bonds to Mr. Chiau with an aggregate principal amount of HK\$45 million, in which the issuance will be divided into five tranches as follows:
 - (i) HK\$25 million on the Commencement Date; and
 - (ii) HK\$5 million annually on the anniversary of the Commencement Date in the next four years during the term of the Service Agreement.
- (b) grant the Options to Mr. Chiau on the Commencement Date with the Subscription Right to subscribe up to 250,000,000 Shares at the initial Exercise Price of HK\$0.10 per Share.

Details of the fair values of the remuneration package of Mr. Chiau are set out in note 4 of the accounts.

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 2010, the Group had 55 (31 March 2010: 48) staff in the PRC and Hong Kong. Total staff costs including directors' remuneration were approximately HK\$7,356,000. Pursuant to the service agreement on 1 June 2010, the Group issued/granted HK\$25 million convertible bonds and 250,000,000 share options to Mr. Chiau Sing Chi which amounted to HKD90,172,981 share-based payments. The payments do not involve any material cash outlay and the expenses will not adversely affect the financial position of the Group. (30 September 2009: HK\$4,928,000).

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 42,000,000 share options have been granted to certain employee and advisors.

Contingent Liabilities

As at 30 September 2010, the Group did not have any significant contingent liabilities (31 March 2010: Nil).

Commitments

As at 30 September 2010, the Group had no capital commitments (31 March 2010: approximately HK\$3,656,000).

Details of the Group's operating lease commitments are set out in note 13 to the condensed consolidated interim information of the Group for the six months ended 30 September 2010.

Operation Review and Prospects

During the Period under review, the Group has generated its income mainly by Trading and Property Holding and Management businesses. The Group recorded a total turnover of approximately HK\$439,489,000 for the Period (30 September 2009: HK\$294,719,000). Loss attributable to shareholders for the Period was approximately HK\$109,524,000 (30 September 2009: profit of HK\$7,538,000). During the Period, the Group recognized the total expense of HK\$90,172,981 as share-based payments in relation to HK\$25 million convertible bonds and 250,000,000 share options issued/granted to the executive director, Mr. Chiau Sing Chi pursuant to the Service Agreement approved by the shareholders at an extraordinary general meeting held on 27 May 2010. As the share-based payments do not involve any immediate material cash outlay, the expense will not adversely affect the financial position of the Group.

During the Period, the Group disposed of the Property located in Granville Road, Tsim Sha Tsui, Kowloon at consideration of HK\$320,000,000, which provided a sufficient cash inflow to the Group for operations and future expansion.

During the Period, the Group expanded its operations to Filmed Entertainment, Online Games and Licensing Business. In July 2010, the Group had released CJ7:The Cartoon (長江7號愛地球) (the “Cartoon Movie”) in mainland China. Since the Cartoon Movie’s release, it has been consistently among the top ten in this summer movie box-office chart, and already ranked number fifth in gross box-office among all cartoon movies even produced in mainland China domestically. The Cartoon Movie was 100% funded and produced by China Film Group under the Group’s license. All box-office earnings, after deducting the production and others costs, will be shared with China Film in accordance to an agreed ratio.

Alongside the release of the Cartoon Movie, CJ7 Kids Furniture was launched in August 2010, in which the Group has granted Hing Li (HK) Holdings Limited a sublicense to launch furniture series related to the Cartoon Movie. The Group has also cooperated with other reputable manufacturers and retailers to manufacture and distribute CJ7 merchandises and products under the stringent quality requirements.

OUTLOOK

While the Group has continued its existing businesses of trading and property management businesses, the Group will emphasize on the Filmed Entertainment, Online Games and Licensing Businesses in future.

As there are more affluent families in China, it anticipated that the spending for kid’s products will be increasing. Child and teenager- related products are expected to flourish in the next couple of decades due to increase in spending brought about by the new spending pattern and concepts of nurturing the youth. As a master licensor of all CJ7- related intellectual property rights, the Group believes “CJ7” will continue to contribute a long-term income to the Group in future.

OTHER INFORMATION

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

As at 30 September 2010, 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 Future 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 they 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	10,000	0.00%
Mr. Yik Chok Man	Beneficial owner	564,000	0.02%
Mr. Chong Lee Chang (<i>Note 1</i>)	Beneficial owner and corporate interests	90,631,999	2.95%
Ms. Chen Chou Mei Mei Vivien	Beneficial owner	5,500,000	0.18%

Note:

1. Mr. Chong Lee Chang, a Non-Executive Director of the Company, had personally owned 16,131,952 Shares and had been deemed to be interested in 74,500,047 shares through his beneficial interest in 100% of the entire issued share capital of Shieldman Limited.
2. The total number of the issued share capital of the Company as at 30 September 2010 was 3,070,559,126.

Long positions in the underlying shares of the Company

The Company adopted a share options scheme on 19 October 2002 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.

On 1 June 2010, the Company granted 250,000,000 share options to Mr. Chiau Sing Chi as his remuneration package to the services provided by him.

Details of share options granted to the Directors as at 30 September 2010 were as follows:

Name of Director	Date of grant	Number of options held as at 1 April 2010	Number of options granted during the period	Number of options exercised during the period	Number of options held as at 30 September 2010	Exercise price HK\$	Exercise period
Mr. Chan Cheong Yee	26-8-2009	10,000,000	–	–	10,000,000	0.1012	26-8-2009 – 25-8-2012
Mr. Keung Kwok Hung (Note 1)	26-8-2009	5,000,000	–	(5,000,000)	–	0.1012	26-8-2009 – 25-8-2012
Mr. Chiau Sing Chi	1-6-2010	–	250,000,000	–	250,000,000	0.1000	1-12-2011 – 30-9-2013

Note 1: Mr. Keung resigned on 23 July 2010.

Convertible Bonds

The company issued a zero coupon convertible bonds HK\$45 million to Mr. Chiau and the convertible bond in the amount HK\$25 million shall be issued on the 1 June 2010 and remaining four tranches (each worth HK\$5 million, and HK\$20 million in aggregate) of the convertible bonds will be issued on the date being the first, second, third and fourth anniversary of the date of 1 June. For the detail of 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 2010, 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 2010, the following person (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>)	715,000,000	Long	23.29%
Mega Charming Limited (<i>Note 2</i>)	190,000,000	Long	6.19%
Emcom Limited (<i>Note 3</i>)	174,706,000	Long	5.69%
Jolly King Limited (<i>Note 4</i>)	174,706,000	Long	5.69%
Mr. Phang Wah (<i>Note 4</i>)	174,706,000	Long	5.69%
Modern China Holdings Limited (<i>Note 5</i>)	174,706,000	Long	5.69%
Mr. Chen Jijin (<i>Note 5</i>)	174,706,000	Long	5.69%

Notes:

1. Beglobal is ultimately owned by GZ Trust Corporation, being the trustee of a discretionary trust, The Sino Star Trust. The discretionary objects of The Sino Star Trust include Mr. Chiau and his family. Immediately before entering into the Agreements, Beglobal holds convertible bonds issued by the Company in the principal amount of HK\$71,500,000 which can be converted into up to an aggregate of 715,000,000 Shares at the conversion price of HK\$0.10 per Share. (subject to adjustments).
2. Mega Charming Limited is wholly and beneficially owned by Disigncase Limited, which is 99% beneficially owned by a discretionary trust founded by Mr. F.K. Hu. The remaining 1% interest in Disigncase Limited is owned by Mr. and Mrs. F.K. Hu. Immediately before entering into the Agreements, Ryoden Property Development Company Limited, the holding company of Mega Charming holds convertible bonds issued by the Company in the principal amount of HK\$39,000,000 which can be converted into up to an aggregate of 390,000,000 Shares at the conversion price of HK\$0.10 per Share (subject to adjustments).

3. The issued share capital of Emcom Limited is beneficially owned as to 75% by Mr. Phang Wah, 15% by Mr. Yong Wai Hong and 10% by Mr. Lee Pin Yeow. Mr. Yong Wai Hong was the former Chairman, Chief Executive Officer and Executive Director of the Company and resigned on 18 April 2009. Emcom Limited is a party acting in concert with Modern China Holdings Limited under section 317(1)(a) of the SFO. Therefore, Emcom Limited is deemed to be interested in 174,706,000 Shares. Emcom Limited is beneficially interested in 98,864,000 Shares or approximately 3.22% of the issued share capital of the Company.
4. Jolly King Limited holds 75% interest in Emcom Limited and is therefore entitled to exercise or control the exercise of one-third or more of the voting power of Emcom Limited. The entire issued share capital of Jolly King Limited is held by Mr. Phang Wah. By virtue of SFO, Jolly King Limited and Mr. Phang Wah are deemed to be interested in 174,706,000 Shares.
5. Modern China Holdings Limited is wholly and beneficially owned by Mr. Chen Jijin who was formerly the chairman and an executive Director. Modern China Holdings Limited is a party acting in concert with Emcom Limited under section 317(1)(a) SFO. Therefore, Modern China Holdings Limited is deemed to be interested in 174,706,000 Shares. Modern China Holdings Limited is beneficially interested in 75,842,000 Shares or 2.47% of the issued share capital of the Company.

Save as disclosed above, as at 30 September 2010, 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 19 October 2002 (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 12 November 2012. 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 2010 '000	Number of options granted during the period '000	Number of options exercised/ lapsed during the period '000	Number of options held as at 30 September 2010 '000	Exercise price HK\$	Exercise period
Directors	26 Aug 2009	15,000	250,000	(5,000)	260,000	0.1012	26 Aug 2009 – 25 Aug 2012
Employees	30 Dec 2008	1	–	–	1	0.054	30 Dec 2008 – 29 Dec 2011
	26 Aug 2009	1,500	–	(1,000)	500	0.1012	26 Aug 2009 – 25 Aug 2012
	20 Aug 2010	–	24,000	–	24,000	0.246	20 Aug 2010 – 19 Aug 2016
Advisor	24 Feb 2009	18,000	–	(3,000)	15,000	0.072	24 Feb 2009 – 23 Feb 2012
	26 Aug 2009	65,000	–	(25,000)	40,000	0.1012	26 Aug 2009 – 25 Aug 2012
	20 Aug 2010	–	18,000	–	18,000	0.246	20 Aug 2010 – 19 Aug 2016
Total		<u>99,501</u>	<u>292,000</u>	<u>(34,000)</u>	<u>357,501</u>		

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 2010.

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 2010, the Group had no material transactions entered into with related parties (six months ended 30 September 2009: Nil).

PURCHASE, SALE OR REDEMPTION OF SHARES

For the six months ended 30 September 2010, 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 2010 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 2010.

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

Hong Kong, 12 November 2010

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