



FRONTIER CAPITAL GROUP LIMITED
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Company Announcement Office
Australian Securities Exchange Limited

Status – Mongolian National Lottery Acquisition

Frontier Capital Group Limited (ASX: FCG) (**Frontier Capital** or **FCG**) advises that it has concluded a Performance Guarantee Agreement with respect to the Share Sale Agreement to acquire the licence to operate the Mongolian National Lottery (**Agreement**) (ASX: 23/4/2015; 14 July 2015).

Frontier Capital is acquiring the companies that hold the special licence to operate the Mongolian National Lottery – BizINVIN LLC and Modern Capital Vest LLC (**Companies**), Mongolian subsidiaries of Monvest Group Pte Ltd (**Vendor**), a Singaporean company. Subject to regulatory process, Frontier Capital will also have the right to establish the first casino in Mongolia.

The Guarantors, Dato' Sri Teh Chee Teong and Chow Hung Keyy have unconditionally and irrevocably guaranteed to Frontier Capital the Vendor's obligations under the Share Sale Agreement.

The Guarantors have additionally provided indemnities to Frontier Capital against any losses it may incur arising from any default by the Vendor.

Frontier Capital will settle the acquisition through the payment of cash (40%) and the issue of FCG shares at 30 cents per share (60%). The Purchase Price, to be determined, is a multiple of ten times the Net Profits After Tax (10 x NPAT) for the 2015 financial year that ends on 31 December 2015.

To date, \$1,500,000 has been paid. The balance is to be determined and will be paid upon satisfaction of the Conditions Precedent and determination of the NPAT based on the audited accounts for FYE 31 December 2015.

Frontier Capital will receive all dividends declared by the Companies after the date of the Agreement (30 June 2015).

Frontier Capital does not envisage any change in the management or the operations of the Mongolian National Lottery as a consequence of this proposed acquisition.

About the Mongolian National Lottery

BizINVIN was issued a three-year renewable lottery license by the Mongolia Ministry of Finance in 2013 that covers both passive and active lottery games. The license was used to launch the 6D Jackpot, the first such jackpot lottery for Mongolia, and 6/42 Lotto products, with the first draw held in November 2011.

For further information please contact:

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