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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)

**COMPLETION OF THE DISCLOSEABLE AND CONNECTED TRANSACTION
PAYMENT OF THE FINAL INSTALLMENT IN RELATION TO THE SECOND DUOMI MUSIC
SHARE SUBSCRIPTION**

References are made to the announcements of the Company dated 17 September 2012 and 10 and 26 October 2012, the circular and the notice of EGM both dated 20 November 2012, the poll results announcement with respect to the EGM dated 11 December 2012, and the completion announcement dated 14 December 2012, all in connection with the Second Duomi Music Share Subscription by Phoenix Success, a wholly-owned subsidiary of the Company (collectively, the “**Documents**”). Terms used in this announcement shall have the same meanings as those defined in the Documents unless otherwise stated herein.

**USER TARGETS ACCOMPLISHMENT RATE AND PAYMENT OF THE FINAL
INSTALLMENT**

According to the written notice dated 4 January 2013 issued by Duomi Music, as the User Targets Accomplishment Rate on 31 December 2012 has reached 128%, pursuant to the terms of the Second Duomi Music Share Subscription Agreement, there will not be any valuation adjustment under the Second Duomi Music Share Subscription Agreement as disclosed in the circular of the Company dated 20 November 2012, and Phoenix Success, Huayi and Hina shall pay the Final Installment (i.e. the remaining 30% of the aggregate subscription price for the subscription of the Duomi Music Preferred Shares by Phoenix Success, Huayi and Hina regarding the Second Duomi Music Share Subscription) in accordance with the terms of the Second Duomi Music Share Subscription Agreement.

In this regard, according to the terms of both the Second Duomi Music Share Subscription Agreement and the Shareholder Agreement, each of Phoenix Success, Huayi and Hina shall pay the Final Installment in the respective amounts of US\$1,800,000 (equivalent to HK\$10,920,000), US\$900,000 (equivalent to HK\$7,020,000) and US\$300,000 (equivalent to HK\$2,340,000) to Duomi Music within ten (10) Business Day after Duomi Music issued the written notice to them on 4 January 2013. As there is no valuation adjustment for the User Targets Accomplishment Rate has achieved 128%, no more Preferred Shares are

to be issued by Duomi Music to Phoenix Success, Huayi and Hina and the shareholding structure of Duomi Music immediately following payment of the Final Installment will be the same as that disclosed in the completion announcement of the Company on 14 December 2012 as follows:

| Shareholders of Duomi Music | Currently (assuming no option under the existing ESOP has been exercised) | | Currently (assuming all options under the existing ESOP have been exercised in full) | | Currently (assuming all the options under the existing ESOP and additional ESOP have been exercised in full) | |
|----------------------------------|--|------------|---|------------|---|------------|
| | Number | % | Number | % | Number | % |
| Phoenix Success | 50,247,228 | 46.38 | 50,247,228 | 40.44 | 50,247,228 | 37.44 |
| Fortune Light | 35,435,640 | 32.71 | 35,435,640 | 28.52 | 35,435,640 | 26.41 |
| Hero Victory Investments Limited | 7,661,760 | 7.07 | 7,661,760 | 6.17 | 7,661,760 | 5.71 |
| Bile Investments Limited | 3,264,694 | 3.01 | 3,264,694 | 2.63 | 3,264,694 | 2.43 |
| Beyond Faith Limited | 2,489,328 | 2.30 | 2,489,328 | 2.00 | 2,489,328 | 1.86 |
| Huayi | 6,933,146 | 6.40 | 6,933,146 | 5.58 | 6,933,146 | 5.17 |
| Hina | 2,311,049 | 2.13 | 2,311,049 | 1.86 | 2,311,049 | 1.72 |
| the existing ESOP | - | - | 15,907,090 | 12.80 | 15,907,090 | 11.85 |
| The additional ESOP | - | - | - | - | 9,939,995 | 7.41 |
| Total | 108,342,845 | 100 | 124,249,935 | 100 | 134,189,930 | 100 |

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

Hong Kong, 16 January 2013

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, Mr. Zeng Liqing and Ms. Wu Shihong.*