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Unless otherwise defined herein, terms used in this announcement shall have the same meanings as those defined in the prospectus dated 28 May 2008 (the "Prospectus") issued by the Company.

A8 Digital Music Holdings Limited **A8電媒音樂控股有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00800)

PARTIAL EXERCISE OF THE OVER-ALLOTMENT OPTION STABILIZING ACTIONS AND END OF THE STABILIZATION PERIOD

Partial exercise of the Over-allotment Option

The Company announces that the Over-allotment Option referred to in the Prospectus was exercised in part by the Lead Manager on 2 July 2008 in respect of 5,760,000 Shares (the "Over-allotment Shares"), representing approximately 6.33% of the Shares initially available under the Share Offer before any exercise of the Over-allotment Option.

The 5,760,000 Over-allotment Shares will be issued and allotted by the Company at HK\$1.90 per Share (excluding brokerage fee of 1%, SFC transaction levy of 0.004% and the Stock Exchange trading fee of 0.005%), being the Offer Price per Share in connection with the Share Offer.

Stabilizing actions and end of the Stabilization Period

The Company announces that the Stabilization Period in connection with the Share Offer ended on 2 July 2008.

The stabilizing actions undertaken during the Stabilization Period were:

- (1) the borrowing of an aggregate of 13,650,000 Shares from Ever Novel pursuant to the Stock Borrowing Agreement solely to cover over-allocations in the Placing;
- (2) the purchase of a total of 7,890,000 Shares in the price range of HK\$1.75 to HK\$1.88 per Share on the market, representing approximately 8.67% of the Shares initially available under the Share Offer before any exercise of Over-allotment Option; and
- (3) the partial exercise of the Over-allotment Option by the Lead Manager on behalf of the Placing Underwriters on 2 July 2008 in respect of 5,760,000 Over-allotment Shares.

Partial exercise of the Over-allotment Option

The Company announces that the Over-allotment Option referred to in the Prospectus was exercised in part by the Lead Manager on 2 July 2008 in respect of 5,760,000 Shares, representing approximately 6.33% of the Shares initially available under the Share Offer before any exercise of the Over-allotment Option.

The 5,760,000 Over-allotment Shares will be issued and allotted by the Company at HK\$1.90 per Share (excluding brokerage fee of 1%, SFC transaction levy of 0.004% and the Stock Exchange trading fee of 0.005%), being the Offer Price per Share in connection with the Share Offer.

The Over-allotment Shares will be used solely to cover over-allocations in the Placing. As shown in the shareholding structure of the Company set out below, immediately before the issue and allotment of the Over-allotment Shares by the Company, approximately 34.84% of the issued share capital of the Company was held by public Shareholders, such shareholding percentage will be increased to approximately 35.68% immediately upon the issue and allotment of the Over-allotment Shares by the Company.

Listing of and permission to deal in the Over-allotment Shares have already been granted by the Listing Committee of the Stock Exchange.

The shareholding structure of the Company immediately before and immediately after the issue and allotment of the Over-allotment Shares by the Company are as follows:

Name	Immediately before the issue and allotment of the Over-allotment Shares		Immediately after the issue and allotment of the Over-allotment Shares	
	Number of Shares	Approximate % of issued share capital	Number of Shares	Approximate % of issued share capital
Controlling Shareholders	238,439,023	54.13%	238,439,023	53.43%
Ms Cui Jing Tao	48,609,756	11.03%	48,609,756	10.89%
Public Shareholders	153,479,221	34.84%	159,239,221	35.68%
Total	<u>440,528,000</u>	<u>100.00%</u>	<u>446,288,000</u>	<u>100.00%</u>

The additional net proceeds to be received by the Company upon issue and allotment of the Over-allotment Shares are estimated to be approximately HK\$10.6 million which will be allocated as to approximately HK\$9.6 million to fund potential acquisitions of mobile music related businesses. The remaining balance of approximately HK\$1.0 million will be used for additional general working capital. Please refer to the section headed “Future plans and use of proceeds” in the Prospectus for further information on the intended use of proceeds.

Stabilizing actions and end of the Stabilization Period

This announcement is made pursuant to the requirement of section 9(2) of the Securities and Futures (Price Stabilizing) Rules under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). The Company announces that the Stabilization Period in connection with the Share Offer ended on 2 July 2008.

The stabilizing actions that have been undertaken by the Lead Manager, as stabilizing manager, during the Stabilization Period were:

- (1) the borrowing of an aggregate of 13,650,000 Shares from Ever Novel pursuant to the Stock Borrowing Agreement solely to cover over-allocations in the Placing;
- (2) the purchase of a total of 7,890,000 Shares in the price range of HK\$1.75 to HK\$1.88 per Share on the market, representing approximately 8.67% of the Shares initially available under the Share Offer before any exercise of Over-allotment Option. The last purchase in the course of stabilizing actions was made on 2 July 2008 at the price of HK\$1.82 per Share; and
- (3) the partial exercise of the Over-allotment Option by the Lead Manager on behalf of the Placing Underwriters on 2 July 2008 in respect of 5,760,000 Over-allotment Shares.

By order of the Board
A8 Digital Music Holdings Limited
Liu Xiaosong
Chairman

Hong Kong, 3 July 2008

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Liu Xiaosong, Ms. Ho Yip, Betty and Mr. Lin Yizhong (alias Lin Hai), two non-executive Directors, namely Mr. Zhong Xiaolin and Mr. Li Wei and three independent non-executive Directors, namely Mr. Hui, Harry Chi, Mr. Song Yong Hua and Mr. Chan Yiu Kwong.