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A8 New Media Group Limited

A8 新媒體集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 800)

SUPPLEMENTARY ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

Reference is made to the annual report for the year ended 31 December 2013 of A8 New Media Group Limited (the “**Company**”, formerly known as A8 Digital Music Holdings Limited) dated 16 April 2014 (the “**Annual Report**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those described in the Annual Report and the prospectus dated 28 February 2013.

The Company wishes to provide additional information to the Annual Report regarding the Rights Issue completed in March 2013:

BASIC INFORMATION OF THE RIGHTS ISSUE

During the year of 2013, the Company completed a rights issue and issued 952,564,752 new shares with par value of HK\$0.01 each at a subscription price of HK\$0.36 each per rights share on the basis of two rights shares for every existing share held on the record date (i.e. 27 February 2013). The total amount which the Company raised from the rights issue was approximately HK\$342,920,000 (before expenses). Further details of the Company’s rights issue are set out in the Company’s circular dated 30 January 2013 and prospectus dated 28 February 2013.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Directors believe that the Rights Issue is in the best interest of the Group and the Shareholders as a whole and it would enable the Group to enlarge the capital base and strengthen the financial position of the Group. The Rights Issue would also enable the Qualifying Shareholders to maintain their respective pro rata shareholding interest in the Group and participate in the future growth of the Group by participating in the Rights Issue.

According to the prospectus dated 28 February 2013, the Company intended to apply the net proceeds from the Rights Issue of i) approximately HK\$85.8 million on the settlement of the Group's loan payables to certain banks; ii) approximately HK\$210 million on the continuing investments in the construction of A8 Building; and iii) the remaining balance of approximately HK\$41.62 million as general working capital to facilitate the Group's development and business.

The Directors believe that the net proceeds had been applied in accordance with the specific uses described in the prospectus. As at 31 December 2013, the Company had applied the net proceeds from the Rights Issue of i) approximately HK\$85.8 million on the settlement of the Group's loan payables to certain banks; ii) approximately HK\$111 million on the continuing investments in the construction of A8 building; and iii) approximately HK\$41.62 million as general working capital to facilitate the Group's development and business.

The Directors expect to apply approximately HK\$99 million on the continuing investments in A8 building in 2014 and thereafter. The net proceeds will be deposited at banks mainly as time deposits before applying to the investments in A8 building.

On behalf of the Board
A8 New Media Group Limited
Chairman & Executive Director
Liu Xiaosong

Hong Kong, 28 July 2014

As at the date of this announcement, the Board of the Company comprises:

- (1) Executive Directors namely Mr. Liu Xiaosong and Mr. Lu Bin; and*
- (2) Independent Non-Executive Directors namely Mr. Chan Yiu Kwong, Ms. Wu Shihong and Mr. Song Ke.*