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**FRONTIER SERVICES GROUP LIMITED**  
**先豐服務集團有限公司\***  
*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 00500)**



**LAJIN ENTERTAINMENT NETWORK**  
**GROUP LIMITED**  
**拉近網娛集團有限公司\***  
*(Incorporated in the Cayman Islands and continued in*  
*Bermuda with limited liability)*  
**(Stock Code: 08172)**

## **JOINT ANNOUNCEMENT**

### **DISCLOSEABLE TRANSACTION**

**DISPOSAL OF THE ENTIRE ISSUED**  
**SHARE CAPITAL IN**  
**AMAZING VIEW LIMITED**

**ACQUISITION OF THE ENTIRE ISSUED**  
**SHARE CAPITAL IN**  
**AMAZING VIEW LIMITED**

#### **SALE AND PURCHASE AGREEMENT**

The respective boards of directors of Frontier Services and Lajin Entertainment are pleased to announce that on 20 May 2016, Frontier Services, as vendor, entered into the Sale and Purchase Agreement with Lajin Entertainment, as purchaser, pursuant to which Frontier Services has agreed to sell and Lajin Entertainment has agreed to acquire the Sale Shares, representing the entire issued share capital of Amazing View as at the date of the Sale and Purchase Agreement, at the Consideration of HK\$250,250,000.

#### **LISTING RULES IMPLICATIONS FOR FRONTIER SERVICES**

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for Frontier Services under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements as set out in Chapter 14 of the Listing Rules.

#### **GEM LISTING RULES IMPLICATIONS FOR LAJIN ENTERTAINMENT**

As one or more of the applicable percentage ratios calculated pursuant to Rule 19.07 of the GEM Listing Rules in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for Lajin Entertainment under Chapter 19 of the GEM Listing Rules and is subject to the reporting and announcement requirements as set out in Chapter 19 of the GEM Listing Rules.

\* *For identification purposes only*

## **SALE AND PURCHASE AGREEMENT**

The respective boards of directors of Frontier Services and Lajin Entertainment are pleased to announce that on 20 May 2016, Frontier Services, as vendor, entered into the Sale and Purchase Agreement with Lajin Entertainment, as purchaser, pursuant to which Frontier Services has agreed to sell and Lajin Entertainment has agreed to acquire the Sale Shares, representing the entire issued share capital of Amazing View as at the date of the Sale and Purchase Agreement.

The terms of the Sale and Purchase Agreement are set out below:

### **The Sale and Purchase Agreement**

**Date:** 20 May 2016

**Parties:**

(1) Vendor: Frontier Services

(2) Purchaser: Lajin Entertainment

Mr. Ko Chun Shun, Johnson (“Mr. Ko”) is an executive director of Frontier Services, the ultimate beneficial owner of 225,817,535 shares of Frontier Services, representing approximately 18.30% of the issued share capital in Frontier Services, and the ultimate beneficial owner of 151,778,535 shares of Lajin Entertainment, representing approximately 5.4% of the issued share capital in Lajin Entertainment. Mr. Ko also indirectly owns preference shares of Lajin Entertainment, which can be converted into 159,766,879 ordinary shares of Lajin Entertainment.

Mr. Luo Ning (“Mr. Luo”) is an executive director of Frontier Services and a non-executive director of Lajin Entertainment.

Mr. Chan Kam Kwan, Jason (“Mr. Chan”) is an executive director and the company secretary of Lajin Entertainment, and the company secretary of Frontier Services.

Save as disclosed above, to the best of the knowledge, information and belief of the directors of Frontier Services, and having made all reasonable enquiries, Frontier Services and its Associates are Independent Third Parties of Lajin Entertainment.

Save as disclosed above, to the best of the knowledge, information and belief of the directors of Lajin Entertainment, and having made all reasonable enquiries, Lajin Entertainment and its Associates are Independent Third Parties of Frontier Services.

Mr. Ko and Mr. Luo have abstained from voting to approve the Disposal in the board meeting of Frontier Services.

Mr. Luo and Mr. Chan have abstained from voting to approve the Acquisition in the board meeting of Lajin Entertainment.

### **Assets to be disposed of**

Pursuant to the Sale and Purchase Agreement, Frontier Services has agreed to sell and Lajin Entertainment has agreed to acquire the Sale Shares, representing the entire issued share capital of Amazing View as at the date of the Sale and Purchase Agreement.

### **Consideration**

The aggregate Consideration for the sale and purchase of the Sale Shares shall be in the sum of HK\$250,250,000.

The Consideration shall be paid by Lajin Entertainment to Frontier Services in cash in the following manner:

- (a) HK\$178,184,000 shall be paid as partial payment of the Consideration on or before the Completion Date;
- (b) the remaining balance of the Consideration of HK\$72,066,000 shall be payable on or before 2 August 2016.

### **Basis of determining the Consideration**

The Consideration was determined through arm's length negotiations between Frontier Services and Lajin Entertainment on a commercial basis with reference to the unaudited consolidated net assets of the Disposed Group of approximately HK\$250,250,000 as at 30 April 2016.

In view of the above, the directors of Frontier Services consider that the Consideration for the Disposal is fair and reasonable, and the Sale and Purchase Agreement is on normal commercial terms and is fair and reasonable, and the entering into of the Sale and Purchase Agreement is in the interests of Frontier Services and its shareholders as a whole.

In view of the above, the directors of Lajin Entertainment consider that the Consideration for the Acquisition is fair and reasonable, and the Sale and Purchase Agreement is on normal commercial terms and is fair and reasonable, and the entering into of the Sale and Purchase Agreement is in the interests of Lajin Entertainment and its shareholders as a whole. Lajin Entertainment will settle the Consideration by internal cash reserves.

### **Condition precedent**

There is no condition precedent to the Completion.

## Completion

Completion shall take place on the Completion Date, which shall be the date falling three (3) Business Days after the date of the Sale and Purchase Agreement or such other date as Frontier Services and Lajin Entertainment may agree in writing.

## INFORMATION ABOUT THE DISPOSED GROUP

Amazing View is a company incorporated in BVI with limited liability, and is principally engaged in investment holding. Amazing View wholly owns a PRC incorporated subsidiary. The Disposed Group was principally engaged in the design, development, integration and sales of digital broadcasting systems and related software until 2012 and since then it has become inactive.

Set out below is the unaudited consolidated management accounts of the Disposed Group for the years ended 31 December 2014 and 2015:

	For the year ended 31 December	
	2014	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	—	—
Profit before tax	538	106
Profit after tax	312	78

The unaudited consolidated net assets of the Disposed Group as at 30 April 2016 was approximately HK\$250,250,000, which consists mainly of cash and other receivables. Out of the other receivables, there is an amount receivable from a PRC subsidiary of Frontier Services of approximately HK\$72,066,000, which shall be repaid by 2 August 2016 and is guaranteed by Frontier Services.

## INFORMATION ABOUT THE LAJIN ENTERTAINMENT GROUP

Lajin Entertainment is a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, whose shares are listed on GEM (stock code: 08172), and is principally engaged in investment holding. The Lajin Entertainment Group is principally engaged in the media businesses including investment in movie, TV/internet programs and artist management.

Save as disclosed above, Frontier Services and its Associates are Independent Third Parties of Lajin Entertainment.

## **INFORMATION ABOUT THE FRONTIER SERVICES GROUP**

Frontier Services is a company incorporated in Bermuda with limited liability, whose shares are listed on the main board of the Stock Exchange (stock code: 00500), and is principally engaged in investment holding. The Frontier Services Group is principally engaged in the provision of aviation and logistics services, and the provision of online financial market information.

Save as disclosed above, Lajin Entertainment and its Associates are Independent Third Parties of Frontier Services.

## **FINANCIAL EFFECT OF THE DISPOSAL AND INTENDED USE OF PROCEEDS**

Upon Completion, the Frontier Services Group expects to record an accounting loss on disposal of approximately HK\$7.3 million, which is mainly attributable to the provision for tax related to the Disposal.

The net proceeds from the Disposal after deducting related transaction costs and expenses are estimated to be approximately HK\$233 million. The Frontier Services Group intends to apply the net proceeds from the Disposal as follows:

- (a) approximately HK\$83 million for the repayment of bank loans; and
- (b) approximately HK\$150 million as general working capital of the Frontier Services Group.

## **REASONS FOR AND THE BENEFITS OF THE DISPOSAL FROM THE FRONTIER SERVICES GROUP'S PERSPECTIVE**

The Frontier Services Group is principally engaged in the provision of aviation and logistics services, and the provision of online financial market information, whereas the Disposed Group was previously engaged in the design, development, integration and sales of digital broadcasting systems and related software, and was left inactive after the Frontier Services Group disposed of the digital broadcasting business in 2012. The board of directors of Frontier Services considers that the Disposal will provide a good chance for the Frontier Services Group to realise its investment in the Disposed Group, and allow the Frontier Services Group to focus on its current principal businesses.

## **REASONS FOR AND THE BENEFITS OF THE ACQUISITION FROM THE LAJIN ENTERTAINMENT GROUP'S PERSPECTIVE**

The Lajin Entertainment Group is principally engaged in the media businesses including investment in movie, TV/internet programs and artist management. As establishment of wholly foreign owned enterprise in the PRC is time consuming, the Acquisition will allow the Lajin Entertainment Group to have another ready-for-use PRC subsidiary company available for any new media investment project in the future.

## **LISTING RULES IMPLICATIONS FOR FRONTIER SERVICES**

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for Frontier Services under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements as set out in Chapter 14 of the Listing Rules.

## **GEM LISTING RULES IMPLICATIONS FOR LAJIN ENTERTAINMENT**

As one or more of the applicable percentage ratios calculated pursuant to Rule 19.07 of the GEM Listing Rules in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for Lajin Entertainment under Chapter 19 of the GEM Listing Rules and is subject to the reporting and announcement requirements as set out in Chapter 19 of the GEM Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Acquisition”	the acquisition of the Sale Shares by Lajin Entertainment from Frontier Services pursuant to the Sale and Purchase Agreement
“Amazing View”	Amazing View Limited, a company incorporated in BVI, the entire issued share capital of which is owned by Frontier Services
“Associate(s)”	has the meaning as ascribed to it in the Listing Rules or the GEM Listing Rules (as the case may be)
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“BVI”	the British Virgin Islands
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	the date falling three (3) Business Days after the date of the Sale and Purchase Agreement or such other date as Frontier Services and Lajin Entertainment may agree in writing
“Consideration”	HK\$250,250,000, being the consideration payable for the Sale Shares

“Disposal”	the disposal of the Sale Shares by Frontier Services to Lajin Entertainment pursuant to the Sale and Purchase Agreement
“Disposed Group”	Amazing View and its subsidiary
“Frontier Services”	Frontier Services Group Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the main board of the Stock Exchange (stock code: 00500)
“Frontier Services Group”	Frontier Services and its subsidiaries
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s), to the best of the directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the company and are third parties independent of the company and its connected persons in accordance with the Listing Rules or the GEM Listing Rules (as the case may be)
“Lajin Entertainment”	Lajin Entertainment Network Group Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the issued shares of which are listed on GEM (stock code: 08172)
“Lajin Entertainment Group”	Lajin Entertainment and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Sale and Purchase Agreement”	the sale and purchase agreement dated 20 May 2016 and entered into between Frontier Services and Lajin Entertainment, in relation to the sale and purchase of the Sale Shares, as amended from time to time

“Sale Shares”	two (2) ordinary shares with par value of US\$1.00 each in the issued share capital of Amazing View, representing the entire issued share capital in Amazing View
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

By order of the board of directors  
**FRONTIER SERVICES GROUP LIMITED**  
**Erik D. Prince**  
*Chairman and Executive Director*

By order of the board of directors  
**LAJIN ENTERTAINMENT NETWORK  
GROUP LIMITED**  
**Wu Li**  
*Executive Director*

Hong Kong, 20 May 2016

*As at the date of this announcement, the executive directors of Frontier Services are Mr. Erik D. Prince (Chairman), Mr. Ko Chun Shun, Johnson (Deputy Chairman), Mr. Luo Ning (Deputy Chairman) and Mr. Hu Qinggang; and the independent non-executive directors of Frontier Services are Mr. Yap Fat Suan, Henry, Professor Lee Hau Leung and Dr. Harold O. Demuren.*

*As at the date of this announcement, the executive directors of Lajin Entertainment are Ms. Wu Li and Mr. Chan Kam Kwan, Jason; the non-executive directors of Lajin Entertainment are Mr. Zou Xiao Chun, Mr. Zhou Ya Fei and Mr. Luo Ning; and the independent non-executive directors of Lajin Entertainment are Mr. Wang Ju, Mr. Ng Wai Hung and Mr. Lam Cheung Shing, Richard.*

*This announcement, for which the directors of Lajin Entertainment 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 Lajin Entertainment. The directors of Lajin Entertainment, 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 Lajin Entertainment’s website at [www.irasia.com/listco/hk/lajin/index.htm](http://www.irasia.com/listco/hk/lajin/index.htm).*