

[For immediate release]

**A8 DIGITAL MUSIC ANNOUNCES MAIN BOARD LISTING DETAILS**

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**SHARE OFFER OF 91 MILLION SHARES
AT BETWEEN HK\$1.66 AND HK\$2.38 PER SHARE
RAISE UP TO APPROXIMATELY HK\$216.6 MILLION**

Investment Highlights

- **Leading digital music provider in China**
- **Fully integrated model, from sourcing of content to innovative promotional strategies and to monetizing the songs on handsets**
- **One of the largest interactive User Generated Content (“UGC”) platforms (www.a8.com) for collection of songs from original independent artists in the PRC**
- **Integrated sales and promotional channel including the proprietary A8Box download software on handset**
- **Extensive sales network covering more than 30 provinces, autonomous regions and administrative municipalities in the PRC**
- **Strategic alliances with over 1,000 websites for songs promotion**
- **Exponential growth in mobile phone market and digital music download trend in China**

(Hong Kong, 27 May 2008) – A8 Digital Music Holdings Limited (“**A8 Digital Music**” or the “**Group**”), an integrated digital music company in China, today announced the details of its proposed listing on the Main Board of The Stock Exchange of Hong Kong Limited.

A8 Digital Music proposes to offer 91,000,000 shares at between HK\$1.66 and HK\$2.38 per share (the “**Share Offer**”). Of the Share Offer, 81,900,000 shares will be offered under placing (the “**Placing**”) and the remaining 9,100,000 shares will be offered for subscription by the Hong Kong public. For the Placing, 70,900,000 shares are new shares and 11,000,000 shares are sale shares. Assuming the over-allotment option is not exercised and the offer price is fixed at HK\$2.02 per share (being the mid-point of the proposed price range), the net proceeds from the Share Offer are estimated at approximately HK\$132.6 million after deducting underwriting commission and other estimated listing expenses.

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The proceeds will be used mainly for acquiring potential music content providers, enhancing the music download software A8Box, integrating business with the latest 3G mobile technology, upgrading and promoting UGC platform, and the remaining as additional working capital.

The public offer will begin on 28 May 2008 (Wednesday) and close at noon on 2 June 2008 (Monday). The final offer price is expected to be determined on 4 June 2008 (Wednesday). The allotment result will be announced on 10 June 2008 (Tuesday). Trading of the shares of A8 Digital Music will begin on 12 June 2008 (Thursday) in board lots of 2,000 shares under the stock code of 00800.HK.

SBI E2-Capital (HK) Limited is the Sponsor and SBI E2-Capital Securities Limited is the Sole Bookrunner and Lead Manager.

Mr. Liu Xiaosong, Chairman and Chief Executive Officer of A8 Digital Music, said, “We are very pleased to see A8 Digital Music has reached a very important milestone since its inception in year 2000. We have built a solid foundation and established a firm foothold in digital music in China. As a first mover in digital music, we have been collecting over 50,000 songs from our User Generated Content (“UGC”) platform at www.a8.com. More importantly, we are able to monetize our content (our own songs with copyrights) through handsets. We provide songs uploaded by original independent artists and supported by a revolutionary integrated marketing and sales model that boasts high operational efficiency and enhanced sales opportunities. It is our hope to ride on our unique business model to realize our mission of “*My music everywhere!*” as we believe digital music is the future of music industry!”

Unlike the traditional music industry, the Group adopts a revolutionary and scalable songs collection model from its UGC platform – www.a8.com. It is one of the largest collection platforms for original and independent artists in China. It is a self-service facility enjoying growing popularity among song writers and consumers craving new experiences and speedy and quality services. Currently, the platform holds a collection of over 50,000 music content and songs from more than 10,000 artists. The Group also actively promotes the development of original music content through activities such as song competitions and campaigns, for example, the annual Yuansheng Feiyang Top Ten Gold Songs (原聲飛揚大賽十大金曲) to boost its collection. The platform is in strategic alliance with more than 1,000 other internet websites to promote its music.

A8 Digital Music owns a repertoire of more than 50,000 original works of music, one of the largest in China, including popular songs like “Buxiangrangniku” (不想讓你哭) and “Wobuku” (我不哭) etc. There were approximately 7.8 million wireless downloads and approximately RMB16.1 million revenue recorded for the song “Buxiangrangniku”(不想讓你哭), while that for “Wobuku” (我不哭) was 5.9 million wireless downloads and about RMB11.1 million revenue for the year of 2007. The success of the original independently produced songs proves the Group’s influences in China’s music market and its ability to identify and promotes music content with potential for popularity. Likewise, the Group’s music catalogue also contains other music content types from local and foreign record companies.

The Group has strong sales and marketing efforts through a nation-wide network of 21 sales offices, covering more than 30 provinces and municipalities in China. It has close relationship with major telecom operators at national and regional levels. Local presence has also allowed the Group to fully grasp local music preferences and access resources of local operators.

The Group’s proprietary A8Box download software works like a “jukebox” that supports access and download of music directly via the mobile phone. It is compatible with most of the popular mobile platforms including MTK (a software platform created by MediaTek Inc.), Windows Mobile and SmartNX (a smartphone platform created by Chipnuts Technology Inc.) platforms and it also supports Microsoft Windows. The introduction of A8Box has facilitated the offer of personalized service by the Group, helping to boost direct sales as well as the A8 Digital Music brand. The recent soft launch of 3G mobile services in China represents enormous business opportunities for the Group as the new technology supports faster and direct sales to mobile phone subscribers via the 3G compatible A8Box.

Apart from using the most advanced technology to grow its business, the Group also employs proven traditional promotion means including music companies and the media. It advertises via the printed and broadcast media as well as through participating in music events, putting its name in the company of famous brands and artists for added exposure.

Over the years, A8 Digital Music has gained recognition in the industry. In 2007, A8 Digital Music has been awarded as the “Top 100 Private Companies of 2007” by Red Herring and “Gold Olive Award for the Best Mobile Music Operator” by Shoujiqian (手機圈), laying a solid foundation for the Group to become the leading digital music provider.

The Group has been profitable since 2002, two years after it began business, and has grown substantially since then. In 2007, it made turnover of RMB286 million, 6.5% more than that in 2006, and its net profit increased by 38.7% to RMB55.3 million.

According to the data published by the Ministry of Information of the PRC, there were over 574 million mobile subscribers in China as at the end of March 2008 and according to In-Stat, which estimates revenue of the PRC mobile music market will increase from approximately RMB5,046.2 million in 2006 to approximately RMB7,773.0 million in 2011. In China Mobile's 2007 Annual Report, the revenue from one single mobile music product – Ringback Tone (“RBT”), has already reached RMB11,794 million in 2007. Taking into account its strong track record and the exponential market growth, A8 Digital Music is very optimistic about the prospects of its business.

Mr. Liu concluded, “Looking forward, we will keep upgrading our UGC platform to make sure customers have the most satisfactory experience using it and, at the same time, strengthen all sales and marketing channels to facilitate capture of the immense opportunities in the thriving wireless music service market in China. A8 Digital Music is one of the earliest and largest E-labels for independently produced original music content in China.”

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About A8 Music Group

A8 Music Group is an integrated digital music company that sells music content sourced from its highly successful interactive UGC platform www.a8.com, as well as from international and domestic record labels, in the form of ringtones, RBTs and IVR, through the wireless network of mobile operators. Led by a team of experienced top executives with foresight and vision, the Group is able to capitalise on its integrated marketing and sales multi-channel network to acquire insights into consumer preferences in different regions and thus customise its marketing strategies, and to promote its products through new media on internet and wirelessly.

Listing Particulars

Number of Offer Shares	91,000,000 Shares
- Placing	- 81,900,000 Shares (90%)
- Public Offer	- 9,100,000 Shares (10%)
Offer Price	HK\$1.66 – HK\$2.38 per share

Use of Proceeds

Assuming the Over-allotment Option is not exercised and the offer price is HK\$2.02 per share, being the mid-point of proposed offer price range, the net proceeds of the Share Offer (after deduction of underwriting fees and related expenses, are estimated at about HK\$132.6 million and will be applied as follows:

- To fund any potential acquisitions	Approx. HK\$48.5 million
- To further develop A8Box	Approx. HK\$27.6 million
- To integrate business with 3G technology introduction	Approx. HK\$20.8 million
- To upgrade the interactive UGC platform (www.a8.com)	Approx. HK\$12.6 million
- To promote the UGC platform	Approx. HK\$11.1 million
- To promote the original independently produced music content	Approx. HK\$11.1 million
- General working capital	Approx. HK\$0.9 million

Financial Highlights

RMB('000)	For the year ended 31 December		
	2005	2006	2007
Turnover	233,233	268,438	285,964
Gross Profit	124,960	132,275	128,729
Profit attributable to shareholders	41,842	39,863	55,274
Gross profit margin	53.58%	49.28%	45.02%
Net profit margin	17.94%	14.85%	19.33%

Awards and Achievements

Year	Award	Awarding Organization
2007	China Creative Industry Annual Awards - Among the Top 100 Enterprises in China Creative Industry - Leading Enterprises Award in China Creative Industry	Organizing Committee for the China Creative Industry Annual Awards
	Gold Olive Award for the Best Mobile Music Operator	Shoujiqian
	Zero2IPO – Venture 50	Zero2IPO
	Among the Top 100 Private Companies	Red Herring
2006	Best Mobile Music Operator Award	The First Mobile Multimedia Applications Competition
	China Wireless Entertainment Music Platform Contribution Award	China Center of Information Industry Development
	The Best Music Operator Award	Discovering Value and The Economic Observer
	Among the China High-tech, High-growth Top 50 Enterprises	Deloitte
	Among the Emerging Companies with the greatest Growth Potential	Stars of the Future
	China 3G Innovative SP Content Award	Analysys International Making Better Business Decisions
2005	Comprehensive Music No.1 and China Internet Industry Brand 50 Winner	Internet Society of China
	Deloitte Technology Fast 500 Asia Pacific Winner	Deloitte
	Ranked 6 th in China High-tech, High-growth Top 50 Enterprises	Deloitte

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