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FANDANGO, INC.



Stock code: 8075

Website: www.rojam.com

**POSSIBLE VOLUNTARY CONDITIONAL SECURITIES EXCHANGE OFFER
BY
ANGLO CHINESE CORPORATE FINANCE, LIMITED
ON BEHALF OF
FANDANGO, INC.
TO ACQUIRE THE ENTIRE ISSUED SHARE CAPITAL OF
ROJAM ENTERTAINMENT HOLDINGS LIMITED
AND RESUMPTION OF TRADING**

FINANCIAL ADVISER TO FANDANGO, INC.

**ANGLO CHINESE
CORPORATE FINANCE, LIMITED**

Fandango announces that Anglo Chinese Corporate Finance, Limited will, subject to the satisfaction of the Precondition (as defined below), make on its behalf a voluntary conditional securities exchange offer for all the Rojam Shares held by Independent Shareholders. The Offer, if made, will be made on the following basis:

for every 1,000 Rojam Shares3 new Fandango Shares

Each Shareholder will, if and to the extent that he accepts the Offer, continue to have an indirect interest in Rojam through Fandango (although his effective interest in Rojam will be diluted). This proposal is being made as part of a restructuring of the interest in Rojam held by Yoshimoto and it is not intended to result in a privatisation of Rojam.

Fandango is an unlisted private company incorporated in Japan which is a 90% owned subsidiary of Yoshimoto. Yoshimoto is incorporated in Japan with limited liability and its shares are listed on the Tokyo Stock Exchange Section I and the Osaka Securities Exchange Section I. Yoshimoto is currently a substantial shareholder of Rojam, holding 450,000,000 Shares, representing approximately 28.94% of the total issued share capital of Rojam through its wholly owned subsidiary, Yoshimoto America. The making of the Offer is subject to the precondition that an agreement for the transfer of the shares in Yoshimoto America from Yoshimoto to Fandango is entered into (the "Precondition"). The proposed transfer by Yoshimoto of Yoshimoto America (and thereby its indirect holding of Shares) to Fandango and the possible Offer are part of a proposed reorganisation of the Yoshimoto group of companies.

Fandango and Rojam both wish to retain the listing of the Rojam Shares on the GEM Board and in the event that less than 18.2% of its share capital is deemed not to be held by the public after the Offer, Fandango and Rojam intend to take necessary steps to maintain Rojam's public float. However, if acceptances are received for 90% or more in value of the Rojam Shares in respect of which the Offer is made, Fandango may avail itself of the compulsory acquisition provisions under the Companies Law to acquire the outstanding Rojam Shares not owned by it.

The Offer will be subject to the condition that acceptances to the Offer, which taken together with any Rojam Shares acquired or agreed to be acquired by Fandango or its concert parties before or during the Offer period, will result in Fandango and its concert parties holding more than 50% of the issued voting share capital of Rojam.

Shareholders should be aware that Fandango is a private company whose shares are unlisted. The Fandango Shares are therefore illiquid. The directors of Fandango intend to explore the possibility of conducting an initial public offering of and obtaining a listing for the Fandango Shares on a stock exchange in Japan. Shareholders should also be aware that until such time as a listing is obtained or in the event that the Fandango Shares cannot be listed then Fandango's shareholders will not be able to trade their shares on a recognised stock exchange and therefore it may be difficult to realize their investment in Fandango. Further, it is proposed that as a term of the Offer, Shareholders will, when they accept the Offer, agree to be bound by a non-disposal undertaking in respect of their Fandango Shares. This undertaking will oblige them to hold their Fandango Shares received under the Offer until six months following the proposed initial public offering of Fandango's shares. As stated above, there is currently no timetable for Fandango's initial public offering and listing of its shares and it may or may not take place. In the event that Fandango determines not to proceed with its initial public offering, Fandango may release holders of Fandango Shares from this non-disposal undertaking.

Subject to satisfaction of the Precondition, Fandango and Rojam will send a Composite Offer Document setting out, amongst other things, the terms of the Offer, and acceptance and transfer forms to all Independent Shareholders of Rojam in accordance with the Takeovers Code.

Trading in the shares in Rojam on the Stock Exchange was suspended with effect from 9:30 a.m. on 3rd November, 2004 at the request of Rojam. Application has been made to the Stock Exchange for resumption of the trading in the shares in Rojam with effect from 9:30 a.m. on 5th November, 2004.

WARNING: The Offer is subject to the Precondition and is therefore a possibility only. Further, in the event that it is made, the Offer will be subject to a condition. In the event that it is made, the Offer may or may not become unconditional. Investors are urged to exercise extreme caution when dealing in the Rojam Shares.

INTRODUCTION

Subject to the satisfaction of the Precondition, Fandango intends to make a voluntary conditional securities exchange offer for all the Rojam Shares held by Independent Shareholders. The Offer will be made on the basis described below.

TERMS OF THE OFFER

The making of the Offer is subject to the Precondition that an agreement for the transfer of Yoshimoto America from Yoshimoto to Fandango is entered into. It is proposed that this agreement be entered into prior to 3rd December, 2004. This agreement will provide for the transfer of Yoshimoto America from Yoshimoto to Fandango in exchange for the issue of 1,350,000 shares by Fandango to Yoshimoto. Yoshimoto America, which is currently a wholly owned subsidiary of Yoshimoto, holds 450,000,000 Shares, representing approximately 28.94% of the total issued share capital of Rojam. Yoshimoto intends to transfer Yoshimoto America (and thereby its indirect holding of Rojam Shares) to Fandango as part of a proposed restructuring and the Offer will not be made to Yoshimoto America.

The Offer, if made, will be a voluntary conditional offer made by Anglo Chinese Corporate Finance, Limited, on behalf of Fandango, to acquire all of the Rojam Shares other than those which have already been acquired or agreed to be acquired and those held by Yoshimoto America, on the following basis:

for every 1,000 Rojam Shares3 new Fandango Shares, and
in the same proportion for any greater and
lesser number of Rojam Shares, except that
no fraction of a share in Fandango will be issued

Number of Rojam Shares subject to the Offer 1,104,684,403

Each Shareholder will, if and to the extent that he accepts the Offer, continue to have an indirect interest in Rojam through Fandango (although his effective interest in Rojam will be diluted). This proposal is being made as part of a restructuring of the interest in Rojam held by Yoshimoto and it is not intended to result in a privatisation of Rojam.

Shareholders should be aware that the Offer will be made for every 1,000 Shares held by Shareholders and in the same proportion for any greater and lesser number of Rojam Shares except that no fraction of a share in Fandango will be issued. Shareholders should also be aware that it is not proposed that any arrangements be made for the trading of odd lots of Shares following the Offer.

Condition of the Offer

The Offer, if made, will be conditional upon acceptances being received which, taken together with any Shares acquired or agreed to be acquired before or during the Offer period will result in Fandango and its concert parties holding more than 50% of the issued voting share capital of Rojam.

Trading in Rojam Shares

Fandango and its concert parties have not traded in any Shares in Rojam in the six month period before the date of this announcement.

Total consideration and settlement

On the basis of the financial performance of Fandango for the three years ended 31st March, 2004 and the net asset value of Fandango as at 31st October, 2004, the Fandango Shares are valued at Yen 500 per Fandango Share, which is equivalent to approximately HK\$36.6 per Fandango Share. On the basis of the Offer of 3 new Fandango Shares for every 1,000 Rojam Shares, each Rojam Share is therefore valued at approximately HK\$0.11. This represents a premium of approximately 1.3% and 2.7% to the average closing price of Rojam Shares for the 30 and 10 trading days respectively prior to the suspension of trading of Rojam Shares. It also represents a discount of 26.2% to the net asset value of HK\$0.149 Rojam Share as at 31st March, 2004. The Offer values the entire issued share capital of 1,554,684,403 Shares of Rojam at approximately HK\$170.8 million.

There are no options, warrants or conversion rights relating to the Rojam Shares at the date hereof.

The share certificates of Fandango will be dispatched to accepting Shareholders within ten days of the later of the date on which the Offer becomes unconditional and date of receipt of duly completed valid acceptances.

The Fandango Shares

On the basis that holders of 1,104,684,403 Rojam Shares (being the total number of Shares in issue other than those held by Yoshimoto America) accept the Offer, the maximum number of the new Fandango Shares to be issued will amount to approximately 3.3 million shares, representing approximately 236.7% of the current issued share capital of Fandango and approximately 54.7% of the share capital of Fandango as enlarged following the Offer and assuming full acceptance of the Offer. The remaining balance of the enlarged issued share capital of Fandango will be owned as to approximately 43.0% by Yoshimoto and approximately 2.3% by KDDI Corporation. The new Fandango Shares will be allotted and issued credited as fully paid and rank pari passu in all respects with the then existing issued Fandango Shares.

Effect of accepting the Offer

The Rojam Shares acquired under the Offer will be acquired free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights now and hereafter attaching thereto, including the right to receive and retain all dividends and other distributions declared, made or paid hereafter.

Stamp duty

Shareholders who accept the Offer will have to pay stamp duty at rate of HK\$1.00 for every HK\$1,000 or part thereof of the value of the consideration payable for their Shares.

INFORMATION ON YOSHIMOTO

Yoshimoto is one of Japan's major entertainment conglomerates. Its operations include the planning, production and sale of TV, radio and live programs. It has around 700 contracted talents and artists and also manages real estate, travel, amusement and other commercial facilities. Yoshimoto's clients include a number of the major commercial TV stations, radio broadcasting companies and advertising companies in Japan. The headquarters of Yoshimoto are in Osaka and its shares are listed on the Tokyo Stock Exchange Section I and Osaka Securities Exchange Section I. It has a market capitalization of approximately Yen 32,357 million (equivalent to approximately HK\$2,370 million) as at the date of this announcement.

INFORMATION ON FANDANGO

Fandango was incorporated in Japan in January 2000 with an initial registered capital of Yen 100,000,000, which is equivalent to approximately HK\$7.3 million. It was founded by Yoshimoto and KDDI Corporation, a company incorporated in Japan which engages in telecommunications business and whose shares are listed on the Tokyo Stock Exchange Section I. Following its incorporation, Yoshimoto and KDDI Corporation held 65% and 35% of the shares in Fandango respectively. In October 2004 Yoshimoto increased its interest in Fandango as a result of a subscription and injection of a business, namely Fandango Distribution Inc., for new Fandango Shares. As a result, Yoshimoto and KDDI Corporation currently hold 90% and 10% of the shares in Fandango respectively. Fandango currently has an issued share capital of Yen 700,000,000, or approximately HK\$51.3 million.

Fandango is engaged in the business of the provision of multimedia information and entertainment through the Internet, mobile phones and televisions, the production and distribution of visual, audio and music software, and the strategic planning and distribution of promotional media and advertising. Fandango also engages in the mail order business, as well as in marketing research and management consulting. Fandango has access to the works of around 700 talents and artists from Yoshimoto which are distributed by Fandango through its established main portal www.fandango.co.jp and its regional portals in Korea and China, various mobile phone websites and a subscription based satellite TV channel, namely "Yoshimoto Fandango TV".

The following is a summary of the unaudited financial results of Fandango for the three years ended 31st March 2004:

	2004		2003		2002	
	<i>JPY'000</i>	<i>HK\$'000</i>	<i>JPY'000</i>	<i>HK\$'000</i>	<i>JPY'000</i>	<i>HK\$'000</i>
Turnover (<i>note 1</i>)	<u>1,671,200</u>	<u>122,432</u>	<u>1,256,025</u>	<u>92,016</u>	<u>792,704</u>	<u>58,073</u>
Profit before taxation	46,406	3,400	26,698	1,956	3,442	252
Taxation	<u>(20,859)</u>	<u>(1,528)</u>	<u>(12,925)</u>	<u>(947)</u>	<u>(2,232)</u>	<u>(164)</u>
Profit after taxation	<u>25,547</u>	<u>1,872</u>	<u>13,773</u>	<u>1,009</u>	<u>1,210</u>	<u>88</u>

Note 1: Turnover of Fandango comprises subscription fees, income from subcontracting services and production, merchandise sales, advertising and service fees.

As at 31st March, 2004, the audited net tangible assets of Fandango as reported in conformity with the applicable laws and regulations of Japan was Yen 199,091,000, which is equivalent to approximately HK\$14.6 million.

As at 31st October, 2004, the unaudited net tangible assets of Fandango as recorded in its management accounts prepared in accordance with the applicable laws and regulations of Japan was approximately Yen 666,219,000, which is equivalent to approximately HK\$48.8 million. This represents a net asset value per Fandango Share of approximately Yen 47,587, which is equivalent to HK\$3,486 per share.

The directors of Fandango are Messrs. Isao Takenaka, Hiroshi Nakata, Fumio Inamasu, Hidenori Nakai, Takahiro Nomura, Hiroshi Osaki and Yukitsugu Shimizu.

INFORMATION ON ROJAM

The Rojam Group engages in a wide range of music and entertainment related operations with its core focus being on the distribution of records and audio-visual products, the production of music and discotheque management.

REASONS FOR THE OFFER AND THE INTENTION OF THE OFFEROR

The directors of both Yoshimoto and Fandango have determined that it is in the best interests of Yoshimoto and Fandango that Yoshimoto's current 28.94% (approximate) indirect interest in Rojam be held through Fandango. They have further determined that it is in the best interests of both companies that their interest in Rojam be increased to a controlling interest and one which allow the results of Rojam to be consolidated with those of Fandango. If the Offer is successful, the directors of both Yoshimoto and Fandango believe the new organization structure will facilitate the development of Fandango's digital content distribution services by utilizing the music and visual content which Rojam holds, to the mutual benefit of both Fandango and Rojam. The directors of Fandango and Yoshimoto wish to offer to all holders of Rojam Shares who share the same view as themselves the same opportunity to exchange their holding in Rojam for Fandango Shares.

It is the intention of Fandango that Rojam will continue to focus on its existing business. Fandango has no plans for any redeployment of the fixed assets of the Rojam Group. Subject to the review of the Rojam Group's business to be undertaken following the completion of the Offer, Fandango does not intend to make any major changes to the Rojam Group's business and as such, Fandango envisages that the Rojam Group will, subject to the aforementioned review, continue with its existing business.

Shareholders should be aware that Fandango is a private company whose shares are unlisted. The Fandango Shares are therefore illiquid. The directors of Fandango intend to explore the possibility of conducting an initial public offering of and obtaining a listing for the Fandango Shares on a stock exchange in Japan. Shareholders should also be aware that until such time as a listing is obtained or, in the event the Fandango Shares cannot be listed then Fandango's shareholders will not be able to trade their shares on a recognized stock exchange and therefore it may be difficult to realize their investment in Fandango. Further, it is proposed that as a term of the Offer, Shareholders will, when they accept the Offer, agree to be bound by a non-disposal undertaking in respect of their Fandango Shares. This undertaking will oblige them to hold their Fandango Shares received under the Offer until six months following the proposed initial public offering of Fandango's shares. As stated above, there is currently no timetable for Fandango's initial public offering and listing of its shares and it may or may not take place. In the event that Fandango determines not to proceed with its initial public offering, Fandango may release holders of Fandango Shares from this non-disposal undertaking.

Fandango does not expect that there will be any material change in the composition of the board of directors of Rojam following the completion of the Offer.

Maintaining the listing of Rojam

Fandango intends Rojam to remain listed on the GEM Board. However, if acceptances are received for 90% or more in value of the Rojam Shares in respect of which the Offer is made, Fandango has indicated that it may avail itself of the compulsory acquisition provisions under the Companies Law to acquire the outstanding Rojam Shares not owned by it. For that purpose, Fandango must serve a notice of intention to acquire the relevant Rojam Shares in the prescribed manner under Section 88 of the Companies Law on

non-accepting Shareholders. Subject to the terms of the Companies Law, Fandango as a transferee company will be entitled and bound to acquire those Rojam Shares on the same terms as the Offer. If, however, the compulsory acquisition is not effected, Rojam will remain listed and therefore subject to the GEM Listing Rules.

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to Rojam, being 18.2% of the issued Shares, are held by the public, or if the Stock Exchange believes that:

- a false market exists or may exit in the trading of the Shares; or**
- that there are insufficient Shares in public hands to maintain an orderly market,**

it will consider exercising its discretion to suspend dealings in the Shares.

As stated above, Fandango intends to maintain the listing of the Rojam Shares on the GEM Board. Each of Fandango and Rojam will undertake to the Stock Exchange that it will take appropriate steps to ensure that a sufficient public float exists in the Rojam Shares.

The Stock Exchange has also stated that, if Rojam remains as a listed company, any future injections of assets into or disposals of assets of Rojam will be subject to the provisions of the GEM Listing Rules. Pursuant to the GEM Listing Rules, the Stock Exchange has discretion to require Rojam to issue a circular to its independent shareholders where any acquisition or disposal represents a departure from the principal activities of Rojam. The Stock Exchange also has the power pursuant to the GEM Listing Rules, to aggregate a series of acquisitions or disposals by Rojam and any such acquisitions or disposals may, in any event, result in Rojam being treated as a new applicant for listing and subject to the requirements for new applicants as set out in the GEM Listing Rules.

THE BOARD OF ROJAM

The board of Rojam (other than the independent non-executive directors who will form a committee to advise Shareholders in respect of the Offer) welcome the possibility of the Offer and believe that it will, if made, provide an opportunity to all Shareholders to exchange their Shares for Fandango Shares if they believe that it will be to the mutual benefit of Fandango and Rojam for their respective business to develop in conjunction with one another. The independent non-executive directors of Rojam will form an independent committee of the board to advise Shareholders in respect of the Offer. Shareholders are advised not to take any action in connection with the Offer until they have received the advice from the independent committee of the board. An independent financial adviser will be appointed to advise the independent committee of the board.

GENERAL

It is intended that, subject to the satisfaction of the Precondition, a Composite Offer Document setting out, amongst other things, the details of the Offer and the advice of the independent board committee of Rojam and independent financial adviser together with the acceptance and transfer forms will be dispatched to the holders of Rojam Shares before the 35th day following the date of this announcement.

RESUMPTION OF TRADING

Trading in the shares in Rojam on the Stock Exchange was suspended with effect from 9:30 a.m. on 3rd November, 2004 at the request of Rojam. Application has been made to the Stock Exchange for the resumption of trading in the shares in Rojam with effect from 9:30 a.m. on 5th November, 2004.

WARNING: The Offer is subject to the Precondition and is therefore a possibility only. Further in the event that it is made, the Offer will be subject to a condition. In the event that it is made, the Offer may or may not become unconditional. Investors are urged to exercise extreme caution when dealing in the Rojam Shares.

DEFINITIONS

In this announcement, except where the context otherwise requires, the following expressions have the following meanings:

“Companies Law”	the Companies Law (2001 2nd Revision) of the Cayman Islands
“Composite Offer Document”	the offer document to be issued (subject to and following the satisfaction of the Precondition) by Fandango and Rojam under the Takeovers Code containing details of the Offer and attaching therewith the forms of acceptances and transfer in respect of the Offer
“Executive”	The Executive Director of the Corporate Finance Division of the Securities and Futures Commission, or any delegate of the Executive Director
“Fandango” or “the Offeror”	Fandango, Inc., a company incorporated in Japan on 18th January, 2000
“Fandango Share(s)”	share(s) in Fandango (which will be subdivided in the ratio 1:100 prior to the making of the Offer)
“GEM Board”	the Growth Enterprise Market of The Stock Exchange
“Independent Shareholders”	Shareholders other than Yoshimoto America
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Offer”	the possible voluntary conditional securities exchange offer by Anglo Chinese Corporate Finance, Limited on behalf of the Offeror to acquire the Rojam Shares other than shares which are held by Yoshimoto America
“Rojam”	Rojam Entertainment Holdings Limited, a company incorporated in the Cayman Islands whose shares are listed on GEM
“Rojam Group”	Rojam and its subsidiaries
“Share(s)” or “Rojam Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of Rojam

“Shareholders”	the shareholders of Rojam
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Repurchases as in force in Hong Kong time to time
“Yoshimoto”	Yoshimoto Kogyo Co., Ltd., a company incorporated in Japan and listed on the Tokyo Stock Exchange Section I and the Osaka Securities Exchange Section I
“Yoshimoto America”	Yoshimoto America, Inc., a wholly owned subsidiary of Yoshimoto, incorporated in Delaware, the United States of America on 24th April, 2002
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Yen”	Japanese Yen, the lawful currency of Japan

For illustrative purposes only, amounts denominated in Japanese Yen have been translated into Hong Kong dollars using the conversion rate of 13.65 Yen to one Hong Kong dollar.

By order of the Board
Fandango, Inc.
Isao Takenaka
President

By order of the Board
Rojam Entertainment Holdings Limited
Takeyasu Hashizume
President

Hong Kong, 4th November, 2004

As at the date of this announcement, the board of directors of Rojam comprises seven executive directors, namely Mr. Takeyasu Hashizume, Mr. Tetsuo Mori, Mr. Osamu Nagashima, Mr. Mitsuo Sakauchi, Mr. Arihito Yamada, Mr. Yukitsugu Shimizu and Mr. Hiroshi Osaki; and three independent non-executive directors, namely Mr. Seiichi Nakaoda, Mr. Kwong Pui Kei and Mr. Law Kar Ping.

The directors of Fandango, jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information relating to Rojam) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

The directors of Rojam jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information relating to Fandango) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

This announcement will remain on the GEM website on the “Latest Company Announcements” page for at least 7 days after its posting and the website of Rojam at www.rojam.com.