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**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: 800)**

**TERMINATION OF THE CONNECTED TRANSACTION IN RELATION TO THE  
ACQUISITION OF 8.14% EQUITY INTERESTS IN GUANGZHOU KUGOU,  
GUANGZHOU SILANG AND KUGOU**

The Board announces that on 19 January 2012, after trading hours, the Parties mutually agreed to terminate the Kwaitonglian Share Transfer Agreement in writing with effect from the date thereof.

The Directors are of the view that the Termination does not have any material adverse impact on the financial position and business operation of the Group and that the Termination is in the best interest of the Company and its Shareholders as a whole.

Reference is made to the announcement of the Company dated 24 October 2011 in relation to, among other things, the acquisition of 8.14% equity interests in Guangzhou Kugou, Guangzhou Silang and KuGou by Kwaitonglian, an indirectly controlled subsidiary of the Company (the “**Announcement**”). Terms used in this announcement shall have the same meanings as those defined in the Announcement unless otherwise stated herein.

The Company has been recently informed that, in spite of the joint efforts made by the parties to the Kwaitonglian Share Transfer Agreement (the “**Parties**”) for procuring completion of the Kwaitonglian Acquisition, one of the conditions precedent thereof, being that the shareholders of each of the Target Companies having passed a shareholders’ resolution to approve the relevant share transfer in the Kwaitonglian Acquisition, has not been satisfied.

As a result, on 19 January 2012, after trading hours, the Parties mutually agreed to terminate the Kwaitonglian Share Transfer Agreement in writing with effect from the date thereof (the “**Termination**”). Each of the Parties agreed to fully release and discharge the other from and against any and all claims, demands, obligations, suits, damages, losses, expenses and liabilities of any kind in connection with or relating to the Kwaitonglian Share Transfer Agreement, including without limitation any accrued rights or claims, which such Party may have or have had against the other. The Board considers that the terms of the Termination have been arrived at after arm’s length negotiations among the Parties.

Based on the same reasons set out above in respect of the Termination, the Liu Acquisition was also terminated by the parties to the Liu Share Transfer Agreement at the same time of the Termination.

Notwithstanding the payment schedule set out in the Kwaitonglian Share Transfer Agreement, as it was expected that more time and effort would be required to procure completion of the Kwaitonglian Acquisition, the Parties therefore have agreed to delay payment of the

consideration until completion of the Kwaitonglian Acquisition. As at the time of Termination and the date of this announcement, Kwaitonglian has not paid any of the total consideration for the Kwaitonglian Acquisition.

The Directors are of the view that the Termination does not have any material adverse impact on the financial position and business operation of the Group and that the Termination is in the best interest of the Company and its Shareholders as a whole.

By Order of the Board  
**A8 Digital Music Holdings Limited**  
**Liu Xiaosong**  
*Chairman and Executive Director*

Hong Kong, 19 January 2012

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

- (1) executive Directors namely Mr. Liu Xiaosong and Mr. Lu Bin;*
- (2) non-executive Director namely Mr. Li Wei; and*
- (3) independent non-executive Directors namely Mr. Chan Yiu Kwong, Mr. Zeng Liqing and Mr. Hui, Harry Chi.*