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Lajin Entertainment Network Group Limited
拉近網娛集團有限公司*

(formerly known as China Star Cultural Media Group Limited 中國星文化產業集團有限公司)*

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8172)

**VARIATION TO TERMS OF SUBSCRIPTION OF
NEW SHARES UNDER GENERAL MANDATE**

VARIATION TO THE SUBSCRIPTION

On 31 August 2015 (after trading hours), the Company and the Subscriber entered into the Supplemental Agreement to (i) revise the Subscription Price from HK\$1.3681 to HK\$1.05 per Subscription Share; (ii) revise the conditions precedent to Completion as set out in this announcement; and (iii) extend the Long Stop Date from 31 August 2015 to 30 September 2015. Pursuant to the Supplemental Agreement, upon Completion, the Subscription Shares shall be issued to the Subscriber (or its designated wholly-owned subsidiary). Save for the aforesaid, all other terms of the Subscription remain the same.

The gross proceeds from the Subscription will amount to approximately HK\$482.9 million. The net proceeds, after deducting all relevant costs and expenses, are estimated to be approximately HK\$482 million, representing a net subscription price of approximately HK\$1.05 per Subscription Share.

Upon completion of the Subscription, the adjusted conversion price for the Preferred Shares will be HK\$0.19 per Ordinary Share (as previously set out in the First Announcement).

Completion of the Subscription is subject to the satisfaction of the conditions precedent to the Subscription Agreement (as amended by the Supplemental Agreement). As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Ordinary Shares.

* For identification only

Reference is made to the announcements of Lajin Entertainment Network Group Limited (the “**Company**”) dated 13 July 2015 (the “**First Announcement**”), 14 July 2015 and 5 August 2015 in respect of among other things the Subscription. Capitalised terms used herein shall have the same meanings as those set out in the First Announcement unless stated otherwise.

VARIATION TO THE SUBSCRIPTION

On 31 August 2015 (after trading hours), the Company and the Subscriber entered into a supplemental agreement to the Subscription Agreement (the “**Supplemental Agreement**”) pursuant to which the parties have agreed to (i) revise the Subscription Price from HK\$1.3681 to HK\$1.05 per Subscription Share; (ii) revise the conditions precedent to Completion as follows; and (iii) extend the last date to fulfill the conditions of the Subscription (the “**Long Stop Date**”) from 31 August 2015 to 30 September 2015. Pursuant to the Supplemental Agreement, upon Completion, the Subscription Shares shall be issued to the Subscriber (or its designated wholly-owned subsidiary). Save for the aforesaid, all other terms of the Subscription remain the same.

The revised Subscription Price of HK\$1.05 per Subscription Share represents:

- (i) a discount of 19.85% to the closing price of HK\$1.31 per Ordinary Share as quoted on GEM on 31 August 2015, being the date of the Supplemental Agreement; and
- (ii) a discount of approximately 18.73% to the average closing price of approximately HK\$1.292 per Ordinary Share for the last five consecutive trading days up to and including 28 August 2015, being the last trading day immediately prior to the date of the Supplemental Agreement.

The net proceeds, after deducting all relevant costs and expenses, are estimated to be approximately HK\$482 million, representing a net subscription price of approximately HK\$1.05 per Subscription Share.

The Company was informed by the Subscriber that, due to the recent fluctuation in the stock market and due to the fact that the share price of the Company had dropped significantly, it was not expected that the Subscriber and the parent company of the Subscriber could obtain their internal approvals (being one of the conditions precedent to the Subscription) to complete the Subscription. In view of the Subscriber’s business network and reputation, and in view of the funding requirement for the development and expansion of the Group’s entertainment business, the Company still considers it to be in its interest to have the Subscriber as its strategic shareholder and to raise the fund. After further discussion, both parties agree to revise the Subscription Price. The Directors consider that the revised Subscription Price is fair and reasonable having regard to the recent closing prices of the Ordinary Shares.

Pursuant to the Supplemental Agreement, the conditions precedent to Completion shall be revised to contain the following:

- (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares; and
- (ii) the Company having obtained all necessary approvals from the relevant authorities regarding the Subscription.

In the event that the conditions precedent are not fulfilled on or before 30 September 2015 (or such other date and time as may be agreed between the parties in writing), the Subscription Agreement (as revised by the Supplemental Agreement) shall cease and determine and neither the Company nor the Subscriber shall have any obligations and liabilities under the Subscription Agreement.

Use of proceeds

Based on the revised Subscription Price, the gross proceeds and the net proceeds from the Subscription would amount to approximately HK\$482.9 million and HK\$482 million respectively. The application of the net proceeds is revised as follows:

- as to approximately HK\$208.5 million for the development of an online platform for the provision of music contents including songs, concerts, music programmes and other music related services;
- as to approximately HK\$150 million for acquisition and investment in Korean entertainment companies engaged in production of entertainment programmes, musical programmes and artist agency services;
- as to approximately HK\$70 million for the establishment of a production base in the PRC for the development and production of media contents, and as the training centre for artists; and
- as to the remaining balance of approximately HK\$53.5 million for general working capital, as reserve for future acquisitions, and/or for possible acquisition of properties for office and production site.

Upon completion of the Subscription, the adjusted conversion price for the Preferred Shares will be HK\$0.19 per Ordinary Share (as previously set out in the First Announcement). The adjustment has been computed in accordance with the terms of the Preferred Shares. Apart from the aforesaid adjustment, all the other terms of the Preferred Shares (as detailed in the Company's circular dated 18 February 2015) remain unchanged.

Completion of the Subscription is subject to the satisfaction of the conditions precedent to the Subscription Agreement (as amended by the Supplemental Agreement). As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Ordinary Shares.

By order of the Board
Lajin Entertainment Network Group Limited
Chan Kam Kwan Jason
Company Secretary

Hong Kong, 31 August 2015

As at the date of this announcement, the executive Director is Ms. Wu Li, the non-executive Directors are Mr. Zou Xiao Chun and Mr. Zhou Ya Fei and the independent non-executive Directors are Mr. Wang Ju, Mr. Ng Wai Hung and Mr. Lam Cheung Shing Richard.

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

This announcement will be published on the GEM website on the “Latest Company Announcement” page for at least 7 days from the date of publication and on the Company’s website at www.irasia.com/listco/hk/lajin/index.htm.